



The Effect of Market Performance, Corporate Governance and Examination of Corporate Taxes with Tax Amnesty as Moderators

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Authors' contributions

This work as carried out in collaboration among all authors. Author ARF designed the study, concept, and wrote the first draft of the manuscript. Author EM manage the literature. Author SM contribute the research methods and statistical analysis. Author SDM performed to conclusion. All authors read and approved the final manuscript.

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ABSTRACT

The purpose of this study is to examine and analyze the effect of market performance, corporate governance, tax audits toward corporate tax, and the role of the tax amnesty in moderating the relationship between market performance, corporate governance, and tax audits toward corporate tax. The unit of analysis is a public company (corporate taxpayers), with a purposive sampling sample of manufacturing industry companies listed on the Indonesia Stock Exchange and meeting the sampling criteria of 52 companies in the 2014-2017 period. The results of the study are that market performance is not proven to have a positive effect on corporate tax, this shows that the higher market performance as measured by Tobin's Q does not have an impact on corporate tax increases; Corporate governance is not proven to have a positive effect on corporate tax, this shows that the higher corporate governance does not automatically raise corporate taxes; Tax audits have a positive impact on corporate taxes, this indicates that the higher the examination of taxes carried out, the corporation tax will increase; Tax amnesty has not been proven to strengthen the positive influence of market performance, corporate governance and tax audits of corporate taxes. For the sensitivity model with ETR, none of the proposed hypotheses has been proven.

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Keywords: Market performance; corporate governance; tax audits; company tax; tax amnesty.

1. INTRODUCTION

Tax is a mandatory contribution to the state owed by individuals or compelling entities under the law, with no direct compensation and is used for state purposes in the amount of -the magnitude of people's prosperity [1]. The significant role of tax is seen in the tax revenue data for 2014-2017 in Table 1 which has an average contribution of tax revenue of 81.3%.

The tax contains the following basic elements: mandatory contributions to the state that are owed by individuals or entities, are coercive because they are based on the law, do not receive direct compensation, are used for the needs of the state and are intended for the greatest prosperity of the people [2].

The increase in the percentage of the tax budget in the APBN above is not balanced with the realization of the targeted revenue achievement each year by the Government to the Directorate General of Taxes as a tax collector. In line with

the above tax revenue target not being achieved, so is the tax ratio achievement that has consistently dropped. Tax ratio is a percentage of tax revenue to GDP which is a measure of the government's ability to collect taxes. Indonesia's tax ratio was only around 11.4% in 2014 and in 2016 at 10.3%, relatively lower when compared to the average tax ratio of OECD member countries which reached 34% and other countries in Asia such as Singapore, Malaysia and the Philippines (Fig. 1).

Tax amnesty is a program that is carried out within a certain period of time to provide an opportunity for taxpayers to pay outstanding tax and/or tax due, by providing compensation in the form of exemption from sanctions (in the form of interest or penalties) and criminal charges [3]. Tax amnesty has been implemented in several countries. The countries considered successful in implementing tax amnesty were Brazil, India, Italy and South Africa, while those considered failed were the Philippines [4].

Table 1. The role of tax of Indonesian state budget and revenue (APBN) on 2014-2017

Number	Year	(IDR Billion)		Percentage (%)
		APBN	Tax	
1	2014	1,545,456.3	1,146,865.8	74.2
2	2015	1,496,047.3	1,240,418.9	82.9
3	2016	1,546,946.6	1,284,970.1	83.1
4	2017	1,732,952.0	1,472,709.9	85.0
Average				81.3

Sources: Central Bureau of Statistics

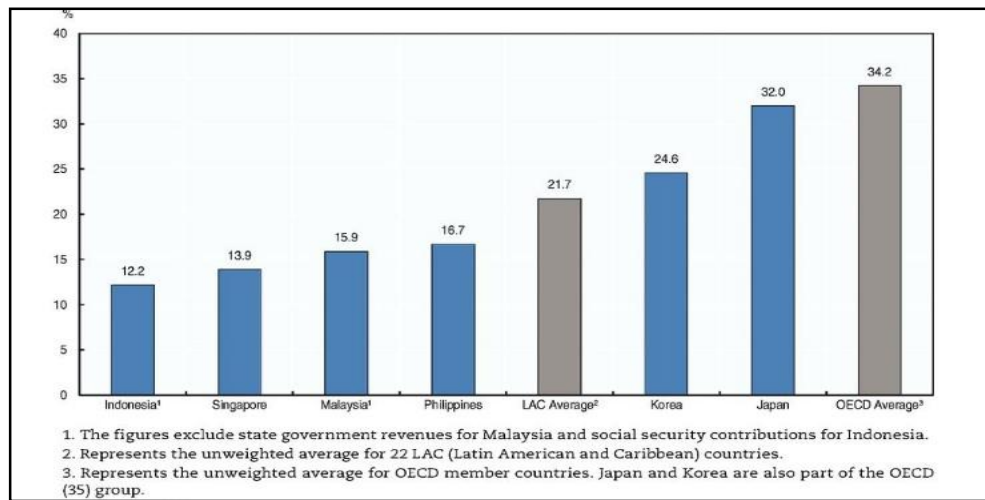


Fig. 1. Tax ratio comparison

The originality of this study is using the variable tax amnesty as a moderating variable that can affect the relationship between market performance, corporate governance, tax audits and corporate taxes. In general, the main objective of this study is to examine the effectiveness of tax amnesty as a policy that can increase tax revenue.

2. LITERATURE REVIEW

Market performance is the result of management activities. One parameter that is often used to assess a company's performance comes from the company's profit [5]. The role of financial market performance to generate tax revenue in Pakistan, the results showed that the number of bank branches and market capitalization had a positive and significant impact on tax revenue [6]. The influence of capital markets and fiscal policy in the form of tax revenue to determine economic growth, the results showed that there is a relationship between tax revenue and economic growth, a direct causal relationship from the capital market to tax revenue, economic growth in Pakistan is determined by tax revenue [7]. While the relationship between the three variables, namely real GDP, federal government tax revenue flows and the stock market is represented by the Wilshire 5000 Total Market Index, the results of the study indicate that stock market performance significantly increases government tax revenue and stock market developments and economic growth affects taxes income [8]. Empirically testing the relationship between stock market performance and Malaysian taxation, the results of the study indicate that stock market performance provides the largest contribution to changes in corporate tax revenue [9]. While the total market value of traded shares is positively correlated with tax revenue from GDP, the results showed that the stock market is part of collecting tax revenues and market performance has a positive effect on increasing tax revenue [10,11].

H1: Market performance has a positive effect on corporate tax.

There are five principles of good corporate governance (GCG) based on the general guidelines for Indonesian corporate governance published by the national committee on governance policy (KNKG). The five principles are transparency, accountability, responsibility, independence, and fairness and equality [12].

The form of risk is the possibility that the company will be subject to sanctions, both administrative and criminal sanctions according to the type of violation; not to mention the risk of lowering the company's reputation that might threaten the company's sustainability [13]. In corporate governance tax issues, the debate about corporate tax objectives can also be seen as a conflict between various stakeholder groups [14,15]. Taxation has significant implications for fixing governance problems, the results of the study show that the tax effects on debt and corporate payment policies are enriched by including governance considerations and managerial compensation [16,17]. Corporate governance systems affect the level and sensitivity of tax revenue to tax changes [18]. Another study analyzes significant differences in the level of corporate tax compliance between Malaysian public companies before and after the MCCG revision [19].

H2: Corporate governance has a positive effect on corporate tax.

The relationship between the effectiveness of tax audits, tax laws, and the use of specialized information system tools, the use of information system tools can be activated. The results showed that tax auditors can track tax violations correctly, and better tax auditor training in the use of information systems [20,21]. Other studies are factors that influence the effectiveness of tax audits in Tanzania, the research findings indicate that there are five main important factors for the effectiveness of tax audits; i.e. the implementation of the tax auditor's recommendations by management, the adequacy of the tax audit unit, the attitude of the taxpayer, the availability and application of tax audit regulations & standards, and the leadership & tax policy for tax audits [22]. The impact of a tax audit on voluntary compliance, the results of both methods show that after an audit, a company will report a higher level of sales growth [23]. While there is no statistical significance between organizational arrangements, top management support and tax audit effectiveness [24]. The use of information systems tools can enable tax auditors to track tax violations, thereby contributing to the increased effectiveness of tax audits, constant changes in tax laws prevent tax auditors from being effective at work [25,26].

H3: Tax audit has a positive effect on corporate tax.

Several studies have proven that tax amnesty will increase corporate taxes [27,28]. The long-term impact of amnesty tax amnesty has a short-term or long-term impact on the income of the Russian federation [29]. The function of tax amnesty in dealing with tax evasion in Nigeria, the function of tax amnesty is increasing government revenues to meet the daunting challenges of facing slow growth rates in trade and investment [30]. Improve tax administration to emphasize maximizing revenue tax amnesty can improve the tax administration system [31]. Analyze whether tax amnesty is a good policy tax amnesty will increase short-term income [32].

H4: Tax amnesty strengthen the positive influence of market performance on corporate tax.

The impact of effective corporate governance will have a positive effect on corporate taxes the impact of effective corporate governance will have a positive effect on corporate taxes [14,16,18,19]. Companies that implement tax amnesty for assets and liabilities that have not been reported will increase investor confidence in transparency and accountability. With the high profitability generated by the company, tax revenues will rise, so that tax amnesty will increase corporate taxes [27,28]. The effect of the tax amnesty policy will increase tax revenue for the short term, so that companies that already have good corporate governance when added to

the tax amnesty policy will increase corporate tax [29–32].

H5: Tax amnesty strengthen the positive influence of corporate governance on corporate tax.

The researchers managed to get empirical evidence that tax control affects corporate taxes [20,22–25]. The tax amnesty organized by the Turkish government has reduced the workload of administrators, tax court bodies and increased corporate taxes, tax amnesty as a moderator will be able to strengthen the positive influence of tax audits on corporate tax [28]. The influence of the tax amnesty policy will increase tax revenue, so companies that have been audited by tax which are part of the tax supervision if added to the tax amnesty policy will increase corporate tax [29–32].

H6: Tax amnesty strengthen the positive effect of tax audits on corporate tax.

3. METHODOLOGY

Data were collected from manufacturing companies listed on the Indonesia Stock Exchange (IDX). Only panel balance data during period 2014 to 2017. The number of companies that met the criteria was 52 out of 141 companies, so the number of observations was 208. The following are the variables and measurements summarized in Table 2.

Table 2. Variables and measurement

Variables	Measure	Expected sign	Literature
Dependent variables:			
Company tax	<ul style="list-style-type: none"> • CTTOR = PPh terhutang / penjualan x 100% • ETR = Tax Expense_{i,t} / Pretax Income_{i,t} 		[33] [34]
Independent variables:			
Market performance	Tobin-Q = (total market value+total book value of liabilities) ÷ Total book value of assets). Total market value = total outstanding shares* current share's price.	Positive	[35]
Corporate governance	Corporate governance scor	Positive	[36]
Tax audits	1 = audited, 0 = unaudited	Positive	[37]
Moderating variable:			
Tax amnesty	Tax amnesty participant period which shows a motivational rating	Positive	Developed by author ARF
Control variables:			
Financial condition	Interest coverage	Positive	[38]
Firm size	Logaritmatotal assets	Positive	[39]
Earning management	Conditional revenue model	Positive	[40]

Estimates of the regression equation used include the following:

$$CTTOR = \sigma_0 + \sigma_1MP + \sigma_2CG + \sigma_3TAU + \sigma_4MP*TA + \sigma_5CG*TA + \sigma_6TAU*TA + \sigma_7FC + \sigma_8SIZE + \sigma_9EM + \varepsilon \tag{1}$$

$$ETR = \xi_0 + \xi_1MP + \xi_2CG + \xi_3TAU + \xi_4MP*TA + \xi_5CG*TA + \xi_6TAU*TA + \xi_7FC + \xi_8SIZE + \xi_9EM + \varepsilon \tag{2}$$

Where: CTTOR= Corporate tax to turn over ratio; ETR= Effective tax rate; MP= Market performance; CG= Corporate governance; TAU= Tax audits; TA= Tax amnesty; FC= Financial condition; SIZE= Firm size; EM= Earning management.

4. RESULTS AND DISCUSSION

Descriptive statistics are shown in Table 3.

Based on Table 3, the most highlight descriptive statistics are the earning tax rate which has an average value of 23.03 and financial condition of 20.39. While corporate governance and earnings management have the same average value of -.00. While corporate tax to turn over ratio and market performance shows relatively similar values, namely 1.96 and 1.54, not much different from firm size also has an average value of 6.

Based on Table 4, it shows that market performance has no effect on company tax. This proves that the higher the market performance, the corporation tax does not automatically increase. But the results of this study contradict the results of research [6–9]. The results of the research that has a background of the theory can be explained that where market performance was not proven to have a positive effect on corporate tax on manufacturing industries in Indonesia. The main cause of the hypothesis is not proven is that the market performance of companies that are included in the manufacturing industry group is not optimal. This can be seen from the company's market performance measured by Tobin's Q where out of 208 observations, 160 observations have market performance below the industry average.

temporary manufacturing number of observations whose market performance is above the industry average market performance of 48 observations.

Corporate governance does not affect company tax. These results indicate that the higher implementation of corporate governance does not have an impact on increasing corporate taxes. These findings contradict the research findings [14,16,18,19]. One of the alleged low levels of corporate governance in Indonesia is generally the low level of corporate governance practices so that the 5 principles of governance namely transparency, accountability, responsibility, independence and fairness have not been carried out optimally.

Tax audits have a positive effect on company tax. As tax audits increase, company tax will also increase. The results of this study support the opinions [20,22–25]. The results showed that tax auditors can track tax violations correctly, and better tax auditor training in the use of information systems, so that corporate tax will also increase.

The research findings show that tax amnesty is not proven to strengthen the positive influence of market performance on corporate tax. These findings contradict the findings of research conducted by [6–9] where government tax revenue depends on the company's market performance.

Table 3. Descriptive statistics

Variables	Mean	Std. Dev	Maximum	Minimum
CTTOR	1.96	5.47	45.45	.01
ETR	23.03	20.20	94.76	.00
MP	1.54	2.05	21.57	.05
CG	-.00	16.47	69.12	3.00
FC	20.39	48.65	323.66	-109.85
SIZE	6.00	.56	7.67	4.59
EM	-.00	.10	.36	-.55

Sources: data processed

Table 4. T-test result

Variables	Model 1		Model 2	
	C	P	C	P
MP	-.13	.07	-.97	.06
CG	-.01	.22	-.06	.20
TAU	2.05	.00**	1.19	.35
FC	-.00	.31	.06	.00
SIZE	-2.03	.09	3.26	.05
EM	-7.74	.00	1.19	.46
KPTA	.37	.03	.12	.41
CGTA	.00	.19	-.00	.01
PPTA	-.54	.06	-2.33	.08
R-squared	.13		.09	
Adj. R-squared	.09		.05	
F-statistic	3.18		2.11	
Prob. F-stat	.00		.03	

Sources: data processed

The results showed that tax amnesty was not proven to strengthen the positive influence of corporate governance on corporate tax. These findings contradict the findings of research [14, 16,18,19].

The results showed that tax amnesty moderation could not strengthen the positive effect of tax audits on corporate tax. This study does not support the results of previous studies [20,22–25].

5. CONCLUSIONS AND RECOMMENDATIONS

This study can be concluded that only tax audits have a positive effect on company tax, while other variables such as market performance, corporate governance; tax amnesty.

Research implications include practical implications, which can be used by the tax authorities to make public tax audit studies or policies. Second, the theoretical implications are expected to enrich the taxation literature with the finding that tax amnesty is not proven to be a moderating variable. Third, the policy implications Give input to regulators both the government and the Parliament.

The limitation of this study is the 2014-2017 research period, while the implementation of tax amnesty which began in 2016 is one of the main factors where the tax amnesty has not been able to moderate its influence related to corporate taxation because its policy is still in the short term. The next research recommendation is to extend the study period and use a balance score

card that measures corporate governance using quantitative and qualitative indicators.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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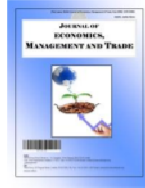
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Authors' contributions

This work was carried out in collaboration among all authors. Author ARF designed the study, concept, and wrote the first draft of the manuscript. Author EM manage the literature. Author SM contribute the research methods and statistical analysis. Author SDM performed to conclusion. All authors read and approved the final manuscript.

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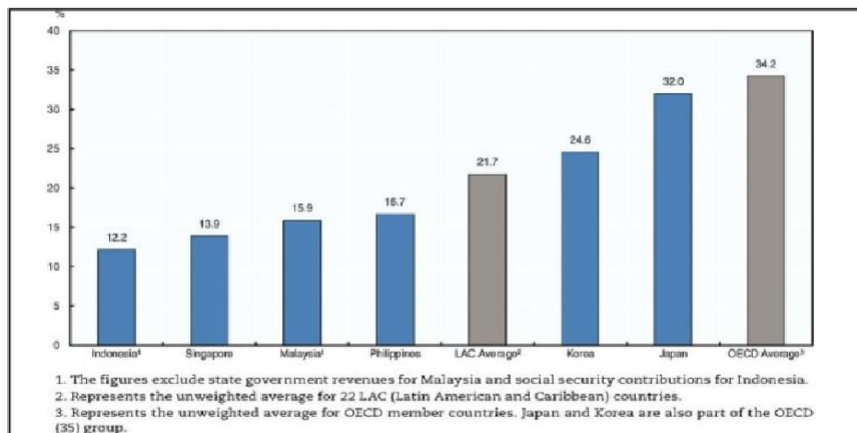


Fig. 1. Tax ratio comparison

The originality of this study is using the variable tax amnesty as a moderating variable that can affect the relationship between market performance, corporate governance, tax audits and corporate taxes. In general, the main objective of this study is to examine the effectiveness of tax amnesty as a policy that can increase tax revenue.

2. LITERATURE REVIEW

Market performance is the result of management activities. One parameter that is often used to assess a company's performance comes from the company's profit [5]. The role of financial market performance to generate tax revenue in Pakistan, the results showed that the number of bank branches and market capitalization had a positive and significant impact on tax revenue [6]. The influence of capital markets and fiscal policy in the form of tax revenue to determine economic growth, the results showed that there is a relationship between tax revenue and economic growth, a direct causal relationship from the capital market to tax revenue, economic growth in Pakistan is determined by tax revenue [7]. While the relationship between the three variables, namely real GDP, federal government tax revenue flows and the stock market is represented by the Wilshire 5000 Total Market Index, the results of the study indicate that stock market performance significantly increases government tax revenue and stock market developments and economic growth affects taxes income [8]. Empirically testing the relationship between stock market performance and Malaysian taxation, the results of the study indicate that stock market performance provides the largest contribution to changes in corporate tax revenue [9]. While the total market value of traded shares is positively correlated with tax revenue from GDP, the results showed that the stock market is part of collecting tax revenues and market performance has a positive effect on increasing tax revenue [10,11].

H1: Market performance has a positive effect on corporate tax.

There are five principles of good corporate governance (GCG) based on the general guidelines for Indonesian corporate governance published by the national committee on governance policy (KNKG). The five principles are transparency, accountability, responsibility, independence, and fairness and equality [12].

The form of risk is the possibility that the company will be subject to sanctions, both administrative and criminal sanctions according to the type of violation; not to mention the risk of lowering the company's reputation that might threaten the company's sustainability [13]. In corporate governance tax issues, the debate about corporate tax objectives can also be seen as a conflict between various stakeholder groups [14,15]. Taxation has significant implications for fixing governance problems, the results of the study show that the tax effects on debt and corporate payment policies are enriched by including governance considerations and managerial compensation [16,17]. Corporate governance systems affect the level and sensitivity of tax revenue to tax changes [18]. Another study analyzes significant differences in the level of corporate tax compliance between Malaysian public companies before and after the MCCG revision [19].

H2: Corporate governance has a positive effect on corporate tax.

The relationship between the effectiveness of tax audits, tax laws, and the use of specialized information system tools, the use of information system tools can be activated. The results showed that tax auditors can track tax violations correctly, and better tax auditor training in the use of information systems [20,21]. Other studies are factors that influence the effectiveness of tax audits in Tanzania, the research findings indicate that there are five main important factors for the effectiveness of tax audits; i.e. the implementation of the tax auditor's recommendations by management, the adequacy of the tax audit unit, the attitude of the taxpayer, the availability and application of tax audit regulations & standards, and the leadership & tax policy for tax audits [22]. The impact of a tax audit on voluntary compliance, the results of both methods show that after an audit, a company will report a higher level of sales growth [23]. While there is no statistical significance between organizational arrangements, top management support and tax audit effectiveness [24]. The use of information systems tools can enable tax auditors to track tax violations, thereby contributing to the increased effectiveness of tax audits, constant changes in tax laws prevent tax auditors from being effective at work [25,26].

H3: Tax audit has a positive effect on corporate tax.

Several studies have proven that tax amnesty will increase corporate taxes [27,28]. The long-term impact of amnesty tax amnesty has a short-term or long-term impact on the income of the Russian federation [29]. The function of tax amnesty in dealing with tax evasion in Nigeria, the function of tax amnesty is increasing government revenues to meet the daunting challenges of facing slow growth rates in trade and investment [30]. Improve tax administration to emphasize maximizing revenue tax amnesty can improve the tax administration system [31]. Analyze whether tax amnesty is a good policy tax amnesty will increase short-term income [32].

H4: Tax amnesty strengthen the positive influence of market performance on corporate tax.

The impact of effective corporate governance will have a positive effect on corporate taxes the impact of effective corporate governance will have a positive effect on corporate taxes [14,16,18,19]. Companies that implement tax amnesty for assets and liabilities that have not been reported will increase investor confidence in transparency and accountability. With the high profitability generated by the company, tax revenues will rise, so that tax amnesty will increase corporate taxes [27,28]. The effect of the tax amnesty policy will increase tax revenue for the short term, so that companies that already have good corporate governance when added to

the tax amnesty policy will increase corporate tax [29–32].

H5: Tax amnesty strengthen the positive influence of corporate governance on corporate tax.

The researchers managed to get empirical evidence that tax control affects corporate taxes [20,22–25]. The tax amnesty organized by the Turkish government has reduced the workload of administrators, tax court bodies and increased corporate taxes, tax amnesty as a moderator will be able to strengthen the positive influence of tax audits on corporate tax [28]. The influence of the tax amnesty policy will increase tax revenue, so companies that have been audited by tax which are part of the tax supervision if added to the tax amnesty policy will increase corporate tax [29–32].

H6: Tax amnesty strengthen the positive effect of tax audits on corporate tax.

3. METHODOLOGY

Data were collected from manufacturing companies listed on the Indonesia Stock Exchange (IDX). Only panel balance data during period 2014 to 2017. The number of companies that met the criteria was 52 out of 141 companies, so the number of observations was 208. The following are the variables and measurements summarized in Table 2.

Table 2. Variables and measurement

Variables	Measure	Expected sign	Literature
Dependent variables:			
Company tax	<ul style="list-style-type: none"> • CTTOR = PPh terhutang / penjualan x 100% • ETR = Tax Expense_t / Pretax Income_t 		[33] [34]
Independent variables:			
Market performance	Tobin-Q = (total market value+total book value of liabilities) + Total book value of assets). Total market value = total outstanding shares* current share's price.	Positive	[35]
Corporate governance	Corporate governance scor	Positive	[36]
Tax audits	1 = audited, 0 = unaudited	Positive	[37]
Moderating variable:			
Tax amnesty	Tax amnesty participant period which shows a motivational rating	Positive	Developed by author ARF
Control variables:			
Financial condition	Interest coverage	Positive	[38]
Firm size	Logaritmatotal assets	Positive	[39]
Earning management	Conditional revenue model	Positive	[40]

Estimates of the regression equation used include the following:

$$CTTOR = \sigma_0 + \sigma_1MP + \sigma_2CG + \sigma_3TAU + \sigma_4MP*TA + \sigma_5CG*TA + \sigma_6TAU*TA + \sigma_7FC + \sigma_8SIZE + \sigma_9EM + \epsilon \tag{1}$$

$$ETR = \xi_0 + \xi_1MP + \xi_2CG + \xi_3TAU + \xi_4MP*TA + \xi_5CG*TA + \xi_6TAU*TA + \xi_7FC + \xi_8SIZE + \xi_9EM + \epsilon \tag{2}$$

Where: CTTOR= Corporate tax to turn over ratio; ETR= Effective tax rate; MP= Market performance; CG= Corporate governance; TAU= Tax audits; TA= Tax amnesty; FC= Financial condition; SIZE= Firm size; EM= Earning management.

4. RESULTS AND DISCUSSION

Descriptive statistics are shown in Table 3.

Based on Table 3, the most highlight descriptive statistics are the earning tax rate which has an average value of 23.03 and financial condition of 20.39. While corporate governance and earnings management have the same average value of -.00. While corporate tax to turn over ratio and market performance shows relatively similar values, namely 1.96 and 1.54, not much different from firm size also has an average value of 6.

Based on Table 4, it shows that market performance has no effect on company tax. This proves that the higher the market performance, the corporation tax does not automatically increase. But the results of this study contradict the results of research [6–9]. The results of the research that has a background of the theory can be explained that where market performance was not proven to have a positive effect on corporate tax on manufacturing industries in Indonesia. The main cause of the hypothesis is not proven is that the market performance of companies that are included in the manufacturing industry group is not optimal. This can be seen from the company's market performance measured by Tobin's Q where out of 208 observations, 160 observations have market performance below the industry average.

temporary manufacturing number of observations whose market performance is above the industry average market performance of 48 observations.

Corporate governance does not affect company tax. These results indicate that the higher implementation of corporate governance does not have an impact on increasing corporate taxes. These findings contradict the research findings [14,16,18,19]. One of the alleged low levels of corporate governance in Indonesia is generally the low level of corporate governance practices so that the 5 principles of governance namely transparency, accountability, responsibility, independence and fairness have not been carried out optimally.

Tax audits have a positive effect on company tax. As tax audits increase, company tax will also increase. The results of this study support the opinions [20,22–25]. The results showed that tax auditors can track tax violations correctly, and better tax auditor training in the use of information systems, so that corporate tax will also increase.

The research findings show that tax amnesty is not proven to strengthen the positive influence of market performance on corporate tax. These findings contradict the findings of research conducted by [6–9] where government tax revenue depends on the company's market performance.

Table 3. Descriptive statistics

Variables	Mean	Std. Dev	Maximum	Minimum
CTTOR	1.96	5.47	45.45	.01
ETR	23.03	20.20	94.76	.00
MP	1.54	2.05	21.57	.05
CG	-.00	16.47	69.12	3.00
FC	20.39	48.65	323.66	-109.85
SIZE	6.00	.56	7.67	4.59
EM	-.00	.10	.36	-.55

Sources: data processed

Table 4. T-test result

Variables	Model 1		Model 2	
	C	P	C	P
MP	-.13	.07	-.97	.06
CG	-.01	.22	-.06	.20
TAU	2.05	.00**	1.19	.35
FC	-.00	.31	.06	.00
SIZE	-2.03	.09	3.26	.05
EM	-7.74	.00	1.19	.46
KPTA	.37	.03	.12	.41
CGTA	.00	.19	-.00	.01
PPTA	-.54	.06	-2.33	.08
R-squared	.13		.09	
Adj. R-squared	.09		.05	
F-statistic	3.18		2.11	
Prob. F-stat	.00		.03	

Sources: data processed

The results showed that tax amnesty was not proven to strengthen the positive influence of corporate governance on corporate tax. These findings contradict the findings of research [14, 16,18,19].

The results showed that tax amnesty moderation could not strengthen the positive effect of tax audits on corporate tax. This study does not support the results of previous studies [20,22–25].

5. CONCLUSIONS AND RECOMMENDATIONS

This study can be concluded that only tax audits have a positive effect on company tax, while other variables such as market performance, corporate governance; tax amnesty.

Research implications include practical implications, which can be used by the tax authorities to make public tax audit studies or policies. Second, the theoretical implications are expected to enrich the taxation literature with the finding that tax amnesty is not proven to be a moderating variable. Third, the policy implications Give input to regulators both the government and the Parliament.

The limitation of this study is the 2014-2017 research period, while the implementation of tax amnesty which began in 2016 is one of the main factors where the tax amnesty has not been able to moderate its influence related to corporate taxation because its policy is still in the short term. The next research recommendation is to extend the study period and use a balance score

card that measures corporate governance using quantitative and qualitative indicators.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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