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Institutional Ownership, Audit Quality, Gender Diversity and Political Connection to Tax Aggressiveness in Indonesia

Fachrul Ananto Firdaus[1], Siti Nurlaela[2] and Endang Masitoh W.M [3]

[1)2)3)] Universitas Islam Batik Surakarta

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Corresponding author:
Fachrul Ananto Firdaus
E-mail:
fachrulnovega1111@gmail.com

ABSTRACT

This study aims to empirically prove the influence of Institutional Ownership, Audit Quality, Gender Diversity, and Political Connection to Tax Aggressiveness. This study used a sample of companies listed on the LQ 45 Indonesia Stock Exchange during the period 2013 – 2019. The sample usage in this study was 13 LQ 45 companies with purposive sampling og 91 sampels during 2-13 – 2019 listed on the Indonesia Stock Exchange. The research method used in this study was the panel data regression model. The results showed that the quality of audits had a positive effect and political connections negatively influenced tax aggressiveness while institutional ownership an gender diversity had no effect on tax aggressiveness.

INTRODUCTION

Tax is an important part of a country's development because tax receipts are the largest source of income of the state. In Indonesia, the achievement of taxes obtained in the fiscal year 2019 amounted to Rp1,546,141,893,392,193 or 86.55% of the target set in the 2019 Budget Year Budget of Rp1,786,378,650,376.00 (Laporan Keuangan Pemerintah Pusat, 2019).

Based on this value, it proves that tax carries to become the backbone in the State Budget (APBN) so that taxes become the government's main focus every year. However, the government has always failed in achieving its target since 2009 (DDTC). In detail, the following percentage of tax receipts from 2009 to 2019 is presented in Figure 1.

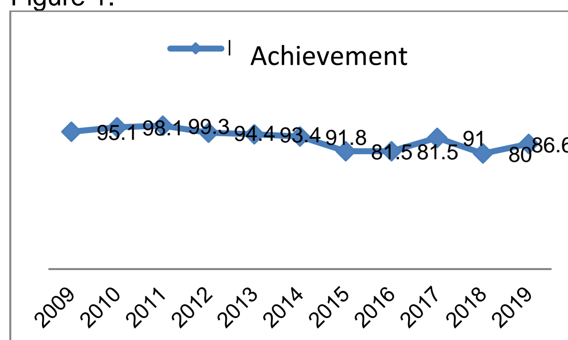

Figure 1
Realization of tax receipts to tax targets
Source: Processed from LKPP fiscal year 2009 to 2020.

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In addition to always failing to reach the target, the government also struggles to increase the Tax Ratio. Comparing tax receipts to Indonesia's gross domestic product (GDP) tends to decrease year-on-year, and the lowest is compared to Asia Pacific countries. From 2007 to 2018, Indonesia's tax-to-GDP ratio fell by 0.3 percentage points from 12.2% to 11.9%, the top rate of tax to GDP was 13.0% in 2008 (OEDC, 2020) detail, the percentage of Tax Ratio is seen in Figure 2.

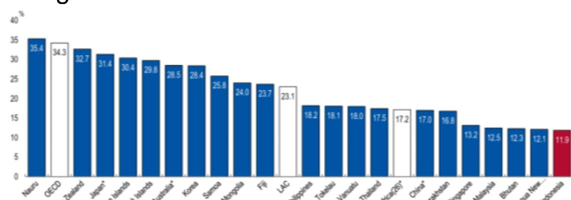


Figure 2
Tax rate report in Asia and Pacific countries
Source: OECD Report Data.

Recently tax receipts rose 2% in 2019 (Laporan Keuangan Pemerintah Pusat, 2019). Indonesia will have difficulty achieving revenue targets again throughout 2020 caused by the novel coronavirus disaster, and In addition to taxation issued a tax incentive, tax incentives are one of the policies issued by several countries in minimizing the impact of the covid-19 outbreak, including in Indonesia also imposes this tax incentive (muc consulting, 2020).

However, in the Organization for Economic Cooperation and Development (OECD) report entitled Tax Administration: Privacy, Disclosure and Fraud Risk Related to Covid-19, assessing the provision of several tax incentives during the corona pandemic is potentially misused. The OECD exemplifies that the provision of tax incentives given concerning the number of workers becomes a loophole for several companies to create fictitious data related to the number of employees and the number of wages provided, for example, by mode - such a mode has the potential to pass the examination carried out by the tax authorities due to the lack of supervision due to the pattern of remote work (WFH) fiskus (Author OECD, 2020).

In addition, the pandemic also makes companies have the potential to do tax evasion carried out by paying employees' salaries in cash, thus avoiding the obligation to deduct taxes. One reason for not achieving the target of tax receipts is tax evasion or tax avoidance activities. Tax evasion and Tax avoidance are part of an act of tax aggressiveness (Martinez & Motta, 2020).

Tax aggressiveness is defined as the excessive use of tax avoidance practices, as indicated by the word "Aggressive" to optimize fiscal and financing positions. Tax aggressiveness is part of tax planning, usually done by exploiting loopholes in tax regulations to minimize the tax burden to be paid (Boussaidi & Sidhom, 2020).

Corporate tax aggressiveness can be determined along with corporate structure and governance, managerial policies and changes in tax regimes, the optimal level of tax aggressiveness can be seen as the maximum level of profit from tax aggressiveness that balances the benefits and costs associated with aggressive taxation (Ying et al. 2017).

Companies with a strong corporate governance structure should be able to minimize agency issues concerning tax positions and achieve optimal tax aggressiveness levels by targeting the interests of managers with shareholder interests. With weak corporate governance, managers will be utilized to make decisions from the uncertainty of the taxation system, their informational advantages to conducting tax aggressiveness practices that provide personal gain at the expense of shareholders' wealth (Ying et al. 2017).

The ownership structure is a form of commitment from shareholders in delegating control at a certain level to managers. Institutional ownership has an important role in minimizing agency conflicts that occur between managers and shareholders. Institutional investors' existence is considered an effective monitoring mechanism in every decision taken by managers (Boussaidi & Sidhom, 2020).

The board of directors is considered a corporate governance mechanism responsible for supervising and protecting shareholders' interests. Fama & Jensen in (Deslandes et al. 2020). The audit committee may monitor the board of directors in assessing tax risk management as it is usually related to finances and risks handled by the audit committee (Arismajayanti & Jati, 2017).

There is gender diversity on the board. This diversity will allow companies to take a more open business view by showing different perspectives to make the best decisions (Cortellese, 2020). In 2015, the economy and the United Nations departments were designed as one of the sustainability goals of the approved agenda for 2030, which is aimed at gender equality and women's presence in political, managerial, and corporate decision-making (Banius & Rachman, 2018).

Boussaidi and Hamed (2015) argue that the board's diversity can be measured by how many female members are on the board. Women have more ethics than men, and their presence in board meetings can reduce the company's

aggressive strategy and improve the Company (Vacca et al. 2020).

Companies owned by the government also can aggressively conduct tax planning because companies with political connections will get protection from the government, have easy access to obtain capital loans, and risk low tax checks. Many benefits are obtained if the company has political connections, one of which during the financial crisis, the company will get bailout funds from the government (Kim & Zhang, 2016).

Based on the phenomenon described above, researchers intend to test and analyze the influence of institutional ownership, audit quality, gender diversity, and political connection to corporate tax aggressiveness included in the LQ 45 Indonesia Stock Exchange list for the period 2013-2019.

MATERIALS AND METHODS

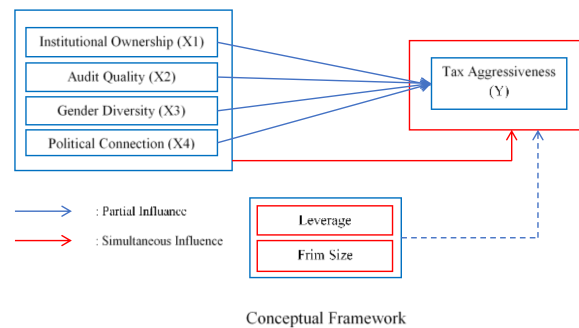
Theory Agency

As the grand theory of this research introduced by Jensen and Meckling in 1976, Agency theory explains the contractual relationship in which one or more owners (principals) with managers (agents) to perform services delegate authority for decision making to the agent. In the company's context, the principal is the owner of the company or the shareholder, and the agent is the administrator of the company.

Alkausar et al. (2020) argue that different interests between agents and principals result in principal objectives not being achieved. Principals give trust to agents to achieve their goals. The principal (government) legally has the right to obtain tax from the company's income managed by the taxpayer (agent), but the agent has a special interest in maximizing profit. This difference of interest causes the state not to profit because tax planning is in the taxpayer corporation (agent).

Compliance Theory

Obedience comes from the word obedient. According to the General Dictionary of The Indonesian Language, compliance means obeying the rules or orders and being disciplined, and compliance is obedient and subject to the rules. The prevailing regulations in taxation are tax regulations and tax laws. The relation of taxation to compliance theory is the availability of individuals or institutions to act by applicable tax regulations (James & Alley, 2002). Tax aggressiveness is carried out by exploiting loopholes in tax regulations to intentionally committing tax violations. Tax compliance can be identified in this theory.



Conceptual Framework

Tax Aggressiveness

Tax aggressiveness is a strategy to minimize the tax burden by planning taxes, using illegal or legal means (Frank et al., 2009). According to Boussaidi and Sidhom (2020) corporate tax aggressiveness is a deliberate strategy to reduce explicit taxes that are considered the result of a spectrum of special practices that separate from taxable income management and investment in taxes, freeing up financial assets for aggressive tax compliance schemes. It is characterized by the use of many tax avoidance practices in a sophisticated way.

Institutional Ownership

Institutional ownership is the number of shares of companies owned by mutual funds or pension funds, insurance companies, investment companies, private foundations, endowments, or other large entities managed by non-bank companies (Kenton, 2020). Supervision from stakeholders, especially institutional investors' supervision, can limit the management of opportunistic profits made by company managers (Susanto et al., 2019).

This new research finds that institutional ownership can influence board decisions based on their business experience, and therefore even if they have a small percentage, they can greatly influence tax aggressiveness practices (Boussaidi & Sidhom, 2020). To test the influence of institutional ownership, I submitted the following research hypothesis:

H1: Institutional Ownership affects Tax Aggressiveness.

Audit Quality

Audit Quality According to Amir Abadi Jusuf (2017, p. 50), Audit Quality is a process to ensure that general auditing standards are followed in every audit. Based on the Indonesian Accounting Association in 2016 stated that audits conducted by auditors are said to be of quality if they meet auditing standards and quality control standards. KAP The Big Four is believed to provide quality audit services and have a high reputation. KAP The Big Four is trusted by the community, so this KAP has many resources and clients.

However, it does not close the possibility that KAP Big 4 can facilitate managers to conduct tax avoidance considering that a KAP also offers non-assurance services in the form of tax consulting services where the opportunity can be used by management to conduct acts of tax aggressiveness to achieve its interests. To test how the impact of the quality of this audit, the researchers hypothesized the following:

H2: Audit Quality affects Tax Aggressiveness.

Gender Diversity

Gender diversity on the board is gender diversity on the board of directors and board of commissioners indicated by the number of women compared to the number of men in the position (Onyali et al., 2018).

The presence of women in decisions from the Chief Executive Officer (CEO) and chief financial officer (CFO) is only 10% in American companies (Ho et al., 2015). The figure is not lower than in other countries except in China, where the presentation of decision-making from CFO/CEO by women earns 30% (Luo et al., 2020). In Indonesia alone, women's decision-making only reaches 8% for the legislature and 5.6% for the executive.

Women's presence plays an important role in compliance with the law, and more specifically, in taxation issues. The difference between women and men in decision making is an ongoing interest in contemporary research. Female directors are more disciplined in tax affairs than men, who are less compliant with taxation rules (Boussaidi & Sidhom, 2020). to test the influence of gender diversity, the hypothesis of this research is as follows:

H3: Gender Diversity Affects Tax Aggressiveness.

Political Connections

A political connection is a condition in which the relationship between certain parties and parties who have political interests is used to carry out certain objectives that could benefit both parties (Purwanti et al., 2017). According to Pranoto and Widagdo (2016), companies with political connections have special relationships with the government. Governments and political agents have exclusive authority over the nomination of managers and or boards of directors who are solely responsible for the management of services, regardless of competing market forces (Bresciani et al., 2017).

In the research (Abdul Wahab et al, 2017), Malaysia's context is a case involving this political connection, which resulted in the financial crisis in 1997 in Malaysia, thus involving political and tax risks directly or indirectly. Improvements involving capital markets and national taxation policies in the country in minimizing the risk of political connections to tax aggressiveness. Alternatively, the negative influence of political relations on tax aggressiveness can occur because political relationships are overlapping policies and personal reasons. In addition, Kim and Zhang (2016), in his research in the United States concluded that greater tax aggressiveness occurs in companies that have political ties because they have better information about regulation and taxation, the risk of detection of lower political costs lower than aggressive tax planning, lower capital market pressures for transparency, and greater risk-taking tendencies.

The tax system in Indonesia uses self-assessment. Political connections made by companies in Indonesia are very profitable because the connection can minimize tax checks by fiskus so that the company's management can conduct tax planning aggressively. Zaitul & Ilona research results (2019) tax aggressiveness is influential in Indonesian companies with political connections. To find out the influence of political connections in this research, the research hypothesis is:

H4: Political Connections affect Tax Aggressiveness.

Variable Leverage Control and Company Size

Leverage is a ratio that provides information on how much of the company's assets will be used to finance the company's debt because the greater the company's leverage ratio, the greater the risk of failure of the company in fulfilling its obligations because of the large value of the company's obligations that must be met. The Size of the Company is the scale of a large or small company, which can be seen from the value of equity, sales value, number of employees, total assets, and others (Putri et al., 2019).

Based on research data using a quantitative approach, the Population in this study is a company listed on the Indonesia Stock Exchange in 2013 - 2019, while the sample in this study is a company listed on the LIST LQ 45 Indonesia Stock Exchange. Obtained 13 company samples based on purposive sampling techniques.

In this study, researchers used Eviews 9 Software to manage data and draw conclusions. This analysis is used to determine the effect of independent variables on dependents by using panel data regression. The first data analysis technique is descriptive analysis, further determining the regression estimation model followed by normal test and multicollinearity, model feasibility test, determinant coefficient test, and the last test is a hypothesis test.

RESULTS AND DISCUSSION

Descriptive Analysis

Table 1
Descriptive Statistical Test

Variable	N	Minimum	Maximum	Mean	Standard Deviation
Tax Aggressiveness	91	0.004500	0.490900	0.226899	0.075295
Institutional Ownership	91	0.025400	0.981400	0.546834	0.240607
Audit Quality	91	0.000000	1.000000	0.824176	0.382780
Gender Diversity	91	0.000000	0.333300	0.095078	0.091406
Political Connections (Directors)	91	0.000000	0.750000	0.047349	0.113987
Political Connections (Commissioner)	91	0.000000	1.000000	0.391980	0.311074
Leverage	91	0.145200	11.39580	2.879020	3.193482
Frim Size	91	11.75940	30.96800	19.11722	4.866568

Data Source: Eviews 9

Table 1 shows the minimum value, maximum, mean, standard deviation, and total number (N) as much as 91.

Classic Assumption Test

According to Gujarati & Porter (2009), equations that meet the classic assumptions are only equations that use the Ordinary Least Square (OLS) method of estimation of common effect and fixed effect. Simultaneously, the random effect estimation model uses the Generalized Least Square (GLS) method. However, according to Kuncoro (2007), the classical assumption test on OLS approach panel data regression is not mandatory to be done normality test, and in GLS approach must be done normality test.

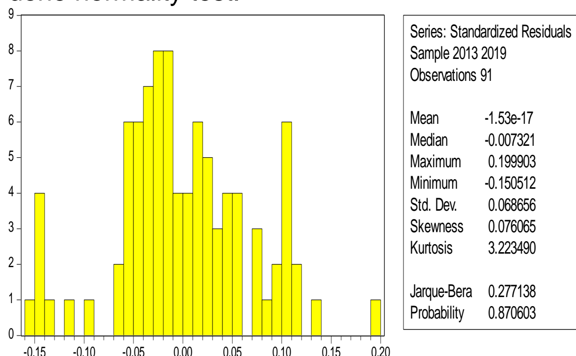


Figure 3 Normality Test
Data source: Eviews 9

Based on the data above image can be seen the value of sig Jarque - Bera 0.277138 > 0.05 then the data of the research sample distributed normally.

Table 2
Multicollinierity Test

	X1	X2	X3	X4_D	X4_K	LEVER AGE	FS
X1	1,00000	0,2721	-0,31146	0,24566	0,23852	0,18658	0,40520
X2	0,27218	1,0000	-0,61238	0,19292	0,00332	0,20008	-0,05177
X3	-0,31146	-0,6123	1,00000	-0,08401	-0,08863	0,09476	0,20190
X4_D	0,24566	0,1929	-0,08401	1,00000	0,11018	0,46502	0,16377
X5_K	0,23852	0,0033	-0,08863	0,11018	1,00000	0,17733	-0,09647
LEVER AGE	0,18658	0,2000	0,09476	0,46502	0,17733	1,00000	0,09013
FS	0,40520	-0,0517	0,20190	0,16377	-0,09647	0,09013	1,00000

Data Source: Eviews 9

Based on table 2 can be seen value r 0.40520 < 0.8, then the variable in this study did not occur multicollinearity.

Data Regression Analysis Panel

Based on previous tests, the estimation model that corresponds to this research is the Random Effect Model. The model is presented in table 3.
.

Table 3
Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.073257	0.050560	1.448.910	0.1511
X1	0.010477	0.053330	0.196457	0.8447
X2	0.060619	0.025918	2.338.830	0.0217
X3	-0.062914	0.078790	-0.798497	0.4269
X4_D	-0.087003	0.039397	-2.208.385	0.0300
X4_K	0.020145	0.026355	0.764374	0.4468
LEVERAGE	0.005119	0.004717	1.085.337	0.2809
FS	0.004468	0.001809	2.469.973	0.0156
R-squared	0.157428			
F-statistic	2.215414			
Prob(F-statistic)	0.040960			
Durbin-Watson stat	1.759210			

Data Source: Eviews 9

Based on table 3 the panel data regression equation can be formulated:

Tax Aggressiveness = 0.073257 + 0.010477X1 + (0.060619)X2 + (0.08062914)X3 + (0.087003)X4_D + 0.020145X4_K + 0.005119X5 + 0.004468X6 + (εit+γi).

Description:
X1 = Institutional Ownership
X2 = Audit Quality
X3 = Gender Diversity

X4_D = Political Connections of the Board of Directors
X4_K = Political Connections of the Board of Commissioners
X5 = Leverage
X6 = Company size
y = Company Constant
ε = error term
i = Company
t = Time

Regression equation of the panel data above can be interpreted as follows:

1. The constant value of 0.073257 means that if the variables of institutional ownership, audit quality, gender diversity, and political connection are worth 0, then the company's amount in conducting tax aggressiveness is 0.073257 units.
2. The coefficient value of institutional ownership of 0.010477 positive value means that if the variable of institutional ownership increases by 1 unit and other variables remain, then the tax aggressivity increases by 0.010477 per unit.
3. audit quality value coefficient of 0.060619 value this variable is positive, which means if the audit quality variable increases by 1 unit and other variables remain, then the tax aggressivity increases by 0.060619 per unit.
4. The coefficient of gender diversity of -0.062914 is negative, which means that if the number of women in gender diversity increases, then the company's tax aggression will decrease -0.062914 per unit.
5. The coefficient value in the variable political connection in the board structure of -0.087003 is negative, which means that if there are members on the board of directors who have a relationship with the party or government increase, then the tax aggression will decrease by -0.087003 per unit.
6. The coefficient value in the variable political connection in the structure of the board of commissioners is 0.020145. This value is positive, which means that if there are members of the board of commissioners who have ties to political parties or governments, tax aggressiveness will increase by 0.020145 per unit.
7. The coefficient of variable leverage of 0.005119 is directed to positive, which means that if the leverage value increases by 1 unit and other variables remain, then the tax aggressivity will increase by 0.005119 units.
8. The value of the company's variable coefficient of company size of 0.004468 is directed to positive, which means that if the company's size increases and other variables remain, tax aggressivity will increase by 0.004468 units.

Model Feasibility Test (Test f)

Based on 'random effect model in table 3 above seen value F count 2.215412 > f table 2.12 and p-value < α, 0.040960 < 0.05 means it can be said that institutional ownership variables, audit quality, gender diversity, political connections in directors and commissioners, leverage and company size simultaneously affect tax aggressiveness.

Coefficient Determination (R2)

Based on the random effect model in table 3, seen value R2 0.157428 then can be concluded independent variable institutional ownership, audit quality, gender diversity, and political connection affect variable dependent tax aggressiveness that is proxied with GAAP ETR of 15.75% in companies listed LQ 45 Indonesia Stock Exchange observation period 2013 - 2019.

Hypothesis Test (T-test)

Table 3 can be concluded as follows:

1. Value t calculate variable Institutional ownership 0.196457. the value shows 0.196457 < 1.66298, so it can be concluded that the research hypothesis does not affect tax aggressiveness.
2. Value t calculate audit quality variable 2.338830. the value shows 2.338830 > 1.66298 and coefficient value 0.060619. Then the audit cauldron variable has a positive effect on tax aggressiveness.
3. Gender diversity t count value -0.798497. The value indicates -0.798497 > - 1.66298, so it can be concluded that gender diversity variables do not affect tax aggressiveness.
4. The value of t calculates the political connection of the board of directors -2.208385. The value indicates -2.208385 < -1.66298, and the coefficient value of -0.087003 can be concluded that variable political connections to the board of directors negatively affect tax aggressiveness.
5. The value of t calculates the political connection of the board of commissioners 0.764374. The value shows 0.764374 < 1.66298, so it can be concluded that the variable political connections of the board of commissioners do not affect tax aggressiveness.

The Effect of Institutional Ownership on Tax Aggressiveness

Hypothetical testing shows partial unconstitutional ownership does not affect aggressiveness. It is not in line with Boussaidi &

Sidhom's research (2020). Institutional ownership has a positive effect on tax aggressiveness in its research in Tunisia. Institutional ownership is not pushed into the perspective of risk-taking in the practice of tax aggressiveness, which will be associated with high experience and culture and consideration of cost-benefit balance. Ying et al (2017), institutional ownership negatively influenced the aggressiveness of taxes in its research in China, Chinese companies that have more unconstitutional ownership less aggressively on taxes, and Pratiwi & Ardiyanto (2018) which stated that institutional ownership negatively affects the aggressiveness of institutional ownership tax during aggressively to maintain the value of the company.

Institutions have the right to make decisions because their ownership can reach 50% of the shares, and again the Population of this research is 45 best companies from all companies listed on the Indonesia Stock Exchange. So it can be concluded that institutional investors in companies that are used as research samples encourage management to comply with the government's regulations so that companies can be judged to be tax compliant by the public.

Institutional ownership does not interfere in the decision to conduct aggressive taxation because tax avoidance is the duty of profit management. Previous research has noted that institutional owners serve to improve the company's business and performance due to their foreign experience and multidisciplinary expertise (Boussaidi & Sidhom, 2020).

Institutional holdings are more concerned about the long-term consequences of aggressive tax strategies so, Investor institutions only supervise the performance of the company and the performance of managers to improve financial performance, but in aggressive tax avoidance, management must maximize the company's profits and for its profit.

The Effect of Audit Quality on Tax Aggressiveness

Based on the audit quality hypothesis testing with KAP size proxy, The Big Four positively influences tax aggressiveness. This is not in line with Deslandes et al (2020) research in Canada and Martinez et al. research (2020) in Brazil. Which states the Audit Quality with The Big Four proxy negatively affects tax aggressiveness.

Quality audits are audits that have high independence and have a lot of clients because the company trusts external auditors to be able to bridge the interests of principals and agents in managing the company's finances. Auditors will provide a report of the agent's responsibility to the principal with an independent and professional assessment of the company's financial statements' fairness. But in this study found auditors Support aggressive tax practices. If seen from the average value, as much as 82.40% of research sample companies using the services of auditors BIG 4, this cross could make an independent auditor become reduced because of habitability in dealing.

Martinez et al (2020), speculate The possible explanation to consider is the fact that companies audited by KAP Big 4 are larger companies, and in this position of the close relationship, auditors are better off hiring qualified tax consultants to develop aggressive strategies. Therefore, they manage to be tax aggressive despite being audited by qualified auditors.

The Influence of Gender Diversity on Tax Aggressiveness

Based on the hypothetical testing of gender diversity, variables do not affect tax aggressiveness. This is not in line with Boussaidi et al. (2020) research in Tunisia, which stated that the presence of women on the board has a high percentage tend to be less aggressive in taxes in the sample of research companies and Ambarsari et al. (2019) which states that gender diversity affects tax aggressiveness.

This means that in the sample in this study, women's presence on the board can not influence the decision not to do/agree to do tax avoidance on the company. It can be seen with the average value of the sample company, women only by 9.5% only. This research is in line with the research Deslandes et al. (2020) sampled Canadian companies have no effect on tax aggressiveness because the percentage of women in the board is low 11.3% of the entire sample of his research.

The Effect of Political Connections on Tax Aggressiveness

Based on the hypothetical testing above, political connections in the board of directors are negatively influenced, and the board of commissioners does not affect tax aggressiveness. This is in line with the research of Martinez et al. (2020) and Lestari et al. (2019), who stated that political connections have a negative influence on tax aggressiveness. About companies in Indonesia, state-owned companies' political relations are carried out by appointing people close to the government included in the corporate structure (Pranoto & Widagdo, 2016) in Iswari et al., (2019).

According to the Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Companies Article 1 Paragraph (5) the board of directors is an organ of the company authorized and fully responsible for the

management of the company for the benefit of the company, following the purposes and objectives of the company. The board of directors has the authority to determine tax planning in a positive direction, which means that the board of directors' political connection encourages the company to comply with existing tax regulations to maintain the company's image in the eyes of the public and government. Moreover, the government-appointed political connections in the individual board of directors, so it is natural that politically connected companies comply in paying their taxes.

The Commissioner does not affect corporate taxes' aggressiveness even if it is politically connected or not because the Commissioner's job is to conduct supervision and advice on the management policy and the course of management to fit the company's objectives. This research is not in line with Abdul Wahab et al. (2017) research in Malaysia that political connections have a positive effect on tax aggressiveness as evidenced in the research, politically connected companies report lower taxes than companies that are not politically connected.

The Effect of Variable Leverage Control and Company Size on Tax Aggressiveness

Based on the random effect model, table 3 t calculate leverage 1.085337 < 1.66298. This means that the companies in this study sample could not take advantage of debt for aggressive tax planning, whereas if the value of this debt is high, the company gets compensation not paying taxes, but the utilization of compensation is not found in the sample of this company. Control of the company's Size in this study influences by looking at the value t calculate the Size of the Company 2.469973 > 1.66298. This means that a company's size affects institutional ownership, audit quality, gender diversity, and political connections in conducting aggressive tax planning.

CONCLUSIONS AND SUGGESTION

Tax aggressiveness in sampled companies found that Audit Quality positively affected and Political Connections negatively influenced tax aggressiveness. At the same time, institutional ownership and gender diversity did not affect tax aggressiveness. Variable control of the Company's Size had a positive effect on tax aggressiveness. In contrast, debt control could not be utilized in this corporate sample. The researchers' advice could then use samples other than LQ 45 such as Kompas 100, Idx 30, or companies in each sector, adding variables other than in this study such as liquidity, capital intensity, CSR, and others. Researchers can then use measurements other than - GAAP ETR such as Effective Tax Rate (ETR), (CETR), and Book Tax Gap or compare each tax measure.

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