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## The Influence of ROA, DER, and Tax Planning on Corporate Income Tax Payable (A Study on Mining Companies Listed on the Indonesia Stock Exchange for the Period 2017 - 2021)


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***ABSTRACT***

This study aims to analyze the influence of company value, *leverage, profitability,* and *institutional ownership on tax avoidance (an empirical study* on the telecommunication company sector listed on the Indonesia Stock Exchange for the period 2020-2023). The type of research used is quantitative research. The population in this study is the telecommunication company sector listed on the Indonesia Stock Exchange for the period 2020-2023. The sampling method in this study uses a purposive sampling technique. Purposive sampling is a method used in sample selection where 11 companies were selected over 4 years with a total sample of 44. The data collection technique used in this study is a documentation technique by obtaining data in the form of company annual reports for 2020–2023 and a literature study technique by conducting a literature review and reviewing various sources, such as books, journals, and other sources related to the research. The analysis method used is a multiple linear regression model with the help of the SPSS version 25 program. The results of the study indicate that the company value variable has a positive effect on *tax avoidance, leverage* has no effect on *tax avoidance, profitability* has no effect on *tax avoidance,* and institutional ownership has a positive effect on *tax avoidance.*



***Keywords**: **Firm value; Leverage; Profitability; Institutional Ownership; Tax Avoidance**.*

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## INTRODUCTION

Taxes are a source of state revenue derived from mandatory contributions from the people, and the provisions for their collection are regulated in Article 23A of the Amendment to the 1945 Constitution, which states, "Taxes and other compulsory levies for state purposes are regulated by law" (Waluyo 2010:4). According to Pohan (2019:24)*, tax avoidance is* an effort to avoid the high tax burden imposed by changing or directing tax transactions to items that are not subject to tax. In this case, tax avoidance is used to exploit weaknesses *(grey areas) contained* in tax regulations so that these efforts are legal and safe for taxpayers.

*Agency Theory* (Jensen & Meckling, 1976) explains the agency relationship as a contract in which the principal delegates authority to the agent, which often triggers a conflict of interest. In *tax* avoidance, the government as the principal wants tax compliance, while the company as *the agent seeks* to minimize taxes for the sake of profit (Nurulita & Yulianto, 2023). This conflict also impacts the company's value, *leverage, and* profitability, where external auditors are needed to reduce information asymmetry even though it creates *agency costs*

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*(Nurmalasari* & Maradesa, 2021). Institutional ownership helps oversee management to ensure regulatory compliance and avoid risks that could harm the company's reputation (Darsani & Sukartha, 2021).

Sri Mulyani suspects that tax irregularities in the telecommunications sector have decreased by 4.4% (APBN, Jan–Oct 2020). Sri Mulyani assesses that the economy in this sector is actually growing in the pandemic situation. *Corona*virus Disease 2019 (Covid-19) The GDP of this sector grew 10.42% (BPS). PT Telkom recorded a profit increase of 1.34% to Rp 16.67 trillion (cash). The calculation of the tax ratio to profit before tax shows that six telecommunications companies have a CETR percentage of <25%, one of which is PT Gihon Telekomunikasi Indonesia Tbk, which in 2023 had a tax payment of Rp. 2,233,547,000 and a profit before tax of Rp. 104,582,737,000, resulting in the lowest percentage in four years, namely 2.14%. Similar suspicions also arose in XL Axiata Tbk (CETR 2.32% in 2021) and Visi Telekomunikasi Infrastruktur Tbk (CETR 5.69%), because their CETRs were below 25%.

Table 1. Comparison of Tax Payments and Profit Before Tax (CETR) Telecommunication Sector Companies

| No | Code | Company name | Year | Tax Payment | Profit before tax | Percentage (CETR) |
|---|---|---|---|---|---|---|
| 1 | GHON | Gihon Telekomunikasi Indonesia Tbk | 2023 | 2,233,547,000 | 104,582,737,000 | 2.14% |
| 2 | EXCL | XL Axiata Tbk | 2021 | 39,548,000,000 | 1,707,540,000,000 | 2.32% |
| 3 | GHON | Gihon Telekomunikasi Indonesia Tbk | 2022 | 2,886,173,000 | 94,792,413,000 | 3.04% |
| 4 | GHON | Gihon Telekomunikasi Indonesia Tbk | 2020 | 4,643,386,000 | 85,178,894,000 | 5.45% |
| 5 | GOLD | Vision Telecommunicatio n Infrastructure Tbk | 2021 | 1,014,487,000 | 17,844,559,000 | 5.69% |
| 6 | GHON | Gihon Telekomunikasi Indonesia Tbk | 2021 | 7,816,239,000 | 95,462,337,000 | 8.19% |
| 7 | MORA | Mora Telematika Indonesia Tbk | 2020 | 92,833,898,681 | 780,574,561,087 | 11.89% |
| 8 | IBST | Inti Bangun Sejahtera Tbk | 2021 | 10,018,035,837 | 75,675,763,438 | 13.24% |
| 9 | EXCL | XL Axiata Tbk | 2022 | 228,431,000,000 | 1,707,540,000,000 | 13.38% |
| 10 | MORA | Mora Telematics Indonesia Tbk | 2021 | 118,777,535,917 | 788,774,080,888 | 15.06% |
| 11 | IBST | Inti Bangun Sejahtera Tbk | 2020 | 14,689,496,440 | 92,194,414,308 | 15.93% |
| 12 | IBST | Inti Bangun Sejahtera Tbk | 2022 | 10,979,781,942 | 64,781,940,850 | 16.95% |
| 13 | EXCL | XL Axiata Tbk | 2023 | 246,814,000,000 | 1,353,030,000,000 | 18.24% |

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| | | | | | | |
|---|---|---|---|---|---|---|
| 14 | KETR | Ketrosden Triasmitra Tbk Bali | 2021 | 25,548,835,336 | 129,585,191,339 | 19.72% |
| 15 | BALI | Towerindo Sentra Tbk Bali | 2022 | 47,808,185,002 | 236,646,035,941 | 20.20% |
| 16 | BALI | Towerindo Sentra Tbk Sarana | 2021 | 46,528,788,449 | 215,117,354,953 | 21.63% |
| 17 | TOWR | Menara Nusantara Tbk Ketrosden | 2020 | 704,682,000,000 | 3,193,620,000,000 | 22.07% |
| 18 | KETR | Triasmitra Tbk Telkom Indonesia | 2020 | 17,387,386,391 | 78,470,827,736 | 22.16% |
| 19 | TLKM | (Persero) Tbk | 2022 | 8,980,000,000,000 | 36,339,000,000,000 | 24.71% |

*Source: data processing results (2024)*

Company value reflects the market's assessment of performance and shareholder welfare, which attracts investors and encourages managers to maximize it (Jufrizen & Al Fatin, 2020). Outstanding managerial performance increases company value and reduces fraudulent practices. Tax avoidance is a common practice among low-performing companies (Danardhito et al., 2023). Stock prices, especially closing prices, are a key indicator of company value, with high-value companies tending to have more effective tax planning to maintain market confidence (Aviasari et al., 2024). A high book value reflects investors' expectations of the company's future performance and indicates greater stability. Research by Kalbuana et al. (2021) states that company value, measured using *Price to Book Value* (PBV), does not have a significant influence on *tax avoidance.* Hertina et al. (2019) stated that company value has an influence on *tax avoidance.*

Leveragethe second cause of tax avoidance activities. *Leverage* is a ratio used to measure a company's ability to meet its obligations, both short-term and long-term (Ainniyya et al. 2021). Research by Pucantika & Wulandari (2022) and Sahrir et al. (2021) states that leverage has an effect on tax avoidance, while the research results of Afrianti et al. (2022) and Darsani & Sukartha (2021) state that there is no influence between *leverage*
with tax avoidance. Mahdiana & Amin (2020) and Pitaloka & Merkusiawati (2019) stated that *leverage* has a positive impact on tax evasion.

According to Gitman (2003:591), *"Profitability is the relationship between revenues and costs generated by using the firm's assets—both current and fixed—in productive activities*." The level of profitability indicates a company's ability to generate profits within a certain period of time (Arlita et al. 2023). Darsani & Sukartha (2021), Asalam & Pratomo (2020), and Pitaloka & Merkusiawati (2019) stated that profitability has a positive effect on tax avoidance. However, this is inconsistent with research conducted by Apriliyani & Kartika (2021) that profitability has no effect on tax avoidance and Mudzakar & Sinaga (2019), which states that profitability has a negative effect on *tax avoidance.*

Institutional ownership is considered to be the fourth factor influencing tax avoidance. The existence of institutional ownership can be useful in reducing corporate transparency in tax practices. Tax *Avoidance.* Wardana & Asalam (2022), Noorica & Asalam (2021), and Putri & Lawita (2019) found that institutional ownership has an effect on *tax avoidance,* while the research results of Sari & Kinasih (2021) and Fitria (2018) stated that institutional ownership had no effect on *tax avoidance, and* Darsani & Sukartha (2021) stated that institutional ownership has a negative effect on *tax avoidance.*

The pandemic significantly impacts companies, with the telecommunications sector demonstrating resilience. *(resilient)* amidst the Covid-19 pandemic. Using the 2020-2023

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sample, the aim was to determine the level of *tax avoidance carried* out by the company, considering that since 2020 the government has issued a policy regarding the Covid-19 pandemic and work from home (WFH), allowing employees to carry out official duties at home or at their respective residences. This aims to prevent and minimize the spread of the *corona*virus in the community.

As a result, almost all business services have shifted to the digital realm. The pandemic has brought about changes in people's needs and lifestyles, which are highly dependent on internet access. In addition to sample renewal, a key variable contributing to tax evasion and the instability of the arrangement of other independent variables in previous research is also important.

## METHOD

This study uses a causal method with a quantitative approach to analyze the influence between variables. The population consists of telecommunications companies that are listed on the Indonesia Stock Exchange (IDX) during the period from 2020 to 2023. The sample was selected using purposive sampling based on the availability of financial reports and profit margins, resulting in 11 companies with a total of 44 observations.

The data collection technique applied by the author in this research is the documentation collection technique by conducting an analysis of the financial reports of telecommunication companies published on the official website of the Indonesian Stock Exchange, www.idx.co.id, and checked on the official website of the telecommunication company in 2020-2023. The type of data used in this study is secondary data. Secondary data is a data source that does not directly provide data to data collectors (Sugiyono 2019).

Table 2. Operationalization of Variables

| Variables | Indicator | Scale |
|---|---|---|
| Mark Company (X1) | $PBV = \frac{\text{Current Stock Price}}{\text{Book Value Per Share}}$ (Paryanto & Sumarsono 2018) | Ratio |
| *Leverage*(X2) | $LTDAR = \frac{\text{Long-term debt}}{\text{Total Assets}}$ Handi & Hwihanus (2024) | Ratio |
| Profitability (X3) | $ROA = \frac{\text{Net profit}}{\text{Total Assets}}$ (Aulia & Mahpudin 2020) | Ratio |
| Ownership Institutional (X4) | $KI = \frac{\text{Proportion of Shares Owned by Institutions}}{\text{Number of Shares Issued}}$ (Darsani & Sukartha 2021) | Ratio |
| *Tax Avoidance* (Y) | $CETR = \frac{\text{Tax Payment}}{\text{Profit before tax}}$ (Abdullah 2020) | Ratio |

Ghozali (2021:19) states that "the purpose of data analysis is to obtain relevant information contained in the data and use the results to solve a problem." In this study, the data analysis techniques used were descriptive statistics, classical assumption tests, model feasibility tests, and hypothesis tests.

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## RESULTS AND DISCUSSION

Descriptive Statistical Test Results

Table 3. Results of Descriptive Statistical Tests

| Descriptive Statistics | N | Minimum | Maximum | Mean | Standard Deviation |
|---|---|---|---|---|---|
| Company Values | 44 | - 548.2617 | 108.1385 | - 2.709146 | 105.4894292 |
| *Leverage* | 44 | . 0000 | . 9353 | . 295349 | . 2146728 |
| Profitability | 44 | . 0005 | . 1225 | . 045773 | . 0327195 |
| Institutional Ownership | 44 | . 5043 | 1,0000 | . 719217 | . 1593007 |
| *Tax Avoidance* | 44 | . 0214 | 40.7101 | 1.260296 | 6.0978123 |
| Valid N (listwise) | 44 | | | | |

Source: data processed by SPSS 25 (2024)

The results of the descriptive statistical test that can be explained are the number of research data (N), which is 44 data, which is the number of research samples, and can be explained as follows:

1. The minimum company value is -54.82%, owned by PT Tower Bersama Infrastructure Tbk in 2020, while the maximum value is 10.81%, owned by PT Sarana Menara Nusantara Tbk in 2021. The mean, or average, value of all sample companies is -2.709146 (270.91%). Then the standard deviation is 105.4894292 (10.548%), where the result is greater than the mean value, which means that the data deviation that occurs is high, so the company value data in this study is evenly distributed (the data is not well distributed).
2. *Leverage* The minimum value of 0.00% is owned by PT LCK Global Kedaton Tbk in 2023, while the maximum value is 93.53% owned by PT Sarana Menara Nusantara Tbk in 2023. The industry mean value of all sample companies is 29.53%. Then the standard deviation is 21.46%, where the result is smaller than the mean value, so the data deviation that occurs is low, so the data *leverage* in this study is even (data is well distributed).
3. The minimum profitability value of 0.05% was owned by PT LCK Global Kedaton Tbk in 2023, while the maximum value of 12.25% was owned by PT Telkom Indonesia (Persero) Tbk in 2021. The mean, or average, value and the industry average of all sample companies were 4.57%. Then the standard deviation was 3.27%, where the result was smaller than the mean value, which means that the data deviation that occurred was low, so the profitability data in this study was evenly distributed (the data was well distributed).
4. Institutional Ownership has a minimum value of 50.43% owned by PT Gihon. In 2020, 2021, 2022, and 2023, PT Gihon Telekomunikasi Indonesia Tbk has a minimum value of 50.43%, while PT Mora Telematika Indonesia Tbk owns the maximum value of 100% in 2020. The mean value of all sample companies is 71.92%. Then the standard deviation is 15.93%, where the result is smaller than the mean value, which means that the data deviation that occurs is low, so the institutional ownership data in this study is evenly distributed (the data is well distributed).

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5. *Tax Avoidance* The minimum value of 2.14% is owned by PT Gihon Telekomunikasi Indonesia Tbk in 2023, while the maximum value is 4.07%, owned by PT LCK Global Kedaton Tbk in 2023. The mean value of all sample companies is 126.02%. Then the standard deviation is 609.78%, where the result is higher than the mean value, which means that the data deviation that occurs is high, so the data on *tax avoidance* in this study the distribution is even (data is not well distributed).

**Results of the Classical Assumption Test of Normality Test**

Table 4. Normality Test Results

| One-Sample Kolmogorov-Smirnov Test | | |
|---|---|---|
| | | Unstandardized Residual |
| N | | 40 |
| Normal Parametersa,b | Mean | .0000000 |
| | Std. Deviation | .14701101 |
| Most Extreme Differences | Absolute | .116 |
| | Positive | .091 |
| | Negative | -.116 |
| Test Statistic | | .116 |
| Asymp. Sig. (2-tailed) | | .194c |

Source: data processed SPSS 25 (2024)

The results of the Kolmogorov-Smirnov test for data normality after outliers showed a significant Asymp. Sig. (2-tailed) value of 19.5%, which is > 5%. Therefore, the data is normally distributed, where the regression model used in this study meets the assumption of normality.

**Multikolinearitas Test**

Table 5. Hasil Uji Multikolinearitas

| Coefficientsa | | | |
|---|---|---|---|
| Model | | Collinearity Statistics | |
| | | Tolerance | VIF |
| 1 | SQRT_Company Value | .483 | 2.071 |
| | SQRT_*Leverage* | .753 | 1.328 |
| | SQRT_Profitability | .780 | 1.282 |
| | SQRT_Institutional Ownership | .634 | 1.578 |

Source: data processed SPSS 25 (2024)

The results of the multicollinearity test show that none of the independent variables in the Tolerance value calculation have a value <0.100, so there is no correlation between the independent variables and the results of the VIF value calculation show that none of the independent variables have a VIF value > 10. So there is no multicollinearity between the independent variables in the regression model.

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**Autocorrelation Test**

Table 6. Autocorrelation Test Result

| Model | Durbin-Watson |
|---|---|
| 1 | 1.919 |

Source: data proccesed SPSS 25 (2024)

According to the results of the autocorrelation test, the DW is 1.919. This value will be compared to the significance value of 0.05. For the number of data N = 42 and K = 4, the dL value is 1.3064 dU 1.7202, so 4 – dU = 2.2798. Using this standard, the resulting dL value is 1.3064 and dU 1.7202, then 4 – dU = 2.2798. Because the DW value is between Du and 4 – Du (1.7202 < 1.919 < 2.2798), when a decision is made, there is no autocorrelation, either positive or negative.

**Heteroscedasticity Test**

According to the heteroscedasticity test, variable X1, namely Company Value, has a significant value of 0.2%, which means <5%, so heteroscedasticity occurs. Then, variable X2, namely*Leverage*significant value of 82.4%, which means > 5%, it is said that there is no heteroscedasticity. Then the variable X3 Profitability has a significant value of 5.5%, which means > 5%, it is said that there is no heteroscedasticity. The variable X4 Institutional Ownership has a significant value of 0.5%, which means < 5%, it is said that there is heteroscedasticity. The method used to overcome heteroscedasticity in this study is by performing an Absolute Residual transform.

Table 7. Heteroscedasticity Test Results

| Model | Sig. |
|---|---|
| (Constant) | .046 |
| SQRT_Company Value | .418 |
| SQRT_*Leverage* | .913 |
| SQRT_Profitability | .084 |
| SQRT_Institutional Ownership | .312 |

Souce: data processed SPSS 25 (2024)

According to the heteroscedasticity test, after the Absolute Residual transformation, it shows that variable X1 has a significant value of 41.8%, then Variable X2 has a significant value of 91.3%, then Variable X3 has a significant value of 8.4%, and Variable X4 has a significant value of 31.2%. Each variable has a significant value of more than 5%, so it can be concluded that Variable X1 has a significant value of 41.8%, Variable X2 has a significant value of 41.8%, and Variable X3 has a significant value of 41.8%.*Leverage*,Variable X3 Profitability and Variable X4 Institutional Ownership exhibit heteroscedasticity.

**Results of the Feasibility**
**Test of the Determination Coefficient Test Model (R2)**

Table 8. Result of Determination Test

| Adjusted R Square |
|---|
| .293 |

Source: data processed SPSS 25 (2024)

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According to the R2 test, the Adjusted R Square value is 0.293, this shows that only 29.3% of the variables*Tax Avoidance*in telecommunications companies listed on the Indonesia Stock Exchange for the 2020-2023 period can be explained by the four independent variables (namely Company Value, *Leverage*,Profitability, and Institutional Ownership) and the remainder, namely 70.7% (results of 100% – 29.3%) is influenced by other variables that are not the object of this study.

*Model Fit Test (F Test)*

Table 9. F Test Results

| *F* | *Sig.* |
|---|---|
| *5.037* | *.003b* |

Source: data processed by SPSS 25 (2024)

According to the results of the F test (simultaneous), it can be seen that the significant value is 0.3% and this value is smaller than 5%, so the hypothesis is accepted, which means that the research model is appropriate or fit and simultaneously the Company Value variable, *Leverage*, Profitability and Institutional Ownership have a significant impact on the variables*Tax Avoidance*.

**Hypothesis Test Results**
**Statistical Test (t-Test)**

Tabel 8. T Result Test

Coefficientsa

| Model | | Unstandardized Coefficients | | t | Sig. |
|---|---|---|---|---|---|
| | | B | Std. Error | | |
| 1 | (Constant) | -.330 | .312 | -1.058 | .297 |
| | SQRT_Company Value | .042 | .012 | 3.437 | .002 |
| | SQRT_*Leverage* | .027 | .123 | .224 | .824 |
| | SQRT_Profitability | -.707 | .356 | -1.986 | .055 |
| | SQRT_Institutional Ownership | .976 | .326 | 2.989 | .005 |

Source: data processed SPSS 25 (2024)

According to the results of the t-test, the relationship between each independent variable and the dependent variable can be explained as follows:

1. Company Value has a significance value of 0.2%. This value indicates that 0.2% < 5% with a coefficient value of 4.2%. Therefore, company value has a positive impact on *tax avoidance, or* H1 is accepted.
2. *Leverage has* a significance value of 82.4%. This value indicates that 82.4% > 5% with a coefficient value of 2.7%. *Leverage does* not have a significant impact on *tax avoidance, or* H2 is rejected.
3. Profitability has a significance value of 5.5%. This value indicates that 5.5% > 5% with a coefficient value of -70.7%. Therefore, profitability does not have a significant impact on *tax avoidance, or* H3 is rejected.

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Institutional ownership has a significance value of 0.5%.This value indicates that 0.5% < 5% with a coefficient value of 97.6%. Therefore, institutional ownership has a positive impact on *tax avoidance, or* H4 is accepted.

**Multiple Linear Regression Analysis Test**

Table 9. Results of Multiple Linear Regression Analysis

| Model | | Unstandardized Coefficients | |
|---|---|---|---|
| | | B | Std. Error |
| 1 | (Constant) | -.330 | .312 |
| | SQRT_Company Value | .042 | .012 |
| | SQRT_*Leverage* | .027 | .123 |
| | SQRT_Profitability | -.707 | .356 |
| | SQRT_Institutional Ownership | .976 | .326 |

Source : data processed SPSS (2024)

Then the multiple linear equation is obtained,

$Y = \alpha + \beta1\ X1 + \beta2\ X2 + \beta3\ X3 + \beta4\ X4 + e$

$Y = -0.330 + 0.042 + 0.027 \ -0.707 + 0.976 + e$

Keterangan :

Y = *Tax Avoidance*
X1 = Company Value
X2 = *Leverage*
X3 = Profitability
X4 = Institutional Ownership
e = Error
α = Konstanta
β = Coefficient

1. The constant value of -33% indicates that when the independent variable is 0, the value of Tax Avoidance is also -33%. Tax avoidance, namely -33%
2. The regression coefficient for company value is 4.2%, indicating a positive relationship between the company value variable and tax avoidance.
3. Regression coefficient value Leverage, namely 2.7%, with a positive value, meaning that the variable Leverage has a positive relationship to tax avoidance.
4. The value of the profitability regression coefficient is -70.7%, with a negative value meaning that the profitability variable has a negative relationship with tax avoidance.
5. The regression coefficient value for institutional ownership is 97.6% with a positive value, meaning that the institutional ownership variable has a positive relationship with tax avoidance.

**Discussion of Research Results**
**The Influence of Company Value on*Tax Avoidance***

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According to the results of the individual parameter significance test (t-test), the results obtained show that company value has a positive impact on *tax avoidance.* This indicates that as the Company Value (PBV) increases, the company is perceived to have a higher overall value. A high book value of shares will serve as a benchmark or assessment for investors. A positive company value indicates that the company is in good condition, *which suggests that it will engage in future actions related to tax avoidance without any violations.* The company pays regularly without any violations. Companies with higher values tend to be less likely to engage in tax avoidance if they pay regularly without any violations. Such payment is done to maintain market trust that has been built over time and for the future. *Ichsani & Susanti's (2019) study supports this result by demonstrating a positive correlation between company value and tax avoidance.* A higher company value can be an indicator of the company's ability to not do *tax avoidance.* High-value companies can explain this by having more resources and the ability to employ more complex and effective tax strategies. This advantage is related to the use of a wider range of strategies and instruments to exploit the tax system according to regulations.

Other results are supported by a study by Aviasari et al. (2024), which shows that company value has a positive impact on *tax avoidance.* When the company*'s value is high, it does not lead to an increase in tax avoidance, and conversely, when the company's value is low, tax avoidance may increase, as the company's value reflects investors' assessments.*

**The Effect of Leverage on *Tax Avoidance***

The results of the individual parameter significance test (t-test) indicate that leverage does not significantly impact tax avoidance. These results indicate that the level of debt does not affect the action.Tax Avoidance The higher the level of debt, the more cautious management tends to be in avoiding risks that could harm the company. Leverage is debt used to finance operations, where it can create interest expenses that can reduce the company's tax burden. A study by Nugraha et al. (2024) supports this result, demonstrating that leverage does not significantly influence tax avoidance. This indicates that the company will continue to use tactics. Tax Avoidance Despite the Level of leverage.The debt it holds is relatively small. As a corporation increases its total debt, the amount of money it spends will increase. This change is a direct result of the resulting increase in interest payments.

**The Influence of Profitability on Tax Avoidance**

According to the results of the individual parameter significance test (t-test), the results obtained show that profitability does not have a significant impact on tax avoidance. These results indicate that companies with high profitability are able to utilize their assets effectively, thus covering their expenses, including taxes. Therefore, as the company's profits increase, so does the amount of cash required for payment. This is because the company is able to manage its revenue and payments. This is due to tax planning, as companies tend to choose paying taxes over engaging in tax avoidance. A study by Nugraha et al. (2024) supports this result by demonstrating that profitability does not significantly influence tax avoidance. This indicates that a company's low level of profitability will not affect tax avoidance or the engagement in tax avoidance activities.So, as profits rise, so will the amount owed to the company.

**The Influence of Institutional Ownership on Tax Avoidance**

According to the results of the individual parameter significance test (t-test), the results obtained show that institutional ownership has a positive impact on tax avoidance. These results show that the higher the institutional ownership, the stronger the control exercised by external

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parties over the company, thus preventing the potential for abuse of power, one of which is tax avoidance. A study by Sanchez & Mulyani (2020) supports these results, demonstrating a positive influence of institutional ownership on tax avoidance. A company's tax burden increases with institutional ownership, as it reduces the opportunity for tax avoidance. Institutional ownership can encourage managers to focus on economic performance and avoid actions that prioritize personal interests.

## CONCLUSION

### Conclusion

1. Company Valueshave a positive impact onTax Avoidanceor H1 is accepted. The result is show the higher the company value with Price to Book Value (PBV), the higher the company value, and the company is trying to use avoid action Tax Avoidance. Higher-value companies tend to be lower in action.Tax Avoidance The company paid regularly without any violations. This was done to maintain market trust that had been built over a period of time and for the future.
2. Leverage has a significant impact on tax avoidance. The results show that higher or lower debt levels will not have an impact on actions. Tax Avoidance. Therefore, the company is likely to exercise caution and avoid taking risks that could jeopardize its stability.
3. Profitability Nohave a significant impact on tax avoidance. The results show that an increase in profits will result in an increase in the amount of money that must be paid in accordance with the increase in profits experienced by the company. Therefore, companies are able to manage their payments through tax planning and tend to choose to pay taxes rather than engage in tax practices. Tax Avoidance.
4. Institutional ownership has a positive impact on tax avoidance. These results show that. The higher the institutional ownership, the stronger the control exercised by external parties over the company, thus preventing the potential for abuse of power, one of which is tax avoidance.

### Suggestion

1. For Companies

It is hoped that companies will be able to show their financial conditions transparently and take more account of their actions. Tax Avoidance.

2. For the Government

It is hoped that neutral and fair tax policies can be created and established, and that tax subjects can be monitored to prevent this. Tax Avoidance.

3. For researchers.

The resulting adjusted R-squared value of 0.209, or 29.3%, is considered low. Therefore, it is hoped that future research will provide an analysis of the various other influencing factors. Tax avoidance-like ratio, capital intensity, sales growth, etc., can be proxied.Tax Avoidance Ratiouse Effective Tax Rate.

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