ijsrp-_Desember_2022.pdf

by Yuniarwati Yuniarwati

ISSN 2250-3153

The Effect of Profitability, Good Corporate Governance and Company Risk on Tax Avoidance

(Case Study on The Mining Industry Listed on The IDX For The 2019-2021 Period)

Penny Anggriani Chandra[1,*], Yuniarwati[2]

Faculty of Economics dan Business, Tarumanagara University, Jakarta, Indonesia

DOI: 10.29322/IJSRP.12.12.2022.p13202
http://dx.doi.org/10.29322/IJSRP.12.12.2022.p13202

Paper Received Date: 18th October 2022
Paper Acceptance Date: 24th November 2022
Paper Publication Date: 6th December 2022

Abstract: *This study aims to determine the effect of profitability (Return On Assets), corporate risk, and good corporate governance on tax avoidance studies on 33 mining companies listed on the IDX in 2019–2021. The sampling technique used is simple random sampling with a proportion of 5%, meaning that mining companies listed on the IDX by randomizing the largest companies from 2019–2021 OJK data found 33 samples. Data analysis used the Lisrel Student 8.8 tool to analyze YoY annual income data as a dimensional variable used to measure simultaneous regression using SPSS 25. The results of this study indicate that Return on Assets is 199.65%, company risk is 280.56%, and good corporate governance is 304.59%. The effect of testing the coefficient of determination is 3.09%, indicating that the multiple effect of profitability (Return On Assets), corporate risk, and good corporate governance on tax avoidance is 3.09%. The implication of this research is the need for attention to 33 mining companies that are being played by the government as audits in an effort to increase tax payments. Tax avoidance because the range of 2020 and 2021 is relatively low in the efforts of 33 mining companies in implementing taxpayers registered on the IDX.*

Keywords: *Profitability, Company risk, Good Corporate Governance and Tax Avoidance*

I. Introduction

Business in its operations is never separated from the high interest of entrepreneurs in efforts to achieve business prosperity for the goals of their company. The main purpose of a company is to maximize the wealth of shareholders (Febrianti, 2012), because it may reflect the achievement of a better profit level in the future (Febrianti, 2012: 146), but it is undeniable that one of the high interests of the business is also included in the operations of mining companies in Indonesia, which subsequently listed the mining company's financial data on the Indonesia Stock Exchange (IDX) so as to achieve a value high for the company

As stated by Sujoko and Soebiantoro in Fadhilah 2014, a company's market value can be defined as an investor's perspective relative to a company's profitability threshold when allocating capital to next year's share price. As a result, the highest value of a company can also signify a business operating at a level consistent with its core values. As reported by Hidayat Setiaji on November 13, 2019, at 10:48 WIB, about Netflix, a company that has not paid taxes in Indonesia, amounting to IDR 1.802 trillion. In the future, there will be some studies for business companies that are competitively strong, but do not pay taxes under the guidance of Tempo newspaper on July 19, 2011 on 15 Oil Companies Underpaying Taxes (in US$).

Table 1 15 Oil Companies Underpay Taxes (In US$)

1. CNOOC SES Ltd	94,2 million
2. ConocoPhillips (Grissik)	84,7 million
3. PetroChina International Indonesia Ltd (Blok Jabung)	62,9 million
4. Mobil Exploration Indonesia Inc (Blok Sumatera Utara Offshore)	59,9 million
5. VICO	42,9 million
6. ExxonMobil Oil Indonesia Inc	41,7 million
7. Premier Oil (Lauta Natuna A)	38,3 million
8. BP West Java Ltd	35,1 million
9. Star Energy	17 million
10. PT Pertamina EP	16,9 million

ISSN 2250-3153

11. Chevron Makassar Ltd (Blok Makassar Strait)	16,7 million
12. JOB Pertamina-Golden Spike Indonesia Ltd	11 million
13. Premier Oil Natuna Sea BV	9,2 million
14. Chevron IND (Area East Kalimantan)	8,7 million
15. PetroChina International (Area Tuban)	7,6 million

Source: ICW, Processed from BPK & BPKP audit result

Table 15 of the companies mentioned above shows that in the implementation and enforcement of taxes many entrepreneurs are subject to and do not carry out taxpayers, thus seeking to escape payment obligations.

Tax avoidance carried out by taxpayers, that is, companies / entities in the context of tax avoidance, is indeed possible or in this case does not conflict with applicable laws or legal provisions, because it is more considered (Erly,2011). According to Erly (2011), taxpayers for entrepreneurs who own entrepreneurs can take action to change tax requirements which is also known as resistance or avoidance related to taxes. Therefore, it is very important to create a planning tax in order to minimize the amount of expense tax that occurs (tax planning).

However, there is still input as a solution in order to meet government regulations for mining companies in paying taxpayers in Indonesia, although there are still differences in reporting with company practices, said by Desai and Dharmaphala (2007) differences reported to shareholders or investors using GAAP / Financial Accounting Standards while to the Tax Service Office with Tax Regulations, this difference is known as the book tax gap (Desai and Dharmaphala, 2007). Thus, many mining companies in Indonesia have reduced tax payments without avoiding taxpayer payments (Tax avoidance), according to Annisa and Kurniasih (2012: 124) interpreting Tax avoidance as an aggressive tax strategy carried out by companies in minimizing the tax burden.

According to Annisa (2012:122) said that in recent years the tax authorities seem to have tried their best not only to enforce a clear boundary between tax avoidance and tax evasion in tax planning efforts, but also to prevent taxpayers from entering into the ambiguity loopholes created by tax regulations (Bovi, 2005).

However, in Indonesia itself, in accordance with the Philosophy of the Tax Law, paying taxes is not just an obligation; rather it is a necessity for every citizen to participate in the form of a role and support national development initiatives. However, despite the fact that tax avoidance is an official method of payment, there are still many factors that negatively affect this practice. Rizky & Puspitasari (2020:113), for example, mentions several factors that negatively affect aggressive tax avoidance, including business risk, asset intensification, and business size.

Research Study on Swingly and Sukartha (2015) states that company risk has a positive effect on tax avoidance. According to Oktamawati's research (2017) states that company risk has a significant positive effect on tax avoidance and Dewi and Jati research (2014) proves that company risk has a significant effect on tax avoidance. Furthermore, empirically proven by Mulyani, Wijayanti and Masitoh (2018: 336) based on the results of their research that there is an influence of 48.7% between corporate governance on tax avoidance strengthened by the results of research Annisa & Kurniasih (2012: 133) which shows that there is a significant influence of the audit committee and audit quality on tax avoidance, then Sari & Devi (2018) proves that Profitability affects Tax avoidance.

Based on the problem of tax avoidance with empirical evidence of relevant research, it is hoped that this research can be an input and reference material for mining companies to pay taxes (Tax Avoidance) by paying attention to factors that affect Tax avoidance such as profitability, Good Corporate Governance and Company Risik derived from the company's financial statement data. Therefore, in this study, researchers are interested in taking the title The effect of profitability, good corporate governance and company risk on tax avoidance (a case study on the mining industry listed on the IDX for the 2019-2021 period.

2. Literature Review

Compliance theory is a theory about an individual's willingness to obey laws or other binding precedents. According to Tyler (1990), there are two perspectives in the social science literature relating to the law of obedience: instrumental and normative. Due to personal concerns and tangents over various changes that have to do with risk, everyone's perspective on an issue is taken into account holistically. The normative perspective has to do with something that is considered moral and has personal rights as its law. Due to its ability to be consistent with internal norms and standards, individuals can more easily understand the law.

According to Tahar & Rachman (2014), taxpayer compliance in carrying out tax obligations is one of the responsibilities of the government and the people such as taxpayers, where they have rights and obligations that must be owned by the government and the people As citizens of a country that follows the law, the manners of taxpayers in carrying out their duties must be used as a form of responsibility.

According to Titus (2014), taxes are obligations that must be fulfilled by both individuals and business entities.

Tax is an obligation that must be fulfilled by both individuals and business entities. "The tax on compulsory contributions to the state owed by private persons or entities coerced under the law, by not obtaining imbalances directly and used for state purposes for the prosperity of the people" (Purwono 23: 2010).

Jensen and Meckling (1976) define agency theory as a contract between a principal and an agent to perform services on his behalf, including delegation, authority, and decision-making. The difference in interests between principles and agents can affect some policies related to a company, such as taxation. In Indonesia, the government gives taxpayers the authority to calculate, pay, and self-report their taxes. The taxpayer, as the party's agent, can take several steps to reduce the amount of tax paid. One of the actions related to tax policy is to do tax avoidance

Tax avoidance

Taxpayers practice tax avoidance to reduce debt. Tax avoidance is more in accordance with the law that can be done without violations or applicable laws and regulations. The law collects taxes to obtain state income from large tax revenues. However, many loopholes in tax law allow Taxpayers to avoid taxes. The practice of tax avoidance does not violate the law, but it does not support the purpose of the establishment of the tax law (www.pajak.go.id). With tax planning follows the process of engineering business and transactions Taxpayers, taxpayers are within the minimum but still within tax regulations (Suandy, 2008).

In Tax Avoidance for companies studied in this study, it is more common to design the company's financial statements, which can be predicted based on business transactions that have occurred, then divide some tax burdens so that they can be calculated according to the country's tax laws.

Thus, to measure tax avoidance, Handayani (2015) recommends using the company's CETR (Cash Effective Tax Rate), which is cash issued for tax payments and divided by cash before corporate tax. Frank et al. (2009) explain that ETR is used because it can still distinguish between book and fiscal laboratories. The Effective Tax Rate (ETR) is calculated using the ETR formula and Income tax expense in pre-tax income. The study examined 33 construction companies listed on the IDX from 2019 to 2021.

Profitability

According to Sutrisno (2009:16), "profitability is the ability of a company to make a profit with all the capital working in it. Profitability, according to Sofyan Syafri Harahap (2009:304), is "Describing the company's ability to make a profit through all existing capabilities and resources such as sales activities, cash, capital, number of employees, number of company branches, and so on". "Profitability is the end result of a number of policies and decisions made by companies," says Brigham and Houston (2009:109).

According to the theory of the Agency, profitable managers use profitability information for personal gain. Risk management studies show no correlation between enterprise profitability and risk management 25. Atanasovski et al. (2015). Profitable companies will face higher risks and may be able to report more risk information. Algifri & Hussainey (2007) found that profitable companies share more information. Mousa & Elamir (2013) also found that profitability and risk-capture levels correlate significantly. Profitability is the ability of an enterprise to generate income using its own resources.

Thus, the profitability ratio can be reduced by using Return On Asset (ROA), which Cashmere defines (2012:201) as "a ratio that shows the yield on the amount of assets used in the company". Toto Prihadi (2008) states that ROA is used to assess a company's ability to use assets to generate income and calculate overall income for all creditors and shareholders as a source of capital. ROA and profit after payment can be considered (Cashmere, 2015). The study examined 33 construction companies listed on the IDX from 2019 to 2021.

Good corporate governance

Corporate Governance is the study of how directors, managers, employees, shareholders, customers, creditors, and shareholders interact with companies and each other (Hendra: 2012). The Cadbury Committee, as cited by the Forum for Corporate Governance in Indonesia (FCGI), defines Corporate Governance as a set of rules governing the relationship between shareholders, managers, creditors, governments, employees, and others. Then refer to the Regulation of the State Minister of State-Owned Enterprises Number PER-01 / MBU / 2011 concerning the Implementation of Good Corporate Governance. Corporate governance can build trust, foster teamwork, and create a shared vision so that issues such as agency can be avoided. However, economic, legal, social, and cultural factors greatly influence the implementation of GCG in any country. Because of the economy, GCG must be carried out jointly. According to Hamdani (2106, 25), the Board of Commissioners must apply basic principles as an organ of the company's joint duties and responsibilities to advise directors and ensure that the company implements GCG. The Board of Directors as an organ of the company and is responsible for collegial in managing the company. The audit committee includes external auditors and reports to the Board of Commissioners.

According to Singgareddy (2018:53-56), the attributes of corporate governance can be seen by looking at the size of the board and the independence of the board, as well as the number of directors on the board and the formula greater than or equal to 5 in 1:0 . This means that to measure GCG in Indonesia, it can be seen the number of people in a company such as the Board of Audit Committee, Board of Commissioners Structure, and Audit Quality (independent board). In this study, the authors examined 33 mining companies listed on the IDX in 2019–2021.

Company Risk

In 1990, the American Institute of Certified Public Accountants (AICPA) reported on corporate risk disclosures. AICPA illustrates that users of financial statements change needs, so companies are expected to add 18 information contained in financial statements by providing future-oriented information, including information about uncertainty and risk mitigation (Linsley & Shrives, 2006).

According to ICAEW (2002), a company's risk is a condition in which it feels uncertainty about its future results, which may be positive or negative. According to Linsley & Shrives (2006), companies face financial, operational, empowerment, strategic, technological, and integrity risks when conducting operations. ICAEW (2002) states that there are no specific standards governing how companies calculate risk. Some describe that companies with large sizes have a tendency to expose more risk than small companies, and a complete company presents risks that will be followed by its ability to avoid risk.

According to Abdillah and Nurhasanah (2020:86), company risk is a reflection of company policy, which can indicate risk-taking or risk aversion. According to Djohanputro (2012: 17), "Company risk can be calculated by dividing income before income tax by total assets. Measuring company risk in research using the formula Risk with Profit before tax in the total asset split. This study examined 33 construction companies listed on the IDX during 2019–2021.

Links between variables

Profitability to Tax avoidance

According to Sutrisno (2009:16), profitability is the ability of a company to make a profit with all its working capital, including in tax avoidance practices that do not violate the law but do not support its intentions. Sari & Devi (2018) found that profitability affects tax avoidance.

Good corporate governance to Tax avoidance

Corporate Governance, is a set of laws governing the relationship between shareholders, company management, creditors, governments, employees, and other parties who have rights and responsibilities. Wijayanti and Masitoh (2018:336) found a 48.7% correlation between corporate governance and tax avoidance.

Company risk to Tax avoidance

Company risk in conditions where there is uncertainty about the consequences that will be faced, can be in the form of profits or losses so that in obtaining profits and minimizing losses when doing tax avoidance is an effort that can be done but does not violate the provisions or laws and regulations of taxpayers the practice of avoidance tax to reduce debts. Dewi and Jati (2014) found that company risk affects tax avoidance.

Hypothesis development

Based on empirical evidence from the relevant research results, said Rizky & Puspitasari (2020: 113) which mentions several factors that influence the existence of aggressive tax avoidance, namely company risk, intensity of fixed assets and company size

H1 : Profitability has a significant effect on Tax avoidance

to maximize the profitability of the enterprise. The profitability of the enterprise means the ability of the enterprise to make a profit. The profit that the company earns, in this case after the tax burden, can provide peace of mind for shareholders.

The purpose of the company is to make a profit. The company's ability to make a profit through the profitability ratio. The profitability ratio in some studies uses Return On Assets (ROA) to measure its relationship with tax collection.

ROA describes a company's ability to generate revenue. When ROA increases, it indicates a high corporate profit and a good use of assets to generate revenue. Lestari & Asfar (2020), Olivia & Dwimulyani (2019), and Rinaldi & Cheisviyanny (2015) found that profitability has a positive impact on tax avoidance because companies can be said to be efficient if they can pay less tax, resulting in lower tax rates.

Based on research by Sari & Devi (2018), profitability as measured by Return on Assets affects tax avoidance. If the company's ability to make a profit increases, operating profit will also increase and the tax value will also increase because of this, profitability affects tax avoidance, but if profit increases, tax avoidance decreases, this is due to the company not taking efficiency measures in paying its taxes (2014).

H2 : Good corporate governance has a significant effect on tax avoidance

Corporate Governance is a mechanism that regulates and directs a company through relationships between shareholders, management, creditors, government, employees, and other stakeholders to increase its value.

Good corporate governance (GCG) maintains a balance between economic and social goals and protects the company from bad management that causes problems (Dwitridinda in Hendra: 2012). GCG is related to ownership structure, transparency, audit committees, and independent board representatives. The board of commissioners that supports the company's performance and improves monitoring activities is measured using the percentage of the board (Siallagan: 2006).

If a company is audited by the Big Four Public Accounting Firms (KAP), it will be more independent because it can withstand management pressure to report customer complaints (Watts in Kurniasih: 2007). Khurana and Moser (2009) found that a company's aggressive tax policy is influenced by the size of its institutional shareholder base, with short-term shareholders increasing it and long-term shareholders lowering it.

H3 : Company risk has a significant effect on tax avoidance

CEO who are willing to take risks are more likely to make risky decisions. "Company risk is a reflection of the policies taken by company leaders so that it can provide an indication of the character of risk takers or risk averse," said Coles (2004: 16).

This research supports the findings of Budiman & Setiyono (2012) and Dewi & Jati (2014: 256) that "the magnitude of the risk of companies that have a tendency to corporate leadership affects tax avoidance". The risk-taking or risk aversion of a company leader depends on the risks of the company (Budiman and Setiyono, 2012: 15). As corporate risk increases, executives become risk-takers. However, when a company's risk decreases, executives become risk aversion..

Research shows that corporate risk affects tax avoidance. This study found that the quality of audits has no effect on tax avoidance or avoidance. This research found that the audit committee had no effect on tax avoidance in manufacturing companies listed on the Indonesia Stock Exchange in 2015-2018. (Abdillah, Nurhasanah) (2020)

H4 : Profitability, Good corporate governance and Corporate risk have a simultaneous and significant effect on Tax avoidance

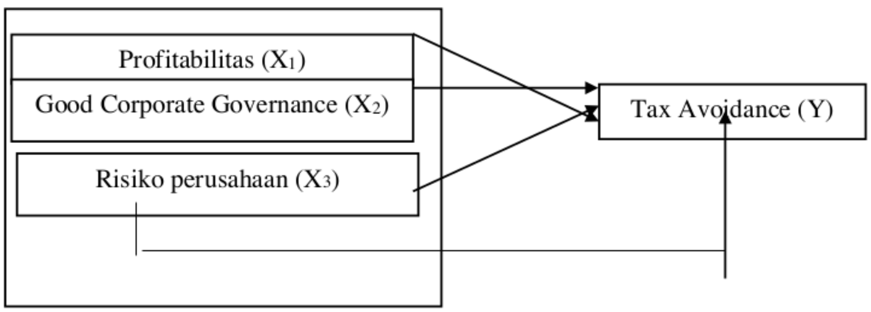
The tax actions taken by a number of companies in Indonesia are not for tax evasion, but rather for the purpose of saving the amount of tax paid by companies by exploiting loopholes in the 2008 tax regulation). The practice of tax avoidance does not violate the law (statute), but does not support the purpose of the formation of the tax law (www.pajak.go.id). "Compulsory contribution tax to the state owed by individuals or entities forced under the law, by not getting an imbalance directly and used for the needs of the state for the greatest prosperity of the people".

This led to some mandatory tax avoidance practices. Tax avoidance is a lawful way for taxpayers to lower their tax bills. Tax avoidance is said to be a complicated problem and because on the one hand it is considered not to violate the law, but on the other hand it is undesirable because it harms the state from state revenue (Nandasari, 2015).

Ginting (2016) found that business governance can affect tax avoidance. Corporate governance is a system for managing and directing a company, according to the Organization for Economic Cooperation and Development (Fadhilah, 2014). Sartori's research (Winata, 2014) shows that companies with well-structured corporate governance mechanisms will perform better in fulfilling their legal obligations. Furthermore, ROA is the profitability ratio. This ratio is most often highlighted in the analysis of financial statements because it is able to show the success of the company in making a profit. Return on Asset (ROA) measures a company's ability to generate revenue from its assets. When Return On Asset (ROA) increases, the company's profit increases (Dewinta and Setiawan, 2016). Several studies on business governance and tax avoidance have yielded promising results

Sartori (2010); Fries, Link, and Mayer (2006); Chen and Chu (2010); Bovi (2005); Chai and Liu; Kim, Li, and Li (2010); Crocker and Slemrod (2003); Khurana and Moser (2009); Ralf and Chatelain (2010); etc. Some believe that corporate governance and tax avoidance are negatively related. Another study found that corporate governance and tax avoidance have a positive relationship when accompanied by low agent and transaction fees (Sartori, 2010). Several international studies have shown that business governance negatively impacts tax avoidance.

The framework of thinking in this research is:



3. Research Results

The research method used quantitative research with secondary data from the financial statements of mining companies listed on the IDX 2019-2021, the sampling technique used is simple random sampling with a proportion of 5% meaning that the largest company since 2019-2021 based on Financial Services Authority data is 33 samples. Data analysis using the Lisrel student 8.8 tool to analyze YoY annual gain data as a dimension variable used to measure regression simultaneously using SPSS 25 to determine the partial and multiple influence between the free variables of profitability, good corporate governance, and company risk on tax avoidance.

Operational variable measurement ratio

Table 2 Operational Variable

Variabel	Pengukuran	Skala
Tax Avoidance	ETR=(Income tax expense)/(income before tax)	Ratio
Profitability	ROA = (Income after tax /Total assets x100%)	Ratio
Good corporate governance	***CGPI*** (Corporate Governance Perception Index) Assessment of Audit Committee Rating, Board of Commissioners Structure and Audit Quality (independent board)	Ratio
Company risk	Company risk=(earning before tax (EBIT))/(Total assets)	Ratio

Data processing sources for journals 2022

STATISTIC TESTING RESULTS

In testing the results of data analysis, this research is categorized into several stages of data analysis such as data normality testing, data validity testing, data reliability testing and partial and multiple regression testing, previously the data in the frequency description test were recapitulated into the following table:

Descriptive frequency ratio of data of 33 mining companies listed on the IDX in 2019-2021

Table 3 Testing Data frequency description

Variable	Profitability	Company risk	Good Corporate Governance	Tax avoidance

Mean	1.61	1.73	33.82	6.43

Data processing sources for journals 2022

In the table above, it is known that the mean value score or average gain for profitability data above or ROA > 1% which means that the value of 1.61 ROA in 33 mining companies on the IDX in 2019-2021 is classified as very healthy.

In the table above, it is known that the mean value score or average gain for the company's risk data above or the Risk < 10% which means that the value of 1.73 company risks in 33 mining companies on the IDX in 2019-2021 is classified as unlikely or can occur during extreme circumstances so it can be said that the company's risk has rare criteria with a level of 1 < 10% with a qualitative frequency index.

In the table above, it is known that the mean value score or average gain for Good Corporate Governance data above or the CGPI rating < 55 which means that the value of 33.82 GCG in 33 mining companies on the IDX in 2019-2021 is quite reliable.

In the table above, it is known that the mean value score or average gain for tax avoidance data above or TAX avoidance worth 6.43 if at a percentage of 6.43% which means that the implementation of Tax avoidance in 33 mining companies on the IDX in 2019-2021 is relatively high because the higher the percentage rate of tax avoidance that can be minimized will reduce the value of taxpayers paid with efficiency of 6.43% in three years

Normality testing

Table 4 Normality test

Variable	Profitability	Company risk	Good Corporate Governance	Tax avoidance
Asymp. Sig. (2-tailed)	0.016^{c}	0.007^{c}	$0.200^{c,d}$	0.001^{c}

Data processing sources for journals, 2022

In the table above, the test results obtained normality test data for profitability data of 0.016 < 0.05 which means the receipt of H1 data is not normally distributed, In the table above, the test results of obtaining normality test data for company risk data of 0.007 < 0.05 which means that the receipt of H1 data is not normally distributed, In the table above, the test results of the normality test data for Good Corporate Governance data are 0.200 > 0.05 which means the receipt of H0 normally distributed data and in the table above, the test results of obtaining normality test data for Tax avoidance data of 0.001 < 0.05 which means that the receipt of H1 data is not normally distributed, the results of testing normality data show that the data is nonparametrix meaning that the data is relatively low and in testing the ratio data is not influenced in the form of normal data. So that the data can be continued in the next research.

.

Validity testing

Tabel 5 Item testing instrumen validity

Variable	Konfirmasi			Interpretasi
	Rcount	Rtable >0.3440	Sig.< 0.05	
Profitability (ROA)				Valid & Signifikan
ROA2019	0.851	0.3440	0.000	Valid & Signifikan
ROA2020	0.725	0.3440	0.000	Valid & Signifikan
ROA2021	0.905	0.3440	0.000	Valid & Signifikan
Company risk				
RISKP2019	0.624	0.3440	0.000	Valid & Signifikan
RISKP2020	0.760^{**}	0.3440	0.000	Valid & Signifikan
RISKP2021	0.845^{**}	0.3440	0.000	Valid & Signifikan
Good corporate Governance				
GCG2019	0.956^{**}	0.3440	0.000	Valid & Signifikan
GCG2020	0.975^{**}	0.3440	0.000	Valid & Signifikan
GCG2021	0.909^{**}	0.3440	0.000	Valid & Signifikan
Tax Avoidance				
TAXAV2019	0.268	0.3440	0.152	Tidak Valid
TAXAV2020	0.562^{**}	0.3440	0.000	Valid & Signifikan
TAXAV2020	0.531^{**}	0.3440	0.000	Valid & Signifikan

Data processing sources for journals, 2022

In the table above, the test results of profitability data acquisition consist of 2019 data showing valid and significant data, 2020 data showing valid and significant data and 2021 data showing valid and significant data.

In the table above, the test results of the company's risk data acquisition consist of 2019 data showing valid and significant data, 2020 data showing valid and significant data and 2021 data showing valid and significant data

In the table above, the test results of Good corporate Governance data consist of 2019 data showing valid and significant data, 2020 data showing valid and significant data and 2021 data showing valid and significant data.

In the table above, the test results of tax avoidance data consisting of 2019 data show invalid and insignificant data due to the acquisition of Rcount < Rtable scores and sig values > 0.05 so that the data in the drop, 2020 data shows valid and significant data and 2021 data shows valid and significant data. The results of this test show that the research variable data is classified as valid so that it can be continued in the reliability test

Reability testing

Tabel 6 Percentage of reability testing

Variable	Konfirmasi		Interpretasi
	Croncbach Alpha	Table alpha	
Profitability (Return On Asset) 3 butir	0.659	a>0.6	Acceptable
ROA2019	0.622	a>0.6	Acceptable
ROA2020	0.652	a>0.6	Acceptable
ROA2021	0.752	a>0.7	Acceptable
Company risk for 3 years	0.729	a>0.7	Acceptable
RISKP2019	0.617	a>0.6	Acceptable
RISKP2020	0.589	a>0.5	Acceptable
RISKP2021	0.813	a>0.8	Acceptable
Good corporate Governance for 3 years	0.960	a>0.9	Excellent
GCG2019	0.950	a>0.9	Excellent
GCG2020	0.915	a>0.9	Excellent
GCG2021	0.954	a>0.9	Excellent
Tax Avoidance for two years	0.659	a>0.6	Acceptable
TAXAV2020	0.655	a>0.6	Acceptable
TAXAV2021	0.711	a>0.7	Acceptable

Data processing sources for journals, 2022

In the table above, the results of testing Profitability data (Return On Asset) 3 items a>0.6 which means Acceptable, company Risk data 3 items a>0.7 which means Acceptable, Good corporate Governance data 3 items a>0.9 which means Excellent and Tax Avoidance 2 items a>6 which means Acceptable. The test results show that the variable data in this study has an acceptable level of reliability so that hypothesis testing can be continued.

In the table above, the results of testing Profitability data (Return On Asset) 3 items a>0.6 which means Acceptable, company Risk data 3 items a>0.7 which means Acceptable, Good corporate Governance data 3 items a>0.9 which means Excellent and Tax Avoidance 2 items a>6 which means Acceptable. The test results show that the variable data in this study has an acceptable level of reliability so that hypothesis testing can be continued.

Regression equation testing

Tabel 7 Percentage of equations in regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	524626731.917	843508352.198		0.622	0.539
	Return On Asset	1.413	2.299	.256	0.614	0.544
	Company risk	-1.675	1.956	-.355	-0.857	0.399
	Good Corporate Governance	-55.195	242.515	-.042	-0.228	0.822

a. Dependent Variable: Tax Avoidance

Data processing sources for journals, 2022

Based on the test results in the table above, the results of regression testing with the equation Return On Asset of 1,413 or 199.65% and the acquisition of company Risk of (-) 1,675 or 280.56% and the acquisition of Good Corporate Governance of (-) 55.19 or 304.59%. This means that if the Return on Asset is increased in a one-percentage increase, it will increase Tax avoidance by 199.65% with company risk and Good Corporate Governance remaining.

In the table above, if the company's risk is increased by one percentage, it will increase Tax avoidance by 280.56% with a fixed Return on Assets and Good Corporate Governance

In the table above, if Good Corporate Governance is increased in a one-percentage increase, it will increase Tax avoidance by 304.59% with Return On Assets and fixed company risk.

Coefficient of determination testing

Tabel 8 Determination Testing Percentage

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.176[a]	0.031	-0.069	1476016500.746
a. Predictors: (Constant), Good Corporate Governance, Company risk, Return On Asset				
b. Dependent Variable: Tax Avoidance				

Data processing sources for journals, 2022

Based on the test results in the table above, the results of the coefficient of determination test of 0.176 or 3.09%, show that the effect of multiple profitability (Return On Asset), company risk and Good Corporate Governance on Tax avoidance is 3.09%.

Testing path diagrams

2019 ROA on Profitability of 33 mining companies listed on the IDX

Based on the results of the Lisrel test output, estimated ROA1, the gain of 0.387 or 14.97% shows profitability in 2019 if calculated the value of profits achieved by 33 mining companies of 14.97% means that profitability is categorized as good so that tax avoidance can be made.

2020 ROA on Profitability of 33 mining companies listed on the IDX

Based on the results of the Lisrel test output, the estimated ROA2 gain of 0.778 or 60.52% shows profitability in 2020 if calculated the profit value achieved by 33 mining companies of 60.52% means that the profitability that is categorized is very good so that tax avoidance can be made.

ROA in 2021 on Profitability of 33 mining companies listed on the IDX

Based on the results of the Lisrel test output, the estimated ROA3 gain of 0.399 or 15.92% shows profitability in 2021 if calculated the profit value achieved by 33 mining companies of 15.92% means that profitability is categorized as good so that tax avoidance can be made.

2019 Risk to Company risk in 33 IDX-listed mining companies

Based on the results of the Lisrel test output, the estimated RISKP1 gain of 0.516 or 31.36% shows that RISK1 in 2019 if calculated the value of the risk experienced by 33 mining companies of 31.32% means that the company's risk that may lie at level three is likely to occur and may have appeared so that tax avoidance has not been made.

2020 Risks to Company risks in 33 IDX-listed mining companies

Based on the results of the Lisrel test output, the estimated RISKP2 gain of 0.856 or 73.27% shows that RISK2 in 2020 if calculated the risk value experienced by 33 mining companies of 73.27% means that the company's risk that is likely to occur company risk lies at level four categories that are likely to occur easily, may appear in the most frequent circumstances so that tax avoidance can be made.

2021 Risks to Company risks in 33 IDX-listed mining companies

Based on the results of the Lisrel test output, the estimated RISKP3 gain of 0.501 or 25.10% shows that RISK3 in 2021 if calculated the risk value experienced by 33 mining companies of 25.10% means that the company's risk that is unlikely to occur company risk lies at the second level of the category has not occurred but can appear at a time so that tax payments can be made (Tax Avoidance).

GCG in 2019 on Good Corporate Governance in 33 mining companies listed on the IDX

Based on the results of the Lisrel estimated GCG1 test output of 0.743 or 55.20% shows GCG1 in 2019 if calculated the value of Good corporate governance carried out by 33 mining companies of 55.20% means that Good corporate governance in the CGPI ranking is trusted enough so that tax avoidance can be made.

GCG in 2020 on Good Corporate Governance in 33 mining companies listed on the IDX

Based on the results of the Lisrel test output, the estimated GCG2 gain of 1.02 or 104.04% shows that GCG2 in 2020 if calculated the value of Good corporate governance carried out by 33 mining companies of 104.04% means that Good corporate governance in the CGPI ranking above is very reliable so that tax avoidance can be made.

GCG in 2021 on Good Corporate Governance in 33 mining companies listed on the IDX

Based on the results of the Lisrel test output, the estimated GCG3 gain of 0.761 or 57.91% shows GCG3 in 2021 if the calculation of the value of Good corporate governance carried out by 33 mining companies is 57.91% meaning that Good corporate governance in the CGPI ranking is trusted enough so that tax avoidance can be made.

2019 Tax on Tax Avoidance on 33 mining companies listed on the IDX

Based on the results of the Lisrel estimated TAXAV1 test output, the gain of 4.62 or 2,134.44% shows that the Tax in 2019 if tax payments are made with a tax avoidance approach of 2,134.44% meaning that the tax efficiency carried out has a very good category

2020 Tax on Tax Avoidance on 33 mining companies listed on the IDX

Based on the results of the Lisrel estimated TAXAV2 test output, the gain of 0.0682 or 0.465% shows that the Tax in 2020 if tax payments are made with a tax avoidance approach of 0.465% meaning that the tax efficiency carried out has a fairly good category..

2021 Tax on Tax Avoidance on 33 mining companies listed on the IDX

Based on the results of the Lisrel estimated TAXAV3 test output, the gain of 0.00169 or 0.0002% shows that the Tax in 2021 if tax payments are made with a tax avoidance approach of 0.0002% meaning that the tax efficiency carried out has a poor category.

5. Conclusion

According to Swingly & Sukartha (2015), corporate risk has a positive effect on tax avoidance. According to Oktamawati (2017) and Dewi & Jati (2014), company risk has a positive effect on tax avoidance. Furthermore, empirically proven by Mulyani, Wijayanti and Masitoh (2018: 336) based on the results of their research that there is an influence of 48.7% between corporate governance on tax avoidance and the results of Annisa & Kurniasih (2012: 133) which shows that the significant audit committee and audit quality on tax avoidance, furthermore Sari & Devi (2018) prove that Profitability is influential According to Tyler (1990), the sociological literature on legal ethics has two perspectives: instrumental and normative. Meanwhile, to increase tax payments in the form of Tax Avoidance, it is important to pay attention to the role of the government as an external auditor with regulations and direct supervision to mining companies based on the results of processing financial statement data listed on the IDX.

The limitation in this study is relatively low sampling so that data testing has not met the expectations of this study, where low data will be included as nonparamteric data analysis, although the ratio data calculated in this study is low but can still prove the influence in the application of tax avoidance to 33 mining companies listed on the IDX 2019-2021. For further research, it is possible to use YoY on the IDX for at least the last five years with a sample of above 100 companies and take secondary data from financial statements with more ratio calculations compared to the ratio data of this study.

References :

Annisa, Nuralifmida Ayu., Kurniasih Lulus. 2012. Pengaruh Corporate Governance Terhadap Tax Avoidance. Jurnal Akuntansi Dan Auditing Volume 8/No. 2. 95- 199.

Desai, M.A., Dharmapala, D. 2006. Corporate Tax Avoidance And High-Powered Incentives. Journal Of Financial Economics, 79. 145-179.

Fadhilah, Rahmi. (2014). Pengaruh Good Corporate Governance Terhadap Tax Avoidance. Universitas Negeri Padang.

M. Riduan Abdillah Dan Nurhasanah, Pengaruh Risiko Perusahaan, Kualitas Audit Dan Komite Audit Terhadap Tax Avoidance Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2015-2018, Dinamika Ekonomi Jurnal Ekonomi Dan Bisnis Vol. 13 No. 1 Maret 2020

Meila Sari Dan Heidy Paramitha Devi, Pengaruh Corporate Governance Dan Profitabilitas Terhadap Tax Avoidance, Inventory Jurnal Akuntansi, Prodi. Akuntansi – Feb, Unipma, Vol. 2, No.2, Oktober 2018

Meiriska Febrianti, Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan Pada Industri Pertambangan Di Bursa Efek Indonesia, Jurnal Bisnis Dan Akuntansi Vol. 14, No. 2, Agustus 2012

Moses Dicky Refa Saputra Dan Nur Fadjrih Asyik, Pengaruh Profitabilitas, Leverage Dan Corporate Governance Terhadap Tax Avoidance, Jurnal Ilmu Dan Riset Akuntansi Volume 6, Nomor 8, Agustus 2017

Muhammad Rizky Dan Windhy Puspitasari, Pengaruh Risiko Perusahaan, Intensitas Aset Tetap Dan Ukuran Perusahaan Terhadap Aggressive Tax Avoidance. Jurnal Akuntansi Trisakti Issn : 2339-0832 (Online) Volume. 7 Nomor. 1 Februari 2020

Nuralifmida Ayu Annisa Dan Lulus Kurniasih, Pengaruh Corporate Governance Terhadap Tax Avoidance, Jurnal Akuntansi & Auditing Volume 8/No. 2/Mei 2012

Rahmi Fadhilah, Pengaruh Good Corporate Governance Terhadap Tax Avoidance (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di Bei 2009-2011)

Shelvi Aulia Cakrawardani Dan Satriya Candra Bondan Prabowo, Analisis Penilaian Tingkat Kesehatan Bank Dengan Metode Risk Profile, Good Corporate Governance, Earnings And Capital Pada Pt Bank Nationalnobu Tbk,

Sri Mulyani, Anita Wijayanti Dan Endang Masitoh, Pengaruh Corporate Governance Terhadap Tax Avoidance (Perusahaan Pertambangan Yang Terdaftar Di Bei), Jurnal Riset Akuntansi Dan Bisnis Airlangga Vol. 3. No. 1 (2018) 322-340 Issn 2548-1401 (Print) Issn 2548-4346 (Online)

Suandy, Erly. 2011. Perencanaan Pajak (Edisi Revisi). Jakarta: Salemba Empat

ISSN 2250-3153
Sugiyono. (2010). Metode Penelitian Administrasi Dilengkapi Metode R&D. Bandung: Alfabeta

Wirna Yola Agusti, Pengaruh Profitabilitas, Leverage, Corporate Governance Terhadap Tax Avoidance (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di Bei).

ijsrp-_Desember_2022.pdf

ORIGINALITY REPORT

19%	16%	12%	8%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

MATCH ALL SOURCES (ONLY SELECTED SOURCE PRINTED)

5%

★ Submitted to Universitas Jember

Student Paper

Exclude quotes	On	Exclude matches	< 1%
Exclude bibliography	On		