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ABSTRACT

Tax is a sector that plays an important role in the economy. The largest state revenue must continue to be increased so that the country's growth and development can run well. But for business tax as a burden. Therefore, it is only natural to try to avoid the tax burden. Management actions planned to minimize corporate tax payments through tax aggressiveness activities are common among companies throughout the world. This study aims to see the role of independent commissioners in moderating the effect of transfer pricing, capital intensity, and profitability on tax aggressiveness. The population and sample in this study are manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the 2016-2018 period. The sampling method used was purposive sampling. The analysis tool used is panel data regression analysis. The results showed that 1). Capital intensity and profitability each have a positive effect on tax aggressiveness. 2). Transfer prices and independent commissioners are not subject to tax aggressiveness. 3). Independent commissioners can moderate weaken the influence of capital on tax aggressiveness. 4). Independent Commissioners as measured by the Total Board of Commissioners divided by the Independent Commissioners (KI) are unable to assess or weaken the relationship between transfer pricing profitability and tax aggressiveness.

Keywords: Tax Aggressiveness, Transfer Pricing, Capital Intensity, Profitability, and Independent Commissioner.

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INTRODUCTION

Taxes are the largest source of state revenue when compared to other sources of income in Indonesia. Referring to Law 16 of 2009 concerning General Provisions for Taxation Article 1 paragraph 1, the definition of tax is a mandatory contribution to the state-owned by an individual or entity that is compelling under law, without receiving direct compensation and used for state purposes. For the greatest prosperity of the people. The tax sector is a driving force in developing public facilities that are public, intended here to help the community and assist in financing the country's interests.

Achievement of targets in the field of taxation in 2018 with the issuance of laws relating to open access and information on financial data that the fiscal (tax) sector's revenue target has been successful Rp.1,315.9 trillion or 92.4%, which did not meet the target. The 2018 tax target is Rp. 1.424 trillion, meaning that the lack of tax revenue in 2018 is Rp.108.1 trillion. The reason for not achieving the target is that the tax authorities and the company have several conflicting interests, such as corporate income, namely, income tax levied on business entities for their income and operating profit, both domestic and overseas income (economy.okezone.com, 2019). For companies or business entities, tax is one of the main burdens that reduce the company's profit, where management seeks to reduce the tax burden. Companies' actions to minimize taxable income through tax planning, legal and illegal, are called corporate tax aggressiveness.

Transfer pricing practice can occur because of a special relationship between companies in a multinational group of companies to negotiate and work together to determine the transfer pricing price (Rusli et al., 2017). Companies often use the practice of transfer to minimize tax obligations that must be paid. In transfer pricing, multinational companies tend to reduce their tax obligations from countries with high tax rates to countries that apply low tax rates that are carried out by reducing the selling price between companies in the same group to reduce company profits and reduce tax obligations.

There is a transfer pricing case between PT. Adaro Indonesia and its subsidiary, Coaltrade Services International Pte Ltd, have shown that there are indications of misuse of the company's transfer pricing system. The Government of Indonesia, through the Director-General of Taxes, asked

Adaro to pay an additional tax of U \$ 33.2 million. Coaltrade's accounts show, in the three years before 2009, Coaltrade earned an average of US \$ 4 million in commissions per year. So Indonesia could receive up to the US \$ 125 million in additional Adaro taxes between 2009- 2017, or nearly US \$ 14 million per year. This amount means that every year Adaro is suspected of not paying taxes up to the US \$ 14 million. This case was revealed in 2019, where there is much evidence that many companies are still trying to carry out transfer pricing to minimize their tax obligations.

Capital intensity is a company's investment in fixed assets, where one of the fixed assets is used by the company to produce and get a profit. The company's investment in fixed assets will cause a depreciation expense on the invested fixed assets. The depreciation expense for fixed assets in the Indonesian taxation regulations varies depending on the classification of the fixed assets (Andhari and Sukartha, 2017). Research on the effect of capital intensity on tax aggressiveness has been carried out by Andhari and Sukartha (2017). Companies prefer to invest in fixed assets so that a high depreciation expense arises, and this expense will reduce company profits to reduce corporate tax obligations.

Profit is the company's ability to benefit from the activities the company carries out (Zulaikha, 2014). Profitability is one of the tax burden determinants because companies with higher profits will pay higher taxes. If the profitability ratio is high, it shows the efficiency carried out by company management. Increased profit results in increased company profitability so that the tax obligations that must be paid also increase. Alternatively, it can be said that there is a possibility that the company is trying to avoid tax obligations (Rinaldi and Cheisviyanny 2015).

Independent commissioner is the moderating variable. The board of commissioners is a party that plays a role in overseeing the company's directors' performance. The independent board of commissioners is considered to have better supervision because it is free from internal company interests. With the increasing number of independent boards of commissioners, the company's internal supervision is getting tighter (Ardy and Kristianto 2015).

From the introduction above, the researcher aims to find empirical evidence for this role of independent commissioners in moderating the effect of transfer pricing, capital intensity, and profitability on tax aggressiveness. The differences of this research with prior that this research tax aggressiveness as a dependent variable, the independent

variable is transfer pricing (Lutfia and Pratomo 2018), capital intensity (Rini et al. 2020), profitability (Andhari and Sukartha (2017), and independent commissioners (Rini et al. 2020) as a moderating variable while previous study independent commissioners as independent variables. Independent commissioner as a moderating variable because it is assumed to have a close relationship with the dependent variable. The closer the relationship, the more aggressive the company, is in avoiding taxes.

FOUNDATION OF THEORY AND DEVELOPMENT OF HYPOTHESES

Agency Theory

Jensen and Meckling (1976) agency theory can explain the relationship that arises because of a contract between the shareholders (principals) who delegate responsibility for managing a company to management (agents). The problem that arises between these two parties is that each party (principal and agent) has different goals, where the principal wants satisfaction and prosperity for the shareholders, while management wants the managers' welfare. Thus a conflict of interest arises between the principals and agents.

Tax aggressiveness aims to minimize lower tax payments in which the company's profits are greater and it is considered successful management performance, if performance is measured from the profit it can generate bonuses. Where the bonus can prosper the company's management, large profits can also prosper shareholders because dividend payments become larger. With management doing tax aggressiveness so that profitability can be seen is good or not because later profitability can be a measure of agent performance in tax aggressiveness.

Tax Aggressiveness

Companies consider taxes as a cost burden that can reduce company profits. Therefore, companies tend to take actions that will reduce the company's tax burden. According to Frank et al. (2009) in Indradi (2018), actions were taken by companies to minimize taxable income through tax planning, both legal and illegal are called corporate tax aggressiveness.

Transfer Pricing

Refer to the Regulation of the Director-General of Taxes Number: PER-32 / PJ / 2011, transfer pricing determines prices in transactions between parties who have a special relationship. Based on Simamora in Mangoting (2000) in Panjalusman (2018), transfer pricing is defined as a special selling price or the value used in inter-divisional exchanges to record sales division income and buyer's division costs (buying division). In terms of taxation aspects, Lyons in Panjalusman (2018), transfer pricing is the company's price for goods, services, and intangible assets to companies with special relationships.

Capital Intensity

Capital intensity is a characteristic of a company which is one of the factors that can influence the company in implementing tax aggressiveness avoidance practices. One of the characteristics of the company is the capital intensity ratio (Muzakki, 2015). The intensity ratio is how much the company invests its assets in fixed assets.

Profitability

Profitability describes the company's performance to get profit after deducting tax expenses and other expenses, where profitability reflects the results of company performance that generates profits from the management of company assets, measured by Return on Assets (ROA) (Vhalery et al. 2019).

The Effect of Transfer Pricing on Tax Aggressiveness

Many motivations encourage companies to engage in tax aggressiveness, namely by minimizing the taxes paid. tax aggressiveness in various countries is triggered by many things. One of the factors that trigger a special relationship is the ownership relationship between one company and another and this relationship occurs because of the relationship between one party and another party that is not in a normal relationship. The existence of a tax haven country, where the country applies a lower tax rate to trigger multinational companies to invest in tax haven countries (Setiawan et al. 2018). Lutfia and Pratomo (2018) stated that transfer pricing has a positive effect on tax aggressiveness. So the hypothesis in this study is

H1: Transfer Pricing has a positive effect on tax aggressiveness

The Effect of Capital Intensity on Tax Aggressiveness

One of the objectives of company management is to get the desired compensation by improving company performance. with increased company performance, the company can take advantage of the depreciation of fixed assets to reduce the tax burden that managers invest funds that are not used in the form of fixed assets, which aims to increase the depreciation expense as a deduction from tax expense. By reducing the tax burden, it will have an impact on improving company performance, and the desired performance compensation for managers will be achieved (Muzakki 2015). Capital intensity has a positive effect on tax aggressiveness (Rini et al. 2020). So the hypothesis in this study is

H2: Capital Intensity has a positive effect on tax aggressiveness

The Effect of Profitability on Tax Aggressiveness

Profitability is a measure in assessing the performance of a company. Profitability describes the company's ability to use its assets efficiently to generate company profits. Profitability is one of the determinants of the tax burden because companies that have high profits will pay taxes every year, whereas conversely, companies that have low profits or suffer losses will pay less tax or not pay taxes at all (Rodriguez and Arias 2013 in Ardyansah 2014). Profit is the basis of taxation for companies. The higher the profit generated by the company, the higher the tax obligations that must be paid, so the company tends to take tax aggressiveness (Ayem and Setyadi 2019). Profitability has a positive effect on tax aggressiveness (Andhari and Sukartha 2017). So that the hypothesis in this study is

H3: Profitability has a positive effect on tax aggressiveness.

The Effect of Independent Commissioners on Tax Aggressiveness

The presence of independent commissioners on the board of commissioners can improve the supervision of the performance of the company's directors. Where more and more independent commissioners, management supervision will be tighter. Many management is opportunistic in that they have a motive to maximize the company's net income to generate a large bonus. Profit has been used as the main indicator of a manager's success. One way to increase net income is by reducing costs, including corporate tax costs. To encourage managers to become aggressive towards taxes, it is hoped that the greater proportion of independent commissioners can increase supervision to prevent the

aggressiveness of corporate taxes carried out by management (Suyanto and Supramono, 2012). So that the hypothesis in this study is

H4: Independent commissioners negatively affect tax aggressiveness

The influence of independent commissioners in moderating Transfer Pricing on Tax Aggressiveness

Research by Saraswati and Sujana (2017) reveals that transfer pricing has a positive effect on tax aggressiveness. which can show that the higher tax burden triggers management to carry out transfer pricing with the hope of reducing this burden because in general business practice the company identifies tax payments as an expense so that the company will always try to minimize this burden to optimize profits.

The practice of tax aggressiveness through the transfer pricing scheme contained in the explanation of the Income Tax Law is still very simple. Therefore, the company implements transfer pricing to increase the amount of profit to increase the bonus for management to encourage management to undertake tax aggressiveness. With the increase in profit, it is expected that the proportion of independent commissioners will also increase, wherewith the increase in independent commissioners, management supervision will be tighter. So the hypothesis in this study is

H5: Independent Commissioner weakens the positive effect of Transfer Pricing on Tax Aggressiveness

The Effect of Independent Commissioners in moderating Capital Intensity on Tax Aggressiveness

Capital intensity is the ratio between fixed assets (such as equipment, machinery, and various properties) to total assets, where this ratio describes the number of company assets invested in fixed assets that the company needs to operate, capital intensity is related to the company's investment in fixed assets. The higher the intensity capital of a company, the depreciation burden of fixed assets increases. So that it will cause the company's profits to decrease and the tax payable by the company will also decrease. If the company's profit decreases, then the company has a low ETR which can indicate a higher level of tax avoidance (Dwiyanti and Jati 2019).

Fixed assets will experience depreciation which will become depreciation expense in the company's financial statements. This depreciation expense can be deducted from income in corporate tax

calculations. This means that the higher the depreciation expense, the lower the taxes that must be paid by the company. This has a significant impact on companies with a large level of capital intensity ratio showing a low effective tax rate, with a low effective tax rate indicating that the company is engaging in tax aggressiveness, therefore an independent commissioner is needed to oversee the management of the company to avoid taxes. So the hypothesis in this study is

H6: Independent Commissioners weaken the positive influence of Capital Intensity on Tax Aggressiveness

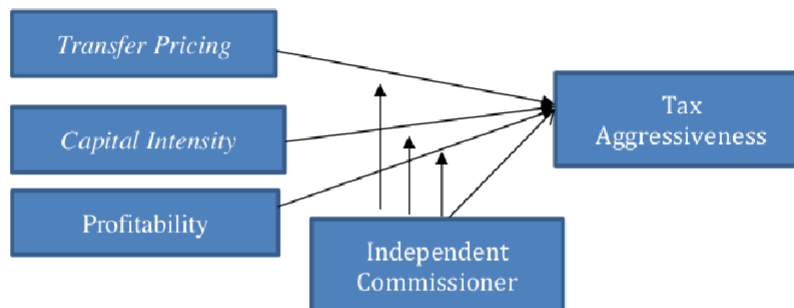
The influence of the Independent Commissioner in moderating Profitability on Tax Aggressiveness

The profitability of the company describes the effectiveness or failure of management in managing the company so that it can achieve the targets desired by the company owner. The more the company's profitability increases, the more liabilities in the tax sector will increase (Andhari and Sukartha 2017). Independent commissioners in a company will indirectly affect tax management, the greater the number of independent commissioners, the tighter it is possible to reduce tax aggressiveness by company management (Eksandy 2017). So that the hypothesis in this study is

H7: Independent Commissioner weakens the positive influence of Profitability on Tax Aggressiveness

Based on the description above, this research model can be described as follows:

Figure 1 Research Model



RESEARCH METHODS

Research design

The research design used in this study is a descriptive method with a quantitative approach by conducting hypothesis testing regarding the role of independent commissioners in moderating the effect of transfer pricing, capital intensity, and profitability on tax aggressiveness in manufacturing companies listed on Indonesia Stock Exchange from 2016 to 2018. This study aims to test and provide empirical evidence about the role of profitability in moderating the effect of transfer pricing, independent commissioners, and capital intensity on tax aggressiveness in manufacturing companies from 2016 to 2018.

Population and Research Sample

In this study, the population and sample were companies in the manufacturing sector listed on the Indonesia Stock Exchange from 2016 to 2018. The sampling technique used purposive sampling with the following criteria: 1) Manufacturing companies listed on the Indonesia Stock Exchange consecutively for three years 2016 to 2018; 2). Financial reports using the Indonesian currency (Rupiah); 3). The financial report ended on December 31; 4). The company has net income from 2016 to 2018; 5). Companies that have special trade receivables, 6). A company that has an independent commissioner by financial services authority regulations.

Variable measurement presents the concept of variables in general and other information regarding the indicators, measures, and scale of measurement of variables. Table 3 below clarifies the measurement of variables:

Table 3 Measurement Variables

Variable	Indicator	Scale
Tax Aggressiveness (Assalam et al. 2019)	$ETR = \frac{\text{Payment of taxes}}{\text{Profit before tax}} \times -1$	Ratio
Transfer Pricing (Lutfia and Pratomo 2018)	$TP = \frac{\text{Piutang Usaha Istimewa}}{\text{Total Piutang}}$	Ratio
Capital Intensity (Rini et al. 2020), (Ardyansah, 2014)	$CAP = \frac{\text{Total Net Fixed Assets}}{\text{Total Asset}}$	Ratio
Profitability (Arianandini dan Ramantha 2018)	$ROA = \frac{\text{Net Profit Before Tax}}{\text{Total Asset}}$	Ratio
Komisaris Independen (Rini et al. 2020)	$KI = \frac{\text{Number of Independent Commissioners}}{\text{Number of Commissioners}}$	Ratio

Research Model

The data analysis technique used by researchers is panel data regression analysis which has the following equation :

$$\text{TaxAgg} = \alpha + \beta_1 TP + \beta_2 CAP + \beta_3 ROA + \beta_4 KI + \beta_5 TP * KI + \beta_6 CAP * KI + \beta_7 ROA * KI + e$$

Where TaxAgg is tax aggressiveness, the symbol α denotes a constant, β_1 , β_2 , β_3 respectively indicating transfer pricing, capital intensity, and profitability. Whereas β_4 , β_5 , β_6 , β_7 are the regression coefficients and the symbol e shows the error time.

Data analysis method

The data analysis technique used is a panel data regression analysis model by performing the Chow Test, Hausman Test, and Lagrangian Multiplier. Chow test is a test to determine whether the Common Effect (CE) or Fixed Effect (FE) model is the most appropriate to be used in estimating panel data. The Chow test where for TaxAgg using Eviews 10 concludes that for the TaxAgg proxy which compares based on the test results of the common effect model and the fixed effect model where prob <0.05, the suitable model has used fixed effects and vice versa. Then the next step is to do a random effect then perform the Hausman test, where the hypothesis in this study was tested using panel data regression. In the panel data model, it will be tested whether it uses fixed effects or random effects using the Hausman test. The fixed-effect model assumes that the independent

variable is correlated with the error, while the random effect model is the opposite.

However, if the chow test turns out to choose a common effect, then the next step that must be done is the random effects test then the Lagrangian multiplier test to determine whether to choose a common effect or a random effect.

The classic assumption test is used if the selected common effect model is chosen, then the classic assumption test consists of a normality test, multicollinearity test, autocorrelation test, heteroscedasticity test.

Descriptive statistical test to get an overview of all the data that has been previously obtained.

Hypothesis testing is obtained from the test results using a regression model. Test the coefficient of determination (Adj. R²) with the coefficient of determination between zero (0) and one (1), if the value of R² is close to 1 then the correlation is perfect. The F statistical test explains whether all the independent variables included in the model have a joint effect on the dependent variable. The F statistical test has a significance of 0.05. If the significance of F < 0.05, the hypothesis is accepted. The t statistical test shows how far the influence of one independent variable individually in explaining the dependent variable, with a significance value $\alpha = 5\%$. If the significance value of t (p-value) < 0.05, the hypothesis is accepted (Ghozali, 2016).

RESULTS AND DISCUSSION

Based on the sample selection criteria carried out by purposive sampling method, this study uses a sample size of (144) companies. The total number of research observations was (432) samples (observations from 2016-2018). Table 2 below is a description of sample selection:

Table 4.1 Company Sample Selection Results

No	Criteria	Company
1	The manufacturing company was listed on the Indonesia Stock Exchange for 3 consecutive years from 2016 to 2018.	144
2	Companies that are not using Indonesian currency (Rupiah)	(30)
3	Financial statements that do not end on December 31	(0)
4	The company had a net loss from 2016 to 2018	(36)
5	Companies without receivable	(26)
6	Companies did not have independent commissioners by the regulations of the financial services authority	(3)
Companies that meet the criteria		49

Source: author processed data

DATA ANALYSIS AND INTERPRETATION

Chow test

Table 4.2 Statistical Test Results Using Chow Test

Redundant Fixed Effects Tests

Pool: KODE

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.670220	(48,91)	0.0000
Cross-section Chi-square	129.211630	48	0.0000

Processed data: Eviews 10

From the results of the chow test above comparing based on the results of the common effect model test and the fixed effect model where the prob $< 0.05 = 0.0000 < 0.05$ so that the suitable model is the fixed effect model, then the next step is to perform the Hausman test.

Hausman Test

Table 4.3 Statistical Test Results Using the Hausman Test

Correlated Random Effects - Hausman Test
 Pool: KODE
 Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	18.581892	7	0.0096

Processed data: Eviews 10

From the above test, the following results are obtained: Prob <0.05 = 0.0096 <0.05 so that the suitable model is the fixed effect model. Because the Chow and Hausman test selected is the fixed effect model, there is no need to perform a Lagrangian multiplier test and classical assumption test. Then the next step is to do descriptive statistical tests and regression equations using test results from the fixed-effect model. Descriptive statistics can be seen in Table 4.4 below:

Table 4.4 Test of Regression Equations and Interpretation of Panel Data Regression Models Descriptive statistics

	ETR?	TP?	CAP?	ROA?	KI?	TP_KI?	CAP_KI?	ROA_KI?
Mean	-0.260177	0.241608	0.600996	0.091419	0.415363	0.100643	0.246946	0.041985
Median	-0.252785	0.092231	0.614359	0.062703	0.375000	0.038420	0.232942	0.026052
Maximum	-0.012421	0.962272	1.124646	0.526704	0.800000	0.481136	0.562323	0.373281
Minimum	-0.580871	7.904723	0.192689	0.004857	0.200000	2.634908	0.072318	0.001619

Regression Models Descriptive Statistics
 Processed data: Eviews 10

Table 4.4 shows that the number of data studied was 147 data or 49 companies. The tax aggressiveness variable (ETR?) Has the lowest value of -0.580871 with the highest value of -0.012421. The average value is -0.260177 with a standard deviation of 0.077287. The smaller the accrual value of a company, the higher the level of tax aggressiveness.

Transfer pricing variable (TP?) Has the lowest value of 0.962272 with the highest value of 7,904723. The average value is 0.241608 with a standard deviation of 0.290514. The significant average value of transfer pricing indicates that the effect of transfer pricing can minimize corporate tax, which is explained by the special relationship between one company

or between divisions resulting in aggressive tax if the transfer price of a transaction is smaller or lower than the market price.

The intensity capital variable (CAP?) Has the lowest value of 0.192689 with the highest value of 1.124646. The average value is 0.600996 with a standard deviation of 0.185313. The significant average value of capital intensity shows that where management can take advantage of the depreciation of fixed assets to reduce the company's tax burden. So that managers will invest funds that are not used by the company in the form of fixed assets, to increase depreciation costs as a deduction from tax expense.

The profitability variable (ROA?) Has the lowest value of 0.004857 with the highest value of 0.526704. The average value is 0.091419 with a standard deviation of 0.092895. The significant average value of profitability shows that the effect of profitability on corporate tax minimization can be explained by an increase in company profits. The greater the profit the company gets, the more aggressive the company is in minimizing its tax obligations.

The independent commissioner variable (KI?) Has the lowest value of 0.200000 with the highest value of 0.800000. The average value is 0.415363 with a standard deviation of 0.110680. The average value of the significant proportion of independent commissioners shows that the effect of independent commissioners on minimizing corporate tax can be explained by the increase in the number of independent commissioners. the greater the influence to oversee company performance.

The variable transfer pricing_Independent commissioner (TP_KI?) Has the lowest value of 2.634908 with the highest value of 0.481136. The average value is 0.100643 with a standard deviation of 0.128403. The average value of transfer pricing with independent commissioners as a moderating variable shows that it is significant that where independent commissioners can strengthen the effect of transfer pricing in tax aggressiveness with a special relationship between one company or between one division.

The independent capital intensity_independent commissioner variable (CAP_KI?) Has the lowest value of 0.072318 with the highest value of 0.562323. The average value is 0.246946 with a standard deviation of 0.093481. The average value of capital intensity with independent commissioner as a moderating variable shows that there is a significant effect where independent commissioners can strengthen the effect of

capital intensity on tax aggressiveness. This has a significant impact on companies with large levels of capital intensity ratios indicating a low effective tax rate, with a low effective tax rate indicating that the company is doing tax aggressivity, therefore an independent commissioner is needed to oversee the management of the company in its business.

3 The profitability_independent commissioner variable (ROA_KI?) Has the lowest value of 0.001619 with the highest value of 0.373281. The average value is 0.041985 with a standard deviation of 0.056637. The average value of profitability with independent commissioners as a moderating variable shows that there is a significant influence where independent commissioners can strengthen the effect of profitability so that by increasing company profits, the company's avoidance will be more aggressive. This proportion of independent commissioners plays an important role in the company's management in taking action.

Significance Test of Adjusted R-squared (Adjusted R²)

Based on table 4.5 below, Adjusted R² has a value of 0.387501. Thus, the variation in the value of tax aggressiveness can be shown by the independent variable with 38.75%. The remainder of the Adjusted R² value of 61.25% is explained by other factors outside the research model.

Table 4.5 Statistical Test Results Using a fixed model

Dependent Variable: ETR?			
Method: Pooled Least Squares			
Included observations: 3			
Cross-sections included: 49			
Total pool (balanced) observations: 147			
R-squared	0.618237	Mean dependent var	-0.260177
Adjusted R-squared	0.387501	S.D. dependent var	0.077287
F-statistic	2.679414	Durbin-Watson stat	3.382094
Prob(F-statistic)	0.000015		

Processed data: Eviews 10

Simultaneous Significance Test (Test F)

The F statistical test shows whether all the independent or independent variables included in the model have a joint influence on the dependent variable. This test is carried out using the independent variable transfer pricing, capital intensity, profitability, and independent commissioners as

a moderation jointly (simultaneously) to the dependent variable that is tax aggressiveness.

Table 4.5 above shows where the probability value (F-static) is 0.000015 or less than 0.05, then H0.1 is rejected, meaning that the independent variables in this study are Transfer Pricing, Capital Intensity, and Profitability, and independent commissioners together. affect the dependent variable, namely tax aggressiveness in manufacturing sector companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2018 period.

Partial Significance Test (t-test)

The t statistical test shows how much influence the independent variable has on individually explaining the dependent variable.

Tabel 4.6 Partial Significance Test Results (t-test)

Variable	Coefficient	t-Statistic	Prob.	1-Tailed	Information
C	-0.710431	0.183470	0.0002	0.0001	
TP?	-0.009112	-0.048735	0.9612	0.4806	Rejected
CAP?	0.647101	2.382761	0.0193	0.0096	Received
ROA?	1.381868	2.173520	0.0323	0.0161	Received
KI?	0.554674	1.457901	0.1483	0.0741	Rejected
TP_KI?	-0.067607	-0.173457	0.8627	0.4313	Rejected
CAP_KI?	-1.094802	-1.879206	0.0634	0.0317	Received
ROA_KI?	-0.381285	-0.290192	0.7723	0.3861	Rejected

Processed data: Eviews 10

Based on Table 4.6 above, the panel data regression model equation is formulated which explains the role of the Independent Commissioner in moderating the effect of Transfer Pricing, Capital Intensity, and Profitability on Tax Aggressiveness in manufacturing companies listed on the Indonesia Stock Exchange in 2016-2018, namely:

$$\text{TaxAgg} = -0.710431 - 0.009112X1 + 0.647101X2 + 1.381868X3 + 0.554674X4 - 0.067607X5 + 1.094802X6 - 0.381285X7 + \varepsilon$$

Where: TaxAgg = Tax Aggressiveness, X1 = Transfer Pricing, X2 = Capital Intensity, X3 = Profitability, X4 = Independent Commissioner, X5 = Transfer Pricing_Independent Commissioner, X6 = Capital Intensity_Independent Commissioner, X7 = Profitability_Independent Commissioner, ε = Error Commissioner

Based on the results of the t-test in table 5, it can be concluded as follows:

H1: Transfer Pricing has a positive effect on tax aggressiveness

With a significance level of 5% (95% confidence), where there is a relationship between the transfer pricing variable and tax aggressiveness is not significant, where the regression is the negative coefficient of -0.009112 and a 1-tailed value of 0.4806 above 0.05, meaning that H0 is accepted. H1 is rejected. Based on agency theory, agency conflicts occur between managers and holders of shares due to the information gap between the two parties. This condition will have the effect of reducing shareholders' expectations to obtain profits from the company's operations due to this opportunistic behavior so that the company will perform manipulations on financial statements to minimize tax obligations. this research is in line with Setiawan et al. (2018) where this may be caused by several factors, such as changes in the government system which led to the emergence of many new policies such as tax holidays, tax amnesty, and so on. and this research is not in line with the research of Lutfia and Pratomo (2018), Saraswati and Sujana (2017), Tirayoh (2017), Rachmat (2019), Saraswati and Sujana (2017) and Rusli (2017).

H2: Capital Intensity has a positive effect on tax aggressiveness

From the results of testing the model equation, with a significance level of 5% (95% confidence), it is known that the relationship between the capital intensity variable and tax aggressiveness is significant, with a positive regression coefficient of 0.647101 and has a value of 1 - Tail level 0.0096 below 0,05. H0 is rejected, H2 accepted. this research is in line with research conducted by Andhari and Sukartha (2017), Ayem and Setyadi (2019), Dwiyanti and Jati (2019), Rini et al. (2020) which shows that capital intensity has a positive effect on tax aggressiveness. If the capital intensity increases, the company will be more aggressive towards tax obligations. The company's investment in fixed assets causes depreciation expense. This expense can be a tax deduction, when the capital intensity increases, the company's ETR value will decrease because of the additional burden. So that companies are more aggressive in increasing tax avoidance and corporate profits so that the agency theory is that shareholders and management prosper with the profit. And these results are not in line with research conducted by Indradi (2018), Vhalery et al. (2019), Asalam (2019), Zulaikha (2014), and Darsono (2015).

H3: Profitability has a positive effect on tax aggressiveness

With a significance level of 5% (95% confidence), it is known that the relationship between the profitability variable and tax aggressiveness is significant, with a positive regression coefficient of 1.381868 and a 1-Tailed value of 0.0161 below 0.05, meaning that H0 is rejected. H3 is accepted. . The results of this study are in line with research conducted by Andhari and Sukartha (2017), Ayem and Setyadi (2019), Dwiyanti and Jati (2019), and Rinaldi and Cheisviyanny (2015) where the greater the company generates profits, the more aggressive the company will practice avoidance. tax liability. with increased profits, the private party is motivated to make welfare for themselves, and the agent is motivated to maximize the fulfillment of economic needs. This research is not in line with the research conducted by Bambang et al. (2017), Hidayat and Sopian (2016), Zulaikha (2014), and Arianandini and Ramantha (2018).

H4: Independent commissioners have a negative effect on tax aggressiveness

With a significance level of 5% (95% confidence), it is known that the relationship between the independent commissioner variable and tax aggressiveness is not significant, with a positive regression coefficient of 0.554674 and a 1-tailed value of 0.0741 above 0.05, meaning that H0 is accepted by H4. . rejected. The results of this study are in line with research conducted by Ardy and Kristanto (2015), Lutfia and Pratomo (2018), Rini et al. (2020), Rosidy and Nugroho (2019), Ardy and Kristanto (2015), Zulaikha (2014) where the company has a small percentage of independent commissioners can make independent commissioners who are outsiders of the company entrust their performance to company management so that the agency theory gap here plays a role because there is a difference in the decision. Here the shareholder's voice greatly influences decision making so that the independent commissioner plays a small role. And this research is not in line with research conducted by Askandy (2017), and Suyanto and Supramono (2012).

H5: Independent Commissioner weakens the positive effect of Transfer Pricing on Tax Aggressiveness

With a significance level of 5% (95% confidence), it is known that the relationship between the board of commissioners' variables through transfer pricing and tax aggressiveness is not significant, with a negative regression coefficient of -0.067607 and a 1-tailed value of 0.4313 above. 0.05, which is measured by the proportion of independent commissioners does not affect the relationship between transfer pricing and tax

aggressiveness. This shows that independent commissioners cannot moderate in strengthening or weakening the relationship between transfer pricing and tax aggressiveness. So there is no influence between independent commissioners through transfer pricing and tax aggressiveness so that H0 is accepted. H5 rejected. This research is in line with research (Hasna and Mulyani 2020) where the more the proportion of independent commissioners, the more difficult it will be to unify opinions, there is a gap between principals and agents where there are many differences of opinion. That way it will have an impact on slowing down the problem-solving time so that it is used by managers to commit fraud by using a transfer pricing scheme to increase profits and reduce tax burdens that have an impact on the benefits that will be received by managers.

H6: Independent Commissioners weaken the positive influence of Capital Intensity on Tax Aggressiveness

With a significance level of 5% (95% confidence), it is known that the relationship between the independent commissioner variable through capital intensity and tax aggressiveness is significant, with a negative regression coefficient of -1.094802 and a 1-tailed value of 0.0317 below 0.05, which is measured by the proportion of independent commissioners affects the relationship between capital intensity and tax aggressiveness. This shows that independent commissioners can moderate in weakening the relationship between capital intensity and tax aggressiveness. This shows that the independent commissioner weakens the positive influence between capital intensity and tax aggressiveness so that H0 is rejected, H6 accepted. Research is the same as research (Sitorus and Bowo 2018) where fixed assets experience depreciation which will become depreciation expense in the company's financial statements. this depreciation expense can be spent to reduce the tax to be paid. This means that the greater the depreciation cost, the smaller the tax rate that must be paid by the company. Due to differences in interests between principals and agents, this has a significant impact on companies with large capital intensity ratios which indicate a low effective tax rate, with a low effective tax rate indicating that the company is tax aggressivity, therefore independent commissioners are needed to oversee company management in its actions to evade taxes. This research is not in line with research (Sinaga and Suardikha 2019).

H7: Independent Commissioners weaken the positive influence of Profitability on Tax Aggressiveness

With a significance level of 5% (95% confidence), it is known that the relationship between the independent commissioner variable through profitability and tax aggressiveness is not significant, with a negative regression coefficient of -0.381285 and a 1-tailed value of 0.3861 above 0.05. , which means that as measured by the proportion of independent commissioners does not affect the relationship between profitability and tax aggressiveness. This shows that independent commissioners cannot moderate in strengthening or weakening the relationship between profitability and tax aggressiveness. This shows that there is no influence between independent commissioners through profitability and tax aggressiveness so that H0 is accepted. H7 rejected. This research is in line with research (Mega 2020) where the existence of independent commissioners has not been able to carry out their supervisory duties effectively by laws and regulations and the lack of control over employees makes it easier to carry out tax aggressiveness. Due to the gap in these differences, the large proportion of independent commissioners does not guarantee that the profit generated by the company will increase because here the independent commissioner plays a role in fulfilling regulations.

CONCLUSION, RESEARCH LIMITATIONS AND SUGGESTIONS

Conclusion

This study aims to empirically prove the role of independent commissioners in moderating transfer pricing, capital intensity, and profitability on tax aggressiveness. The object of research that became the sample of this research is 49 manufacturing companies listed on the Indonesia Stock Exchange in 2016-2018. Based on the test results previously described, the following conclusions were obtained:

1. Transfer pricing does not have a positive effect on tax aggressiveness.
2. Capital intensity has a positive effect on tax aggressiveness.
3. Profitability has a positive effect on tax aggressiveness.
4. Independent commissioner has no negative effect on tax aggressiveness.
5. Independent commissioners cannot moderate in weakening transfer pricing against tax aggressiveness.

6. Independent commissioners can moderate in weakening capital intensity against tax aggressiveness.
7. Independent commissioners cannot moderate in weakening profitability against tax aggressiveness.

Research Limitations

Current research seeks to provide a comprehensive view. There are several limitations to tax aggressiveness. First, this study is based on the secondary database, the reliability depends on the accuracy of the data. Second, sampling for the study is limited in time, that is, it only uses a period of 3 years (2016-2018) with 49 companies sampled. Lastly, do some research focuses only on company-specific factors and ignores other factors such as political influence and so on. One can broaden the findings of this study to include other factors

Suggestion

Based on the research results and matters related to the conclusions that have been obtained, the suggestions from researchers for further research are as follows:

1. For researchers, it is advisable to extend the research year, for example, the previous researcher is three years, then the next research is 5 years or more so that the period in the next study can provide more samples as well accurate results.
2. Future research can use financial companies so that further research can provide more company samples as well as accurate results.
3. In further research, the researcher can add other variables that are outside the research model, such as leverage, company size, or politics to get more variants and better results.

Based on the research results as well as matters related to the conclusions that have been obtained, the suggestions from researchers for company management are as follows:

Actions by company management are needed to analyze the possibility of risk arising from decisions made by applicable tax laws and regulations, seen from the capital intensity and profitability variables. positive effect on corporate tax aggressiveness.

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