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THE INFLUENCE OF COMPANY SIZE, LEVERAGE, SALES GROWTH, AND FINANCIAL DISTRESS ON TAX AVOIDANCE MODERATED BY INDEPENDENT COMMISSIONERS IN PROPERTY AND REAL ESTATE SECTOR COMPANIES LISTED ON IDX IN 2019-2022

Annisa Rianti Utami, Dwi Nastiti Danarsari
Fakultas Ekonomi dan Bisnis, Universitas Indonesia
Email: annisa.rianti01@ui.ac.id

ABSTRACT

This research aims to determine the influence of company size, leverage, sales growth, and financial distress on tax avoidance moderated by independent commissioners in property and real estate sector companies listed on the IDX for the 2019-2022 period. The independent variables in this research are company size, leverage, sales growth, and financial distress. The dependent variable in this research is tax avoidance. The moderating variable in this research is independent commissioner. This population study includes companies listed on the IDX in 2019-2022. The analysis technique used is panel data regression analysis with eviews v.10 software and Microsoft Excel. The results of this research show that company size has no significant effect on tax avoidance, leverage has a positive and significant effect on tax avoidance, sales growth has no significant effect on tax avoidance, financial distress has a negative and significant effect on tax avoidance. independent commissioners have a positive and significant effect on tax avoidance, independent commissioners can moderate company size on tax avoidance, independent commissioners are able to moderate leverage on tax avoidance. Independent commissioners cannot moderate sales growth against tax avoidance. Independent commissioners cannot moderate financial distress towards tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period.

KEYWORDS *Company Size, Leverage, Sales Growth, Financial Distress, Tax Avoidance, Independent Commissioner, Property and Real Estate*

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INTRODUCTION

Tax collection is a form of participation for the community to directly contribute to the national development activities undertaken by the government. In Indonesia, tax collection in development can be implemented through various systems. Indonesia utilizes the official assessment system for land and building taxes, while for income tax and value-added tax, companies in Indonesia use the self-assessment system (Karmila, 2019). According to Article 1 number 1 of the General Taxation Procedures and Provisions Law (UU KUP), taxes are a primary source of state revenue. However, taxes also represent a burden that reduces the net profit for businesses (Anggraini et al., 2020). For businesses, taxes are an obligation to be paid to the state, leading to a decrease in net profit generated in a specific period. Therefore, taxpayers, especially businesses, often engage in tax avoidance practices to reduce the amount of tax owed.

Table 1. Tax Revenue Realization in Indonesia in Trillion Rupiah

Year	Target	Realisation	Achievement
2017	1.283,57	1.147,00	89,40%
2018	1.424,00	1.315,93	92,41%
2019	1.577,56	1.332,06	84,44%
2020	1.198,82	1.069,98	89,25%
2021	1.229,58	1.277,53	103,90%

Source: Ministry of Finance (2023)

Based on Table 1.1, the percentage of state revenue in Indonesia increased from 2017 to 2018, then decreased from 2018 to 2019, and increased again from 2020 to 2021. In Indonesia, the tax revenue target was achieved in 2021 after a 12-year wait, as the tax revenue target has not been met since 2008 (www.komwasjak.kemenkeu.go.id). This indicates a strong desire to avoid taxes and a lack of awareness of the importance of paying taxes, even though tax revenue is a primary source of state income used for development and the prosperity of the people. By examining company financial reports, it is possible to identify cases of tax evasion, as these reports are filed for tax reporting in Indonesia. Using the IDX website, an assessment of financial reports was obtained for this research (Nasirudin & Rina, 2023).

According to a study by Awaliah et al. (2022) on the trend of tax avoidance by companies listed on the Indonesia Stock Exchange (BEI) from 2016 to 2020, the highest incidence of tax avoidance was found in the real estate and property sector during that five-year period. Tax avoidance in the study was measured by the Effective Tax Rate (ETR), where the value was greater than 1 and less than 0. In 2016, the smallest ETR was obtained from PT Bumi Serpong Damai Tbk., and from 2017 to 2020, it was obtained from PT Metropolitan Land Tbk.

Financial distress can be experienced by all companies, especially when the country's economic conditions are unstable. Financial distress is the beginning of bankruptcy or liquidation and indicates that the company's financial situation is deteriorating. Financial distress means a company is having difficulty meeting its financial commitments to creditors either because it lacks enough money to do so (its liabilities are greater than its assets) or because it cannot generate a profit. When a business has repeatedly lost money for years, it is considered to be in financial distress. Negative income for more than one year is an indication of a deteriorating financial condition and can lead to bankruptcy if company management does not take corrective action (Yazdanfar & Öhman, 2020).

Tax avoidance involves exploiting weaknesses (grey areas) in tax laws to minimize tax payments and avoid violations of state tax laws (tax avoidance) (Pohan, 2018). The goal is to reduce or eliminate tax payments legally. You can legally reduce your tax burden by taking advantage of government programs that provide tax credits, tax privileges, deductions, exemptions, etc. (Wulandari, 2022). Previous research on tax avoidance remains interesting to explore due to varied empirical results (research gap). Based on the cases or phenomena of tax avoidance mentioned in the previous paragraphs, several factors often lead to tax avoidance. However, in this study, the triggering factors suspected of causing tax avoidance by company management include company size, leverage, sales growth, financial distress, and corporate governance (Afrianti et al., 2022; Kalbuana et al., 2023; Nasirudin & Rina, 2023; Sunarsih et al., 2019; Dewi & Priyadi, 2023; Augustpaosa Nariman, 2021; Yuniarwati, 2020).

Company size is suspected to be the first variable that affects tax avoidance. Company size is also related to tax avoidance; the larger the company size, the more complex its transactions. Therefore, this allows businesses to exploit the vulnerabilities of tax avoidance in each transaction (Rani et al., 2021). Company size reflects its capacity and stability to conduct economic activities. The larger the company, the lower its tax burden, and the better its planning using available resources. Meanwhile, smaller companies are less likely to engage in tax avoidance (Masrurroch et al., 2021). Studies such as those conducted by Masrurroch et al. (2021), Kalbuana et al. (2020), Chandra (2022), Malik et al. (2022) reveal that "company size does not affect tax avoidance." However, studies conducted by Rani et al. (2021), Alfina et al. (2023), and Khasanah & Afiqoh (2023) indicate that "company size affects tax avoidance."

The second factor in the occurrence of tax avoidance practices is leverage. Among the analytical instruments used to assess a company's ability to pay its debts is the leverage ratio (Kasmir, 2019). When a company finances its operations with leverage, it incurs high-interest costs, resulting in low pre-tax profits. With low profits, tax avoidance will be minimal. Findings from studies by Faizah (2022), Ardianti (2019), Putriningsih et al. (2019), Ariesta & Purwaningsih (2022), and Wulansari et al. (2020) show that "leverage negatively affects tax avoidance." However, other studies, such as those by Ryandono et al. (2020), Tanjaya & Nazir (2021), Sumantri et al. (2022), and Hilmi et al. (2022), found that "leverage does not affect tax avoidance," while Sopiyana (2022), Afrianti et al. (2022), Sunarsih et al. (2019), and Anggara et al. (2021) reveal that "leverage positively affects tax avoidance."

The third factor that can influence tax avoidance is sales growth. A company's capacity to maintain its economic position as the economy and industry grow can be measured by looking at the sales growth ratio (Kasmir, 2019). Sales growth is beneficial for companies because it can help them achieve significant profits, and consequently, companies may engage in tax avoidance when facing difficulties in maintaining profit and sales trends. Increasing sales revenue will impact an increase in the company's profit margin. As the company's taxable income and effective tax rates increase proportionally with its revenue, the likelihood of tax evasion increases. According to research findings, this scenario holds true (Pratiwi et al., 2021; Payanti & Jati, 2020; Sumantri et al., 2022; Fathoni & Indrianto, 2021). However, there are inconsistent findings, with research by Mahdiana & Amin (2020) indicating that "sales growth does not affect tax avoidance," while Hidayat (2018), Januari & Suardikha (2019), Dewi & Priyadi (2023), and Fionita & Fitra (2021) state that "sales growth negatively affects tax avoidance."

The fourth factor that can affect tax avoidance is financial distress. A company experiences financial distress when it cannot meet its contractual commitments to debtors and creditors (Kristanti, 2019). Several factors cause companies to fall into financial distress, forcing them to seek solutions to exit the difficult situation to efficiently conduct business activities. Companies that incur losses due to financial distress tend not to pay taxes but seek compensation for those losses (Cita & Supadmi, 2019). Additionally, because tax avoidance can have a negative impact on a company's reputation, businesses in financial distress tend to avoid it. Therefore, companies choose to comply with tax payments. Studies conducted by Cita & Supadmi (2019), Suhaidar et al. (2021), Hasanah & Widiastuti (2022), Nurlis et al. (2022), and Maria & Naniek (2022) reveal that financial distress negatively impacts tax avoidance. However, Swandewi & Noviari's research (2020) indicates that financial distress positively affects tax avoidance. Research by Kalbuana et al. (2023), Khamisan & Christina (2020), Ari & Sudjawoto (2021), and Lukito & Sandra (2021) reveals that financial distress does not affect tax avoidance.

Based on the four variables that are suspected to be the causes of tax avoidance and the support from previous research, there is inconsistency in the relationships between company size, leverage, sales growth, financial distress, and tax avoidance. Therefore, the author introduces the fact that the proxy for commissioners plays a role in corporate governance as a moderating variable. To achieve its goals and maintain strong corporate governance, an independent commissioner is appointed to the board. The presence of independent commissioners can reduce management's tendency to avoid taxes and enhance oversight of how well the company discloses its tax obligations. Independent commissioners, who have no ties to the government, are considered independent (Sunarsih and Oktavia, 2016). It is stated that many independent commissioners can act as supervisors and oversee management activities to ensure they are successful and in compliance with applicable rules, making them a moderating variable (KNKG, 2006). The presence of non-partisan commissioners correlates positively with increased company value and productivity (Zhou, 2011). It is expected that the presence of independent commissioners will prevent tax avoidance in business (Lestya & Meita, 2022). Previous studies on the role of independent commissioners as moderators in the relationship between company size and tax avoidance conducted by Rani et al. (2021) show that these officials can strengthen the impact.

Meanwhile, studies by Rahmadani et al. (2020) and Khasanah & Afiqoh (2023) reveal that "independent commissioners cannot (weaken) do not moderate the influence of company size on tax avoidance," and research by Ghozali (2021) states that "Independent commissioners can strengthen the influence of company size on tax avoidance through corporate governance." Studies related to the influence of leverage and tax avoidance moderated by independent commissioners were conducted by Wicaksana et al. (2021) and Octaviani & Trishananto (2022), stating that "independent commissioners can strengthen the influence of leverage on tax avoidance." Afrianti et al. (2022) found that "independent commissioners cannot moderate the influence of leverage on tax avoidance," and research by Muliawati & Karyada (2020) states that "independent commissioners weaken the influence of leverage and tax avoidance."

Research related to the influence of sales growth and tax avoidance through independent commissioners was conducted by Emanuel et al. (2023), revealing that "independent commissioners strengthen the negative influence of sales growth on tax avoidance." Nurjanah & Masripah (2022) state that "independent commissioners do not moderate the influence of sales growth on tax avoidance," and research by Dewi & Sujana (2019) states that "independent commissioners weaken the influence of sales growth and tax avoidance."

Furthermore, previous research on the influence of financial distress on tax avoidance moderated by independent commissioners by Alhady et al. (2021) reveals that "independent commissioners cannot moderate the influence of financial distress on tax avoidance." Meanwhile, previous research by Febriyanto (2022) states that "independent commissioners moderate the influence of financial distress on tax avoidance." When companies incur losses during financial distress, they cannot pay taxes but may receive fiscal loss compensation. Companies will also strive to maintain liquidity as much as possible (Alhady et al., 2021). Due to the role of independent commissioners in the company, they will continue to supervise and control activities to maintain a positive corporate image for investors, including refraining from tax avoidance (Afrianti et al., 2022). This is consistent with the findings of Wulansari et al.'s study (2020), which reveals that independent commissioners can minimize tax avoidance.

The hypotheses for this study are as follows: H1: company size plays a significant role in influencing tax avoidance in property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2022. H2: leverage has an impact on tax avoidance in the same sector and timeframe. H3: sales growth is a determining factor in tax avoidance for companies in the property and real estate sector listed on the IDX from 2019 to 2022. H4: financial distress influences tax avoidance in these companies during the specified period. H5: independent commissioners have an influence on tax avoidance in the mentioned sector and timeframe. H6, H7, H8, and H9 introduce the moderation effect of independent commissioners on the influence of company size, leverage, sales growth, and financial distress, respectively, on tax avoidance in property and real estate sector companies listed on the IDX from 2019 to 2022.

In this study, the author will examine the existence of tax avoidance practices using a sample of all property companies from 2019 to 2022. The use of a sample of property companies is justified because property companies are large-scale enterprises, have a significant number of companies, require substantial capital and costs to provide products to the public, and are also sought after by investors. Another reason for using the 2019-2022 sample is to determine the level of tax avoidance carried out by property and real estate companies, considering that before the occurrence of COVID-19 in 2019, the pandemic cases had already emerged in 2020-2021, affecting many companies significantly, and normalization after the occurrence of COVID or during the endemic period in 2022. In addition to the sample being up-to-date, the author also updates the study by adding independent variables such as sales growth and financial distress, which are important factors among the causes of tax avoidance and the inconsistency in the arrangement of other independent variables in previous studies. Additionally, the author uses a moderating variable, independent commissioners, as they play a crucial role in overseeing and controlling corporate governance. Building on these factors, the author will conduct a study entitled "The Influence of Company Size, Leverage, Sales Growth, and Financial Distress on Tax Avoidance Moderated by Independent Commissioners in Property and Real Estate Sector Companies Listed on the Indonesia Stock Exchange from 2019 to 2022."

RESEARCH METHOD

This research is quantitative in nature, and its form falls under conclusive research. Conclusive research employs well-defined criteria and evidence to draw conclusions (Bataineh, 2021). According to the study's objectives, a causal design is used for its investigation. Causal design is useful for identifying the causes of one or more problems (Sekaran & Bougie, 2018). Testing hypotheses regarding the influence of one or more independent variables on another variable (dependent) is the core of causal research. The Archive Method technique is implemented by utilizing secondary data archives, which are financial reports of companies meeting the sample criteria on the Indonesia Stock Exchange (IDX) from 2016 to 2020. The obtained data is then converted based on proxies, which will be used as study variables and analyzed using statistical tools (Suliman Al-Fasfus, 2020). This study utilizes secondary data collected from various publicly accessible sources. The data for this study includes time series data as it is periodically collected on the objects to depict their evolution. The following data is used in this study:

1. Company data classified in the Property, Real Estate, and Building sectors for the period 2019-2022.
2. Data from the Indonesia Stock Exchange (IDX) website at https://www.idx.co.id/.
3. Official websites of relevant companies.

Purposive sampling is used to obtain samples that are statistically valid and significant for analysis. The following criteria are used to determine the sample:

1. Companies in the Property, Real Estate, and Building sectors listed on the IDX from 2019 to 2022.
2. Companies in the Property, Real Estate, and Building sectors consecutively listed on the IDX from 2019 to 2022.
3. Companies in the Property, Real Estate, and Building sectors that publish Financial Reports on December 31, 2019-2022, on the IDX website.
4. The number of companies that have all relevant data (i.e., independent, dependent, and intervening variables) for the years 2019-2022.

IDX, Thompson Reuters Eikon, Reuters Data stream, and related publications all contribute to the dataset used in this study. The sample criteria resulted in selecting 60 companies over 3 years, yielding 240 samples.

The data analysis procedure involves sorting collected information into relevant groups based on variables and respondent types, tabulating information for all respondents by variable, presenting results separately for each researched variable, and conducting mathematical calculations to answer research questions and test hypotheses (Sugiyono, 2019). The results of statistical data processing are used to draw conclusions, making the research process crucial. Computational data analysis model research is the method used in processing research data. It is essential to analyze data from the study before reaching any conclusions. As a result, the study was conducted using statistical methods; data was processed using Eviews v.10 and Microsoft Excel. In employing panel data regression with Eviews software, the researcher adopted the method used in the studies conducted by Nalarreason et al., (2019), and Tanjaya & Nazir, (2021).

RESULT AND DISCUSSION

Table 2. Hypothesis Test Results

Hypothesis	**Variable**	**Information**
H1	The effect of company size on *tax avoidance*	Rejected
H2	The effect of *leverage* on *tax avoidance*	Accepted
H3	The effect of *sales growth* on *tax avoidance*	Rejected
H4	The effect of *financial distress* on *tax avoidance*	Rejected
H5	The influence of independent commissioners on *tax avoidance*	Accepted
H6	Company size affects *tax avoidance* moderated by independent commissioners	Accepted
H7	*Leverage* affects *tax avoidance* moderated by an independent commissioner	Rejected
H8	*Sales growth* affects *tax avoidance* moderated by independent commissioners	Accepted
H9	*Financial distress* affects *tax avoidance* moderated by an independent commissioner	Rejected

Equation Results:

Y = 17,5 – 15,47 X1- 0,0872 X2 – 0,751 X3 – 0,807 X4 + 47,00 Z – 38,841 X1*Z – 0,988769 X2*Z – 2,266 X3*Z – 1,3975X4 *Z

Based on the above equation, the constant value is 17.501, indicating that if the independent variables, namely Company Size (X1), Leverage (X2), Sales Growth (X3), and Financial Distress (X4), moderated by Independent Commissioners (Z), are all valued at zero, then the value of CETR is 17.501. The coefficient value of Company Size (X1) is -15.418, indicating that Company Size has a negative impact on CETR because it has a negative sign. Therefore, an increase in Company Size by one unit will result in a decrease in CETR by 15.418 units, assuming other variables are constant. Additionally, the significance value of 0.0017, which is less than 0.05, indicates that Company Size significantly influences CETR.

The coefficient value of Leverage (X2) is -0.087, indicating that Leverage has a negative impact on CETR. Therefore, an increase in Leverage by one unit will result in a decrease in CETR by 0.087 units, assuming other variables are constant. However, the significance value of 0.8567, which is greater than 0.05, indicates that Leverage does not significantly influence CETR.

The coefficient value of Sales Growth (X3) is -0.751, indicating that Sales Growth has a negative impact on CETR. Therefore, an increase in Sales Growth by one unit will result in a decrease in CETR by 0.751 units, assuming other variables are constant. Additionally, the significance value of 0.0306, which is less than 0.05, indicates that Sales Growth significantly influences CETR.

The coefficient value of Financial Distress (X4) is -0.807, indicating that Financial Distress has a negative impact on CETR. Therefore, an increase in Financial Distress by one unit will result in a decrease in CETR by 0.807 units, assuming other variables are constant. However, the significance value of 0.0705, which is greater than 0.05, indicates that Financial Distress does not significantly influence CETR.

The coefficient value of Independent Commissioners (Z) is 47.00, indicating that Independent Commissioners have a positive impact on CETR. Therefore, an increase in Independent Commissioners by one unit will result in an increase in CETR by 47 units, assuming other variables are constant. Additionally, the significance value of 0.0036, which is less than 0.05, indicates that Independent Commissioners significantly influence CETR.

The coefficient value of Company Size (X1) moderated by Independent Commissioners (Z) is -38.841, indicating that Company Size moderated by Independent Commissioners has a negative impact on CETR. Therefore, an increase in Company Size by one unit will result in a decrease in CETR by 38.841 units, assuming other variables are constant. Additionally, the significance value of 0.0037, which is less than 0.05, indicates that Company Size moderated by Independent Commissioners significantly influences CETR.

The coefficient value of Leverage (X2) moderated by Independent Commissioners (Z) is -0.9887, indicating that Leverage moderated by Independent Commissioners has a negative impact on CETR. Therefore, an increase in Leverage by one unit will result in a decrease in CETR by 0.9887 units, assuming other variables are constant. However, the significance value of 0.4075, which is greater than 0.05, indicates that Leverage moderated by Independent Commissioners does not significantly influence CETR.

The coefficient value of Sales Growth (X3) moderated by Independent Commissioners (Z) is -2.266, indicating that Sales Growth moderated by Independent Commissioners has a negative impact on CETR. Therefore, an increase in Sales Growth by one unit will result in a decrease in CETR by 2.266 units, assuming other variables are constant. Additionally, the significance value of 0.3137, which is greater than 0.0084, indicates that Sales Growth moderated by Independent Commissioners significantly influences CETR.

The coefficient value of Financial Distress (X4) moderated by Independent Commissioners (Z) is -1.397, indicating that Financial Distress moderated by Independent Commissioners has a negative impact on CETR. Therefore, an increase in Financial Distress by one unit will result in a decrease in CETR by 1.397 units, assuming other variables are constant. However, the significance value of 0.2156, which is greater than 0.05, indicates that Financial Distress moderated by Independent Commissioners does not significantly influence CETR.

Discussion of Research

The effect of company size on tax avoidance

This study shows that the size of the company does not have a significant effect on tax avoidance because the results of the panel regression analysis obtained a significance value of 0.1674 > 0.05. From the sample of research data, more company sizes are below the average value. In line with the statement theory expressed by Ekinanda et al., (2021), the majority of manufacturing companies on the IDX have limited resources to carry out tax avoidance.

The results of this analysis are in line with the analysis conducted by Yopie Chandra, (2022) and Firmansyah & Bahri, (2023) which states that the size of the company does not affect tax avoidance. Company size is a concept used to measure the dimensions or scale of a company. The size of the company gives an idea of how big or small the company is in various aspects, including financial, operational, organizational, or others. There are several factors that cause the absence of the influence of company size on tax avoidance such as shareholder structures that have different tax preferences, company characteristics such as industry type, ownership structure, and others.

Based on agency theory, which considers the relationship between company owners (shareholders) as principals and management as agents, it can explain several aspects of the relationship, such as management acting as an agent responsible for running the company's day-to-day operations, which may have incentives to do tax avoidance in order to improve the company's net profit and financial performance. Company size can play a role in agency dynamics, larger companies may have complex management structures and greater separation of duties between owners and management. This can create weaknesses in oversight by shareholders. Based on agency theory, it is possible that larger, complex companies may be more vulnerable to tax avoidance practices. This can be due to the imperfection of the internal supervision system, the complexity of the corporate structure, and the lack of transparency.

H1: Company size affects tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period, rejected.

The effect of leverage on tax avoidance

In this study, it is known that leverage has a significant effect on tax avoidance because it has a significant value smaller than 0.05 (0.0331 < 0.05). In addition, the value of the coefficient obtained is marked positive which shows that leverage has a positive effect on the value of CETR. So the higher the leverage value of a company, the higher the CETR value and the lower the tax avoidance carried out by the company.

The results of this study prove that the use of leverage is a reflection for companies as a form of strategy to avoid the tax burden that must be borne. Property companies used as samples in this study are perceived to use debt because property companies are large-scale companies and have sustainable production so they require large capital. Because of large sales, the level of profit obtained will also be large which has an impact on the magnitude of the tax burden. Leverage refers to the use of debt by a company to fund operations or investments. One way leverage affects tax avoidance is through interest deductions. In many tax systems, companies are allowed to deduct the interest they pay on debt as operating expenses that are deductible from taxable income. This means that the greater the amount of debt used by the company, the greater the potential interest deduction, which in turn can reduce the company's tax liability. In addition, the use of external debt (for example, bank loans) and internal debt (such as corporate bonds or preferred stock) can have different impacts on tax avoidance. External debt is often more flexible in generating interest deductions, whereas internal debt may have a more limited impact on tax avoidance due to the different characteristics of tax regulations.

The results of this analysis are in line with research conducted by Afrianti et al, (2022) which states that leverage positively affects tax avoidance. The effect of leverage on tax avoidance can be related to how companies use debt in their tax strategies. The results of this study are in line with the results of research by Muliawati &; Karyada (2020), Octaviani &; Trishananto (2022), Pitaloka &; Merkusiwati (2019) and Wicaksana et al. (2021) that leverage has a positive effect on tax avoidance.

Under agency theory, leverage can create incentives for management to engage in tax avoidance. When the company has significant debt, interest on the debt can be deducted from pretax income, reducing the tax burden owed by the company. Management can have an incentive to look for ways to optimize debt structure in order to reduce tax liabilities.

H2: Leverage affects tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period, accepted.

The effect of sales growth on tax avoidance

The results of the analysis in this study found that sales growth did not have a significant effect on tax avoidance because it had a significant value greater than 0.05 (0.1072 > 0.05). The results of this study prove that sales growth is not a reflection of tax avoidance motives, because the higher the company's sales level, the higher the profit that will be obtained by the company. This explains that increased or large company sales growth does not make companies to reduce their tax burden by tax avoidance because increased sales growth will increase company profits, making companies more able to pay their tax burden (Sabita &; Poin Mildawati, 2018). In other words, higher sales growth will reduce tax avoidance activities because in sales growth companies will consider their cost and tax aspects in maximizing the profits generated so as to reduce the company's tax burden (Honggo &; Marlina, 2019).

This research is in line with research conducted by (Hidayat, 2018), (Honggo &; Marlinah, 2019) and research conducted by Siahaan et al., (2022) which states that sales growth has no effect on tax avoidance. Sales growth can result in more expenses that can be deducted from taxable income, such as operating expenses and interest expenses (if the company has debt). This can reduce taxable income. Based on agency theory, sales growth can create incentives for management to improve a company's financial performance, including net income. Increased profits can benefit management in the form of bonuses or other incentives. Management may tend to look for tax avoidance strategies as a way to increase net income by reducing the tax burden.

H3: Sales growth affects tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period, rejected.

The effect of financial distress on tax avoidance

In this study, it is known that financial distress has a significant effect on tax avoidance because it has a significant value smaller than 0.05 (0.009 < 0.05). In addition, the value of the coefficient obtained is marked negative which shows that financial distress has a negative effect on the value of CETR. So the higher the value of financial distress of a company, the lower the value of CETR and the higher the tax avoidance carried out by the company. The company will not carry out tax avoidance as a solution to restore its financial condition because it can worsen the company's image, increase risk, and make it difficult for the company to find loan funds. Companies that fall into financial distress choose a safer strategy to protect against the risk of bankruptcy and liquidation, through applying for an extension of time on loans held to creditors and the act of reorganizing the company's management structure with skilled individuals (Octaviani &; Trishananto, 2022).

The results of this analysis are in line with research conducted by Cita & Supadmi, (2019), Ari & Sudjawoto (2021) and Rani et al., (2021) which states that financial distress negatively affects tax avoidance. Financial distress refers to situations where a company faces serious financial problems, such as low liquidity, high debt load, or the ability to meet limited financial obligations. Companies in financial distress often face the risk of bankruptcy. In this situation, aggressive tax avoidance efforts can attract the attention of tax authorities or creditors, which can worsen the company's financial situation. Financial distress may force a company to restructure its finances, including reducing debt or seeking additional capital. Changes in this financial structure can affect potential interest deductions or other tax avoidance strategies. According to agency theory, in situations of financial distress, management can have incentives to reduce the tax burden in order to increase liquidity and reduce financial stress. Tax avoidance strategies can be used as a way to achieve this goal by optimizing the company's tax structure.

H4: Financial distress affects tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period, accepted.

The influence of independent commissioners on tax avoidance

In this study, it is known that independent commissioners have a significant effect on tax avoidance because it has a significant value smaller than 0.05 (0.0039 < 0.05). In addition, the value of the coefficient obtained is marked positive which shows that the independent commissioner has a positive effect on the value of CETR. So the higher the percentage of independent commissioners of a company, the higher the CETR value and the lower the tax avoidance carried out by the company.

Independent commissioners usually have a stronger oversight role on the board of directors. They can ensure that the company's tax practices are more transparent and in accordance with applicable tax regulations. This can reduce the likelihood of companies engaging in aggressive or illegal tax avoidance practices. In addition, independent commissioners experienced in risk oversight may be more likely to identify risks associated with excessive tax avoidance practices. They can help reduce corporate risks related to tax and legal consequences that may arise from practices that do not comply with the law.

This research is in line with research conducted by (Masrullah et al., 2018) and (Anita Wijayanti, Endang Masitoh, 2018) which states that independent commissioners have a significant effect on tax avoidance. Under agency theory, independent commissioners are considered part of an oversight mechanism that can help minimize agent behavior that is incompatible with the interests of company owners. In the context of tax avoidance, an independent commissioner can help ensure that a company's tax practices are in accordance with ethical and legal standards.

H5: Independent commissioners affect tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period, accepted.

Company size affects tax avoidance moderated by independent commissioners

The results of the moderation regression analysis in this study show that the size of the company has a significant effect on tax avoidance by being moderated by an independent commissioner, because the significance value is 0.0037 < 0.05. The results of this analysis are different from the results of the panel regression analysis which suggests there is no influence between the size of the company and tax avoidance. This shows that with an independent commissioner, the effect of company size on tax avoidance can be increased. This is thanks to agency theory where this theory arises because there is a contract between principals and agents. Principals (shareholders) are parties who convey orders to other parties, namely agents (management) to carry out all principals activities In the form of decision making, this is an independent commissioner. The implication of agency theory in this study is to explain the effect of company size and independent board of commissioners and audit committees on tax avoidance. Companies that have a high company size and have large assets tend to do tax avoidance, because agents try to manage the tax burden paid by not reducing agent performance compensation due to reduced company profits by tax burdens, while the larger the size of the company, the greater the resources owned by the company. The resources owned by the company can be used by agents to optimize their performance, namely by minimizing the tax burden that must be incurred by the company. Meanwhile, companies that have an independent board of commissioners owned by institutions are more compliant with established regulations, independent boards of commissioners are tasked with overseeing every management action.

This result is in line with research conducted by Dewi & Jati (2019) which states that the size of the company, multinational companies, institutional ownership, and the proportion of the board of commissioners do not affect the tax avoidance actions taken by the company.

H6: Independent commissioners are able to moderate the size of companies against tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period, accepted.

Leverage affects tax avoidance moderated by an independent commissioner

The results of the moderation regression analysis in this study show that leverage has a significant effect on tax avoidance moderated by independent commissioners, because the significance value is 0.4075 > 0.05. The results of this analysis are different from the results of the panel regression analysis which states that there is an influence between leverage and tax avoidance. This shows that with the existence of an independent commissioner, the effect of leverage on tax avoidance decreases.

Agency theory is closely related to the practice of tax avoidance, because agency theory or agency theory explains the relationship between stakeholders and company management, where both parties work together to achieve company goals, namely profits. Stakeholders and independent commissioners are referred to as principals, while company management is referred to as agents in agency theory.

In agency theory, the financial statements made by company management are caused by opportunistic motivation and signal motivation. Opportunistic motivation is where management reports financial statements with higher profits to get incentives, signal motivation is where management reports quality financial statements to give positive signals to investors, one of which is the practice of tax avoidance. Based on this, agency theory has a relationship to tax avoidance actions carried out by companies. Where the situation is caused by differences in importance caused by information asymmetry between principal and agent. From this information asymmetry, the company through management will strive to improve corporate governance for the better. Starting from giving share ownership to managers, in order to form managerial ownership and make tax policies to maximize company profits.

Differences in interests between company owners and management can affect company performance, one of which is the company's policy regarding taxes, this is related to agency theory explaining that the higher the company's leverage, the better the transfer of prosperity from creditors to company shareholders. Companies that have a larger proportion of debt in their capital structure will have higher agency costs and if agency costs are higher, the Company will experience tax avoidance. In accordance with the hypothesis and conceptual framework made, the results of this study apparently indicate that few or many independent commissioners are unable to influence the use of leverage to reduce tax avoidance. Research by Sinaga & Suardikha, (2019) also confirms that independent commissioners have not been effective in supervising the company's business, especially decisions related to tax payments. The inability of the independent commissioner to moderate the effect of leverage on tax avoidance is also triggered because the vital role and response of the independent commissioner in monitoring and paying attention to the presence or absence of tax avoidance activities carried out by companies as taxpayers is still relatively low.

The results of this study support and are in line with the results of research conducted by Afrianti et al. (2022) that independent commissioners are unable to moderate the negative effect of leverage on tax avoidance.

H7: Independent commissioners are able to moderate leverage on tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period, rejected .

Sales growth affects tax avoidance moderated by independent commissioners

The results of the moderation regression analysis in this study show that sales growth does not have a significant effect on tax avoidance moderated by an independent commissioner, because the significance value is 0.0084 < 0.05. The results of this analysis are different from the results of the panel regression analysis which states there is no influence between sales growth and tax avoidance. This shows that with an independent commissioner, the influence of sales growth on tax avoidance will increase.

The independent board of commissioners is responsible for supervising the quality of information contained in the financial statements. Ariawan and Setiawan (2019) said that the existence of an independent board of commissioners in the company will increase supervision and monitoring of company management in every decision to be taken. Strict staffing by an independent board of commissioners can influence company management, namely agents, to prepare quality financial statements and comply with applicable tax regulations. With the existence of an independent board of commissioners, in every formulation of corporate strategy carried out by the independent board of commissioners along with company management and stakeholders will provide guarantees of effective and efficient results including policies regarding the amount of the company's effective tax rate. Independent commissioners can carry out monitoring functions to support better company management and make financial statements more objective (Kurniasih and Sari, 2013). Therefore, oppotunistic management behavior when there is sales growth can be avoided by having an independent board of commissioners in a company.

According to agency theory, agents (managers) utilize all resources to increase sales. Increased sales will increase company profits, so to keep profits high, managers will use techniques to avoid taxes. In other words, the results of this study do not support the agency's theory that sales growth triggers tax avoidance. Because Sales growth will make the size of the company bigger. So that the ability to pay taxes is very capable. The larger size of the company will also make the fiscus to supervise the company to be obedient in paying taxes. In addition, the greater the sales growth rate will result in large company profits, the high profits will also encourage companies to plan taxes more maturely through tax planning so as to produce optimal taxes and the tendency to carry out tax avoidance activities will decrease.

The results of this study are in accordance with research conducted by Rani et al., (2021) and Lukito &; Sandra, (2021) which explained that the greater the number of independent boards of commissioners in a company, the better the independent commissioners in supervising and controlling the actions of executive directors and the actions of directors, including company management in relation to their opportunistic behavior. The company's management as an agent authorized by the principal will be more careful in making decisions related to company policies, because of the existence of an independent board of commissioners that acts as monitoring. Independent commissioners are also very familiar with tax regulations, so they can provide advice to management to produce quality financial statements.

H8: Independent commissioners are able to moderate sales growth on tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period, accepted.

Financial distress affects tax avoidance moderated by an independent commissioner

The results of the moderation regression analysis in this study showed that financial distress did not have a significant effect on tax avoidance moderated by an independent commissioner, because the significance value was 0.2156 > 0.05. The results of this analysis are different from the results of the panel regression analysis which states that there is an influence between financial distress and tax avoidance. This shows that with an independent commissioner, the effect of financial distress on tax avoidance will decrease. Independent commissioners as independent parties and have no affiliation with controlling shareholders and board of directors, are expected to be able to supervise and prevent risky actions taken by management when the company is experiencing financial distress, one of which is tax avoidance.However, the results of this study prove that independent commissioners cannot carry out corporate governance duties optimally, so that any number of independent commissioners in the company does not guarantee that the company will avoid tax avoidance actions.

One of the causes of agency problems is the existence of asymetric informatiaon between shareholders and management, which allows management to take policies that are less effective for unbalanced information companies, which is caused by the unequal distribution of information between principals and agents, which can result in two problems caused by the difficulty of the principal to monitor and conduct control measures over the actions of agents. The relationship between agency theory and this study is Financial Distress if in poor management there will be a conflict of interest which begins with information asymmetry. In agency theory there are three relationships, namely: the relationship of agents with shareholders, creditors and the government. Companies experiencing financial distress, the relationship between agents and shareholders is at stake. The risk of being left behind by investors becomes great if the company experiences financial distress, so in order to continue to establish good relationships with investors, agents also try to be able to maintain their financial condition by minimizing expenses, one way is to sacrifice the relationship between agents and the government, namely by finding ways how their tax obligations can be avoided (tax avoidance).

The results of this study are in line with previous research by Alhady et al., (2021) which stated that independent commissioners cannot moderate the effect of financial distress on *tax avoidance*. However, the results of this study are different from Febriyanto & Laurensius (2022) which states that independent commissioners can moderate the effect of financial distress on tax avoidance.

H9: Independent commissioners are able to moderate financial distress on tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period, rejected.

CONCLUSION

Based on the results of data testing analysis and discussion of the effect of company size, leverage, sales growth, and financial distress on tax avoidance moderated by independent commissioners in property and real estate sector companies listed on the IDX for the 2019-2022 period, the conclusions in this study are as follows: The size of the company does not have a significant effect on tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period. Leverage has a positive and significant effect on tax avoidance. The higher the leverage value, the higher the CETR value and the lower the tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period. Sales Growth does not have a significant effect on tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period

Financial distress has a negative and significant effect on tax avoidance. The higher the financial distress value, the lower the CETR value and the higher the tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period. Independent commissioners have a positive and significant effect on tax avoidance. The higher the value of the proportion of independent commissioners, the higher the CETR value and the lower the tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period. The independent commissioner is able to moderate the size of the company against tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period. The independent commissioner is able to moderate leverage on tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period. Independent commissioners cannot moderate sales growth on tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period. Independent commissioners cannot moderate financial distress on tax avoidance in property and real estate sub-sector companies listed on the IDX for the 2019-2022 period.

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