Original Research Article

The Effect of Fixed Asset Intensity, Debt Level, Sales Growth, and Profitability on Tax Management (Study on Consumer Non Cyclicals Sector Companies on the Indonesia Stock Exchange (IDX) Period 2019 - 2021)

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Abstract

This study aims to analyze the effect of fixed assets intensity, debt levels, sales growth and profitability on tax management. This research uses a quantitative type of research. The data analysis method used in this study is the panel data regression analysis method with eviews 12 software tools. The population of this study is consumer non- cyclicals sector companies listed on the IDX and have released the annual reports during the period 2019-2021. The selection of research samples was based on the non-probability sampling method using a purposive sampling technique. The results of this study concluded that (1) partial fixed assets intensity and debt levels have no significant effect on tax management, (2) sales growth and profitability have a significant effect on tax management, (3) while fixed assets intensity, debt levels, sales growth and profitability have a simultaneous effect on tax management.
Keywords: Tax management, fixed assets intensity, debt level, sales growth, profitability.

INTRODUCTION

The increasing development of information technology and international transactions currently triggers tax management practices at the international level carried out by Multinational Companies. Taxation has taken an important role in a country's economy, including in developing countries such as Indonesia. Taxes are the main source of state revenue that is needed to fund the state budget.

In multilateral cooperation, the Indonesian government seeks to prevent tax management and tax evasion. Taxpayers who carry out tax management without violating tax regulations are still considered to be detrimental to the state. Because it will directly affect the revenue of a country. Moreover, acts of tax evasion that clearly violate tax regulations, this is an important part to fight because Indonesia adheres to an open economy, and cooperation with member countries can reduce acts of tax evasion (Kemenkeu, 2020).

Taxpayers who try to avoid taxes by doing tax management or tax evasion have an impact on state losses. A loss of USD 4.78 billion or equivalent to IDR 67.6 trillion was recorded due to activities from corporate taxpayers. As much as USD 78.83 million or equivalent to IDR 1.1 trillion came from individual taxpayers. This figure is greater than the ceiling of sectoral stimulus, ministries, local governments, in the PEN program, which is IDR 65.97 trillion or the corporate financing budget of IDR 62.22 trillion (Fatimah, 2020).

The phenomenon of tax management carried out by one of the companies engaged in manufacturing in the consumer non cyclicals sector, PT Sinergi Adimitra Java, which brought success at the appeal level provides an important message of the need for good tax management. The subject matter of the tax dispute was the correction of business circulation. PT Sinergi Adimitra Java was alleged to have given special prices to several affiliated companies. So that the selling price of the product is considered below the fair price. The impact of the tax management is that the operating profit becomes smaller and even loses money. For this allegation, the business circulation of PT

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Sinergi Adimitra Java was positively corrected by IDR 13.1 billion.

Tax management is a strategic and structured effort from taxpayers in order to apply taxation economically, effectively and efficiently in accordance with applicable tax provisions without having to violate tax regulations by managing financial statements as a basis for tax calculations. Good tax management should not violate tax provisions, be business-wise, and be supported by adequate evidence (Santoso and Rahayu, 2019).

There are factors that affect tax management including sales growth and profitability. Several previous studies have been conducted and tried to link the fixed asset intensity factor to tax management, besides focusing on the level of corporate debt.

(Devina and Pradipta, 2021) in their research concluded that fixed asset intensity affects tax management. (Rizky and Puspitasari, 2020), (Purwanti and Sugiyarti, 2017) in their research also explain that fixed asset intensity has a significant effect on tax avoidance management. If the company has fixed assets, there will be depreciation costs on fixed assets, and the depreciation costs can be charged fiscally.

Other research results conducted by (Dayanti, Umdiana, Nailufaroh, 2021), (Afifah and Hasymi, 2020), (Hidayah and Suryarini, 2020), (Wardani and Putri, 2018), instead found that fixed asset intensity has no significant effect on tax management. Companies that invest large amounts of funds in fixed assets actually pose various risks to the company, such as the risk of asset damage and the provision of a place to store fixed assets. The company does not deliberately organize the investment of funds for fixed assets, but the company deliberately uses fixed assets as needed to support the company's operational activities.

In addition, debt can also be used for tax management because with debt there will be interest expense. The greater the interest expense, the smaller the taxable income. (Erawati and Novitasari, 2021) in their research state that the level of debt has a significant effect on tax management. In line with research conducted (Agustina and Irawati, 2021), (Putri and Mahpudin, 2021), (Wardani and Putri, 2018). The level of debt itself can cause a decrease in tax value, this is because the cost of interest arising from the debt owned by the company can be used as a way to reduce the company's profit income.

In research conducted by (Fitriana and Isthika, 2021) concluded that the level of debt has no significant effect on tax management. Companies that use debt for investment needs will generate income outside the company's business. So that it can cause an increase in company profits and the tax burden that will be borne by the company to increase.

In addition, sales growth also triggers companies to carry out tax management, such as the dispute experienced by PT Sinergi Adimitra Java. High sales will make operating profits even greater. So, the company will manage sales growth for the benefit of tax management. According to (Kasmir, 2018) sales growth shows the extent to which the company can increase its sales compared to total sales as a whole. If the sales level increases, the tax management efforts will increase. This happens because if sales increase, profits will also increase. And the company's tax burden will increase. Therefore, the company carries out tax management so that the company's burden is not high (Oktamawati, 2017).

Research conducted by (Purwanti and Sugiyarti, 2017) in their research stated that sales growth affects tax avoidance. Which means that the higher the revenue growth of a company, the higher the operating profit the company will earn and the greater the tax burden borne by the company, so that the company will make management efforts to minimize the income tax burden. (Darma, 2021), (Tanjaya and Nazir, 2021), (Aprilia and Praptoyo, 2020), in their research instead get different results, it's concluding that sales growth has no significant effect on tax avoidance management.

Profitability can be used as a reason for companies to carry out tax management. The greater the company's profit, the greater the tax that must be paid. Profitability is a description of the financial performance of a company to generate operating profit. The effectiveness of the company taken based on the return on sales and investment is referred to as the profitability ratio (Muslim and Nengzih, 2020).

Previous research conducted by (Dayanti, Umdiana, Nailufaroh, 2021), (Noviatna, Zirman and Safitri, 2021), (Anugrah and Yuliana, 2020) concluded that profitability has a significant effect on tax management. The higher the profitability in a company, the better the tax management in the company. The better tax management by looking at the indicator of the decreasing effective tax rate (ETR). Meanwhile (Putri and Mahpudin, 2021), (Fitriana and Isthika, 2021) in their research stated that profitability has no effect on tax management. This is because companies with high profitability have good financial performance. The company is also considered capable of managing its income and tax payments. So that companies with high profitability can make tax payments in accordance with applicable regulations without doing tax management.

LITERATURE REVIEW

Stewardship Theory

Stewardship theory is a description of the condition of managers who are motivated by the goals of the organization's interests, not only motivated by their personal interests. According to Donaldson and David (1991) "Stewardship theory basically argues that a steward recognizes that individualistic, opportunistic, and self-serving goals will be met if work is done for the greater good of the organization". This means that stewardship theory explains that the situation of management is not motivated by individual goals, but rather by their main goal, which is for the benefit of the organization. The government in this case as a steward as a resource manager and the owner of the resources is the people as the principal. There is an agreement between the government and the people based on trust to achieve organizational goals.

The government will do its best in running the government to achieve the government's goal of improving people's welfare. The government as a leader has the authority to direct and control every activity in the territory of its government. The control carried out by the government is intended so that each of its citizens can feel the facilities provided by the government. Although controlled by the government, the community has rights in the area or region where it is located because the state is an organization whose ownership is shared.

Stewardship theory is considered applicable to research on tax accounting, because tax accounting is designed as an information need between the government (steward) and taxpayers (principal). This shows that Stewardship theory is appropriate when applied to the taxation sector, in taxation there is an agreement between the government and taxpayers on the basis of trust. With the implementation of the self-assessment system, the government provides space for taxpayers to calculate, deposit and report their taxes in accordance with the provisions of the applicable tax law. Although there are differences in interests between the government and taxpayers, as a steward, the government still upholds the value of togetherness (Nizmah *et al.,* 2022.

Devotional Theory

The government as an organization has the task of providing for the public interest and making decisions to take actions that are deemed necessary, including decisions in the field of taxation. This nature is the absolute right of the government to collect taxes while the people must understand that there is an obligation to pay taxes in accordance with the provisions of the tax law. With this absolute right, this theory is known as the theory of absolute tax obligation. The people must show their devotion by paying taxes obediently so that this theory is called the theory of devotion (Joana, 2022).

Tax Management

Tax management is a strategic and structured effort from taxpayers in order to apply taxation economically, effectively and efficiently in accordance with applicable tax provisions without having to violate tax regulations by managing financial statements as a basis for tax calculations, and utilizing tax loopholes and gray areas in the field of taxation.

Tax management according to (IAI, 2015) is a comprehensive effort carried out continuously by taxpayers so that all matters relating to tax affairs can be managed properly, effectively and efficiently, with the hope of contributing maximally to the sustainability of the taxpayer's business without having to sacrifice the interests of a country's tax revenue.

(Pohan, 2018) explains that tax management has a broader scope than just tax planning. Because tax management will not be separated from the concept of management in general in which there is a process of planning, organizing, implementation, and control. So, that tax management is an effort to implement these components with the aim that tax rights and obligations can run effectively and efficiently.

Tax management itself can be done for business or individual interests. In its application, it must also be supported by adequate evidence both in terms of bookkeeping and legal basis. So, that every step that has been regulated in tax management can be implemented without having to violate applicable tax regulations. When taxpayers use legal means, it is clear that tax management efforts cannot be blamed. However, when taxpayers use illegal means to reduce tax avoidance, it is no longer considered tax management, but tax evasion.

The following below is the tax management calculation formula according to (Jamei, 2017):

Tax Management = STR (Statutory Tax Rate) – ETR

Fixed Asset Intensity

Fixed asset intensity provides an overview of the company's investment in fixed assets. PSAK Number 16 defines fixed assets as follows: fixed assets are tangible assets that are owned for use in the production or supply of goods or services for rental to other parties, or for administrative purposes and are used for more than one year or one period. Meanwhile, according to (Rahmawati and Sudaryono, 2022) "Fixed Assets are assets owned by companies that have a useful life of more than one year in the normal activity cycle"

According to (Waluyo, 2020), fixed assets are part of the balance sheet which is presented annually or every period by management in the financial statements. Fixed assets are classified into two, tangible fixed assets and intangible fixed assets.

In fixed assets there is an acquisition cost that must be recognized as an asset if it is probable that future economic benefits related to the asset will flow to the company and the cost of the asset can be measured reliably. In addition, in fixed assets there is also depreciation and amortization. There are differences in the recognition of depreciation methods between accounting and taxation.

A. Depreciation method according to accounting. The depreciation method determines how to systematically allocate the depreciation of the asset value over the period of the asset's useful life. There are three depreciation methods commonly used by companies, namely: straight-line method, declining balance method, and unit of production method.

B. Depreciation method according to taxation. According to (Waluyo, 2020) the depreciation or depreciation method that is regulated in accordance with the provisions of tax legislation is contained in Article 11 of the Income Tax Law. There are only two methods that can be chosen, straight- line method and declining balance method.

The following below is the formula for calculating the fixed asset intensity ratio:

Fixed Asset Intensity Ratio $= \frac{Fixed\ Assets}{Total\ Assets}$ x 100 %

Debt Level

Debt according to the Financial Accounting Standard Board (FASB) is a sacrifice of economic benefits for the future liabilities that may arise due to the current obligations of an entity (Gunawan, 2019). Debt according to (Schmidt, 2022):

"A liability is an obligation of a company that results in the company's future sacrifice of economic benefits to other entities or businesses. A liability, like debt, can be an alternative to equity as a source of a company's financing. Moreover, some liabilities, such as accounts payable or income taxes payable, are essential parts of day-to-day business operations".

According to (Fitriana and Isthika, 2021) the level of debt is a ratio that reflects the company's ability to fulfill the company's obligations related to long-term and short-term loans. The level of debt shows the use of debt to finance investment. This affects the difference in interests between the manager and the owner of the company. Managers will tend to agree with the use of debt, because debt can generate interest expenses that can be tax deductible. Meanwhile, company owners actually disagree with the use of debt; this is because the use of high debt can cause the risk of bankruptcy.

Measurement for the level of debt using the Debt Ratio. This ratio shows the ratio between the value of total debt to the value of total assets. This ratio is also the percentage of funds provided by creditors for the company. The high level of debt indicates the risk to creditors, namely the potential for the company to be unable to pay debts.

Debt to Ratio $= \frac{Total\ Debt}{Total\ Assets}$ x 100%

Sales Growth

According to (Kelwig, 2022) sales growth is "Sales growth rate measures a company's ability to generate revenue through sales over a fixed period of time. This rate is not only used by companies to look at internal successes and problems, it's also analyzed by investors to see a company on the rise or a company starting to stagnate".

Sales growth shows the extent to which the company can increase its sales compared to total sales as a whole. Sales that tend to increase, profits will also increase so that it will have an impact on the high cost of taxes that must be paid. Therefore, companies tend to carry out tax management so that the company's burden is not high (Oktamawati, 2017).

Company growth is one of the goals that is highly expected by internal and external parties of a company because it provides a good signal for the company and parties with an interest in the company, namely investors, creditors and shareholders. While sales is one of the most important elements in a business to obtain business profits.

The following below is the ratio scale used to calculate sales growth of the company:

Sales Growth $= \frac{Total\ Sales\ t\ -\ (Total\ Sales\ -1)}{Total\ Sales\ t-1}$ x 100%

Profitability

Profitability is a description of the financial performance of a company to generate operating profit. The effectiveness of the company taken based on the return on sales and investment is referred to as the profitability ratio (Muslim and Nengzih, 2020).

Profitability is a measure of how well management does its job of managing the company's wealth, which is reflected in the amount of profit generated (Safiinatunnajah and Setiyawati, 2022).

Profitability is a measure of how well management does its job of managing the company's assets, which is reflected in the amount of profit generated. In addition, profitability is a ratio used as an overall measurement of management effectiveness in maximizing assets and equity.

One of the formulas to calculate profitability is ROCE

Profitability (ROCE) $= \frac{Profit\ Before\ Tax}{(Total\ Assets\ -\ Total\ Debt)}$ x 100%

Conceptual Framework

The Effect Fixed Asset Intensity on Tax Management

Fixed assets have an important role for companies in supporting the sustainability of business operations. The company needs to manage fixed assets as part of bookkeeping administration and for tax management purposes. The higher the value of the company's assets, the greater the depreciation expense. The greater the depreciation expense, the smaller the operating profit will be. The smaller the operating profit, the smaller the tax to be paid. Previous research conducted (Devina and Pradipta, 2021), (Rizky and Puspitasari, 2020), provides evidence that fixed asset intensity affects tax management. So that the greater the fixed asset intensity, the smaller the tax burden that must be paid. H1: Fixed asset intensity has a significant effect on tax management.

The Effect Level Debt on Tax Management

A high level of debt will have an impact on the amount of interest expense. Companies need to manage debt proportionally so that their business operations can run and still have the ability to pay. Interest expense on debt is a fiscally deductible expense. Companies are very likely to make loans to meet operational needs, increase sales, but on the other hand plan tax management. As research conducted by (Erawati and Novitasari, 2021), (Agustina and Irawati, 2021), (Wardani and Putri, 2018), provides evidence that the level of debt has a significant effect on tax management. H2: Debt level has a significant effect on tax management.

The Effect Sales Growth on Tax Management

Sales growth is an increase in sales value compared to the previous year. The higher the percentage of sales growth will have an impact in many places. As in the case of a company with high sales growth, it will potentially get high operating profit, high operating profit will make taxable income also high. The high taxable income has the potential to bring company management to make tax management efforts.

Research conducted by (Purwanti and Sugiyarti, 2017) has provided evidence that sales growth has a significant effect on tax management. The higher the revenue growth of a company, the higher the operating profit the company will earn and the greater the tax burden borne by the company, so that the company will make management efforts to minimize the income tax burden. H3: Sales growth has a significant effect on tax management.

The Effect Profitability on Tax Management

Profitability is a description of the financial performance of a company to generate business profits (Muslim and Nengzih, 2020). Every company wants to be able to make a profit on the business it does. However, high profitability will also make the tax burden that must be paid higher. Companies will usually make tax management efforts by targeting the value of their business profits while sticking to the company's mission without having to get out of the main purpose of establishing a business, namely to get as much profit as possible. From previous research conducted by (Dayanti, Umdiana, Nailufaroh, 2021),

(Anugrah and Yuliana, 2020) provide evidence that profitability has a significant effect on tax management. The higher the profitability in a company, the better the tax management in the company. This is indicated by the better tax management by looking at the indicator of the decreasing effective tax rate (ETR). H4: Profitability has a significant effect on tax management.
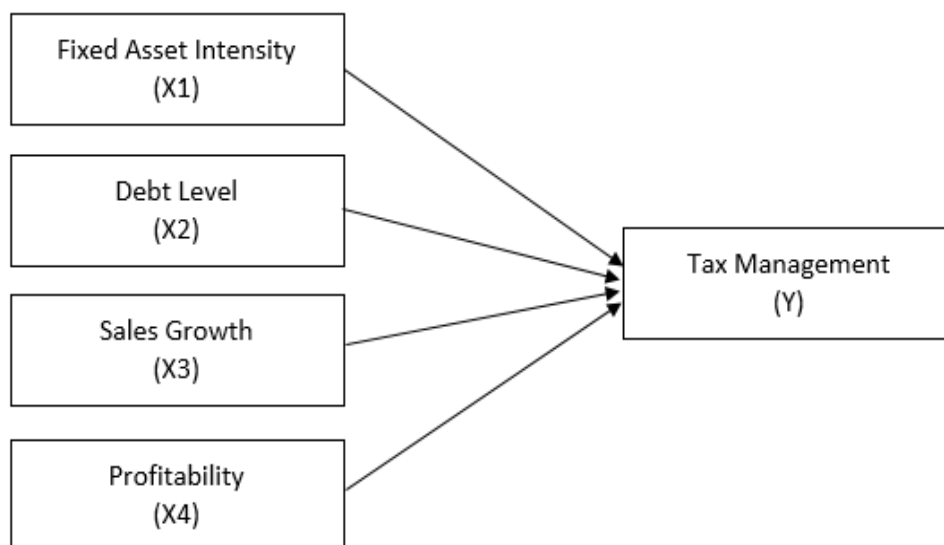

Figure 1: Conceptual Framework

RESEARCH METHODS

The approach in this research is a quantitative approach. And the analysis method used in this research is the panel data regression analysis method with eviews 12 software tools, to test how much influence fixed asset intensity (X1), debt level (X2), sales growth (X3), profitability (X4), on tax management (Y).

Operational Definition of Variables
Tax Management

Tax management is a strategic and structured effort from taxpayers in order to apply taxation economically, effectively and efficiently in accordance with applicable tax provisions without having to violate tax regulations by managing financial statements as a basis for tax calculations.

The variable dimension of tax management implementation in this study is to see the value of STR (statutory tax rate) minus ETR (effective tax rate) (Jamei, 2017).

Fixed Asset Intensity

Fixed asset intensity can be defined as a description of the amount of company investment in the company's fixed assets. High ownership of fixed assets of the company will reduce the tax burden because there are depreciation or depreciation costs attached to fixed assets. The variable dimension of the application of fixed asset intensity in this study is to see all the total fixed assets owned by the company divided by total assets and multiplied by 100%.

Debt Level

Debt level is a description of the debt position used by the company to finance its business. Companies that use debt for financing have an interest expense to pay. The higher the debt ratio, the greater the interest expense. A large interest expense will affect the amount of operating profit and the amount of tax that must be paid. The variable dimension of the application of the level of debt in this study is the debt to ratio.

Sales Growth

Sales growth can be interpreted as a comparison between sales in a particular year and the previous year. A high sales growth ratio will potentially make operating profit increase and the company's tax burden will be large. The variable dimension of the application of sales growth in this study is to see the increase in all total sales owned by the company in a certain year compared to the previous year.

Profitability

Profitability is a description of the financial performance of a company to generate operating profit. The effectiveness of the company taken based on the return on sales and investment results is referred to as the profitability ratio (Muslim and Nengzih, 2020). The variable dimension of the application of profitability in this study is ROCE (Return on Capital Employed).

Population and Sample Research

The population taken in this study is non-cyclicals consumer sector companies listed on the Indonesia Stock Exchange (IDX). The total population in this study was 264 taken from 96 companies in the consumer non cyclicals sector listed on the Indonesia Stock Exchange in 2019-2021. The research sample selection is based on non-probability sampling method with using purposive sampling technique. The criteria in this study are as follows:

1. Consumer non-cyclicals sector companies that are listed on the Indonesia Stock Exchange (IDX) and publish annual reports in 2019-2021 on the Indonesia Stock Exchange (IDX).
2. Consumer non-cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) in 2019-2021 with positive growth values.
3. Consumer non-cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) in 2019-2021 with positive profit values.
4. Consumer non-cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) in 2019-2021 with an ETR value smaller than STR.

Based on the sample criteria that have been determined, the sample of consumer non-cyclicals sector companies for the 2019-2021 period that will be used is 57.

DISCUSSION AND RESULTS

This research was conducted on the financial statements of companies in the consumer non cyclicals sector which is one type of company sector listed on the Indonesia Stock Exchange. The type of data used in this study is panel data (unbalance), a combination of time series data and cross section data for 2019- 2021. Based on the availability of data from the annual report, there are 57 data, so the data is considered representative. Below is a description of the data used in this study which has been processed using eviews 12.

Descriptive Statistics

Table 1: Descriptive Statistical Testing Results

	TAX_MANAGEMENT	FIXED_ASSET_INTENSITY	DEBT_LEVEL	SALES_GROWTH	PROFITABILITY
Mean	0.062603	0.308039	0.392081	0.312974	0.201529
Median	0.019536	0.285394	0.390595	0.233513	0.181552
Maximum	0.856530	0.762247	0.767713	2.472852	0.799228
Minimum	0.000108	0.000290	0.006817	0.000415	0.013027
Std. Dev.	0.146470	0.158889	0.209367	0.372103	0.130738
Skewness	4.284879	0.682185	0.065225	3.790899	1.964745
Kurtosis	21.72276	3.102110	1.926646	21.28293	9.594439
Jarque-Bera	1006.959	4.445840	2.776626	930.4044	139.9529
Probability	0.000000	0.108292	0.249496	0.000000	0.000000
Sum	3.568366	17.55824	22.34863	17.83952	11.48716
Sum Sq. Dev.	1.201400	1.413762	2.454725	7.753787	0.957173
Observations	57	57	57	57	57

Source: Eviews 12 processing results.

In table 1 above, the minimum value of the fixed asset intensity variable (X1) is 0.000290, the maximum value of the fixed asset intensity variable is 0.762247, the average value (mean) of the fixed asset intensity variable is 0.308039, and the value of the standard deviation of the fixed asset intensity variable is 0.158889.

The debt level variable (X2) has a minimum value of 0.006817, the maximum value of the debt level variable is 0.767713, the average value (mean) of the debt level variable is 0.392081, and the value of the standard deviation of the debt level variable is 0.209367.

The sales growth variable (X3) has a minimum value of 0.000415, the maximum value of the sales growth variable is 2.472875, the average value (mean) of the sales growth variable is 0.312974, and the value of the standard deviation of the sales growth variable is 0.372103.

The profitability variable (X4) has a minimum value of 0.0130027, the maximum value of the profitability variable is 0.799228, the average value (mean) of the profitability variable is 0.201529, and the value of the standard deviation of the profitability variable is 0.130738.

For the tax management variable (Y) has a minimum value of 0.000108, the maximum value of the tax management variable is 0.856530, the average value (mean) of the tax management variable is 0.0626603, and the value of the standard deviation of the tax management variable is 0.146470.

Regression Model Testing Results

Model testing in panel data regression can be done with three method approaches, which are the common effect model, fixed effect model, and random effect model. The following below are the test results:

Common Effect Model Approach

Table 2: Common Effect Model (CEM) Testing Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-5.904247	0.751379	-7.857881	0.0000
FIXED_ASSET_INTENSITY	0.322288	1.366206	0.235900	0.8144
DEBT_LEVEL	0.802115	1.034628	0.775270	0.4417
SALES_GROWTH	1.973407	0.606358	3.254523	0.0020
PROFITABILITY	3.903218	1.736909	2.247221	0.0289

R-squared	0.202534	Mean dependent var	-4.086238
Adjusted R-squared	0.141191	S.D. dependent var	1.740718
S.E. of regression	1.613158	Akaike info criterion	3.877895
Sum squared resid	135.3184	Schwarz criterion	4.057110
Log likelihood	-105.5200	Hannan-Quinn criter.	3.947544
F-statistic	3.301645	Durbin-Watson stat	1.979462
Prob(F-statistic)	0.017438		

Source: Eviews 12 processing results

Fixed Effect Model Approach

Table 3: Fixed Effect Model (FEM) Testing Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.493549	4.697722	0.105061	0.9189
FIXED_ASSET_INTENSITY	-8.596298	16.39410	-0.524353	0.6142
DEBT_LEVEL	-17.86347	7.108592	-2.512940	0.0362
SALES_GROWTH	5.395175	3.108807	1.735449	0.1209
PROFITABILITY	16.78958	11.48034	1.462463	0.1818
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.925510	Mean dependent var		-4.086238
Adjusted R-squared	0.478567	S.D. dependent var		1.740718
S.E. of regression	1.256979	Akaike info criterion		3.050987
Sum squared resid	12.63996	Schwarz criterion		4.807295
Log likelihood	-37.95314	Hannan-Quinn criter.		3.733548
F-statistic	2.070756	Durbin-Watson stat		9.141832
Prob(F-statistic)	0.137740			

Source: Eviews 12 processing results

Random Effect Model Approach

Table 4: Random Effect Model Testing Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-6.066150	0.731269	-8.295368	0.0000
FIXED_ASSET_INTENSITY	0.413883	1.355678	0.305296	0.7614
DEBT_LEVEL	0.975041	1.046564	0.931659	0.3558
SALES_GROWTH	2.098679	0.578864	3.625516	0.0007
PROFITABILITY	3.908224	1.678066	2.329005	0.0238
Effects Specification			S.D.	Rho
Cross-section random			0.891364	0.3346
Idiosyncratic random			1.256979	0.6654
Weighted Statistics				
R-squared	0.216270	Mean dependent var		-3.129394
Adjusted R-squared	0.155983	S.D. dependent var		1.495967
S.E. of regression	1.347564	Sum squared resid		94.42831
F-statistic	3.587344	Durbin-Watson stat		2.821576
Prob(F-statistic)	0.011732			
Unweighted Statistics				
R-squared	0.201053	Mean dependent var		-4.086238
Sum squared resid	135.5699	Durbin-Watson stat		1.965309

Source: Eviews 12 processing results

Selection Results of Panel Data Regression
Chow Test
The following are the results of the chow test:

Table 5: Chow Testing Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	28.048752	(44,8)	0.0000
Cross-section Chi-square	287.573752	44	0.0000

Source: Eviews 12 processing results

From the test results with the chow test above, it can be seen that the Prob. Cross-Section Chi-square value is 0.00000 (<0.05), meaning that according to the chow test the right model for this panel data test is the fixed effect model.

Hausman Test
The following are the results of the Hausman test:

Table 6: Hausman Testing Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	9.036591	4	0.0602

Source: Eviews 12 processing results

From the test results with the hausman test above, it can be seen that the Prob value. Cross-section random is 0.0602 (>0.05), meaning that according to the Hausman test the right model for this panel data test is the random effect model.

Lagrange Multiplier (LM) Test
The following are the results of the LM (Lagrange Multiplier) test:

Table 7: LM Testing Results

| | Test Hypothesis | | |
	Cross-section	Time	Both
Breusch-Pagan	0.171855 (0.6785)	0.488000 (0.4848)	0.659855 (0.4166)
Honda	0.414554 (0.3392)	-0.698570 (0.7576)	-0.200830 (0.5796)
King-Wu	0.414554 (0.3392)	-0.698570 (0.7576)	-0.639050 (0.7386)
Standardized Honda	0.639117 (0.2614)	-0.371340 (0.6448)	-7.506925 (1.0000)
Standardized King-Wu	0.639117 (0.2614)	-0.371340 (0.6448)	-4.048470 (1.0000)
Gourieroux, et al.	--	--	0.171855 (0.5686)

Source: Eviews 12 processing results

From the test results with the Lagrange Multiplier (LM) test above, it can be seen that the calculated LM value is 0.6785 (< 9.487729), which means that the calculated LM value < chi-squared table, therefore the selected model is common effect. In addition, it can also be seen from Both Breusch-Pagan which is greater than the alpa level of 0.05, so the selected model is the common effect model.

Based on the above tests, in the chow test the selected model is the fixed effect model, then the test proceeds to the hausman test. In the hausman test, the selected model is the random effect model, then the test proceeds to the LM test. In the LM test, the best model chosen is the common effect model. Thus it can be concluded that the common effect model is better in interpreting panel data regression to answer this research.

Table 8 will present the model results of the common effect model.

Table 8: Common Effect Model Testing Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-5.904247	0.751379	-7.857881	0.0000
FIXED_ASSET_INTENSITY	0.322288	1.366206	0.235900	0.8144
DEBT_LEVEL	0.802115	1.034628	0.775270	0.4417
SALES_GROWTH	1.973407	0.606358	3.254523	0.0020
PROFITABILITY	3.903218	1.736909	2.247221	0.0289
R-squared	0.202534	Mean dependent var		-4.086238
Adjusted R-squared	0.141191	S.D. dependent var		1.740718
S.E. of regression	1.613158	Akaike info criterion		3.877895
Sum squared resid	135.3184	Schwarz criterion		4.057110
Log likelihood	-105.5200	Hannan-Quinn criter.		3.947544
F-statistic	3.301645	Durbin-Watson stat		1.979462
Prob(F-statistic)	0.017438			

Source: Eviews 12 processing results

Classical Assumption Testing Results
Normality Test

Series: Standardized Residuals
Sample 2019 2021
Observations 57

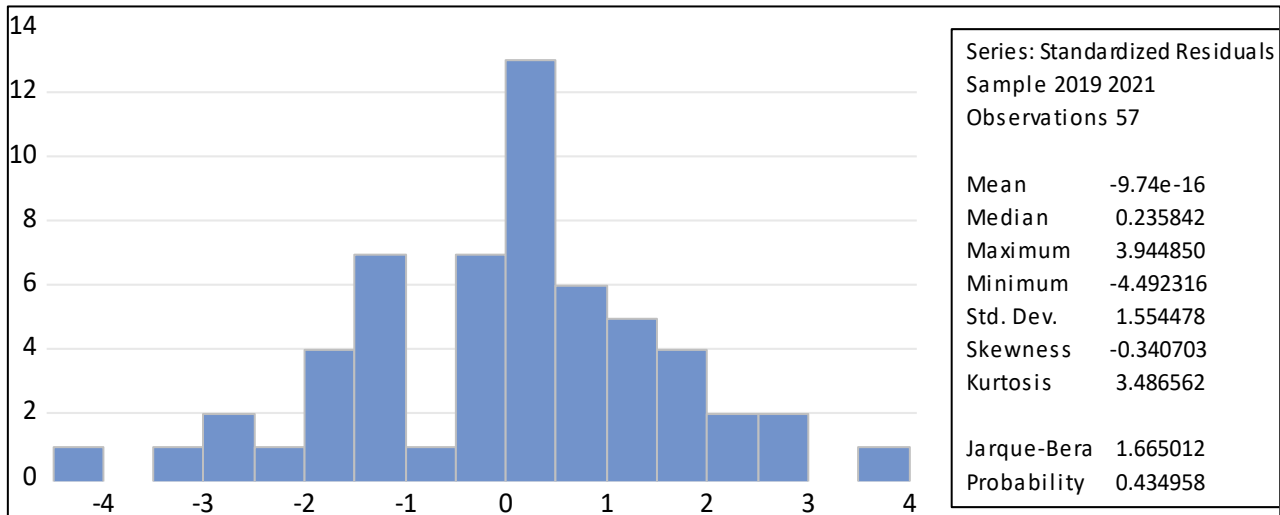|	
Mean	-9.74e-16
Median	0.235842
Maximum	3.944850
Minimum	-4.492316
Std. Dev.	1.554478
Skewness	-0.340703
Kurtosis	3.486562
Jarque-Bera	1.665012
Probability	0.434958

Figure 2: Normality Testing Results
Source: Eviews 12 processing results

Based on the results of the normality test above, the probability value is 0.434958 > 0.05, so the data is normally distributed.

Autocorrelation Test

Table 9: Autocorrelation Testing Results

R-squared	0.202534	Mean dependent var	-4.086238
Adjusted R-squared	0.141191	S.D. dependent var	1.740718
S.E. of regression	1.613158	Akaike info criterion	3.877895
Sum squared resid	135.3184	Schwarz criterion	4.057110
Log likelihood	-105.5200	Hannan-Quinn criter.	3.947544
F-statistic	3.301645	Durbin-Watson stat	1.979462
Prob(F-statistic)	0.017438		

Based on Table 9, the Durbin-Watson value shows 1.979462. Based on the Durbin-Watson table which uses a significance of 5% with an N of 57 and a total of 4 independent variables, the dU value of 1.7253 and dL of 1.4264 are obtained. So that the data is known as follows:
DL = 1.4264
DU = 1.7253
DW = 1.979462

4-DU = 2.2747
4-DL = 2.5736

Based on the data above, the DW value is between DU and 4-DU. So this model does not occur autocorrelation.

Multicollinearity Test

Table 10: Multicollinearity Testing Results

	FIXED_ASS...	DEBT_LEVEL	SALES_GR...	PROFITABIL...
FIXED_ASSET_INTENSITY	1	0.01703822...	-0.0595813...	0.11071764...
DEBT_LEVEL	0.01703822...	1	0.06114332...	-0.0864696...
SALES_GROWTH	-0.0595813...	0.06114332...	1	-0.2916856...
PROFITABILITY	0.11071764...	-0.0864696...	-0.2916856...	1

Based on table 10 above, it can be seen that the correlation value between fixed asset intensity (X1) and debt level (X2) is 0.017038. The correlation value between fixed asset intensity (X1) and sales growth (X3) amounted to- 0.059581. The correlation value between fixed asset intensity (X1) and profitability (X4) is 0.110718. The correlation value of debt level (X2) and sales growth (X3) is 0.061143. Correlation value of the level of debt (X2) and profitability (X4) of -0.086470. And the correlation value between sales growth (X3) and profitability (X4) is -0.291686. It can be seen that all data is less than 0.80 (<0.80), so it can be concluded that there is no multicollinearity problem.

Heteroscedasticity Test

Table 11: Heteroscedasticity Testing Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.787096	0.463778	3.853346	0.0003
FIXED_ASSET_INTENSITY	-1.293810	0.843271	-1.534276	0.1310
DEBT_LEVEL	0.045713	0.638609	0.071582	0.9432
SALES_GROWTH	-0.093862	0.374266	-0.250789	0.8030
PROFITABILITY	-0.942064	1.072082	-0.878724	0.3836

Based on table 11 of the heteroscedasticity test results using the Glejser test, it can be seen that the p value of the fixed asset intensity variable (X1) is 0.1310, the debt level variable (X2) is 0.9432, the sales growth variable (X3) is 0.8030, the profitability variable (X4) is 0.3836. All of these results show a value> 0.05, it can be concluded that this data is free from heteroscedasticity problems.

Hypothesis Test
Test Coefficient of Determination (R2)

Table 12: The Coefficient of Determination Testing Result

R-squared	0.202534
Adjusted-squated	0.141191

Based on table 12 above, the value is obtained R-squared is 0.202534. This shows that the independent variables together are able to explain the independent variable by 20.25%. The other 79.75% is explained by other variables outside the model.

t-Test (Partial Test)

Table 13: Testing Results (t-test) of Common Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-5.904247	0.751379	-7.857881	0.0000
FIXED_ASSET_INTENSITY	0.322288	1.366206	0.235900	0.8144
DEBT_LEVEL	0.802115	1.034628	0.775270	0.4417
SALES_GROWTH	1.973407	0.606358	3.254523	0.0020
PROFITABILITY	3.903218	1.736909	2.247221	0.0289

Source: Processing results using eviews 12

The t test aims to test the significance of each independent variable, namely fixed asset intensity, debt level, sales growth, and profitability on the dependent variable, namely tax management. In terms of the basis for decision making is to compare t table with t count. The data above shows that the degree of freedom (dk) is 57 - 5 = 52 with an alpha confidence level of 0.05, so the t table is 1.67469. The guidelines used to accept or reject the hypothesis are based on the estimation results in the table above, then the following are the results of the t- test statistics of each independent variable:

Based on the t test results presented in table 13 above, fixed asset intensity has a t count of 0.235900 with a probability value of 0.8144. This shows that the t_{count} is smaller than the ttable (0.235900 < 1.67469) with a significance value (0.8144 > 0.05). So it can be concluded that fixed asset intensity partially has no significant effect on tax management.

Based on the t test results presented in table 13 above, the debt level has a t count of 0.775270 with a probability value of 0.4417. This shows that the t_{count} is smaller than the t_{table} (0.454393 < 0.775270) with a significance value (0.4417> 0.05). So it can be concluded that the debt level partially has no significant effect on tax management.

Based on the t-test results presented in table 13 above, sales growth has a tcount of 3.254523 with a probability value of 0.0020. This shows that the t_{count} is greater than the t table (3.254523 > 1.67469) with a significance value (0.0020 < 0.05). So it can be concluded that sales growth partially has a significant effect on tax management.

Based on the t test results presented in table 13 above, profitability has a tcount of 2.247221 with a probability value of 0.0289. This shows that the t_{count} is greater than the t table (2.247221 > 1.67469) with a significance value (0.0289 < 0.05). So it can be concluded that profitability partially has no significant effect on tax management.

F-Statistic Test (Simultaneous Test)
The simultaneous test (F-Test) basically shows whether all the independent variables referred to in this study have a joint influence on the dependent variable. The following are the results of the simultaneous test.

Table 14: Testing Results (F-test) of Common Effect Model

R-squared	0.202534	Mean dependent var	-4.086238
Adjusted R-squared	0.141191	S.D. dependent var	1.740718
S.E. of regression	1.613158	Akaike info criterion	3.877895
Sum squared resid	135.3184	Schwarz criterion	4.057110
Log likelihood	-105.5200	Hannan-Quinn criter.	3.947544
F-statistic	3.301645	Durbin-Watson stat	1.979462
Prob(F-statistic)	0.017438		

Source: Eviews 12 processing results

Based on the test results in table 14, that the Fcount value is 3.301645 with a probability value of 0.017438, the Ftable value for the number of observations is 57 with a significant level of 0.05% and k or the number of all variables is 5, then the value of N1 = k - 1 = 5 - 1 = 4, N2 = n - k = 57 - 5 = 52. Then the F table value is 2.397, so it is obtained that F count is greater than F table or 3.301645 > 2.397 and can also be seen from the prob value (F-statistic) smaller than the significant level of 0.05 (017438 < 0.05). Which means that together the variables of fixed asset intensity (X1), debt level (X2), sales growth (X3), and profitability (X4) have a significant effect on tax management (Y).

DISCUSSION

The Effect Fixed Asset Intensity on Tax Management

The results of this study indicate that fixed asset intensity has no significant effect on tax management. The first hypothesis proposed in this study states that H1: fixed asset intensity affects tax management. So, that the hypothesis is rejected. Companies with a high level of fixed asset intensity actually pose various risks to the company, such as the risk of asset damage losses, providing a lot of space to store assets, maintenance costs and others.

The results of this study are in line with research conducted by (Dayanti, Umdiana, Nailufaroh, 2021), the company studied did not increase investment through fixed assets but used other variables. So that the company did not use depreciation costs inherent in assets to reduce the effective tax rate (ETR).

The Effect Level Debt on Tax Management

The results of this study indicate that the level of debt has no significant effect on tax management. The second hypothesis proposed in this study states that H2: the level of debt affects tax management. So, that the hypothesis is rejected. Companies with high debt levels actually have the potential for business losses if they are not supported by good sales growth rates and cost management. Company with a high level of debt is not necessarily because it wants to reduce operating

profit and minimize the amount of tax that must be paid. As stated by (Schmidt, 2022): "debt can be an alternative to equity as a source of a company's financing". Companies generally have high debt because they cover the company's operational needs. This research is in line with research (Fitriana and Isthika, 2021) which concluded that the level of debt has no effect on tax avoidance management.

The Effect Sales Growth on Tax Management

The results of this study indicate that sales growth has a significant effect on tax management. The third hypothesis proposed in this study states that H3: sales growth affects tax management. So, that the hypothesis is accepted. Companies with high sales growth will potentially get high operating profit; high operating profit will make the tax burden also high. The results of this study are in line with research conducted by (Purwanti and Sugiyarti, 2017) which proves that sales growth has a significant effect on tax management.

The Effect Profitability on Tax Management

Profitability has a significant effect on tax management. The fourth hypothesis proposed in this study states that H4: profitability affects tax management. So, that the hypothesis is accepted. Every company wants to be able to get profit for the business it does. But on the other hand, high profitability will also give the value of the tax burden that the company must pay higher. This research in line with previous research conducted by (Dayanti, Umdiana, Nailufaroh, 2021), (Anugrah and Yuliana, 2020), (Muslim and Nengzih, 2020), which proves that profitability has a significant effect on tax management.

CONCLUSIONS AND SUGGESTIONS

Fixed asset intensity has no significant effect on tax management. Debt level has no significant effect on tax management. Sales growth has a significant effect on tax management. Profitability has a significant effect on tax management.

Suggestions for future researchers:

This study found a positive effect on the variables of sales growth and profitability on tax management, these results can be used by the tax authorities to analyze the level of tax management carried out by corporate taxpayers. The results of this study can also be used as a consideration by investors who are concerned about analyzing corporate tax management in relation to returns. In addition, it can be used by company management to carry out tax management actions.

This study did not find a significant effect on the fixed asset intensity variable and the level of debt on tax management, so further researchers are advised to analyze other variables that are thought to have an influence on tax management such as: company size, affiliate transactions, operational expenses, tax facilities, or other variables.

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