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"Entrepreneurship on Global Economics Development in the Era of Society 5.0"

**The Effect of Tax Planning and Sales Growth on External Funding in Food and Beverage Companies Listed on the Indonesia Stock Exchange, 2018 – 2021****Surya Sanjaya<sup>1\*</sup>, Wendi Sabrina<sup>1</sup>**<sup>1</sup>Universitas muhammadiyah Sumatera Utara

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**\*Email:** [suryasanjaya@umsu.ac.id](mailto:suryasanjaya@umsu.ac.id)**ABSTRACT**

This study aims to determine the effect of tax avoidance and sales growth on external funding. The external funding variable is measured using (DER) as the dependent variable. While the independent variables are tax avoidance (X1) which is measured using (ETR) and sales growth (X2) which is measured using (GOS). The population in this study are all companies that are included in the Food and Beverage companies listed on the Indonesia Stock Exchange for 2018 – 2021. From the existing population, a sample of 12 companies can be determined. This type of research is a quantitative research with an associative approach, where the sample technique is purposive sampling. The data analysis technique used is descriptive statistics, classical assumption test, multiple linear regression and hypothesis testing. The results of this study indicate that tax avoidance has no effect on external funding, while sales growth has an effect on external funding. The results of this study also show that tax avoidance and sales growth both have an effect on external funding.

**Keywords:** Tax Avoidance, Sales Growth and External Funding

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**INTRODUCTION**

The external funding structure indicates how the company finances its operational activities or how the company finances its assets. Companies need funds from their own capital and foreign capital. For the condition of companies in Indonesia, they often replace short-term debt with long-term debt and roll over short-term debt (Husnan, 2002). (Riyanto, 2001) revealed that the structure of external funding reflects the way in which the company's assets are spent, thus the financial structure is reflected in the overall liabilities in the balance sheet. The financial structure also reflects the balance between overall foreign capital (both short term and long term) with the amount of own capital.

If the internal funding sources owned by the company are not able to meet the needs, then the next alternative is to do external funding from debt. However, in carrying out debt, the company must manage it properly, so that over leverage does not occur because this can have an impact on the company's ability to pay off its debts.

Factors that influence when making decisions on the external funding structure are sales stability, asset structure, operating leverage, growth rates, profitability, taxes, control, manager attitudes, lender attitudes, and rating assessment agencies, market conditions, internal company conditions, financial flexibility (Hamidah & Rahayu, 2022).

Tax planning (tax planning) is carried out to maximize profits after tax (after tax return), by taking advantage of opportunities or opportunities in regulatory provisions made by the government to provide different treatment for objects that are economically essentially the same, or in other words take advantage of differences in rates taxes (tax rated) and differences in treatment of tax objects as tax bases (tax based) loopholes, shelters, havens. (Suandy, 2008). When implementing tax planning there are those who use tax avoidance and tax evasion. In theory, in estimating the difference between tax avoidance and tax evasion, there is a difficulty that lies in determining the difference. Guided by statutory regulations,

Tax avoidance is an attempt to smooth out the tax burden by avoiding tax collection by directing it to transactions that are not tax objects. With the introduction of the self-assessment system, taxpayers are given the authority to calculate, manage and report their tax obligations. This tax law provides an opportunity for taxpayers to pay taxes ideally and as minimally as possible without violating the provisions of the applicable tax law.(Hamidah & Rahayu, 2022). Legally, tax evasion is not prohibited, but it often gets unfavorable attention from the tax agency because it is considered to have a negative connotation and shows non-compliance behavior or tax resistance. The significant industrial growth caused the Indonesian government to carry out tax reforms in 2014 which resulted in the revision of Law no. 36 of 2014. The result of the revision is the provision of incentives to Corporate Taxpayers, namely a reduction in tax rates. Corporate tax gets significant attention because it is directly related to the amount of profit generated.

Sales growth reflects the manifestation of investment success in the past period and can be used as a prediction of future growth. Sales growth is also an indicator of demand and competitiveness of companies in an industry. The growth rate of a company will affect the company's ability to maintain profits in funding opportunities in the future. High sales growth

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will reflect increased income so that dividend payments and external funding increase (Barton et.al, 1989).

High and stable sales growth will have a positive effect on company profits, as a result the company considers determining the company's funding structure. High sales growth rate, which means the company's sales volume increases and requires more production capacity increase and more funds are needed using external debt. Production volume offsets the sales growth rate, therefore profit from sales also increases and the company can use it to cover debt (Hamidah & Rahayu, 2022).

With the increase in revenue, the company's sales growth also increases and the opportunity to generate greater profits. If sales increase, it is expected that external funding will increase which can lead to capital gains.

Effective and efficient company management is usually associated with maximum profit or profit. In maintaining this, the company needs to maximize revenue and minimize costs. One of the expenses that must be controlled is the tax burden in the company. This control is one way for companies to reduce their taxes. Tax emphasis is carried out to get maximum profit which is usually carried out by tax avoidance (Hamidah & Rahayu, 2022). In running the company, it is necessary to have external funding, so that the company can be run to be able to produce company goals, namely profits, by buying assets and funding company activities. Then the company can run smoothly (Abdullah, 2020).

External funding can be measured by the ratio between the company's total debt and capital (Debt To Equity Ratio). The Debt to Equity Ratio is the ratio used to assess debt and equity. If the company's debt is greater than the company's capital, it means that the Debt to Equity ratio (DER) is above 1, this illustrates the use of funds used for the company's operational activities using more of the total debt element. In conditions of Debt to Equity ratio (DER) above 1, the company must bear the total cost of capital which is so large, so that the risk borne by the company also increases if the investment carried out by the company does not produce an optimal rate of return (Harjito & Martono, 2013).

The higher the Debt to Equity Ratio (DER) indicates the composition of the total debt (both short term and long term) is greater than the total own capital, so that the impact on the company's burden on outsiders (creditors) is greater, this shows that the company is carrying out its operational activities. still dependent on external funding (Syafrida & Ainur, 2014).

According to (Sitanggang, 2020) the higher the level of debt, the higher the level of corporate tax avoidance. Companies reduce taxes to achieve profit targets so they can pay off their debts. Company profits require a tax deduction, but the interests of the tax authorities want the tax received to be large and regular (Hamidah & Rahayu, 2022). According to (Lim, 2011) states that tax avoidance is a substitute for reducing the cost of debt.

The higher the sales, the higher the profits the company will get, the profits will be additional capital for the company in developing, so that the opportunity to use debt will be even greater (Dewi, 2015).

From the results of previous research (Hamidah & Rahayu, 2022) states that the sales growth variable proxied by Growth of Sales (GOS) has a positive and insignificant effect on

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external funding. This is not in line with research (Syafrida & Ainur, 2014) which states that there is no effect of sales growth on DER either partially or simultaneously. Likewise, the results of previous research (Hamidah & Rahayu, 2022) state that tax avoidance and sales growth simultaneously affect external funding. And this is not in line with research put forward by (Tiarna, 2021) external funding and sales growth do not have a significant effect on tax evasion together.

Based on the descriptions above, the authors are interested and motivated to conduct research to determine the effect of tax planning and sales growth whether it affects external funding with the title "The Influence of Tax Planning and Sales Growth on External Funding of Food and Beverage Companies Listed on the Indonesia Stock Exchange (IDX)".

**THEORETICAL BASIS****External Funding**

The external funding structure indicates how the company finances its operational activities or how the company finances its assets. Companies need funds from their own capital and foreign capital. For the condition of companies in Indonesia, they often replace short-term debt with long-term debt and roll over short-term debt (Husnan, 2002). (Riyanto, 2001) revealed that the structure of external funding reflects the way in which the company's assets are spent, thus the financial structure is reflected in the overall liabilities in the balance sheet. The financial structure also reflects the balance between overall foreign capital (both short term and long term) with the amount of own capital.

According to (Fred & Munandar, 2014): "The external funding structure (financial structure), or it can also be called the financial structure, is a combination or mix of all items that enter the right side of the company's balance sheet (liabilities side)".

In this study, the ratio used to measure the external funding structure is debt to total equity (DER), which is the ratio between debt and total capital. This measurement has been used by (Barelli et al., 2018) and several previous studies. The reason for this research is to use total debt on capital because of conditions in Indonesia. Indonesia as a developing country often replaces Short Term Debt with Long Term Debt and Short Term Debt Roll Over (Sitanggang, J.P, 2012).

**Tax Planning**

Tax planning (tax planning) is the first step in conducting tax management (Suandy, 2011). In general, the emphasis on tax planning is to minimize tax obligations. The definition of tax planning (Tax Planning) according to (Official, 2003) can be interpreted as efforts made by taxpayers to save taxes by regulating the calculation of smaller income made possible by tax legislation. The definition of tax planning put forward by (Chairil Anwar, 2013) tax planning is the process of organizing the businesses of individual and business entity taxpayers in such a way as to take advantage of various possible loopholes that can be taken by companies in the corridors of tax regulation provisions (loopholes), so that companies can pay minimum amount of tax.

**Tax evasion**

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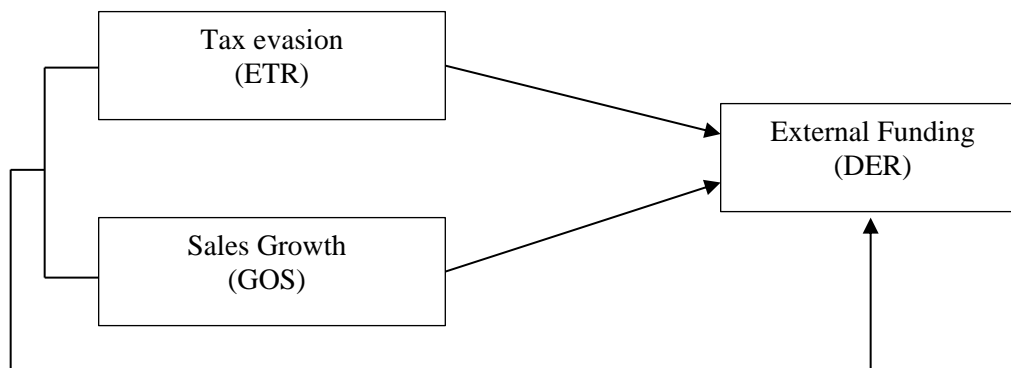
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Tax avoidance, or better known as tax avoidance, is usually defined as a tax avoidance scheme for the purpose of minimizing the tax burden by exploiting a loophole in a country's tax regulations. Tax avoidance is related to the arrangement of an event in such a way as to minimize or eliminate the tax burden by paying attention to whether or not the tax consequences arise. (Rahayu, 2010). Tax avoidance is considered as an activity to transfer wealth from the state to corporations (Zulia Hanum and Rukmini, 2016). Tax evasion is a legal action for taxpayers by exploiting weaknesses in tax provisions to save on paying the tax burden so that the company achieves the targeted profit. (Official Site, 2014). This study uses tax avoidance ratio analysis which is measured using the effective tax rate (ETR) because the higher the level of tax avoidance carried out by managers, the less the information content of financial statements will be, the less the information content presented will have an impact on the lower the value of the company (Solar, 2021).

### Sales Growth

Sales growth (Growth Of Sale) is one of the important factors that determine the continuity of the company. Apart from coming from debt or capital, the company's funds also come from the sale of the company's products in the form of goods and services. Sales growth is an increase in the number of sales from year to year or from time to time. The previous year's sales growth is used to forecast sales growth in the following year. For companies with high growth rates, the tendency to use debt is greater than companies with low growth rates (Halim, 2015). According to (Brigham. EF & Houston. JF, 2011), the stability of sales will affect the stability of income, which in turn can be used as collateral to obtain loans or debts. The sales growth ratio is measured using (Growth Of Sale) because the more stable the sales, the more stable the profits are, which means the more likely the company is to be able to meet its financial obligations. Sales growth is the difference between the number of sales this period compared to the previous period.

### conceptual framework



**Figure 1.** Conceptual Framework

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### Research Hypothesis

Based on the theoretical basis and conceptual framework that has been described, the research hypothesis is:

1. Tax avoidance has an effect on external funding
2. Sales growth affects external funding
3. Tax avoidance and sales growth have an effect on external funding.

### METHOD

In this study, researchers used an associative quantitative research approach. The associative approach is research that wants to see whether a variable that acts as an independent variable affects other variables that are the dependent variable (Juliandi, A., Irfan, I., & Manurung, 2014). In this study, an associative approach is used to determine the extent of the relationship between Tax Avoidance (X1) and sales growth (X2) to External Funding (Y). The method the researchers used in this study was a quantitative research method. Quantitative research methods are researchers based on the philosophy of positivism to examine certain populations or samples and random sampling by collecting data using instruments, data analysis is statistical (Sugiyono, 2015).

#### Dependent Variable

The dependent variable in this study is External Funding which is measured using DER (Debt to Equity Ratio).

#### Independent Variable

1. Tax evasion :Tax Avoidance as measured by using the ETR (effective tax rate)
2. Sales Growth :Sales Growth as measured by using GOS (Growth Of Sale)

#### Sampling technique

The population used in this study is the population of Food and Beverage companies listed on the Indonesia Stock Exchange in 2018-2021, totaling 26 companies. Sampling using Purposive Sampling technique, namely the selection of samples based on certain criteria. These criteria include the following:

- a. Companies that publish financial reports for the period 2018 – 2021.
- b. The company has complete data according to the needs of researchers from 2018 – 2021.
- c. The company has negative profits in the 2018 – 2021 period.

**Table 1.** sampling technique

No	Criteria	Amount
1	Food and beverage company listed on the Indonesia Stock Exchange in 2018 -2021	(26)
2	Companies that do not publish financial reports during the period 2018 -2021	(14)
	Number of Samples	12
	Total Observations for 4 years	48

Source: Processed Data (2022)

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Based on the table above, it can be concluded that the total data population is as much as 26 companies. While the number of companies that did not meet the criteria was 14 companies, so there were 12 companies that met the criteria that would be tested in this study. The sample used is the financial statements of food and beverage companies for the period 2018 – 2021, so that the total number of samples to be examined in this study is 48 samples.

### Data collection technique

In this study, the authors used a collection technique using Documentation Study, Library Studies and Online Research techniques.

### Data analysis technique

#### 1. Descriptive Statistics Test

Descriptive statistics is a statistic that is used to analyze data by providing an overview or description of a data seen from the average, maximum, minimum, standard deviation values. (Ghozali, 2018).

#### 2. Classic assumption test

Classical assumption testing is needed to detect whether there are deviations from the classical assumption on the multiple regression equation used. This test consists of tests for normality, multicollinearity, autocorrelation, and heteroscedasticity.

#### 3. Multiple Linear Regression Test

Multiple linear regression is a method for determining causal relationships between one variable and other variables. This study uses multiple linear regression to determine a causal relationship between the independent variable Tax Avoidance (X1) on External Funding (Y) and Sales Growth (X2) on External Funding (Y).

#### 4. Hypothesis testing

Hypothesis testing was carried out with the aim of seeing the effect between the independent variables and the dependent variable individually or collectively. The hypothesis testing in this study is the Determination Coefficient Test (R<sup>2</sup>), Partial Test (t) and Simultaneous Significance Test (F).

## RESULT AND DISCUSSION

### Descriptive statistics

Statistics descriptive is a statistical test that is used to analyze data by providing a description or description of a data seen from the average, maximum, minimum, standard deviation values. (Ghozali, 2018). The following are the results of descriptive statistical tests using SPSS 25:

**Table 1.** Statistic descriptive

Descriptive Statistics	N	Minimum	Maximum	Means	std. Deviation
Tax evasion	48	.30	2.16	1.4070	.32645
Sales Growth	48	-1.30	2.20	1.0774	.56887
External Funding	48	1.58	3.13	2.1200	.29925
Valid N (listwise)	48				

**Source:** SPSS Results (2022)

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1. It can be seen in the table above that from the total data, namely as many as 48 samples, for the Tax Avoidance variable, a mean of 1.4070 is obtained. This is the average tax avoidance of manufacturing companies able to get 140.70%. The maximum value of tax avoidance is known to be 2.16, which means that food and beverage companies' tax avoidance can reach 216%. And the minimum value of tax avoidance is 0.30, namely the lowest tax avoidance for food and beverage companies is 30%.
2. The Sales Growth Variable (GOS) shows a mean value of 1.0774. This means that the average sales growth (GOS) of food and beverage companies is able to get 107.74%. The maximum value of sales growth (GOS) is 2.20, which means sales growth (GOS) for food and beverage companies can reach 220%. And the minimum value of sales growth (GOS) is -1.30, which means that the lowest sales growth (GOS) for food and beverage companies is -130%.
3. The External Funding Variable (DER) shows a mean value of 2.1200, which means that the average external funding (DER) for food and beverage companies earns 212.00%. The maximum value of external funding (DER) is known to be 3.13, which means that external funding (DER) for food and beverage companies can reach 313% and the minimum value for external funding (DER) is 1.58 which means the lowest external funding (DER) for food and beverage companies. beverage is 158%.

**Classic assumption test**
**Normality test**

The normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2018). In this study, the normality test was used with the Kolmogorov-Smirnov (KS) non-parametric statistical test. The Kolmogorov-Smirnov (KS) test results are as follows:

**Table 3. Normality test  
One-Sample Kolmogorov-Smirnov Test**

		Unstandardized Residuals
N		48
Normal Parameters, b	Means	.0000000
	std. Deviation	.29037648
Most Extreme Differences	absolute	.100
	Positive	.100
	Negative	-.075
Test Statistics		.100
asyp. 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.

**Source:** SPSS Results (2022)

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From the table above it can be seen that the Kolmogorov-Smirnov values of the Tax Avoidance, Sales Growth (GOS) and External Funding (GOS) variables are normally distributed because each of the variables has a probability of more than 0.05 (5%). Variable values that meet the standards set can be in the Asymp.sig line. (2-tailed). From the table there is an Asymp.sig value. (2-tailed) = 0.200 (20%). From this value it can be concluded that the Asymp.sig (2-tailed) value is greater than 0.05, which means that the variables are normally distributed.

### Multicollinearity Test

The multicollinearity test aims to test whether the regression model found a correlation between the independent (independent) variables. A good regression model should not have a correlation between the independent variables (Ghozali, 2018). One way to find out whether or not multicollinearity exists is to use the Tolerance and Variance Inflation Factor (VIF). Following are the results of the Multicollinearity Test:

**Table 4.** Multicollinearity Test

Coefficients <sup>a</sup>		Collinearity Statistics	
		tolerance	VIF
1	Tax evasion	.962	1,039
	Sales Growth	.962	1,039

a. Dependent Variable: External Funding

**Source:** SPSS Results (2022)

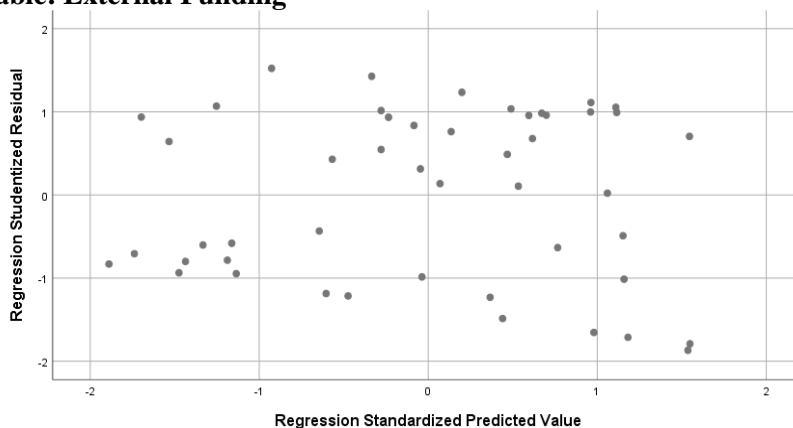
From the table it can be seen that:

VIF Value of Tax Avoidance = 1.039 < 10 and Value of Tolerance of Tax Avoidance = 0.962 > 0.1, then the variable of tax avoidance is declared not to have multicollinearity. While the VIF Value of Sales Growth = 1.039 < 10 and the Tolerance Value of Sales Growth = 0.962 > 0.1, then multicollinearity does not occur in sales growth.

So in this study it can be concluded that between the independent variables there is no multicollinearity.

### Heteroscedasticity Test

Test Heteroscedasticity aims to test whether in the regression model there is an inequality of variance from the residual of one observation to another. If the variance from the residual of one observation to another observation remains, then it is called homoscedasticity and if it is different it is called heteroscedasticity. (Ghozali, 2018). Following are the results of the heteroscedasticity test using the Scatter Plot chart:

**Scatter plots**
**Dependent Variable: External Funding**

**Figure 2.** Regression Standarddized Predicted Value

**Source:** SPSS Results (2022)

From the output of SPSS version 25 (scarterplot image) above, it is obtained that the points are spread out and do not form a regular pattern and the points are spread above and below the number 0. So, the conclusion is that the independent variable does not show symptoms of heteroscedasticity.

**Autocorrelation Test**

The autocorrelation test aims to test whether in a linear regression model there is a correlation between the confounding errors in the t-th period and the errors in the t-1 (previous) period. If there is a correlation then there is called an autocorrelation problem. A good regression model is free from autocorrelation.

**Table 5.** Autocorrelation Test

**Summary model b**

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.424a	.232	.192	5.29676	1,413

a. Predictors: (Constant), Sales Growth, Tax Avoidance

b. Dependent Variable: External Funding

**Source:** SPSS Results (2022)

From the data above it is known that the Durbin – Watson value = 1.413, it can be concluded that there is a positive autocorrelation in this study.

**Multiple Linear Regression Test**

Multiple linear analysis is linear regression in which a dependent variable (Y) is associated with two or more of the independent variables (X). With the help of the SPSS version 25 program.

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**Table 6.** Multiple linear analysis

**Coefficientsa**

Model		Unstandardized Coefficients		Standardized	Q	Sig.
		B	std. Error	Coefficients Betas		
1	(Constant)	2066	2,197		10,487	.000
	Tax_avoidance	-1,261	1.135	-.066	-2,448	.656
	Sales Growth	2,129	.078	.246	2,666	.003

a. Dependent Variable: External Funding

**Source:** SPSS Results (2022)

The regression equation can be found based on column B which is the regression coefficient for each variable. So the regression equation is as follows:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = 2.066 - 1.2611 - 2.1292$$

The regression equation above can be explained as follows:

- A constant of 2.066 means that if the value of tax avoidance and sales growth (GOS) is 2.066 then the external funding (DER) is 2.066.
- The regression coefficient for the tax avoidance variable is -1.261, meaning that if tax avoidance is increased by 1%, external funding (DER) will increase by -1.261 assuming that the other independent variables have a fixed value.
- The variable regression coefficient of sales growth (GOS) is 2.129, meaning that if sales growth is increased by 1%, external funding will increase by 2.129.

**Hypothesis test**
**Determination Coefficient Test (R<sup>2</sup>)**

The coefficient of determination test (R<sup>2</sup>) is to measure the ability of the independent variables to explain the dependent variable used in research (Ghozali, 2018). Following are the results of the coefficient of determination test (R<sup>2</sup>):

**Table 7.** Determination Coefficient Test

**Summary model b**

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.424a	.232	.192	5.29676	1,413

a. Predictors: (Constant), Sales Growth, Tax Avoidance

b. Dependent Variable: External Funding

**Source:** SPSS Results (2022)

Based on the table above, it can be seen from the Adjusted R Square value, which is 0.192, indicating that the proportion of the effect of Tax Avoidance and Sales Growth (GOS) on the External Funding variable (DER) is 19.2%, meaning that Tax Avoidance is measured using ETR and Sales Growth is measured using (GOS) has the proportion of influence on External Funding as measured using (DER) of 19.2% while the remaining 80.8% (100% - 19.2) is influenced by other variables outside those studied.

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**Partial Test (t)**

The t statistical test basically shows how far the influence of one independent variable individually explains the variation of the dependent variable.

**Table 8.** Partial Test

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized	t	Sig.
		B	std. Error	Coefficients Betas		
1	(Constant)	2066	2,197		10,487	.000
	Tax_avoidance	-1,261	1.135	-.066	-2,448	.656
	Sales Growth	2,129	.078	.246	2,666	.003

a. Dependent Variable: External Funding

**Source:** SPSS Results (2022)

**Effect of Tax Avoidance on External Funding**

The t test was used to find out whether tax avoidance has a significant relationship or not to external funding.

$$t_{\text{count}} = -2,448$$

$$t_{\text{table}} = \text{with } \alpha = 5\% \text{ or } 0.05 \text{ nk} = 48 - 2 = 46 \text{ is } 2.012$$

H<sub>0</sub> is accepted if:  $-2.012, \leq t_{\text{count}} \leq 2.012$  at  $\alpha = 5\%$

H<sub>0</sub> is rejected if:  $t_{\text{count}} > 2.012$  or  $-t_{\text{count}} < -2.012$  at  $\alpha = 5\%$

From the table above it can be seen that tax evasion as measured using the ETR has a  $t_{\text{count}} > t_{\text{table}}$ , namely  $-2.448 > -2.012$  with a significance value of  $0.656 > 0.05$  meaning that from these results it can be concluded that H<sub>0</sub> is accepted and H<sub>a</sub> is rejected. This shows that there is no effect between Tax Avoidance (X1) as measured using ETR on External Funding (Y) as measured using Debt to Equity Ratio (DER) in food and beverage companies listed on the Indonesia Stock Exchange.

**Effect of Sales Growth on External Funding**

The t test is used to determine whether sales growth has an influential relationship or not with external funding.

$$t_{\text{count}} = -2,448$$

$$t_{\text{table}} = \text{with } \alpha = 5\% \text{ or } 0.05 \text{ nk} = 48 - 2 = 46 \text{ is } 2.012$$

H<sub>0</sub> is accepted if:  $-2.012, \leq t_{\text{count}} \leq 2.012$  at  $\alpha = 5\%$

H<sub>0</sub> is rejected if:  $t_{\text{count}} > 2.012$  or  $-t_{\text{count}} < -2.012$  at  $\alpha = 5\%$

From the table above it can be seen that Sales Growth as measured using Growth Of Sale (GOS) has a  $t_{\text{count}} > t_{\text{table}}$ , namely  $2.666 > 2.012$  with a significance value of  $0.003 < 0.05$  meaning that from these results it can be concluded that H<sub>0</sub> is rejected and H<sub>a</sub> is accepted. This shows that there is a significant influence between sales growth (X2) as measured using (GOS) on external funding (Y) as measured using (DER) in food and beverage companies listed on the Indonesia Stock Exchange.

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### Simultaneous Test (F)

This test is conducted to determine whether the independent variables jointly affect the dependent variable. The results of the F test can be seen in the Anovaa table below:

**Table 7.** Sumultaneous

ANOVAa		Sum of Squares	df	MeanSquare	F	Sig.
1	Regression	412,246	2	206,123	3,396	.028b
	residual	3249963	45	72,221		
	Total	3662.209	47			

a. Dependent Variable: External Funding

b. Predictors: (Constant), Company Growth, Tax Avoidance

Source: SPSS Results (2022)

### Effect of Tax Avoidance and Corporate Growth on External Funding

To determine the relationship between tax evasion and sales growth together with external funding, the F test is used in this study. The significance level used is 0.05 with a two-party test and  $F_{table} = nk1$ , thus  $F_{table} = 48-2-1 = 45$  is 3.20. Decision making criteria:

$H_0$  is accepted if:  $-3.20 < F_{count} < 3.20$  at  $\alpha = 5\%$

$H_0$  is accepted if:  $F_{count} > 3.20$  or  $F_{count} < -3.20$  at  $\alpha = 5\%$

From the table above it can be seen that the  $F_{count}$  is 3.396 at a significant level of 0.028. Then  $F_{count} > F_{table}$ , namely  $3.396 > 3.20$  with a significance value of  $0.028 < 0.05$ , it can be concluded that tax avoidance and sales growth (GOS) have a significant effect on External Funding (DER) in food and beverage companies listed on the Indonesia Stock Exchange.

## DISCUSSION

### 1. Effect of Tax Avoidance on External Funding

Based on the results of the research above regarding the effect of tax avoidance on external funding on the results of partial hypothesis testing, it shows that tax avoidance as measured using the ETR has a  $t_{count} > t_{table}$ , namely  $-2.448 > -2.012$  with a significance value of  $0.656 > 0.05$ , meaning that from these results it can be it can be concluded that  $H_0$  is accepted and  $H_a$  is rejected. This shows that there is no effect between Tax Avoidance (X1) as measured using ETR on External Funding (Y) as measured using Debt to Equity Ratio (DER) in food and beverage companies listed on the Indonesia Stock Exchange.

The results of this study indicate that tax avoidance has no effect on external funding for food and beverage companies listed on the Indonesia Stock Exchange. This is because the ETR value is above 25%, causing low tax evasion by companies. Likewise, if the ETR value is below 25%, then it shows the higher the value of the company doing tax evasion. This may require transfer pricing or profit splitting. In addition, the DER value for food and beverage companies listed on the IDX for the 2018 – 2021 period is very low. So by doing debt so that high interest expenses cannot minimize the company's tax burden. The results of the study according to (Brian & Martini,

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In agency theory, managers tend to like the use of debt because it is a tax incentive, thus encouraging managers to avoid taxes. In this study debt is not proven as a tax incentive that managers consider in tax avoidance, so DER is not a motivation for managers to do tax avoidance. The company's decision to use debt is not related to using the company's efforts to take advantage of debt costs. So from the results of this study there is no effect of tax avoidance on external funding.

The results of this study are in line with the results of research conducted by (Deanna, 2017) which states that tax avoidance has no effect on external funding (DER). (Kristina et al., 2017) also states that tax avoidance has no effect on capital structure as measured by DER. (Midiastuty et al., 2017) said that tax avoidance has no effect on external funding. However, these results are not in line with research conducted (Hamidah & Rahayu, 2022) and (Artika, 2017) saying that tax avoidance has a significant effect on external funding. According to (Puspita & Febrianti, 2018) also said that tax avoidance has an effect on external funding. (Desy, 2019) and (Diana, 2020) also say that tax avoidance has an effect on external funding.

**2. Effect of Sales Growth on External Funding**

Based on the results of the research above regarding the influence of Sales Growth on External Funding on the results of partial hypothesis testing, it shows that those measured using Growth Of Sale (GOS) have a  $t_{count} > t_{table}$ , namely  $2.666 > 2.012$  with a significance value of  $0.003 < 0.05$ , meaning that from these results it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted. This shows that there is a significant influence between sales growth (X2) as measured using (GOS) on external funding (Y) as measured using (DER) in food and beverage companies listed on the Indonesia Stock Exchange.

The results of this study indicate that sales growth has an effect on external funding for food and beverage companies listed on the Indonesia Stock Exchange. Where the higher the sales growth of a company, the higher the external funding needed by the company. Companies with relatively stable sales are more secure in obtaining more loans and bear higher fixed costs compared to companies with unstable sales. This is because the needs and those used to finance sales growth are getting bigger. A high sales growth rate will make it easier for companies to obtain loans from creditors. The addition of debt for the company's operations will increase investor confidence in the company,

The results of this study can be concluded that sales growth (GOS) has an effect on external funding (DER). This is in line with research conducted by (Hamidah & Rahayu, 2022) which concluded that sales growth has a positive effect on external funding. (Diana, 2020) also concluded that sales growth has a significant effect on external funding. (Tiyanto, 2019) states that sales growth has a significant effect on external funding as measured using the Debt to Equity Ratio. This is not in line with research conducted by (Syafriada & Ainur, 2014) which concluded that sales growth has no effect on external funding.

**3. Effect of Tax Avoidance and Sales Growth on External Funding**

Based on the above research regarding the effect of tax avoidance and sales growth (GOS) on external funding (DER) the simultaneous hypothesis test results show that the  $F_{count}$  is 3.396 at a significant level of 0.028. Then  $F_{count} > F_{table}$ , namely  $3.396 > 3.20$  with a significance

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value of  $0.028 < 0.05$ , it can be concluded that tax avoidance and sales growth (GOS) have a significant effect on External Funding (DER) in food and beverage companies listed on the Indonesia Stock Exchange.

The results of this study indicate that high tax avoidance is followed by high sales growth, so companies will use a lot of external funding. Where the higher the sales, the higher the profits the company will get, the profits will be additional capital for the company in carrying out developments, so that the opportunity to use debt will be even greater. With increased sales growth, the company will get large profits, so the company will always practice tax avoidance.

If seen from the Adjusted R Square value of 0.192, it indicates that the proportion of the influence of Tax Avoidance and Sales Growth (GOS) on the External Funding variable (DER) is 19.2%, meaning that Tax Avoidance is measured using ETR and Sales Growth is measured using (GOS) has the proportion of influence on External Funding as measured using (DER) of 19.2% while the remaining 80.8% (100% - 19.2) is influenced by other variables outside those studied.

**CONCLUSIONS**

Based on the research conducted, partially tax evasion has no effect on external funding for food and beverage companies listed on the Indonesia Stock Exchange. This is because the greater the value of the Effective Tax Rate (ETR), the lower the tax evasion by the company and the smaller the external funding generated. Based on research conducted, partially sales growth has an effect on external funding for food and beverage companies listed on the Indonesia Stock Exchange. This is because the higher the sales growth of a company, the higher the external funding needed by the company. Based on the research conducted, simultaneously tax avoidance and sales growth affect external funding for food and beverage companies listed on the Indonesian Stock Exchange. This is because the higher the tax avoidance followed by the high sales growth of a company, the higher the external funding needed by the company. With increased sales growth, the company will get large profits, so the company will always practice tax avoidance.

**SUGGESTION**

Here are some suggestions that researchers can convey, namely:

**1. For companies**

It is recommended that food and beverage companies listed on the IDX pay attention to and wisely consider any policies regarding funding from outside the company. Because debt from companies can basically reduce tax payments, but at some point it will result in losses and have an impact on excessive tax avoidance by using deferred taxes. As for sales growth, the company must make a strategy so that sales continue to grow from year to year. Where with increasing sales growth encouraging management to use debt, increasing sales will increase the company's operational costs.

**2. For investors**

The results of this study are expected to provide an overview for investors who will invest or

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who are investing in food and beverage companies listed on the Indonesia Stock Exchange and can use tax avoidance and sales growth as considerations for assessing company performance so that they can assist in making decisions to invest their capital into the company. .

3. For further researchers

This research is expected to be used as a source of information for the development of knowledge, mindset and insight for researchers. The results of this study can also be used as comparison and reference material for subsequent researchers and are useful as a source of information regarding the effect of tax avoidance and sales growth on external funding and it is hoped that it will also increase the years studied in order to produce more accurate results and be able to develop research models using different objects. more broadly and add any variables that affect external funding.

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