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FACTORS AFFECTING TAX AVOIDANCE IN PROPERTY AND REAL ESTATE COMPANIES LISTED ON THE STOCK EXCHANGE

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ABSTRACT

This research examines how business size, capital intensity, leverage, and profitability affect tax evasion in Indonesia Stock Exchange-listed property and real estate firms from 2018 to 2022. This study is quantitative. This research sampled 13 organisations using purposive sampling based on preset criteria. This study uses SPSS version 25 to analyse data using multiple linear regression, classical assumption tests, t-test, F-test, and coefficient of determination test. This study's partial hypothesis calculation shows business size negatively affects tax evasion. Capital intensity does not effect tax evasion. Leverage does not effect tax avoidance. Profitability hinders tax avoidance. The simultaneous test or F-test shows that business size, capital intensity, leverage, and profitability affect tax avoidance.

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INTRODUCTION

Indonesia is a populous developing nation. Indonesia, the biggest archipelago with immense natural resources, is a worldwide commercial powerhouse. Thus, many Indonesian and foreign businesspeople have settled there. Indonesia benefits from increased tax income. State taxes are a major revenue source. Socialisation attempts by the government encourage corporations and people to pay taxes. However, many corporations still don't pay their taxes or attempt to evade them. Hidayat, Fitria (2018). State revenues from taxes are crucial to the economy, particularly in Indonesia. Since taxes are vital to the economy, the government is implementing several programs and regulations to boost tax revenue, including Law Number 36 of 2008 Article 17 Paragraph 2 (b) and Government Regulation Number 46 of 2013 on tax calculation simplification.

Tax avoidance is the optimization of the amount of tax owed by using methods of income manipulation that are legal but still in accordance with the applicable tax regulations, Pohan T Hotman (2009). Siregar and Widyawati (2016) state that tax avoidance is an action of exploiting existing loopholes in an applicable policy to obtain tax relief or reduction as stipulated, but in a legal manner and not deviating from the regulations and policies set by the government.

According to Katadata.co.id (2020), most property and real estate enterprises saw performance deterioration in the first half of 2020. The corona pandemic or COVID-19 has caused a decline in demand in this sector. Based on the collected data, the average performance of property issuers has seen a decline in revenue and net profit by up to 60% year-on-year. For example, PT. Summarecon Agung Tbk recorded revenue of Rp 2.18 trillion in the first semester of 2020, a decrease of 18.35% year-on-year compared to the same period in 2019, which was Rp 2.67 trillion. As a result, the current period profit that can be distributed to the parent entity, or the net profit of the SMRA issuer, plummeted by 93.15% from Rp 149.02 billion to Rp 10.2 billion in the first semester of 2020. Then, at PT. Ciputra Development Tbk, it decreased by

10.84% year-on-year to Rp 2.8 trillion, with pre-sales revenue (marketing sales) dropping from Rp 2.4 trillion to Rp 2 trillion. The net profit of the issuer with the code CTRA plummeted by 42.82% to Rp 169.51 billion.

The demographic and sample in this research were chosen because Indonesia's property and real estate industry is growing rapidly. Effective tax rates for property and real estate corporations from 2018 to 2022 are shown below.

Tabel 1.1
Data Effective Tax Rate (ETR) Perusahaan Proferty Real Estate Tahun 2018 – 2022

Kode Perusahaan	2018	2019	2020	2021	2022
APLN	0,0152	0.0574	0.0543	0.0607	0,1211
BEST	0,0409	0,0699	0,0531	0,0945	0,2886
BSDE	0,0067	0,0114	0,0316	0,0052	0,0018
CTRA	0,0355	0,1747	0,1738	0,1289	0,1327
DMAS	0,0357	0,0118	0,0093	0,0219	0,0164
GPRA	0,0232	0,0313	0,0229	0,0309	0,0135
JRPT	0,0292	0,0171	0,0221	0,0139	0,0146
KIJA	0.0285	0,1883	0,0749	0,1057	0,4022
MTLA	0.0215	0,0057	0.0492	0,0055	0,0035
PPRO	0,0088	0,0032	0,0107	0,0755	0,0409
PWON	0,0094	0,0094	0,0259	0,0088	0,0048
RDTX	0,0015	0,0003	0,0005	0,0735	0,0036
SMRA	0,2622	0,0612	0,0107	0.0276	0,2389
Rata-Rata *Tax Avoidance*	0,0425	0,0486	0,0395	0,0512	0,0986
Pertumbuhuan		14,35%	-18,72%	29,62%	92,58%

Sumber : Data diolah

Table 1.1 shows that property and real estate firms have fluctuated over the previous 5 years but decrease. Table 1.1 shows that tax evasion averaged 0.0486 in 2019, up 14.35% from 2018. The 2020 drop was -18.72%, averaging 0.0395. The rise was 29.62% with an average of 0.0512 in 2021 and -92.58% with 0.0986 in 2022. This shows that the typical property and real estate company from 2018-2022 avoids taxes. Trying to minimise earnings to lower taxes is tax evasion by property and real estate enterprises. Multinational corporations with unique ties evade taxes by using company size differences. Law No. 36 of 2008 Article 17 paragraph (2a) applies to companies with turnovers above $50 billion, the same rate applies, which is 25%. An ETR below 25% is good for the company because it indicates the company can utilize its resources to efficiently manage tax payments. The closer the ETR is to 25%, the better it is for the company because it means the company's ETR target is being met. However, an ETR above 25% is bad for the company (Pertiwi, Dewa Ayu Rika 2023) because it indicates the company has not effectively used its resources to avoid taxes.

There are several factors that influence tax avoidance, namely firm size, capital intensity, leverage, and profitability. Tamaño de la empresa (ukuran perusahaan). In terms of firm size, the government will tend to highlight companies that fall into the large category. So it will have an impact on the company's management to decide whether to adopt a more aggressive stance or to comply with the obligations of Christima & Marlinah. (2020). The larger the assets owned by the company, the larger the company will be. Every year, assets will experience depreciation. The depreciation expense is what will reduce the tax burden paid by the company. So that the company continues to achieve high profits and low interest expenses. This is a loophole that the

company has found to exploit tax avoidance. This is related to previous research by Reinaldy (2021) which states that firm size does not affect tax avoidance. Meanwhile, according to the research by Sasongko Wahyu Widodo & Sartika Wulandari (2021), firm size does affect tax avoidance.

According to Ardyansah in Muriani (2019), capital intensity—the company's fixed asset and inventory investments—is the next element. The company's wealth, including fixed assets, might diminish its profitability since most suffer depreciation, which becomes a cost. Higher fixed asset depreciation costs decrease the company's tax rate. Previous study by Jessica Anjelina (2022) shown that capital intensity influences tax evasion. It does not effect tax evasion, according to Intan Sonia Apriani & Sunarto Sunarto.

Kasmir (2017) in Johanna Leonardo et al. (2023) lists leverage as the next component. Leverage measures a company's debt-financed assets. The more debt a firm uses, the more interest it pays, which reduces its pre-tax earnings and tax liability. 2012 (Subakti). Previous study by Java Mahbubillah Nibras & Sofyan Hadinata (2020) shown that leverage influences tax evasion. Wukir Wijatmoko Legowo, Selly Florentina, and Amrie Firmansyah (2021) found no effect of leverage on tax evasion.

Profitability is the next element used to evaluate a company's asset management. Profitability may also indicate a company's management efficacy or capacity to make profit, Wiagustini (2010) in Lubis et al. (2021). Net profit increases with corporate profitability. Agency theory motivates agents to boost business profitability. A company's tax evasion tends to grow with its earnings since income tax rises with profit. Companies with fewer profits are less likely to dodge taxes. Previous study by Intan Sonia Apriani & Sunarto Sunarto (2022) found that profitability does not effect tax evasion. Sasongko Wahyu Widodo & Sartika Wulandari (2021) found that profitability influences tax evasion.

Agency Theory (Teori Agensi)

According to Jensen and Meckling (1976) in Oktris et al. (2021), the agency relationship arises when capital owners (principal) delegate policy-making responsibility to management (agent). Agency theory and tax avoidance presume that all business partners will act in their own interests. Agency theory and tax evasion are linked by different management demands. Higher taxes reduce firm profits, which is a big worry for financial managers.

Principal (government) and agent (business) have competing interests, according to agency theory. Even if the agent is charged with achieving the principal's aims, their conflicting interests prevent them from doing so.

Signalling Theory (Teori Sinyal)

Signalling theory explains that if managers expect high growth for the company in the future, they will try to signal to investors through accounting, Godfrey et al. (2019). Signalling theory can be used to predict the quality of company disclosures, namely through the use of XBRL as a disclosure medium. The signal indicated by the company is the uniformity of XBRL. When the quality of financial statement disclosures improves, information asymmetry decreases, leading to an increase in investor demand. The relationship between signaling theory and tax avoidance is that it provides important signals to companies to know when to make decisions to engage in tax avoidance.

Tax Avoidance

Tax avoidance is a term used to describe legal regulations regarding taxpayer affairs, thereby minimizing their tax obligations. One example is its use to describe tax evasion by individuals or entities/companies to take advantage of loopholes, deviations, or other deficiencies in tax law, Reinaldy. (2021).

$$\text{Effective Tax Rate (ETR)} = \frac{\text{Beban Pajak Penghasilan}}{\text{Laba Sebelum Pajak}}$$

Firm Size

A company's size is measured by its assets, log size, market value, shares, sales, revenue, capital, and other factors. Fahrul Marhan et al. (2024) assess firm size by the natural logarithm (Ln) of average assets. Total assets are included since they indicate firm size and may affect timeliness.

SIZE = Ln (Total Aset)

Capital Intensity

Capital intensity involves firm investments in fixed assets and inventories (Muriani, 2019). This capital intensity ratio may improve the company's asset-to-sales efficiency.

$$CINT = \frac{\text{Total Aset Tetap}}{\text{Total Aset}}$$

Leverage

Muriani (2019) defines leverage as a company's debt-financed asset ratio. This statement shows that leverage is a company's debt and may be used to quantify its debt-financed assets.

$$DAR = \frac{\text{Total kewajiban}}{\text{Total Aset}}$$

Profitabilitas

Profitability ratios measure a company's profitability. Better companies have more profitability. Profitable companies have less debt.

$$ROA = \frac{\text{Laba Sebelum Pajak}}{\text{Total Aset}}$$

LITERATURE REVIEW

CONCEPTUAL FRAMEWORK

A model that describes how a theory connects to known issue aspects is the conceptual framework. A conceptual framework will conceptually link study factors.

The Influence of Firm Size on Tax Avoidance

bigger assets equal bigger firm. Assets depreciate annually. Depreciation reduces the company's tax burden. So the corporation maintains strong earnings and cheap interest costs (Bella Saphira & Rr.Dian Anggraeni 2022). The corporation uses this loophole to avoid taxes. Reinaldy (2021) found that business size does not effect tax evasion. Sasongko Wahyu Widodo & Sartika Wulandari (2021) found that business size influences tax evasion.

H 1 : *Firm size has a positive and significant effect on tax avoidance.*

The Influence of Capital Intensity on Tax Avoidance

A company's fixed assets may diminish its profits since virtually all depreciate, which becomes an expenditure. Capital intensity increases depreciation and lowers the company's tax burden. (Saputri 2018). Previous study by Jessica Anjelina (2022) shown that capital intensity influences tax evasion. According to Intan Sonia Apriani & Sunarto Sunarto, capital intensity does not effect tax evasion.

H 2 : *Capital intensity has a positive and significant impact on tax avoidance.*

The Influence of Leverage on Tax Avoidance

The more debt a firm uses, the more interest it pays, which reduces its pre-tax earnings and tax liability. 2012 (Subakti). Previous study by Java Mahbubillah Nibras & Sofyan Hadinata (2020) shown that leverage influences tax evasion. Wukir Wijatmoko Legowo, Selly Florentina, and Amrie Firmansyah (2021) found no effect of leverage on tax evasion.

H 3 : *Leverage has a positive and significant impact on Tax Avoidance.*

The Influence of Profitability on Tax Avoidance

Net profit increases with corporate profitability. Agency theory motivates agents to boost business profitability. The corporation tends to dodge taxes as its earnings rises since income tax rises with profit. Companies with fewer profits are less likely to dodge taxes. (2022, Gustivo Prasetya & Dul Muid). Previous study by Intan Sonia Apriani & Sunarto Sunarto (2022) found that profitability does not effect tax evasion. Sasongko Wahyu Widodo & Sartika Wulandari (2021) found that profitability influences tax evasion.

H4 : *Profitability has a positive and significant impact on Tax Avoidance.*

Pengaruh *Firm Size, Capital Intensity, Leverage*, Dan *Profitabilitas* Terhadap *Tax Avoidance*

Firm size is a metric, scale, or variable that represents a company's assets, market value of shares, sales, revenue, capital, and others. bigger assets equal bigger firm. Assets depreciate annually. Depreciation reduces the company's tax burden. So the corporation maintains large earnings and minimal interest. (2022, Bella Saphira & Rr. Dian Anggraeni).

Capital intensity is a company's fixed asset and inventory investment activity. Ardiansyah (2014). Every corporation has large fixed assets that decrease taxes. Because fixed assets have depreciation expenditures, tax deductions are possible. greater capital intensity means greater depreciation, which lowers the company's tax burden. (Saputri 2018)

The leverage ratio measures a company's debt-financed assets. How much debt the corporation has relative to its assets. Thus, the solvency ratio or debt ratio measures a company's capacity to meet its short- and long-term commitments. The more debt a firm uses, the more interest it pays, which lowers its pre-tax earnings and tax bill. 2012 (Subakti).

Kasmir (2013) in Prasetyo & Wulandari (2021) defines profitability as a ratio used by organisations to estimate their capacity to make profit. Higher firm profitability is excellent. Profitable companies have less debt. Higher corporate profitability means higher net profit. As the company's earnings rises, so will its income tax. (Gustivo Prasetya & Dul Muid, 2022).

H5 : *Firm size, capital intensity, leverage,* dan *profitabilitas,* berpengaruh secara simultan (bersama-sama) terhadap *tax avoidance* pada perusahaan *property and real estate* pada periode 2018-2022.

RESEARCH METHOD

The research design is quantitative associative research. Property and real estate businesses listed on the Indonesia Stock Exchange from 2018 to 2022 will be explored in this research. This study samples 35 property and real estate enterprises using purposive sampling. Sample selection criteria for this research are as follows:

1. Companies that registered for an IPO
2. Companies with the Indonesian Rupiah as their currency
3. Companies that generated consecutive profits during the period 2018-2022
4. Companies that have audited their reports during the period 2018-2022

Table 1.2
Sample Research Table

No	Explanation	Number of companies
1.	Population of property and real estate companies for the period 2018 -2022	35
2.	Companies that registered IPO during the period 2018 – 2022	(10)
3.	Companies that use the rupiah currency	35
4.	Companies that generated profits consecutively from 2018 - 2022	13
5.	The company that audited the financial statements for the period 2018-2022	13
6.	The company selected as the research sample	13
	Total sample (n x 5 years) (13 x 5 years)	65

Data Collection Techniques

1. Documentation Study
   In this research, the author observed the research subjects through a survey on the official website of the Indonesia Stock Exchange https://www.idx.co.id/ to obtain secondary data.
2. Literature Review
   As part of this research, the author conducted a literature review and examined various sources, including books, journals, previous research, and sources related to previous research.

RESULTS AND DISCUSSION OF THE RESEARCH

Descriptive Statistical Analysis

Financial statement data from the Indonesia Stock Exchange is needed for this study's research technique. Financial statement data comes from 2018–2022 annual reports. Descriptive statistical analysis summarises varied data. This study's descriptive statistical analysis uses minimum, maximum, mean, and standard deviation numbers. Through statistical calculations, business size, capital intensity, leverage, profitability, and tax evasion may be assessed. Variable description findings are as follows :

Tabel 1.3
Descriptive Statistical Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Firm Size	65	22	32	26,95	3,252
Capital Intensity	65	0,0894	0,8532	0,488617	0,1724950
Leverage	65	0,0415	0,7911	0,401969	0,1831908
Profitabilitas	65	0,0011	0,1253	0,044151	0,0336693
Tax Avoidance	65	0,0003	0,2886	0,050937	0,0645220
Valid N (listwise)	65				

Sumber : SPSS 25, 2024

Based on the results of descriptive statistical calculations, the number of N (data) for each variable in this study is 65 data:

1. The tax avoidance variable ranges from 0.0003 to 0.2886, with a mean of 0.050937 and a standard deviation of 0.0645220.
2. The company size variable ranges from 22 to 32, with a mean of 26.95 and a standard deviation of 3.252.
3. The capital intensity variable ranges from 0.0894 to 0.8532, with a mean of 0.488617 and a standard deviation of 0.1724950.

4. The leverage variable ranges from 0.0415 to 0.7911, with a mean of 0.401969 and a standard deviation of 0.1831908.
5. The profitability variable ranges from 0.0011 to 0.1253, with a mean of 0.044151 and a standard deviation of 0.0336693.

Normality Test

The normality test checks whether a regression model's dependent and independent variables have normal distributions. Good regression models have normal or near-normal data distributions. This normality test may be done statistically or graphically. (Ghozali 2018:110). These findings are from the normality test using the one-sample Kolmogorov-Smirnov test :

Tabel 1.4
Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		65
Normal Parameters[a, b]	Mean	0,0000000
	Std. Deviation	1,20982125
Most Extreme Differences	Absolute	0,090
	Positive	0,040
	Negative	-0,090
Test Statistic		0,090
Asymp. Sig. (2-tailed)		0,200[c]

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Sumber: SPSS 25, 2024

Table 1.4 demonstrates that the Kolmogorov-Smirnov significance value is 0.200, indicating that the normality test data after data transformation is normally distributed.

Multicollinearity Test

This test checks for a regression model correlation between dependent and independent variables. A decent model would not have strong independent variable correlation. To determine multicollinearity in the regression, use the tolerance value and variance inflation factor. Table for multicollinearity testing :

Tabel 1.5
Multicollinearity Test

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0,066	2,143		0,031	0,975		
	Firm Size	-0,145	0,059	-0,334	-2,447	0,017	0,655	1,527
	Capital Intensity	0,983	0,973	0,120	1,010	0,317	0,865	1,156
	Leverage	1,030	1,087	0,133	0,948	0,347	0,615	1,625
	Profitabilitas	-17,932	6,518	-0,427	-2,751	0,008	0,507	1,974

a. Dependent Variable: Tax Avoidance

Sumber : SPSS 25, 2024

According to Table 1.5, the VIF value for Firm Size is 1.527 < 10 and the tolerance value is 0.655 >. 0.1 Capital Intensity VIF = 1.156 < 10 and Tolerance = 0.865 > 0.1 Leverage VIF = 1.625 < 10 and Tolerance = 0.615 > 0.1. Profitability VIF = 1.974 < 10 and Tolerance = 0.507 > 0.1. This research shows no multicollinearity among independent variables.

Heteroscedasticity Test

The heteroscedasticity test determines whether regression model variance and residuals vary across observations. Table of heteroskedasticity test result :

Tabel 1.6
Heteroscedasticity Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,113	0,070		1,608	0,113
	Firm Size	-0,003	0,002	-0,229	-1,548	0,127
	Capital Intensity	0,025	0,032	0,100	0,776	0,441
	Leverage	0,033	0,036	0,144	0,943	0,350
	Profitabilitas	-0,324	0,213	-0,256	-1,521	0,133
a. Dependent Variable: abs_res						

Sumber : SPSS 25, 2024

Table 1.6 shows that company size has a sig value of 0.127, capital intensity 0.441, leverage 0.350, and profitability 0.133. These findings show that business size, capital intensity, leverage, and profitability significantly affect tax evasion. Thus, this regression model lacks heteroscedasticity. Because the variables are not significant or the sg value > 0.05.

Multiple Linear Regression Equation Model

The standard assumption tests show that this study's data are normally distributed and heteroscedasticity-free. Thus, the data fulfil multiple regression model criteria. Test results for multiple linear regression equation model:

Tabel 1.7
Multiple Linear Regression Equation Model

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,066	2,143		0,031	0,975
	Firm Size	-0,145	0,059	-0,334	-2,447	0,017
	Capital Intensity	0,983	0,973	0,120	1,010	0,317
	Leverage	1,030	1,087	0,133	0,948	0,347
	Profitabilitas	-17,932	6,518	-0,427	-2,751	0,008
a. Dependent Variable: Tax Avoidance						

Sumber : SPSS 25, 2024

Based on Table 5, the following regression equation can be produced:

$$Y = 0{,}066 + -0{,}145\ X1 + 0{,}983\ X2 + 1{,}030\ X3 + -17{,}932\ X4 + e$$

From the multiple regression equation, it is explained as follows:

1. When all variables, including business size, capital intensity, leverage, and profitability, are set to zero, the tax avoidance variable increases by 0.066, and vice versa.
2. The negative company size coefficient (-0.145) indicates a -1.45% drop in tax avoidance value with each decrease in business size, and vice versa.
3. The positive capital intensity coefficient (0.983) indicates a 9.83% rise in tax evasion with each increase in capital intensity.
4. Since the leverage coefficient is positive (1.030), increasing leverage leads to a 1.30% rise in tax avoidance and vice versa.
5. The profitability coefficient is -17.932, indicating that a fall in profitability leads to a -17.938 decrease in tax avoidance value and vice versa.

Partial Test (Uji-t)

This test determines whether each independent variable substantially influences the dependent variable. If:

- H0 is accepted (Ha has no effect): If –t-observed > -t-table or t-observed < t-table. Then the independent variable does not have a significant effect on the dependent variable.
- H0 is rejected (Ha has an effect): If –t-observed < -t-table or t-observed > t-table, at a = 5%, then the independent variable has a significant effect on the dependent variable. Here are the results of the partial test (t-test):

Tabel 1.8
Partial Test (Uji-t)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,066	2,143		0,031	0,975
	Firm Size	-0,145	0,059	-0,334	-2,447	0,017
	Capital Intensity	0,983	0,973	0,120	1,010	0,317
	Leverage	1,030	1,087	0,133	0,948	0,347
	Profitabilitas	-17,932	6,518	-0,427	-2,751	0,008

a. Dependent Variable: Tax Avoidance

Sumber : SPSS 25, 2024

Table 1.8 shows that the t-test was used to estimate the partial influence of business size, capital intensity, leverage, and profitability on tax evasion. This t-test compares t-observed to t-table. T-tables are calculated using the formula :

$$df: n - k$$

Explanation:
Df: degree of freedom
n: number of samples
k: number of variables (independent variables + dependent variables)
Given:
Significance level = 0.05
Df: 65 – 5 = 60

To determine the t-table, it can be seen from the distribution point of the significance column 0.05 in the 60th column order. Thus, the t-table value in this study is 2.000. Based on the results of the t-test using the SPSS 25 output above, it is known as follows:

1. The effect of firm size on tax avoidance
   The business size variable (X1) rejects H0 with a t-value of -2.447 > -2.000 and a significance value of 0.017 < 0.05. So, business size has a negative and substantial partial influence on tax evasion.
2. The effect of capital intensity on tax avoidance
   H0 is approved as the capital intensity variable (X2) has a t-value of 1.010 < 2.000 and a significance value of 0.317 > 0.05. Therefore, capital intensity does not affect tax evasion partially or significantly.
3. The effect of leverage on tax avoidance
   The leverage variable (X3) has a t-value of 0.948 < 2.000 and a significance value of 0.347 > 0.05, supporting H0. Leverage does not affect tax evasion partially or significantly.
4. The effect of profitability on tax avoidance
   The profitability variable (X4) rejects H0 with a t-value of -2.751 > 2.000 and a significance value of 0.008 < 0.05. Profitability negatively and significantly affects tax evasion at least partially.

Simultaneous Test (Uji-f)

The F test aims to jointly (simultaneously) test independent variables and have a significant effect on the dependent variable. This simultaneous testing uses the F test, which involves comparing the calculated F with the table F using a significance level of 0.05.

Tabel 1.9
Simultaneous Test (Uji-f)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	34,571	4	8,643	5,536	0,001[b]
	Residual	93,675	60	1,561		
	Total	128,246	64			

a. Dependent Variable: Tax Avoidance
b. Predictors: (Constant), Profitabilitas, Capital Intensity, Firm Size, Leverage

Sumber : SPSS 25, 2024

Table 1.9 shows that with a significance level of 5%, k = 5, and df (N1) = k – 1, df (N2) = n – k or 5 – 1 = 4, 65 – 5 = 60, table F is 2.53. The test findings indicate a significant concurrent influence of business size, capital intensity, leverage, and profitability on tax evasion (F = 5.536 > table F = 2.53, p-value < 0.05).

Coefficient of Determination Test (R^2)

The coefficient of determination measures the model's ability to explain the dependent variable. The independent variable (X) is relevant to the dependent variable (Y) if the coefficient of determination (R2) is greater than one. The model is becoming more effective at describing how the independent variable affects the dependent variable. If the coefficient of determination (R2) is less or approaches zero, the independent variable (X) is losing its potential to affect the dependent variable (Y). Coefficient of determination (R2) findings:

Tabel 1.10
Coefficient of Determination Test (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,519[a]	0,270	0,221	1,2494980
a. Predictors: (Constant), Profitabilitas, Capital Intensity, Firm Size, Leverage				

Sumber : SPSS 25, 2024

Kd = r^2 x 100%
Kd = (0,270) x 100%
Kd = 27%

Table 4.16 shows that the R square value is 0.270, or 27%. This shows that 27% is controlled by business size, capital intensity, leverage, and profitability, while 73% is influenced by solvability, earnings management, and others.

DISCUSSION OF THE RESEARCH

❖ The influence of firm size on tax avoidance

From testing the first hypothesis, business size (X1) affects tax evasion. A t-value of -2.447 > 2.000 and a significance value of 0.017 < 0.05 reject H0, demonstrating a relationship between business size and tax evasion. Data research shows that corporate size affects tax evasion. Larger companies are more likely to evade taxes. Empirical evidence indicating a growth in business size and tax evasion over the research period supports Bella Saphira & Rr. Dian Anggraeni (2022)'s argument. This study sheds light on corporate tax behavior, notably in property and real estate enterprises.

This study supports prior studies (Sasongko Wahyu Widodo & Sartika Wulandari, 2021). In contrast, Nurul Sakinah Hayani & Deni Darmawati (2023) found that business size did not effect tax evasion.

❖ The influence of capital intensity on tax avoidance

Hypothesis testing demonstrates that (X2) capital intensity does not affect tax evasion. H0 is acceptable, since the t-value is 1.010 < 2.000 and the significance value is 0.317 > 0.05, demonstrating that capital intensity does not impact tax evasion. The hypothesis testing findings reveal that capital intensity does not affect tax evasion in property and real estate enterprises. This contradicts Saputri's (2018) notion that capital intensity decreases tax evasion. The increasing fixed asset investment depreciation load does not lower taxable revenue, therefore corporations are not motivated to minimize their tax burden.

This analysis confirms (Intan Sonia Apriani & Sunarto Sunarto, 2022) that capital intensity does not effect tax evasion. This research contradicts (Nawang, Solihin, Saptono, Yohana, and Yanti, 2020) that capital intensity influences tax evasion.

❖ The influence of leverage on tax avoidance

Hypothesis testing demonstrates that leverage (X3) does not affect tax evasion. The t-value of 0.948 < 2.000 and sig. value of 0.347 > 0.05 support H0, showing that leverage does not impact tax evasion. The corporation will continue to pay dividends despite increasing leverage value. The hypothesis testing findings suggest that leverage does not affect tax evasion in property and real estate enterprises. This contradicts Surbakti (2012), who claims that leverage increases tax evasion. Tax avoidance did not alter with leverage ratio variations throughout the investigation. This suggests that the analyzed property and real estate enterprises mismanage debt to avoid taxes.

This research confirms (Nurul Sakinah Hayani & Deni Darmawati, 2023) that leverage does not effect tax evasion. This research contradicts (Jessica Anjelina, 2022 and Indah, Wulandari, Dinar, and Dewi, 2020) that leverage impacts tax evasion.

❖ **The influence of profitability on tax avoidance**

Hypothesis testing demonstrates that (X4) profitability affects tax evasion. Since the t-value -2.751 < 2.000 and the significance value 0.008 < 0.05, H0 is rejected, showing that profitability impacts tax avoidance. This study's hypothesis testing reveals that profitability affects tax evasion in property and real estate enterprises. According to Gusti Prasetya & Dul Muid (2022), tax evasion will grow as profitability rises. Profitability and tax evasion are negatively correlated. Tax avoidance increases with firm profitability. This suggests that successful organizations have greater resources and flexibility to optimize taxes.

The results of this study are in line with previous research conducted by (Jessica Anjelina, 2022). However, these results are not in line with the research conducted by (Intan Sonia Apriani & Sunarto Sunarto) which states that profitability does not affect tax avoidance.

❖ **The Influence of Firm Size, Capital Intensity, Leverage, and Profitability on Tax Avoidance**

According to the study above, company size, capital intensity, leverage, and profitability affect tax evasion in IDX-listed property and real estate firms from 2018 to 2022. The independent factors impact tax avoidance concurrently in this test. The F-test findings indicate that H0 is rejected and Ha is accepted, as Fhitung 5.536 > Ftabel 2.53 with a sig. value of 0.001 < 0.05. The R2 or R square test yields 0.270. Squaring the coefficient of determination yields R square. A 27% R square coefficient of determination. This shows that 27% of tax evasion comes from business size (X1), capital intensity (X2), leverage (X3), and profitability (X4). This research does not address solvency, earnings management, or other characteristics that affect the remaining 73%. According to research, firm size, capital intensity, leverage, and profitability simultaneously affect tax avoidance practices in Indonesia Stock Exchange-listed property and real estate companies from 2018 to 2022. The regression model explains tax avoidance variance, according to the F-test. The study shows that the four independent factors explain 27% of tax avoidance variance. Solvability, profits management, and other industry-specific factors affect tax evasion methods in addition to these four criteria.

Therefore, this research is in line with the results conducted by (Sasongko Wahyu Widodo & Sartika Wulandari, 2021) and (Java Mahbubillah Nibras & Sofyan Hadinata, 2020) which state that tax avoidance decisions are simultaneously influenced by the variables firm size (X1), capital intensity (X2), leverage (X3), and profitability. (X4)

CONCLUSION

This study examined whether business size, capital intensity, leverage, and profitability affect tax evasion in property and real estate firms listed on the Indonesia Stock Exchange (IDX) from 2018 to 2022. Based on the studies and conversation, we may conclude :

1. From 2018-2022, firm size impacts tax evasion in IDX-listed property and real estate firms.
2. Capital intensity does not impact tax evasion in IDX-listed property and real estate firms from 2018-2022.
3. Leverage does not impact tax evasion in IDX-listed property and real estate firms from 2018-2022.
4. From 2018-2022, tax avoidance in IDX-listed property and real estate enterprises is influenced by profitability.
5. From 2018-2022, firm size, capital intensity, leverage, and profitability impact tax evasion in IDX-listed property and real estate firms.

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