

**DETERMINANTS OF TAX AVOIDANCE IN THE
INFRASTRUCTURE SECTOR OF STATE-OWNED
ENTERPRISES**

THESIS

**To Fulfill the Requirements
To Obtain Bachelor Degree**



VELIA VINATA

STUDENT NUMBER. B1034211021

**ACCOUNTING DEPARTMENT
FACULTY OF ECONOMICS AND BUSINESS
UNIVERSITAS TANJUNGPURA
PONTIANAK**

2024

PERNYATAAN BEBAS DARI PLAGIAT

Nama : Velia Vinata
NIM : B1034211021
Jurusan : Akuntansi
Program Studi : Akuntansi Internasional
Konsentrasi : Akuntansi Keuangan
Judul Skripsi : Determinants of Tax Avoidance in the Infrastructure
Sector of State-Owned Enterprises

Menyatakan dengan sesungguhnya bahwa Skripsi dengan judul tersebut di atas, secara keseluruhan adalah murni karya penulisan sendiri dan bukan plagiat dari karya orang lain, kecuali bagian yang dirujuk sebagai sumber pustaka sesuai dengan panduan penulisan yang berlaku (lembar hasil pemeriksaan plagiat terlampir).

Apabila di dalamnya terdapat kesalahan dan kekeliruan maka sepenuhnya menjadi tanggung jawab penulis yang dapat berakibat pada pembatalan Skripsi dengan judul tersebut di atas.

Demikian pernyataan ini penulis buat dengan sebenar-benarnya.

Pontianak, 5 Januari 2025



Velia Vinata

NIM. B1034211021

STATEMENT OF ORIGINALITY

I, the undersigned below:

Name : Velia Vinata
Student Number : B1034211021
Department : Accounting
Study Program : International Accounting
Concentration : Financial Accounting
Exam Date : 19th December 2024

Thesis Title:

Determinants of Tax Avoidance in the Infrastructure Sector of State-Owned Enterprises

I, hereby verify that this Undergraduate Thesis is my own work, and all the sources are quoted or referred to have been stated correctly according to the Faculty's Guide of Thesis.

Pontianak, 5th January 2025



Velia Vinata
STUDENT NUMBER. B1034211021

LAMPIRAN YURIDIS

LEMBAR YURIDIS

DETERMINANTS OF TAX AVOIDANCE IN THE INFRASTRUCTURE SECTOR OF STATE-OWNED ENTERPRISES

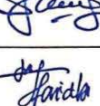
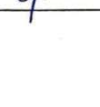
Penanggung Jawab Yuridis



Velia Vinata
B1034211021

Jurusan : Akuntansi
Program Studi : Akuntansi Internasional
Konsentrasi : Akuntansi Keuangan
Tgl Ujian Skripsi dan Komprehensif : 19 Desember 2024

Majelis Penguji

No.	Majelis Penguji	Nama/NIP	Tgl/Bln/Thn	Tanda Tangan
1.	Ketua Penguji	Dr. Nella Yantiana, S.E., M.M., Ak.	20/12/2024	
		NIP. 197307311997022001		
2.	Sekretaris Penguji	Nina Febriana Dosinta, S.E., M.Si.	20/12/2024	
		NIP. 198002272006042001		
3.	Penguji 1	Umiaty Hamzani, S.E., M.Com., Ph.D.	23/12/2024	
		NIP. 198012182003122001		
4.	Penguji 2	Tiya Nurfauziah, M.Ak.	23/12/2024	
		NIP. 199709302022032017		

Dinyatakan Telah Memenuhi Syarat dan Lulus
Dalam Ujian Skripsi dan Komprehensif

Pontianak, 15 JAN 2025

Koordinator Program Studi Akuntansi



Dr. Khristina Yunita, S.E., M.Si., Ak., CA
NIP. 197906182002122003

ACKNOWLEDGMENT

First and foremost, I would like to express my gratitude and praise to God Almighty because of the blessings, strength, and guidance throughout this journey. With His grace, this thesis titled “Determinants of Tax Avoidance in the Infrastructure Sector of State-Owned Enterprises” would have been successfully completed. This thesis was prepared as one of the requirements for obtaining bachelor’s degree (S1) at the Faculty of Economics and Business, Universitas Tanjungpura.

The completion of this thesis is also because of several parties who have supported, helped, pray, guiding, and motivate the author. Therefore, I would like to express my respect and deepest gratitude to.

1. Prof. Dr. Garuda Wiko, S.H, M.Si., as Rector of Universitas Tanjungpura.
2. Dr. Barkah, S.E, M.Si., as Dean of the Faculty of Economics and Business Universitas Tanjungpura.
3. Dr. Nella Yantiana, S.E, M.M., Ak., CA, CMA, CPA, as Head of the Accounting Department, Faculty of Economics and Business Universitas Tanjungpura. Also as my academic supervisor. Thank you for the guidance, support, and assistance provided since my first year on the campus until I finished.
4. Mr. Vitriyan Espa, S.E., M.S.A., Ak., C.Ht., CA, as Secretary of the Department of Accounting, Faculty of Economics and Business Universitas Tanjungpura.
5. Dr. Khristina Yunita, S.E., M.Si., Ak., CA, as Head of the Accounting Study Program, Faculty of Economics and Business Universitas Tanjungpura.
6. Mrs. Nina Febriana Dosinta, S.E., M.Si., as my examiner. Thank you for all your guidance and help.
7. Mrs. Umiaty Hamzani, S.E., M.Com, Ph.D., as my examiner. Thank you for all your guidance and help.
8. Mrs. Tiya Nurfauziah, M.Ak., as my examiner. Thank you for all your guidance and help.
9. All lecturers at Universitas Tanjungpura, especially at the Faculty of Economics and Business who have shared their knowledge, thought, and opinion during class.
10. Staff in academic, administration, and library. Thank you for all your help during my study on campus.
11. My parents and siblings, who have always supported me throughout this journey until I finished my degree.
12. Prettykiw members, Della, Nava, Helen, and Caseline, who have always supported me from the beginning until graduating from college. Who also always shares stories, sadness, happiness, I hope we will always be healthy and succesful in the future.

13. KBMB 21 members who have always supported me and participated in organizations together. May we all be blessed with happiness and health always.
14. Accounting international class batch 2021, who always shares thought and gives support to each other.
15. Thanks also to others who cannot be mentioned one by one. Thank you for all your help and support during my college lifes.

Finally, I have tried optimally in writing this thesis, but I also admit that this thesis is still less than perfect and apologizes for any limitations. Therefore, I expect constructive criticism and suggestions from readers to imptove future work. Hopefully, this thesis can be useful for readers and future researchers for providing insight, information, and knowledge.

Pontianak, 5th January 2025



Velia Vinata

STUDENT NUMBER. B1034211021

DETERMINANTS OF TAX AVOIDANCE IN THE INFRASTRUCTURE SECTOR OF STATE-OWNED ENTERPRISES

By

VELIA VINATA

Faculty of Economics and Business
Universitas Tanjungpura

ABSTRACT

This research aims to determine the influence of capital intensity, profitability, firm size, and liquidity on tax avoidance practices. The data are taken from the financial reporting of the infrastructure sector of state-owned enterprises listed in IDX from 2016 to 2023. This research indicates that capital intensity does not significantly affect tax avoidance. Meanwhile, profitability, firm size, and liquidity have a significant effect. Profitability, firm size, and liquidity can reduce tax avoidance efforts while fulfilling stakeholder (principal) expectations regarding increasing net income. This research contributes to expanding understanding regarding the determinants of tax avoidance and agency theory.

Keywords: capital intensity, firm size, liquidity, profitability, tax avoidance

FAKTOR PENENTU PENGHINDARAN PAJAK DI SEKTOR INFRASTRUKTUR BADAN USAHA MILIK NEGARA

Oleh
VELIA VINATA
Fakultas Ekonomi dan Bisnis
Universitas Tanjungpura

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh intensitas modal, profitabilitas, ukuran perusahaan, dan likuiditas terhadap praktik penghindaran pajak. Data diambil dari laporan keuangan sektor infrastruktur badan usaha milik negara (BUMN) yang terdaftar di BEI selama periode 2016 hingga 2023. Hasil penelitian menunjukkan bahwa intensitas modal tidak berpengaruh signifikan terhadap penghindaran pajak. Sementara itu, profitabilitas, ukuran perusahaan, dan likuiditas memiliki pengaruh signifikan. Profitabilitas, ukuran perusahaan, dan likuiditas dapat mengurangi upaya penghindaran pajak sekaligus memenuhi harapan pemangku kepentingan (prinsipal) terkait peningkatan laba bersih. Penelitian ini berkontribusi pada perluasan pemahaman tentang faktor-faktor penentu penghindaran pajak serta teori keagenan.

Kata kunci: intensitas modal, ukuran perusahaan, likuiditas, profitabilitas, penghindaran pajak

SUMMARY

DETERMINANTS OF TAX AVOIDANCE IN THE INFRASTRUCTURE SECTOR OF STATE-OWNED ENTERPRISES

1. Introduction

Taxes are a primary source of income for countries, including Indonesia, as mandated by Law No. 28 of 2007. The government strives to maximize tax revenue to meet the targets set in the state budget. However, many companies attempt to reduce their tax burden by exploiting gaps in tax regulations, often making their financial reporting less transparent. Since paying taxes reduces company profits, companies may engage in tax avoidance practices, both legal and illegal, to lower their tax obligations. Tax avoidance is a significant concern because it directly impacts the state's revenue, and many companies seek to pay as little tax as possible.

In Indonesia, tax avoidance is prevalent, leading to substantial losses for the state. In 2020, the Tax Justice Network estimated that Indonesia lost up to USD 486 billion annually due to tax evasion. Companies like PT Adaro Energy Tbk and PT PPI have been involved in practices like transfer pricing and tax fraud. PT Adaro Energy shifted income to countries with lower tax rates, reducing its tax burden, while PT PPI lowered transaction prices to avoid paying the correct amount of tax.

Large companies, especially state-owned enterprises (SOEs), are often more capable of managing complex tax avoidance strategies. This makes it difficult for authorities to ensure compliance with tax regulations. SOEs in the infrastructure sector are of particular concern due to the large-scale investments and funding they manage. Given that SOEs are funded by taxpayer money, it is crucial to assess how these entities comply with tax laws and whether they engage in tax avoidance practices.

This research aims to investigate how SOEs, particularly in the infrastructure sector, adhere to tax regulations and avoid tax avoidance practices. By understanding their compliance with tax obligations, the study seeks to shed light on the effectiveness of government oversight and the impact of tax avoidance on state revenue.

2. Research Question

- a. Does Capital Intensity have a significant influence on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023?
- b. Does Profitability have a significant influence on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023?
- c. Does Firm Size have a significant influence on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023?

- d. Does Liquidity have a significant influence on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023?

3. Research Purposes

- a. To determine the effect of Capital Intensity on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023.
- b. To determine the effect of Profitability on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023.
- c. To determine the effect of Firm Size on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023.
- d. To determine the effect of Liquidity on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023.

4. Research Methods

This study used a quantitative approach, measuring data using numerical scales. This research used a purposive sampling method to choose samples following the research objective. The sample criteria comprised state-owned enterprises (SOEs) in the infrastructure sector listed on the Indonesia Stock Exchange from 2016-2023. The requirements of the companies studied are as follows; state-owned enterprises companies that are listed on the IDX, state-owned enterprises companies categorized in the infrastructure sector, companies that publish annual reports from 2016-2023, and companies that have complete financial data for variable analysis.

Seven state-owned enterprises (SOEs) were selected as the research subjects based on the criteria adjustment, and 56 data were collected. The financial data used were obtained from the companies' official and IDX websites. This study comprises both dependent and independent variables. The independent or determinant variables are capital intensity (CI), return on assets (ROA), firm size (FS), and liquidity (CR). The dependent variable in this study is tax avoidance (ETR). This research was analyzed and tested using EViews 12 by selecting the best model between the Common Effect Model, Fixed Effect Model, and Random Effect Model.

5. Results and Discussion

- a. The Influence of Capital Intensity on Tax Avoidance

This research shows that capital intensity has no significant effect on tax avoidance. These results show that higher capital intensity does not affect tax avoidance practices. The results of this study show the irrelevance of agency theory towards tax avoidance practices, which implies that the higher the capital intensity, the

higher the level of tax avoidance. Therefore, this conclusion is based on the results, which concluded that another factor has more impact on tax avoidance.

b. The Influence of Profitability on Tax Avoidance

This research shows that profitability has a significant effect on tax avoidance. Profitability describes a company's operational success, reflecting the culmination of various policies and decisions made by the company's management. This outcome supports agency theory by indicating managers seeking to minimize their tax burdens through effective tax planning and avoidance. An increase in ROA will affect managers' decision to engage in tax avoidance because it is believed that they can have high incentives by increasing company profits.

c. The Influence of Firm Size on Tax Avoidance

This research shows that firm size has a significant effect on tax avoidance. The larger the size of the company, the more activities it undertakes. This result is supported by agency theory, which states that companies tend to engage in tax avoidance to optimize their profits, which managers can use to fulfill their obligations to stakeholders.

d. The Influence of Liquidity on Tax Avoidance

This research shows that liquidity has a significant effect on tax avoidance. Managers can leverage the current ratio to influence the utilization of current assets and generate substantial profits. This result is supported by agency theory, where the current ratio indicator can influence managers to leverage assets and engage in transactions or activities that can reduce the tax burden.

6. Conclusion

From the result of research, profitability, firm size, and liquidity significantly affect tax avoidance, while capital intensity has no significant effect on tax avoidance. Simultaneously, the research result shows that the contribution of the independent variables to the dependent variables is 21.2%. This research implies that by implementing effective financial management, companies can maximize profits without having to practice tax avoidance. However, other variables affect tax avoidance. The government and regulators must continue to carry out optimal supervision because other factors that have not been studied influence tax avoidance. There are still limitations that need to be considered by future research to expand the research data and number of variables.

RINGKASAN

DETERMINANTS OF TAX AVOIDANCE IN THE INFRASTRUCTURE SECTOR OF STATE-OWNED ENTERPRISES

1. Latar Belakang

Pajak merupakan sumber pendapatan utama bagi negara, termasuk Indonesia, sebagaimana disebutkan dalam Undang-Undang No. 28 Tahun 2007. Pemerintah berupaya untuk memaksimalkan pendapatan pajak guna memenuhi target yang ditetapkan dalam anggaran negara. Namun, banyak perusahaan yang berusaha mengurangi beban pajak mereka dengan memanfaatkan celah-celah dalam peraturan perpajakan, yang seringkali membuat laporan keuangan mereka menjadi kurang transparan. Karena pembayaran pajak mengurangi keuntungan perusahaan, perusahaan akan berusaha terlibat dalam praktik penghindaran pajak, baik legal maupun ilegal, untuk menurunkan kewajiban pajak mereka. Penghindaran pajak menjadi masalah yang signifikan karena langsung berdampak pada pendapatan negara, dan banyak perusahaan berusaha untuk membayar pajak serendah mungkin.

Di Indonesia, penghindaran pajak sangat umum terjadi yang mengakibatkan kerugian besar bagi negara. Pada tahun 2020, Tax Justice Network memperkirakan Indonesia mengalami kerugian hingga USD 486 miliar setiap tahunnya akibat penghindaran pajak. Perusahaan seperti PT Adaro Energy Tbk dan PT PPI terlibat dalam praktik penghindaran pajak seperti transfer pricing dan penipuan pajak. PT Adaro Energy memindahkan pendapatan ke negara dengan tarif pajak lebih rendah, sehingga mengurangi beban pajaknya, sementara PT PPI menurunkan harga transaksi untuk menghindari pembayaran pajak yang seharusnya.

Perusahaan besar, terutama Badan Usaha Milik Negara (BUMN), seringkali lebih mampu mengelola strategi penghindaran pajak yang kompleks. Hal ini menyulitkan pihak berwenang untuk memastikan kepatuhan terhadap peraturan perpajakan. BUMN di sektor infrastruktur menjadi perhatian khusus karena investasi dan pendanaan besar yang mereka kelola. Mengingat BUMN dibiayai dengan uang pajak masyarakat, sangat penting untuk menilai bagaimana entitas-entitas ini mematuhi peraturan pajak dan apakah mereka terlibat dalam praktik penghindaran pajak.

Penelitian ini bertujuan untuk menyelidiki bagaimana BUMN, khususnya di sektor infrastruktur, mematuhi peraturan pajak dan menghindari praktik penghindaran pajak. Dengan memahami kepatuhan mereka terhadap kewajiban pajak, studi ini bertujuan untuk memberikan gambaran mengenai efektivitas pengawasan pemerintah dan dampak penghindaran pajak terhadap pendapatan negara.

2. Rumusan Masalah

- a. Apakah Intensitas Modal memiliki pengaruh yang signifikan terhadap Penghindaran Pajak pada perusahaan BUMN sektor infrastruktur yang terdaftar di BEI pada tahun 2016-2023?
- b. Apakah Profitabilitas memiliki pengaruh yang signifikan terhadap Penghindaran Pajak pada perusahaan BUMN sektor infrastruktur yang terdaftar di BEI pada tahun 2016-2023?
- c. Apakah Ukuran Perusahaan memiliki pengaruh yang signifikan terhadap Penghindaran Pajak pada perusahaan BUMN sektor infrastruktur yang terdaftar di BEI pada tahun 2016-2023?
- d. Apakah Likuiditas memiliki pengaruh yang signifikan terhadap Penghindaran Pajak pada perusahaan BUMN sektor infrastruktur yang terdaftar di BEI pada tahun 2016-2023?

3. Tujuan Penelitian

- a. Untuk mengetahui pengaruh Intensitas Modal terhadap Penghindaran Pajak pada perusahaan BUMN sektor infrastruktur yang terdaftar di BEI pada tahun 2016-2023.
- b. Untuk mengetahui pengaruh Profitabilitas terhadap Penghindaran Pajak pada perusahaan BUMN sektor infrastruktur yang terdaftar di BEI pada tahun 2016-2023.
- c. Untuk mengetahui pengaruh Ukuran Perusahaan terhadap Penghindaran Pajak pada perusahaan BUMN sektor infrastruktur yang terdaftar di BEI pada tahun 2016-2023.
- d. Untuk mengetahui pengaruh Likuiditas terhadap Penghindaran Pajak pada perusahaan BUMN sektor infrastruktur yang terdaftar di BEI pada tahun 2016-2023.

4. Metode Penelitian

Penelitian ini menggunakan pendekatan kuantitatif, dengan mengukur data menggunakan skala numerik. Penelitian ini menggunakan metode *purposive sampling* untuk memilih sampel sesuai dengan tujuan penelitian. Kriteria sampel mencakup badan usaha milik negara (BUMN) di sektor infrastruktur yang terdaftar di Bursa Efek Indonesia (BEI) dari tahun 2016-2023. Persyaratan perusahaan yang diteliti adalah sebagai berikut: perusahaan BUMN yang terdaftar di BEI, perusahaan BUMN yang termasuk dalam sektor infrastruktur, perusahaan yang menerbitkan laporan tahunan dari tahun 2016-2023, dan perusahaan yang memiliki data keuangan lengkap untuk analisis variabel.

Tujuh perusahaan BUMN dipilih sebagai subjek penelitian berdasarkan penyesuaian kriteria, dan 56 data dikumpulkan. Data keuangan yang digunakan diperoleh dari situs resmi perusahaan dan situs BEI. Penelitian ini mencakup variabel dependen dan independen. Variabel independen atau penentu adalah intensitas modal (CI), return on assets (ROA), ukuran perusahaan (FS), dan likuiditas (CR). Variabel dependen dalam penelitian ini adalah penghindaran pajak (ETR). Penelitian ini

dianalisis dan diuji menggunakan EViews 12 dengan memilih model terbaik antara Common Effect Model, Fixed Effect Model, dan Random Effect Model.

5. Hasil dan Pembahasan

- a. **Pengaruh Intensitas Modal terhadap Penghindaran Pajak**
Penelitian ini menunjukkan bahwa intensitas modal tidak memiliki pengaruh signifikan terhadap penghindaran pajak, sehingga intensitas modal yang lebih tinggi tidak mempengaruhi praktik penghindaran pajak. Hasil penelitian ini menunjukkan ketidakterkaitan teori agensi terhadap praktik penghindaran pajak, yang menyiratkan bahwa semakin tinggi intensitas modal, semakin tinggi tingkat penghindaran pajak. Oleh karena itu, kesimpulan ini didasarkan pada hasil yang menyatakan bahwa faktor lain memiliki dampak yang lebih besar terhadap penghindaran pajak.
- b. **Pengaruh Profitabilitas terhadap Penghindaran Pajak**
Penelitian ini menunjukkan bahwa profitabilitas memiliki pengaruh signifikan terhadap penghindaran pajak. Profitabilitas menggambarkan keberhasilan operasional perusahaan, yang mencerminkan puncak dari berbagai kebijakan dan keputusan yang diambil oleh manajemen perusahaan. Hasil ini mendukung teori agensi dengan menunjukkan bahwa manajer berusaha meminimalkan beban pajak mereka melalui perencanaan pajak yang efektif dan penghindaran pajak. Peningkatan ROA akan mempengaruhi keputusan manajer untuk terlibat dalam penghindaran pajak karena mereka diyakini dapat memperoleh insentif yang lebih tinggi dengan meningkatkan keuntungan perusahaan.
- c. **Pengaruh Ukuran Perusahaan terhadap Penghindaran Pajak**
Penelitian ini menunjukkan bahwa ukuran perusahaan memiliki pengaruh signifikan terhadap penghindaran pajak. Semakin besar ukuran perusahaan, semakin banyak aktivitas yang dilakukannya. Hasil ini didukung oleh teori agensi, yang menyatakan bahwa perusahaan cenderung terlibat dalam penghindaran pajak untuk mengoptimalkan keuntungan mereka, yang dapat digunakan manajer untuk memenuhi kewajiban mereka kepada pemangku kepentingan.
- d. **Pengaruh Likuiditas terhadap Penghindaran Pajak**
Penelitian ini menunjukkan bahwa likuiditas memiliki pengaruh signifikan terhadap penghindaran pajak. Manajer dapat memanfaatkan rasio lancar untuk mempengaruhi pemanfaatan aset lancar dan menghasilkan keuntungan yang substansial. Hasil ini didukung oleh teori agensi, di mana indikator rasio lancar dapat mempengaruhi manajer untuk memanfaatkan aset dan terlibat dalam transaksi atau kegiatan yang dapat mengurangi beban pajak.

6. Kesimpulan

Dari hasil penelitian, profitabilitas, ukuran perusahaan, dan likuiditas memiliki pengaruh signifikan terhadap penghindaran pajak, sementara intensitas modal tidak memiliki pengaruh signifikan terhadap penghindaran pajak. Secara simultan, hasil penelitian menunjukkan bahwa kontribusi variabel independen terhadap variabel dependen adalah 21,2%. Penelitian ini mengimplikasikan bahwa dengan menerapkan manajemen keuangan yang efektif, perusahaan dapat memaksimalkan keuntungan tanpa harus melakukan praktik penghindaran pajak. Namun, terdapat variabel lain yang mempengaruhi penghindaran pajak. Pemerintah dan regulator harus terus melakukan pengawasan yang optimal karena faktor-faktor lain yang belum diteliti juga mempengaruhi penghindaran pajak. Masih terdapat keterbatasan yang perlu diperhatikan oleh penelitian selanjutnya untuk memperluas data penelitian dan jumlah variabel.

TABLE OF CONTENTS

PERNYATAAN BEBAS DARI PLAGIAT	Error! Bookmark not defined.
STATEMENT OF ORIGINALITY	iii
LAMPIRAN YURIDIS	iv
ACKNOWLEDGMENT	v
ABSTRACT	vii
ABSTRAK	viii
SUMMARY	ix
RINGKASAN	xii
TABLE OF CONTENTS.....	xvi
LIST OF TABLES	xviii
LIST OF FIGURES	xix
CHAPTER I INTRODUCTION.....	1
1.1 Background.....	1
1.2 Research Question.....	3
1.3 Research Purpose.....	3
1.4 Research Contribution.....	4
1.4.1 Theoretical.....	4
1.4.2 Practical.....	4
1.5 Contextual Overview of Research.....	4
CHAPTER II LITERATURE REVIEW	5
2.1 Theories	5
2.1.1 Agency Theory.....	5
2.1.2 Tax Avoidance	5
2.1.3 Capital Intensity	6
2.1.4 Profitability	6
2.1.5 Firm Size	6
2.1.6 Liquidity.....	7
2.2 Research Hypothesis	7
2.2.1 The Influence of Capital Intensity on Tax Avoidance	7
2.2.2 The Influence of Profitability on Tax Avoidance	7
2.2.3 The Influence of Firm Size on Tax Avoidance	8
2.2.4 The Influence of Liquidity on Tax Avoidance.....	8

CHAPTER III RESEARCH METHODS	10
3.1 Type of Research.....	10
3.2 Research Sites.....	10
3.3 Data.....	10
3.4 Population and Sample.....	10
3.5 Research Variables	11
3.5.1 Dependent Variable.....	11
3.5.2 Independent Variable	11
3.6 Analysis Method.....	13
CHAPTER IV RESULTS AND DISCUSSION	14
4.1 Research Results.....	14
4.1.1 Model Selection Test.....	14
4.1.2 Classical Assumption Test	15
4.1.3 Multiple Regression Analysis	15
4.2 Discussion.....	16
4.2.1 The Influence of Capital Intensity on Tax Avoidance	16
4.2.2 The Influence of Profitability on Tax Avoidance	17
4.2.3 The Influence of Firm Size on Tax Avoidance.....	18
4.2.4 The Influence of Liquidity on Tax Avoidance.....	18
CHAPTER V CLOSING	19
5.1 Conclusion.....	19
5.2 Suggestion	20
REFERENCES.....	21
APPENDIX	24

LIST OF TABLES

Tabel 4. 1 Chow Test, Hausman Test, and Lagrange Multiplier Test Table	14
Tabel 4. 2 Multicollinearity Test Table.....	15
Tabel 4. 3 Multiple Regression Analysis Table	15

LIST OF FIGURES

Figure 3. 1 Tax Avoidance Measurement	11
Figure 3. 2 Capital Intensity Measurement	11
Figure 3. 3 Profitability Measurement	12
Figure 3. 4 Firm Size Measurement	12
Figure 3. 5 Liquidity Measurement.....	12

CHAPTER I

INTRODUCTION

1.1 Background

Taxes are a primary income source for countries, including Indonesia. As defined in Law No. 28 of 2007, taxes are mandatory payments to the government that are coercive under the law and used for national needs and the welfare of society. The 2018 state budget (Anggaran Pendapatan Belanja Negara) target for tax revenue was IDR 1.6181 trillion out of the total state budget of IDR 1.8947 trillion (www.kemenkeu.go.id/apbn2018).

The government has strived to maximize tax revenue to meet the targets set according to the state budget. In reality, many companies attempt to reduce their tax burden through various means, one of which is by taking advantage of gap in tax regulations. This gap occurs because paying taxes reduces company profits, prompting companies to do anything, legal or illegal, to lower their tax obligations and become less transparent in financial reporting. Tax is a significant concern because it reduces net profits, and it is common knowledge that companies aim to pay as little tax as possible. Companies that conduct tax avoidance are considered not responsible to the state.

Tax avoidance practices in Indonesia are prevalent and can be observed from the losses incurred by the state. Indonesia is one of the developing countries suffering the most significant losses due to tax avoidance. In 2020, the Tax Justice Network reported that Indonesia was estimated to lose up to USD 486 billion annually due to tax evasion (Newssetup.kontan.co.id).

Some companies in Indonesia engaged in tax avoidance include PT Adaro Energy Tbk and PT PPI. PT Adaro Energy Tbk conducted tax avoidance through transfer pricing, shifting income earned in Indonesia to countries with lower tax rates, thus reducing their tax burden. According to Global Witness, Indonesia could have earned up to USD 125 million or

nearly USD 14 million annually. Additionally, PT PPI, a state-owned enterprise importing alcoholic beverages, committed tax fraud of IDR 39.113 billion. According to the Audit Board of Indonesia (Badan Pemeriksa Keuangan), the company allegedly lowered transaction evidence prices, resulting in lower taxes than required (AntiKorupsi.org). Large companies often engage in tax avoidance due to their ability to systematically manage their taxes, making the process complex. Consequently, many large companies pay less tax than they should.

State-owned enterprises (SOEs/Badan Usaha Milik Nasional) in the infrastructure sector are particularly important to study regarding tax avoidance practices. As government-owned entities, SOEs are responsible for maintaining financial transparency and compliance with regulations. The infrastructure sector is notable for its large-scale investments and funding. It is crucial to investigate how effectively these companies can finance their activities. However, SOEs are funded by the taxpayer, making it essential to assess their adherence to tax obligations and their involvement in tax avoidance practices. This research aims to determine how these companies comply with tax regulations and avoid engaging in tax avoidance activities.

This study uses determinant variables such as capital intensity, profitability, company size, and liquidity concerning tax avoidance. Capital intensity describes a company's ability to manage its fixed assets, which will incur depreciation expenses, thus reducing corporate profits. Return on assets reflects the company's financial performance through the profits gained. The higher the company's profits, the higher the return on assets. Another influencing factor is company size, measured by the number of assets owned. The larger the company, the better it can manage taxes through tax-saving methods by exploiting existing loopholes for tax avoidance. Last, the current ratio describes a company's ability to repay or settle its short-term obligations as they come due.

Previous researchers have conducted similar studies on determinants of tax avoidance. Mailia and Apollo found that profitability did not affect tax

avoidance, while company size and capital intensity did. Another study by Rahmadani et al. concluded that profitability and capital intensity did not affect tax avoidance, while Gumono found that ROA and capital intensity positively influenced tax avoidance. Prastiyanti and Mahardhika also found that company size significantly impacted tax avoidance. Meanwhile, Kusmadani and Rahayuningsih found that firm size did not affect tax avoidance. Research by Aya et al., found that current ratio has significant effect on tax avoidance. However, Sutomo and Djaddang found that current ratio has no significant effect on tax avoidance.

1.2 Research Question

- a. Does Capital Intensity have a significant influence on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023?
- b. Does Profitability have a significant influence on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023?
- c. Does Firm Size have a significant influence on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023?
- d. Does Liquidity have a significant influence on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023?

1.3 Research Purpose

- a. To determine the effect of Capital Intensity on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023.
- b. To determine the effect of Profitability on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023.
- c. To determine the effect of Firm Size on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023.

- d. To determine the effect of Liquidity on Tax Avoidance in state-owned enterprises in the infrastructure sector listed on the IDX from 2016-2023.

1.4 Research Contribution

1.4.1 Theoretical

Theoretically, it can expand the understanding and development of theories about factors influencing tax avoidance practices in state-owned infrastructure companies. Additionally, it can serve as a reference for future researchers interested in exploring tax avoidance issues and its influencing factors such as capital intensity, profitability, firm size, and liquidity.

1.4.2 Practical

Practically, this research can offer valuable insights to the government regarding the strategies companies use to engage in tax avoidance. This understanding can help the government develop more effective measures or strategies to counteract these practices. To make taxpayers care and comply with the tax payments, the government should ensure that they understand and learn about the tax obligations. This policy may include strengthening tax regulations and optimizing financial and tax reporting transparency. Consequently, the government can enhance tax revenue to support national development.

1.5 Contextual Overview of Research

This study aims to test whether there is an effect or influence of capital intensity, profitability, firm size, and liquidity on tax avoidance in the infrastructure sector of state-owned enterprises listed on the IDX from 2016-2023. In this study, researchers used data taken from the Indonesia Stock Exchange and official website of companies in the form of annual reports. The purpose of this study is because of the inconsistency in the results of previous studies on the influence of these variables on tax avoidance. Researchers attempt to examine similar issues by focusing on state-owned enterprises, particularly in the infrastructure sector.