



JURNAL AKSI

Akuntansi dan Sistem Informasi

<http://aksi.pnm.ac.id>

Return on Assets (ROA), Leverage, And Firm Size for Tax Avoidance (Registered Banking Companies on IDX 2014-2018)

Oktaviani Kartika Sari¹⁾, Siti Nurlaela²⁾ and Kartika Hendra Titisari³⁾

^{1,2,3)} Universitas Islam Batik Surakarta.

ARTICLE INFO

Keywords:

ROA, Leverage,
Firm Size, Tax
Avoidance

Article History:

Received: 27 February 2022

Accepted: 4 May 2022

Corresponding author:

Oktaviani Kartika Sari

E-mail:

oktavianikartikaas@gmail.com

ABSTRACT

The purpose of this study is to test and analyze the partial effect of return on assets, leverage, and firm size on tax avoidance, then test and analyze the effect of simultaneously return on assets, leverage and firm size on tax avoidance. The design of this study is a quantitative study with a cross-sectional method. The data source uses secondary data in the form of financial statements of all banking companies listed on the IDX for the period 2014-2018. Population and sampling using purposive sampling technique. The analysis technique uses multiple linear regression. The results showed that ROA partially had a significant and negatively related effect on tax avoidance, Leverage partially had no significant effect and negatively related to tax avoidance, firm size partially had no significant and negatively related effect on tax avoidance, and ROA, Leverage, and Firm size simultaneously has a significant and positive relationship to tax avoidance.

INTRODUCTION

Quoted from Kompas, the finance minister of globalization assessment is able to reduce the boundaries between countries. This condition has been exploited by several parties through the practice of avoiding tax. He instructed the Directorate General of Taxes to utilize data as the automatic exchange of information result. 120 countries entered into an agreement on the exchange of tax information in 2018. According to the Directorate General of Taxes, 65 countries utilized information of the whereabouts of Indonesian citizens' assets abroad in early 2019. Based on records, the number of participant jurisdictions was 98 countries or increased to 33 countries. In addition, based on the OJK quarterly report, the state of banking resilience in the fourth quarter of 2019 can be maintained. It can be seen from the bank capital condition which is still quite solid with a CAR of 23.31%, indicating that the bank is able to absorb risk with the support of profits that will grow and maintain the quality of bank credit.

Research conducted by Akinyomi Oladele John and Okpala Kenneth Enoch (2013) stated that the low quality of service for tax rewards 33 significantly affects tax avoidance and tax evasion in Nigeria.

Furthermore, Reza Jamei (2017) explained the correlation between corporate governance mechanisms and tax avoidance with companies on the Tehran Stock Exchange in 2011-2015 as a population. The results showed that there was no significant effect between the proportion of off-duty members, board members, tax avoidance, and institutional ownership. Another result showed that there was no effect of tax avoidance and managerial ownership.

p-ISSN: 2528-6145, e-ISSN: 2541-3198 Accredited Third Grade by Ministry of Research, Technology of The Republic of Indonesia, Decree No: 148/M/KPT/2020

Cite this as: Sari, O.K., Nurlaela, S. and Titisari, K.H. (2022). Return on Assets (ROA), Leverage, And Firm Size for Tax Avoidance (Registered Banking Companies on IDX 2014-2018). JURNAL AKSI (Akuntansi dan Sistem Informasi), 7 (1), 98-103. <http://doi.org/10.32486/aksi.v7i1.252>

Then, Anouar and Houria (2017) explained the main determinants of corporate group tax avoidance based on 45 Moroccan corporate groups in the 2011-2015 period. This research showed that multinational, pro-national, and debt transactions were useful in maximizing tax avoidance opportunities, so they were able to reduce tax obligations.

Afterward Abdullah, M., et al. (2018) with a sample of corporated ranked in the top 100 Malaysian publics revealed the 2014 Malaysia-ASEAN corporate governance report professionally. They examined the correlation between tax avoidance and the after-tax value of Malaysian corporated in an agency framework. The results showed that tax avoidance had a negative correlation with firm value. This research concluded that tax avoidance was not appreciated by shareholders and there was a value reduction.

Siti Nurlaela (2017) reveals that there was an influence between Return on Assets (ROA) and tax avoidance in manufacturing companies on the Indonesia Stock Exchange in 2011-2015. Meanwhile, Amanda Dhinari Permata, Siti Nurlaela, Endang Masitoh W. (2018) conclude that there was no influence among Size, Age, Profitability, Leverage, and Sales Growth on tax avoidance. It showed that the Tax Amnesty program caused companies to avoid tax evasion.

Therefore, the researcher formulates the problem formulation as follows: Do return on assets, leverage, and firm size have partial and simultaneous effect on tax avoidance?

MATERIALS AND METHODS

This research was a quantitative method with a descriptive approach. Sugiyono (2009) explained that quantitative method is research method based on the positivism philosophy for certain populations and samples. The research data source was secondary data obtained indirectly through intermediary media. The secondary data was the financial statements of banking companies on the IDX in 2014-2018. The population was 36 banking companies that have reported their finances in 2014-2018. This research used purposive sampling technique. The research instrument was the documentation of financial statements on banking companies on the IDX in 2014-2018.

This research used analytical techniques, including: 1) to determine the significant effect of Return on Assets, Leverage, and Firm Size (the independent variable) on the dependent variable (Tax Avoidance). 2) T-test to partially test the effect of the independent variable on the dependent. (Ghozali, 2009). 3) R² test (determination coefficient test) to measure the Return on Assets, Leverage, and Firm Size (independent variables) on the Tax Avoidance (dependent variable) using the coefficient of determination (R²) (Ghozali, 2009).

RESULTS AND DISCUSSION

Researchers examined the return on assets, leverage, and firm size on tax avoidance. This research used secondary data from the corporate financial statements on the Indonesia Stock Exchange (IDX) from the official website www.idx.co.id. This research used banking companies for the period 2014-2018 as the population. Samples based on purposive sampling method, namely:

Table 1.
Sample Calculation Results

Sample criterion	Number of Company
Banking sector corporation on the IDX in 2014-2018	61
Companies without publication of annual reports in 2014-2018	(24)
Companies with negative profit (Loss)	(9)
Number of Samples based on the criteria	28
Outlier	(9)
Number of Samples	19
Total sample (5 years)	165

Multiple linear regression analysis test was as follows:

Table 2.
Multiple Linear Regression Results

Model	Variable	B
1	Constan	0,323
	ROA	-0,009
	Leverage	0,001
	Frm Size	-0,004

Based on the SPSS version 21 program, the regression equation was:

$$Y = 0,323 - 0,009X_1 + 0,001X_2 - 0,004X_3$$

The above equation could be described as follows:

$a = 3,535$, showed a significant effect between ROA, Leverage, and Firm size on tax avoidance. If the independent variable was constant, the value of Y changed to be equal to a constant value (3.535)

$b_1 = -0,009$, showed a negative effect, namely if the ROA was higher, then tax avoidance will decrease, on the other hand, if the ROA was lower, then tax avoidance will increase. If the other variables were constant, the value of Y changes by 0.009 every one X1 unit.

$b_2 = 0.001$, showed a positive effect, namely if the leverage was higher then tax avoidance will increase, on the contrary if the leverage was lower then tax avoidance will decrease. If the other variables were constant, the value of Y changes by 0.001 every one X2 unit.

$b_3 = -0,004$, showed a negative effect, namely if the firm size was higher then tax avoidance will decrease, on the contrary if the firm size was lower then tax avoidance will increase. If the other variables were constant, the value of Y changes -0.004 every one X3 unit.

The F test results were as follows:

Table 3.
Test Results

Model	F arithmetic	F table	Sig	Std	Description
1	4,502	2,66	0,016	< 0,05	Ho ditolak

Results showed that the significance value was $0.016 < 0.05$ and F count $> F$ table was $4.502 > 2.76$. So, it can be concluded that H_0 was rejected while H_a was accepted. The test results showed that H_a was accepted. It meant that there was a simultaneous significant positive effect between ROA, Leverage, and Company Size on tax avoidance in 2014-2018.

The F test results were as follows:

Table 4.
T test Results

Hypothesis	T _{count}	t _{table}	Sig.	Std	Description
H1	-1,956	-1,6547	0,022	< 0,05	Accepted
H2	0,248	1,6547	0,804	> 0,05	Rejected
H3	-1,962	-1,6547	0,027	< 0,05	Accepted

The T-table above showed that there was a significant effect between ROA, Leverage, and Company Size on tax avoidance in 2014-2018 at a significance level of 5%.

The R² test results (coefficient of determination) were as follows:

Table 5.
R² Test (Coefficient Determination)

Model	Adjusted Square	R Description
1	0,209	The independent variable affects the independent variable by 20.9%

The adjusted R square = 0.209 meant that the return on assets, leverage, and firm size variables affect tax avoidance by 20.9%. Figures indicated the model as an explanation of tax avoidance with sufficient cross section data because it reached 20.9%. The remaining 79.1% would be explained by other variables.

ROA had a significant and positive effect on tax avoidance. The result of t_{count} was -1.956 (negative) > t_{table} was (df=165-3-1) = 1.6547 and Sig.= 0.022 was smaller than the significance value of 0.05, so H_0 was rejected or H_1 was accepted.

Leverage partially had no significant and negative effect on tax avoidance. The result of t_{count} was 0.248 (positive) > t_{table} was (df=165-3-1) = 1.6547 and Sig.= 0.804 was higher than the significance value of 0.05, then H_0 was accepted and H_2 was rejected so there was no leverage effect on Tax avoidance.

Firm size partially had no significant and negative effect on tax avoidance. The result of t_{count} was -1.962 (negative) < t_{table} was (df=165-3-1) = 1.6547 and Sig.= 0.027 was smaller than the significance level of 0.05, then H_0 was rejected and H_3 was accepted so there was a negative effect of firm size on Tax avoidance.

ROA, Leverage, and Firm size had a simultaneous and significant positive effect on tax avoidance. The positive F_{count} result was 4.502 > $F_{\text{table}} = 2.66$ and the significance was 0.016 < 0.05 so the return on assets, leverage, and firm size variables had a positive and significant effect simultaneously on tax avoidance. It meant that H_0 was rejected and H_4 was accepted.

CONCLUSIONS AND SUGGESTIONS

From the research results, it can be concluded that:

1. The ROA variable partially has a significant and negative effect on tax avoidance.
2. The leverage variable partially has no significant and negative effect on tax avoidance.
3. The firm size variable partially has no significant and negative effect on tax avoidance.
4. The ROA, Leverage, and Firm size variables simultaneously have a significant and positive correlation on tax avoidance.

From the conclusions above, the following research suggestions are recommended:

1. Future researchers are expected to conduct longer research so the results are more valid, the coefficient of determination varies significantly and there is an increase from 0.209 (poor category) to about 0.5 (enough category) from the overall model results.
2. The future researchers are expected to add variables and/or company financial ratios to independent variables because there are other financial ratios that affect tax avoidance.

REFERENCES

- Adnantara, K dan Trisna Dewi, N, 2016. *Pengaruh Ukuran Perusahaan, Tingkat Utang, Dan Profitabilitas Terhadap Manajemen Pajak Dengan Indikator Tarif Pajak Efektif Pada Perusahaan Properti Dan Real Estate*, Vol. 11, No.2. 31 Agustus 2016.
- Alfina, I. T., Nurlaela, S., & Wijayanti, A. (2018). The Influence of Profitability, Leverage, Independent Commissioner, and Company Size to Tax Avoidance. *The 2nd International Conference on Technology, Education, and Social Science 2018 (The 2nd ICTESS 2018)*.
- Annisa. (2017). Pengaruh Return On Asset, Leverage, Ukuran Perusahaan Dan Koneksi Politik Terhadap Penghindaran Pajak (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di BEI Periode Tahun 2012-2015). *JOM Fekon*, 685-689.

- Anita, E. D., Titisari, K. H., & Nurlaela, S. (2020). Determinan Tax Avoidance Pada Industri Barang Konsumsi Tahun 2014-2018. *Lembaga Penelitian dan Pengabdian kepada Masyarakat Universitas Batanghari Jambi. Ekonomis: Journal of Economics and Business*, 4(1), 48-55.
- Arikunto, S. (2010). *Prosedur Penelitian Suatu Pendekatan Praktek*. Jakarta: Rhineka Cipta.
- Astuti, M. T., Titisari, K. H., & Nurlaela, S. (2018). Characteristics Influence of Corporate Governance and Firm Performance Against Tax Avoidance (Empirical Study On DanBaverage Company Listed on the Indonesia Stock Exchange Year 2012 to 2015). *The 2nd International Conference on Technology, Education, and Social Science 2018(The 2nd ICTESS 2018)*.
- Darmawan, I.G.H & I.M Sukartha, 2014, "Pengaruh penerapan corporate Governance, Leverage, Return on Assets dan Ukuran perusahaan pada Penghindaran pajak" *Jurnal Akuntansi* ISSN: 2302-8556. Vol.4.No.1 Februari 2014 Universitas Udayana Bali.
- Dewi, N. L. (2017). Pengaruh Ukuran Perusahaan, Leverage, Profitabilitas Dan Corporate Social Responsibility Terhadap Penghindaran Pajak (Tax Avoidance). *E-Jurnal Akuntansi Universitas Udayana*, 830-859.
- Dewinta, Setiwana, 2016, Pengaruh ukuran perusahaan, umur perusahaan, profitabilitas , leverage dan pertumbuhan penjualan terhadap penghindaran pajak, *E-Jurnal Akuntansi* ISSN: 2302-8556, volume 6.No.2, 2016, Fakultas ekonomi dan Bisnis, Universitas Udayana, Bali.
- Duan, T., Ding, R., Hou, W., & Zhang, J. Z. (2018). The Burden of Attention : CEO Publicity and Tax Avoidance. *Journal of Business Research*, (87). 90-101.
- Etivitawati, Nurlaela, S., & Titisari, K. H. (2017). Pengaruh Pemahaman, Pengetahuan Dan Tax Amnesty Terhadap Kepatuhan Membayar Pajak Orang Pribadi. *Seminar Nasional IENACO*.
- Faizah, SN, dan Adhivinna, V, 2017. Pengaruh *Return On Asset, Leverage*, Kepemilikan Institusional Dan Ukuran Perusahaan Terhadap *Tax Avoidance*, *Jurnal Akuntansi* Vol. 5 No. 2 Desember 2017.
- Ghozali, I. (2006). *Aplikasi Analisis Multivarite dengan SPSS*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hanafi, M. M. (2003). *Analisis laporan keuangan*. Yogyakarta: AMP-YKPN.
- Hidayat, Wastam Wahyu, 2018. Pengaruh Profitabilitas, Leverage Dan Pertumbuhan Penjualan Terhadap Penghindaran Pajak: Studi Kasus Perusahaan Manufaktur Di Indonesia, *Jurnal Riset Manajemen dan Bisnis (JRMB) Fakultas Ekonomi UNIAT*, Vol.3, No.1, Februari 2018: 19 – 26.
- Kanagaretnam, K., Lee, J., Lim, C. Y., & Lobo, G. (2018). Social Trust And Corporate Tax Avoidance. *Review of Accounting Studies*. 23 (4). Research Collection School Of Accountancy. 1588-1628.
- Kasmir. (2008). *Analisis laporan keuangan*. Jakarta: Rajawali Pers.
- Kimsen, d. (2018). Profitability, Leverage, Size Of Company Towards Tax Avoidance. *JIAFE (Jurnal Ilmiah Akuntansi Fakultas Ekonomi)*, 29-36.
- Kurniasih, T. &. (2013). Pengaruh Return on Asset, leverage, corporate governance, ukuran perusahaan, dan kompensasi rugi fiskal pada tax avoidance. *Buletin Studi Ekonomi*, 58-66.
- Mahanani, A., Titisari, K. H., & Nurlaela, S. (2017). Pengaruh Karakteristik Perusahaan, Sales Growth Dan Csr Terhadap Tax Avoidance. *Seminar Nasional IENACO*.
- Marfu'ah, L. (2015). Pengaruh Return On Asset, Leverage, Ukuran Perusahaan Kompensasi Rugi Fiskal Dan Koneksi Politik Terhadap Tax Avoidance. *Jurnal Publikasi*, 1-8.
- Marfuah, S. A. & Nurlaela, S. (2017). Pengaruh Ukuran Perusahaan, Pertumbuhan Asset, Profitabilitas Dan Pertumbuhan Penjualan Terhadap Struktur Modal Perusahaan Cosmetics And Household Di Bursa Efek Indonesia. *Jurnal Akuntansi Dan Pajak*, 1-8.
- Ngadiman & Puspitasari, C. 2014. *Pengaruh Leverage, Kepemilikan Institusional dan Ukuran Perusahaan terhadap Penghindaran Pajak (Tax Avoidance) pada Perusahaan Sektor Manufaktur yang Terdaftar di BEI Tahun 2010-2012*. *Jurnal Akuntansi* Vol. XVIII. No. 03.
- Ningsih, T. W., Titisari, K. H., & Nurlaela, S. (2018). Pengaruh Corporate Governance Terhadap Financial Performance (Studi Empiris Pada Perusahaan Perbankan Yang Terdaftar Di Bei Tahun 2015-2017). *The 2nd International Conference on Technology, Education, and Social Science 2018 (The 2nd ICTESS 2018)*.
- Nurlaela, S. (2017). Pengaruh Return On Asset, Leverage, Kepemilikan Institusional Dan Ukuran Perusahaan Terhadap Tax Avoidance. *Jurnal Akuntansi*, 136-145.
- Octaviana, S., Titisari, K. H., & Chomsatu, Y. (2018). The Effect of Profitability, Firm Size, Sales Growth and CSR Against Tax Avoidance on Companies Listed in BEI Year 2013 – 2016. *The 2nd International Conference on Technology, Education, and Social Science 2018 (The 2nd ICTESS 2018)*.
- Permata, A. D., Nurlaela, S., & W, E. M. (2018). Pengaruh Size, Age, Profitability, Leverage Dan Sales Growth Terhadap Tax Avoidance Pada Perusahaan Sektor Industri Dasar Dan Kimia. *Jurnal Akuntansi dan Pajak*, 10-20.

- Puspita, E. R., Nurlaela, S., & Masitoh, E. (2018). Pengaruh Size, Debts, Intangible Assets, Profitability, Multinationality Dan Sales Growth Terhadap Tax Avoidance. *Seminar Nasional Call For Paper: Manajemen, Akuntansi dan Perbankan*, 294-807.
- Rahmawati, H. (2017). Pengaruh Ukuran Perusahaan, Profitabilitas, Leverage, Fasilitas Perpajakan Dan Komisaris Independen Terhadap Manajemen Pajak Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia (Bei) Pada Tahun 2012-2014. *JOM Fekon.*, 2907-2921.
- Reinaldo, Rusli. 2017. *Pengaruh Leverage, Ukuran Perusahaan, ROA, Kepemilikan Institusional, Kompensasi Rugi Fiskal dan CSR Terhadap Tax Avoidance pada Perusahaan Manufaktur Sub Sektor Makanan dan Minuman Terdaftar di BEI 2013-2015*. *JOM Fekon Vol. 4. No. 1*.
- Rini. (2018). Pengaruh Return on Assets (ROA), Leverage dan Ukuran Perusahaan Terhadap Tax Avoidance Pada Perusahaan Perbankan yang Listing di BEI Periode Tahun 2012-2015. *Jurnal Akuntansi Maranatha.*, 72-84.
- Rizqika. (2016). Pengaruh Return On Asset, Leverage, Ukuran Perusahaan, Deferred Tax Expense Dan Kepemilikan Institusional Terhadap Tax Avoidance. *Artikel ilmiah.*, 1-8.
- Siahaan, H. (2004). Teori optimalisasi struktur modal dan aplikasinya di dalam memaksimalkan nilai perusahaan. . *Jurnal keuangan dan moneter.*, 1-8.
- Suwito, E. H. (2005). Analisis Pengaruh Karakteristik Perusahaan terhadap Tindakan Perataan Laba yang Dilakukan Oleh Perusahaan yang Terdaftar di Bursa Efek Jakarta. *Simposium Nasional Akuntansi VIII*, 1-8.
- Undang-undang Republik Indonesia Nomor 36 Tahun 2008 Tentang Perubahan Keempat atas Undang-undang Nomor 7 Tahun 1983 Tentang Pajak Penghasilan.
- Wahyuni, L., Fahada, R., & Atmaja, B. (2017). The Effect of Business Strategy, Leverage, Profitability and Sales Growth on Tax Avoidance. *Indonesian Management and Accounting Research*. 1411-8858.
- Waluyo. (2009). . *Perpajakan. Edisi ke- 10*. Jakarta: Penerbit Salemba Empat.
- Windarni, N., Nurlaela, S., & Suhendro. (2018). Pengaruh Kepemilikan Institusional, Proporsi Dewan, Komisaris Independen, Komite Audit, Pertumbuhan Penjualan Dan Leverage Terhadap Tax Avoidance. *Seminar Nasional dan Call for Paper: Manajemen, Akuntansi dan Perbankan*, 1-8.
- Yulfaida, & Zulaikha. (2012). Pengaruh size, profitabilitas, profile, leverage dan ukuran dewan komisaris terhadap pengungkapan tanggung jawab sosial pada perusahaan manufaktur di BEI. *Diponegoro Journal of Accounting*, 1-12.
- Yuliyanti, T., Titisari, K. H., & Nurlaela, S. (2017). Pengaruh Keadilan Pajak, Tarif Pajak, Sistem Perpajakan, Sanksi Perpajakan, Teknologi Perpajakan Terhadap Persepsi Wajib Pajak Badan Mengenai Penggelapan Pajak. *Seminar Nasional IENACO*.
- Zain, M. (2003). *Manajemen Perpajakan*. Jakarta: Salemba Empat.