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The Effect of Leverage and Profitability on Avoidance Taxes with Company Size as a Moderation Variable

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ABSTRACT

This study aims to determine the effect of leverage and profitability on tax avoidance with company size as a moderating variable in food and beverage companies listed on the Indonesian stock exchange for the 2019-2021 period. This sample selection used a purposive sampling method so that the samples obtained were 12 food and beverage companies listed on the Indonesian stock exchange in 2019-2021 with a total of 36 observational data for 3 years. The data collection technique used is documentation with data sources using secondary data taken through the official website of the Indonesian Stock Exchange. Observation of hypothesis testing using multiple linear regression analysis and Moderated Regression Analysis (MRA) with statistical procedures using SPSS version 24 software. The results show partially that leverage and profitability have no effect on tax avoidance. Based on the results of the MRA test, firm size can moderate leverage on tax avoidance, but cannot moderate profitability on tax avoidance.

Keywords: Leverage, Profitability, Company Size, Tax Avoidance

INTRODUCTION

The Indonesian Stock Exchange (BEI) or Indonesian Stock Exchange (IDX) is a capital market in Indonesia. The Indonesian Stock Exchange has an important role as a means for people to invest, which is an alternative investment. For companies, BEI helps companies to obtain additional capital by going public, namely the activity of offering shares or other securities carried out by issuers (companies that go public) to the public based on the procedures regulated by the Capital Markets Law and its Implementing Regulations.(S and Hasanah, 2017).

Of the various industrial sectors listed on the IDX, the industrial sector that is the object of this research is the consumer goods industrial sector with the food and beverages industrial sub-sector, which are companies operating in the food and beverage industry. The food and beverage business sector is a business opportunity that has bright prospects, especially in Indonesia which has a large population with very large needs and high purchasing power. With the development of an industry very rapidly, and supported by promising business opportunities, it will encourage various investors to invest capital in that industry. Of course, investors will carry out a detailed assessment of business opportunities and estimated income from an investment that will be invested. Is the investment feasible and where will investors invest their capital?(S and Hasanah, 2017).

Food and beverage companies are one of the business sectors that continues to experience growth. Along with the increasing population growth in Indonesia, the volume of demand for food and drinks continues to increase as well. The tendency of Indonesian people to enjoy ready-to-eat food has caused many new companies to emerge in the food and beverage sector because they consider the food and beverages industry sector to have profitable prospects both now and in the future (Nur, 2016).

According to(Hanum, 2009)Debt is often referred to as a liability, in a simple sense it can be interpreted as a financial obligation that must be paid by the company to other parties. Companies can use debt to finance various needs required by the company, for example to buy assets, raw materials, etc.

A company is said to be advanced in terms of its debt (leverage). Leverage is a ratio to measure how far a company uses debt to finance investments.(Puspita and Febrianti, 2018). Leverage is financed with company debt. However, debt will incur a fixed rate of return which is called interest. The larger the debt, the smaller the taxable profit will be because the tax incentive on debt interest is greater.

Besidesleverage,Profitability also has an important role in the business world. Profitability is the ability of a company to generate profits at a certain level of sales, assets and share capital. Companies that generate high profits will easily contribute to the social environment around the company.(Alpi. M. F and Batubara, 2021).

Profitability will also describe the company's ability to use its assets effectively in creating company profits from the use of assets which is termed Return On Assets (ROA). The higher the ROA value, the better the company's performance. Companies that have high profits will increase the amount of income tax(Arianandini and Ramantha, 2018).Along with the increase in company profits, the tendency for companies to carry out tax avoidance practices also increases.

The main cause which is considered to be one of the factors causing the failure to achieve tax revenues is tax avoidance activities (Septiawan, Ahmar, and Darminto, 2021). Tax avoidance is an engineering 'tax affair' that still remains within the framework of tax provisions (lawful). Tax avoidance is an effort to reduce the tax burden by not violating existing laws(Puspita and Febrianti, 2018).

The phenomenon that occurs regarding tax avoidance can be found in the Google case. Google is a multinational company from the United States that specializes in internet services and products. Google established a holding company in Singapore, which is known as a tax haven country with low tax rates to handle its business in ASIA, including Indonesia. Google feels that there has never been a Permanent Establishment (BUT) in Indonesia because in fact all contracts are carried out without going through a representative office in this country, all contracts made by Google with Indonesian consumers take place online. BUT is a condition or threshold for a country where the source of income can collect tax.

Not only do leverage, profitability and tax avoidance play an important role in a company, company size can also influence its economic activities. Company size is a scale that can classify companies into large and small companies according to various methods such as total assets and sales level.

Companies that fall into the group of large and small companies are more able to generate stable and profitable profits compared to small companies. The high profits obtained will cause the company's tax obligations to increase so that there is a tendency for companies to practice tax avoidance. Apart from that, companies that fall into the large group also tend to have good resources to manage their tax burden. Small scale companies tend to have inadequate human resources to take advantage of tax weaknesses to avoid the high income tax obligations that the company will bear(Zamrodah, 2016). Previous researchers stated that company size has a positive effect on tax avoidance(Swingly and Sukartha, 2015).

The larger the company size, the more frequent transactions are carried out. This allows the company to take advantage of existing loopholes to avoid taxes. This means that the higher the value of company size, the higher the tax avoidance activity.(Wardani & Puspitasari, 2022)

The next phenomenon is found at PT. In 2020-2021, Multi Bintang's leverage value increased, while the tax avoidance value decreased.

Based on the phenomenon above, it is clear that the value of leverage and tax avoidance is not in accordance with the statement from research (Harry Barli, 2018). Based on previous research, (Harry Barli, 2018) states that when companies rely more on debt financing than on financing originating from equity for its operations, the company will have a lower ETR. This is because companies that have higher levels of debt will pay higher tax interest, resulting in a lower ETR value.

The next phenomenon is found at PT. MAYORA in 2020-2021 the profitability value decreased while the tax avoidance value experienced an increase. According to research(Hidayat, 2018)explained that Profitability shows the company's financial performance in generating profits from asset management which is known as ROA (return on assets). The higher the return on assets, the greater the profit the company obtains and vice versa, so that the higher the level of ROA, the higher the company's profits so that The tax charged by the company will be higher, so the company will take tax avoidance actions, meaning that the higher the ROA, the higher the tax avoidance that the company will carry out. This means that the phenomenon in the table above is not in line with the research(Hidayat, 2018).

The next phenomenon in CLEO companies in 2020-2021 is increasing. The high profits obtained will cause the company's tax obligations to increase so that there is a tendency for companies to practice tax avoidance.(Zamrodah, 2016).

LITERATURE REVIEW

Tax Avoidance

According to (Syaifuddin, 2008) Tax Avoidance is a goal to avoid paying taxes by exploiting loopholes in the tax code. Meanwhile, according to (Hidayat, 2018) Tax avoidance is an effort to reduce or save taxes as long as this is possible by existing regulations.

Apart from that (Jacob, 2014) also defines tax avoidance as a way of reducing tax payments or minimizing the tax burden by arranging the transactions carried out in such a way as to benefit from weaknesses in tax regulations.

According to (Hutami, 2010) tax avoidance is a transaction that is used to minimize the tax burden by taking advantage of weaknesses contained in state tax provisions so that tax experts state that this is legal because it does not violate tax regulations.

Tax avoidance itself is aimed at reducing companies' explicit taxes which are carried out to reduce tax obligations from activities they carry out directly (Jimenez Angueira, 2018). According to (Kovenmann and Wendt, 2019) tax avoidance aims to reduce legal and economically appropriate tax payments, but is also accompanied by certain risks, for example unexpected additional tax payments, fines, interest, bad reputation, intensive tax audits and expensive, The legality of tax planning actions is important and must be considered carefully if one is evaluating the risks of tax planning for shareholders.

Leverage

According to(Sanjaya, 2021)Leverage is a use of assets or sources of funds by a company that has fixed costs with the aim of increasing shareholder profits. According to(Tiaras and Wijaya, 2017)Leverage ratio is the company's ability to pay all its obligations (debt). Some companies use Leverage to determine the amount of the company's debt to creditors or other external parties, as well as to assess the comparative value between the company's assets and capital.

Companies need their own capital and debt to carry out their operational activities. Leverage is used as a measure of a company's dependency on creditors in its operational activities as well as the influence of debt on asset management in helping shareholders. Leverage can make the company's investment percentage much higher than what was invested, this can certainly benefit the company and shareholders.

Profitability

According to(Astuty, 2012)Profitability is used as a criterion for assessing company operating results which can be used to measure the company's ability to generate profits in relation to sales volume, total assets and own capital. . Profitability itself can be measured using several ratios, one of which is the return on assets ratio. Return On Assets (ROA) is calculated by comparing the value of the company's net profit and the total assets owned by the company.

According to(Alpi & Gunawan, 2018)Return on Assets (ROA) analysis is an analysis technique commonly used by company leaders to measure the effectiveness of the company's overall operations. Return on Assets (ROA) itself is a form of profitability ratio which is intended to measure the company's ability to use the total funds invested in the company's operations to generate profits.

Company Size

Company size is a scale where the size of the company can be classified according to various ways, including total assets, log size, share market value, etc. The size of the company will influence its ability to bear risks that may arise from various situations faced by the company(Fitri Prasetyorini, 2013).

Company size is a scale to determine the size of the company. Company size can be calculated using the natural logarithm of total assets(Fitriani, 2018). Company size is the size of a company which can be calculated by the total assets / size of the company's assets using the logarithmic value of total assets.

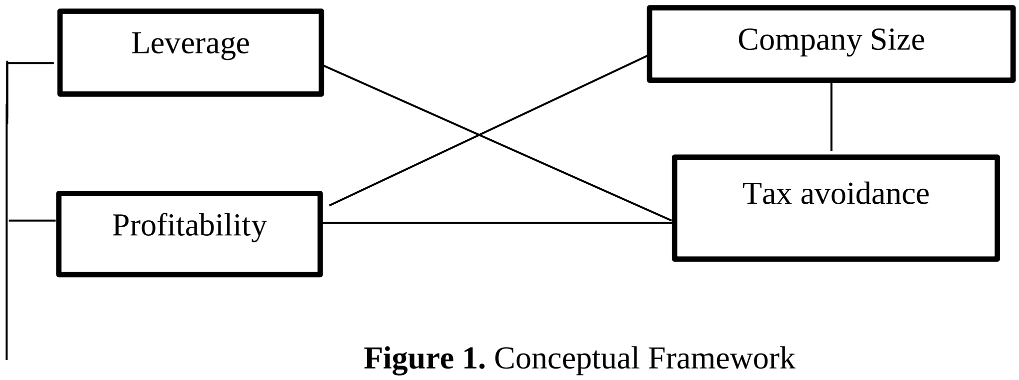

Figure 1. Conceptual Framework

Hypothesis

1 : Leveragehas a positive effect on tax avoidance in food and beverage companies listed on the Indonesia Stock Exchange.
2 : Profitability has a positive effect on tax avoidance in food and beverage companies listed on the Indonesia Stock Exchange.
3 : Company size moderates the relationship between leverage and tax avoidance in food and beverage companies listed on the Indonesia Stock Exchange.
4 : Company size moderates the relationship between profitability and tax avoidance in food and beverage companies listed on the Indonesia Stock Exchange.

METHOD

Population and Sample

The population in this study were 12 food and beverage companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The sample in this research consisted of 12 companies with 3 years of observation. In this research the author used a quantitative method with an associative approach. Quantitative research is research using methods that use numbers as data and then analyze it. The approach used is an associative approach where the associative approach is analyzing the problem of the relationship between one variable and other variables.

Table 1. Operational and Variable Definitions

Variable	Measurement	Scale
Leverage(X1)	DER = Total Debt / Owner's equity	Ratio
Profitability (X2)	ROA = Net Income / Total assets	Ratio
Tax Avoidance (Y)	CETR = Payment Tax / Profit Before Tax	Ratio
Company Size (Z)	Size = Ln (total assets)	Ratio

The analytical data used in this research is statistical analysis, namely the multiple linear regression method and moderated regression (MRA) or interaction testing using the SPSS version 24 program. Statistical testing in this research consists of testing classical assumptions and hypotheses.

RESULT AND DISCUSSION

Descriptive statistics

This research uses secondary data obtained fromwww.idx.co.id.Descriptive statistics show minimum, maximum, average and standard deviation values. The following displays the statistical data.

Table 2. Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Leverage	36	.121	1,658	.58417	.394543
Profitability	36	,030	1,072	.14050	.175403
Company Size	36	20,926	32,820	28.32106	2.640492
Tax avoidance	36	.106	3,455	.51083	.808792
Valid N (listwise)	36				

Based on table 1, it can be explained that the number of data (N) used in this research was 36 data observations taken from financial reports of food and beverage companies listed on the Indonesian Stock Exchange in 2019-2022, which were accessed from the website. Following the information from the table above, the descriptive statistical results of the data can be described as follows:

1. Based on descriptive statistical tests of leverage (X1), it is known that the minimum value is 0.121, the maximum value is 1.658 and the average value with a standard deviation is 0.394543.
2. Based on descriptive statistical testing of profitability (X2), it is known that the minimum value is 0.030, the maximum value is 1.072, the average value is 0.14050 with a standard deviation of 0.175403

3. Based on descriptive statistical testing of company size (X3), it is known that the minimum value is 20,926, the maximum value is 32,820, the average value is 28.32106 with a standard deviation of 2.640492.
4. Based on descriptive statistical testing of tax avoidance (Y), it is known that the minimum value is 0.106, the maximum value is 3,455, the average value is 0.51083 with a standard deviation of 0.808792.

Classic assumption test

Normality test

The Normality Test aims to determine whether the independent variables and dependent variables in a regression model are normally distributed or not for the dependent variable. Normality testing is carried out using the normal probability plot test. If the data is distributed along the diagonal line and also follows the direction of the diagonal line showing a normal distribution pattern, as seen in the image below, then the regression meets the normality requirements.

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residuals
N		36
Normal Parameters, b	Mean	.0000000
	Std. Deviation	.27642525
Most Extreme Differences	Absolute	,087
	Positive	,087
	Negative	-.060
Statistical Tests		,087
Asymp. Sig. (2-tailed)		,200c,d

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Based on table 2 above, it can be seen that the Asymp.i Sig. (-2 tailed) is more than 0.05, namely 0.200, which indicates that the regression model in this study meets the normality assumption and is worthy of research.

Multicollinearity Test

The multicollinearity test aims to test whether the regression model has found a correlation between the independent variables. To determine whether there is multicollinearity in a regression model, this can be seen from the tolerance value and variance inflation factor (VIF) value. A good regression model should not have correlation between independent variables (Ghozali, 2016). If the tolerance value is > 0.1 and the VIF value is < 10.00 then it can be concluded that there are no signs of multicollinearity. Below are the results of the multicollinearity test in the table below:

Table 3. Multicollinearity Test Results

Coefficientsa			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Leverage	,989	1,011
	Profitability	,989	1,011

Dependent Variable: Transform_LG10_Y

Source: SPSS data processing results, 2022

Based on table 3, it shows that leverage has a Tolerance value of 0.989 and a VIF of 1.011. Profitability Tolerance value 0.989 and VIF value 1.011. So it can be concluded that there is no multicollinearity in all variables because each variable has a Tolerance value > 0.1 and a VIF value < 10.00.

Heteroskedasticity Test

Heteroscedasticity aims to determine whether there is a difference in variance between the residuals of one observation and another observation in a regression model. It is called homoscedasticity if there is residual variance from one observation to the next, and it is called heteroscedasticity if there is a difference. A good regression model is one with homoscedasticity or no heteroscedasticity.

A scatterplot can be used to display this test. There are no signs of heteroscedasticity problems if there is no visible pattern and the points are scattered above and below the Y-axis value and the number 0. The image below shows the results of the heteroscedasticity test.

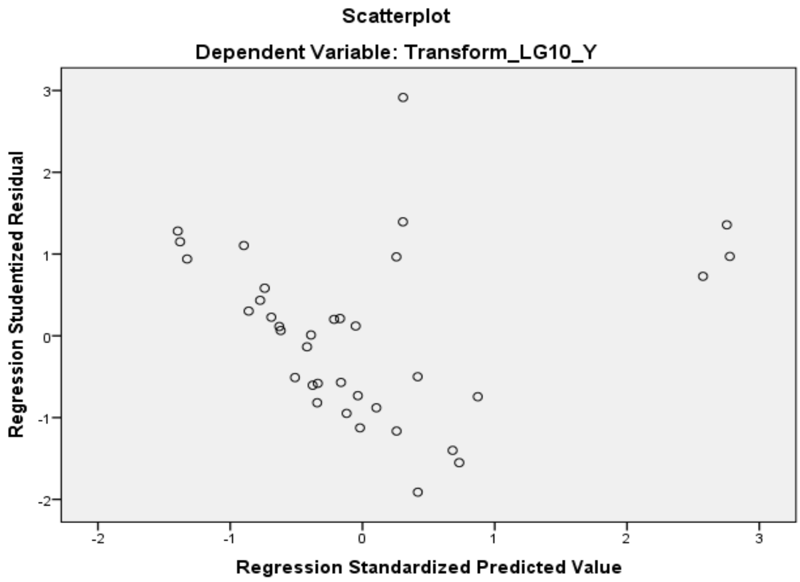

Figure 2. Heteroskedasticity Test

Based on Figure 2 above, it can be seen that all regression models have scatter plot graphs with the points formed spreading randomly or below the number 0 on the Y axis. Thus, the regression model proposed in this research is free from symptoms of heteroscedasticity.

Multiple Linear Regression Analysis

Strength of relationship between variablesindependent and dependent variables are assessed using multiple regression analysis. To process data and.To test the hypothesis in this research, statistical techniques were used, namely the SPSS computer software program.

Table 4. Multiple Linear Regression Test Results

Coefficients a						
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	Q	Sig.
1	(Constant)	2,519	,555		4,535	,000
	Leverage	,230	.135	,234	1,697	,099
	Profitability	-.225	,281	-.102	-.800	,429

a.Dependent Variable: Transform_LG10_Y (Tax Avoidance)

Source: SPSS data processing results, 2022

Based on table 4, it can be seen that the regression equation in this research is as follows:

Y = 2.519 + 0.230X1 + (-225X2)+ (-112X3) + e

From this equation it can be interpreted as follows:

1. The constant value (a) is positive, namely 2.519. This means that if the independent variables, namely the leverage (X1) and profitability (X2) variables, are considered zero, then the tax avoidance value is 2,519
2. The regression coefficient value for the leverage variable (X1) is 0.230, meaning that if the other independent variables remain constant and leverage increases, then tax avoidance will increase by 0.230.
3. The profitability regression coefficient value is -0.225. This means that if other independent variables remain constant and profitability increases, then tax avoidance will increase by -0.225

Hypothesis Test

Statistical Test t (Partial Test)

The t statistical test is used to determine whether or not there is an influence of each independent variable individually on the dependent variable which is tested at a significance level of 0.05.

Table 5. t Test Results (Partial Test)

Coefficients a						
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	Q	Sig.
1	(Constant)	2,519	,555		4,535	,000
	Leverage	,230	.135	,234	1,697	,099
	Profitability	-.225	,281	-.102	-.800	,429

a. Dependent Variable: Transform_LG10_Y

Qtable calculated from = 5% and df = nk-1, where N is the number of respondents and K is the number of research variables. The number of respondents in this study was 36 respondents, so ttable can be calculated as follows:

$$Qtable = t\left(\frac{5\%}{2}; \cancel{n -} k - 1\right)$$

$$Qtable = t\left(\frac{0.025}{2}; 36 - 3 \cancel{- 1)}\right.$$

ttable = t (0.025; 32)

ttable = 2.028

1. Leverage

The test results show that the t value for variable leverage shows that the t value = 1.697 < t table 2.028 with a significant value of 0.099 > 0.05. Thus, the conclusion is that the significant value is 0.099 which is greater than 0.05 which indicates that leverage has a positive and partially insignificant effect on tax avoidance.

2. Profitability

The test results show that the t value for the profitability variable shows that the t value = - 0.800 < t table 2.028 with a significant value of 0.429 > 0.05. Thus, the conclusion is that the significant value is 0.429, which is greater than 0.05, which indicates that profitability has a negative effect and is not partially significant. against tax avoidance.

Determination Coefficient Test (R2)

The size of the influence of the independent variable on the dependent variable is assessed using the coefficient of determination. The coefficient of determination value is determined by the adjusted R square value.

Table 6. Coefficient of Determination Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,700a	,490	,442	.28909

a. Predictors: (Constant), Company Size, Profitability, Leverage

Based on the results of table 6 above, it can be seen that the value of the coefficient of determination (Adjusted R2) in this study is 0.442. This means that 44.2% of changes in tax avoidance can be explained by changes in tax planning, profitability and company size while the remaining 55.8% is explained by other variables not included in this research model.

Moderated Regression Test Results Using the Interaction Approach / MRA (Moderated Regression Analysis)

Moderating variables are those that strengthen or weaken the relationship between other independent variables and the dependent variable. The moderating variable in this research is company size. The moderating variable is used to determine the effect of the moderating variable, namely company size, on the relationship between leverage and tax avoidance and profitability and tax avoidance. The results of the moderation regression are presented in Table 7 as follows.

Table 7. Results of Moderate Regression Analysis (MRA)

Coefficientsa						
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4,331	2,176		1,990	,056
	Leverage	-4,455	2,248	-4,541	-1,981	,057
	Profitability	,567	10,888	,257	,052	,959
	Company Size	-.177	,077	-1,205	-2,288	,029
	X1_Z	,163	,078	4,993	2,096	,045

a. Dependent Variable: Transform_LG10_Y

Based on the table above, the results of individual (partial) testing show that the influence of the leverage variable on tax avoidance is not significant (Sig.0.057 > 0.05). The effect of profitability on tax avoidance is significant (Sig.0.959 > 0.05). .The effect of company size on tax avoidance is not significant. (.Sig.0.029 < 0.05.). The effect of leverage on tax avoidance is not moderated by company size (Sig.0.045 < 0.05), or in other words company size is a moderating variable (a variable that is quite strong/moderate in influencing the relationship between leverage and tax avoidance). The effect of profitability on tax avoidance is moderated by company size (Sig.0.944 > 0.05.), or in other words company size is not a moderating variable (a variable that is not strong/moderate enough in influencing the relationship between profitability and tax avoidance).

From the description above, it states that the mathematical equation can be created as follows: Tax Avoidance = 1,990 – 1,981 + 0.52 (2,096) + (-071).

Discussion

Based on research results which are based on the results of data processing related to the title, suitability of theories, opinions and previous research stated previously. The following are the results discussed in this research, including:

The Effect of Leverage on Tax Avoidance

Based on the research results obtained regarding leverage on tax avoidance in food and beverage companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The partial hypothesis test results show that the value for the leverage variable is 1.697 and with. = 5% is known to be 2.028, thus it is smaller than the significant leverage value of 0.099 > 0.05, meaning that from these results it can be concluded that H0 is accepted (Ha is rejected, indicating that leverage has a positive and insignificant effect on tax avoidance in food and beverage companies listed on the Stock Exchange Indonesian Effect.

The results of this research are in accordance with research conducted by(in Ikhsan Abdullah, 2020)research conducted by Renny, et al (2019) which states that partial test results show that leverage has a positive effect on tax avoidance

This shows thatleveragecan be an indicator of tax avoidance. On average, companies use debt for operational activities in order to increase the profits earned by the company, thereby incurring interest costs that must be paid. This can reduce the company's tax burden so that the company does not deliberately avoid tax.

The Effect of Profitability on Tax Avoidance

Furthermore, the results of research on profitability also show that profitability has a negative and insignificant effect on tax avoidance in food and beverage companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The partial hypothesis test results show that the value for the profitability variable is -800 and with = 5% it is known to be 0.429 > 0.05.

Thus, it can be concluded that the significance value, namely 0.429, is greater than 0.05, which indicates that profitability has a negative and partially insignificant effect on tax avoidance. The results of this research are not in line with research conducted by Praditasari and Setiawan (2017) which found a positive relationship between profitability and tax avoidance.

The research results of Praditasari and Setiawan (2017) show that the higher the profit level, the tax burden will also increase along with the increase in profits obtained by the company. This can encourage companies to try to avoid increasing the tax burden by carrying out tax avoidance

However, on the other hand, research (S. Sanjaya, 2021) explains that profitability has no partial effect on tax avoidance. Research by Lilis Apriliyani and Andi Kartika (2021) also states that profitability has no effect on tax avoidance. Large-scale companies tend to have large total assets, where the total assets are able to show an increase in company profits. This explains that this research is in line with research by (S. Sanjaya, 2021) and (Lilis Apriliyani and Andi Kartika, 2021).

Company Size Moderates the Relationship Between Leverage and Tax Avoidance in Food and Beverage Companies Listed on the Indonesian Stock Exchange

The results of moderated regression analysis using the interaction test approach / MRA (Moderated Regression Analysis) show that the effect of leverage on tax avoidance can be moderated by company sizeSig.0.045 < 0.05). This shows that leverage is acceptable.

This is in accordance withResearch that has been conducted (Hutapea & Herawaty, 2020) states that company size strengthens the effect of leverage on tax avoidance. The size of a company is often related to the size of the amount of debt the company has.

The same thing was also discussed by(Prabowo and Sahlan, 2021)The bigger the company, the more the company will consider risks in terms of managing its tax burden. Large companies utilize financing originating from company debt rather than using company resources (Lestari and Putri, 2017).

The results of the research prove that company size can strengthen the effect of leverage on tax avoidance, because companies that are large companies tend to have greater resources than companies that have a smaller scale because large companies tend to use debt more for financing.

Company Size Moderates the Relationship Between Profitability and Tax Avoidance in Food and Beverage Companies Listed on the Indonesian Stock Exchange

The results of moderated regression analysis using the interaction test approach / MRA (Moderated Regression Analysis) show that the effect of profitability on tax avoidance cannot be moderated by company sizeSig (Sig.0.944 > 0.05). This shows that company size is unable to moderate the effect of profitability on tax avoidance.

The results of this research prove that company size can weaken the influence of profitability on tax avoidance, which according to (Putra & Jati, 2018) states that the company size variable as a moderating variable is not proven, perhaps large and small companies are in good condition and are not experiencing difficulties. so they are not motivated to do tax avoidance

CONCLUSION

Based on the results of the research and discussion previously stated, conclusions can be drawn from the research regarding the influence of leverage and profitability on tax avoidance with company size as a moderating variable in food and beverage companies listed on the Indonesia Stock Exchange in 2019-2021 with a sample of 12 companies

Leveragepositive and insignificant effect on tax avoidance in Food and Beverage Companies listed on the Indonesia Stock Exchange. Profitability has a negative and insignificant effect on tax avoidance in Food and Beverage Companies listed on the Indonesian Stock Exchange. Company size moderates the relationship between the effect of leverage on tax avoidance in food and beverage companies and those listed on the Indonesia Stock Exchange. Company size does not moderate the relationship between the effect of profitability on tax avoidance in food and beverage companies and those listed on the Indonesia Stock Exchange.

SUGGESTION

Based on the results of research on food and beverage companies listed on the Indonesia Stock Exchange in 2019–2021, the author makes the following suggestions:

1. It is hoped that future researchers will expand the research area so that it can be seen from various sectors, rather than just focusing on one sector.
2. The research period was only 3 years, future researchers are advised to use a longer time period in order to describe the actual conditions.
3. It is hoped that future researchers can add other independent variables.
4. Companies should be better able to manage the number of assets they own so that the profits earned by the company will increase.

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