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The Effect of Tax Avoidance, Profit Management, Managerial Ownership on Tax Disclosure
(Empirical Study of Mining Sector Companies Listed on the IDX 2019-2021)

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Abstract:- The purpose of this study is to examine and analyze the effect of tax avoidance, profit management and managerial ownership on tax disclosure at mining companies in Indonesia that are listed on the Indonesia Stock Exchange for the 2019-2021 period. The data in this study were obtained from the company's financial statements and annual reports on the Indonesian Stock Exchange (IDX) website or related company websites. The samples used in this study were 23 mining companies listed on the IDX for the 2019-2021 period, with a total of 69 samples. The sampling technique is pursosive sampling method. The analytical tool used to analyze the hypothesis is Eviews 10. with the analysis model, namely the random effect model. The results showed that managerial ownership had a effect on tax disclosure, while tax evasion and earnings management had no effect on tax disclosure.

Keywords:- *Tax avoidance, earnings management and managerial ownership of tax disclosure*

I. INTRODUCTION

Tax disclosure has long been a public concern. Companies provide tax disclosures as part of their financial reporting, either on a voluntary or mandatory basis. However, the level of tax disclosure is still problematic because of the confidentiality aspect of taxation. This practice is very important because many parties need information. Companies that report their tax obligations require that their financial statements be adjusted to tax provisions to determine the basis of their tax obligations. To prove this obligation, it is not uncommon for further disclosures to be required related to the tax obligations of the company as an entity (Pratama & Pratiwi, 2022).

Global activists are also asking governments to regulate the disclosure of information regarding how much tax is paid, especially how much is paid by multinational companies. The phenomenon of tax disclosure that occurred in the mining sector where PT Freeport Indonesia was involved in a corporate income tax (PPh) dispute in 2016. The dispute case went to the Tax Court and now the Panel of Judges has granted part of the dispute regarding the net income figure submitted by PT Freeport Indonesia. In the first dispute, the DGT made positive fiscal corrections to the company's net income. The positive correction consists of four components, Police and military support service fees, professional fees, supplies costs, and IT costs. Against the components in the first dispute, the panel of judges defended the DGT's two corrections, and canceled the two DGT's corrections. Hakim Budi mentioned the positive corrections made by the DGT regarding police and military support services or security assistance from elements of the TNI/Polri worth USD 4,940,258. The Chief Judge continued that the panel also defended the DGT's correction of the professional fee component of USD 2,813,595. Both corrections were defended because Freeport did not have enough evidence to convince the panel of judges.

According to Kristen in Pratama & Pratiwi (2022) Tax transparency provides information that can be used by the public to assess company activities. For example, the copper mining industry in Zambia came under heavy fire after its tax audit information was leaked. The industry only pays 0.6% of its profits to the government.

One of the factors taxpayers avoid disclosure obligations by reducing the company's taxable profit. To minimize this, disclosure of complete tax information can provide an opportunity to estimate the increased amount in corporate tax returns. (Kvaal & Nobes, 2013).

Previous research related to tax disclosure in financial statements is still small. This research contribute to explaining the variables that can affect the level of tax disclosure and aims to explain the gap in the current level of tax disclosure in the financial statements, therefore the authors are interested in examining the "Effect of Tax Avoidance, Profit Management, Managerial Ownership, on Tax Disclosure. (Empirical Study of Mining Sector Companies Listed on the IDX 2019-2021)".

II. LITERATURE REVIEW AND HYPOTHESIS

A. Agency Theory

Agency theory is a theory that explains the concept of a contractual relationship between the principal (owner) and the agent (management of a company) to perform services on behalf of the principal which involves delegating decision-making authority to the agent, this theory was first discovered by Jensen & Meckling (1976).

Meanwhile, according to Wanti et al (2020) In the agency theory model, companies are described as a collection of contracts between parties who interact within the company (stakeholders). Each party will act according to its own interests so that conflicting interests will emerge.

Based on this understanding, this can happen because company managers know more about company conditions and internal information than company owners. (Gunawan, 2017)

So it can be concluded that Agency Theory with interests. This raises information disclosed by company managers in relation to tax impacts and corporate tax minimization strategies to take advantage and maximize profits.

B. Legitimacy Theory

Legitimacy theory explains that entities, such as companies, are required to comply with contracts and social norms when operating. Legitimacy theory was first put forward by Dowling and Pfeffer (1975). He stated that legitimacy can be said to be a potential benefit or source for a company to be able to survive and survive in developing the company. His requires companies to carry out their company operations by paying attention to surrounding social environmental factors, in their disclosures. Elfeky (2017) argues that companies need to increase greater voluntary disclosure, because they have a social contract with the community. This disclosure is necessary to ensure that the company complies with regulations and ethics from society.

Therefore, this disclosure must be informed by the company to the public through documents that can be accessed easily by the public, such as an annual report. This is supported by previous researchers Cadiz Dyball (1998) who argues that annual reports can help the public to obtain information whether company activities are in line with community values.

Based on this understanding, it can be concluded that Legitimacy Theory by making disclosures can affect the level of legitimacy of a company. This level of legitimacy will also affect the level of public or environmental acceptance of the company.

C. Tax Disclosure

Mgammal et al., (2018) explained that disclosure of income tax information is a policy instrument tax system. Furthermore, Francois in Mgammal & Ku Ismail (2015) defines tax disclosure as a term used to describe two different situations. The first is the legal requirement to provide up-to-date tax information to other parties. The second concerns transactions that can be considered as tax havens and must be reported to the government in connection with income tax declarations.

Meanwhile, according to Kvaal & Nobes. (2013) states that disclosure of complete tax information can provide an opportunity to estimate the amount that increases in corporate tax returns. By comparing financial statements and analyzing them to get an idea of the amount of financial reporting, company performance and strategy, such as quality of earnings, appropriateness of depreciation schedules, level of political understanding and tax planning. Based on Bapepam-LK regulation No.X.K.6, tax disclosures that support the quality of public company financial reports contain at least the following: the relationship between income tax and commercial profits, current fiscal reconciliation and tax accounting, and a statement about how the tax results of the fiscal reconciliation, which forms the basis of corporate tax reporting. In this study, tax disclosure (Tax Disclosure) can be measured using the company's Tax Disclosure level. Therefore, this study measures the level of tax disclosure. organization by assigning a score to Tax Disclosure. data given the number of items disclosed in the company's annual report.

Based on this understanding, it can be concluded that Tax Disclosure is a policy tool that can be used to provide tax information that can support the quality of financial reports disclosed to the public.

D. Tax Avoidance

According to Moeljono (2020) is an effort to avoid taxes legally because this does not conflict with tax provisions. The methods and techniques used take advantage of the weaknesses in tax laws and regulations to minimize the amount of tax payable.

The reason that taxpayers can take tax evasion is because the tax collection system in Indonesia adheres to a self-assessment system, which is a tax collection system that authorizes taxpayers to be able to calculate the amount of tax to be paid by themselves (Tahar & Rachmawati, 2020).

Measurement of tax avoidance using Cash ETR is used to describe tax avoidance activities by companies because Cash ETR will provide information on how much cash is actually paid by the company. Measurement of tax avoidance by proxy CETR according to research (Subagiastra et al., 2016)

$$\boldsymbol{CETR} = \frac{\textit{Tax Payment}}{\textit{Profit Before Tax}}$$

E. Earning Management

Earnings management can be interpreted as one of the efforts of company managers to intervene or influence information in financial statements with the aim of tricking stakeholders who want to know the performance and condition of the company. The terms intervention and deception are used as the basis for some parties to assess earnings management as fraud (Sulistyanto, 2018).

According to Utami in Kurnia & Arafat (2015) To detect whether there is earnings management, the measurement of accruals is a very important thing to pay attention to. Total accrual is the difference between profit and cash flow from operating activities. Total accruals can be divided into two parts, namely: (1) accruals which naturally exist in the process of preparing financial statements, called normal accruals or non-discretionary accruals, and (2) accruals which are accounting data called abnormal accruals or discretionary accruals. . Some of the reasons why the Utami Modified model is better are:

- Utami's modification is simpler compared to Jones' model or Jones's modification.
- Utami's modification is more relevant to the fact that most profit management is carried out using working capital

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accrual components, specifically accrual from sales and operating costs Given that the Indonesian capital market is still at an informationally efficient level, Utami's simple modification is easier for market participants (investors) to understand so that they respond faster.

F. Managerial ownership

Shareholders with a company management position, either on the supervisory board or as a manager, are called holding management. According to Jensen & Meckling (1976) explaining agency theory states that companies that separate the management function from the ownership function have consequences that are sensitive to conflicting interests. The decisions and actions of companies that are owned by the board will certainly be different from companies that do not have managerial ownership. In management-owned companies, managers who are also shareholders naturally combine their interests as managers and shareholders. If the manager is not a shareholder, the situation is different, the manager may only look out for his own interests.

According to Nugraha & Setiany (2020) Managerial ownership is the ownership of company management shares, measured as the percentage of shares owned by management, namely directors and commissioners. This is expressed by using the percentage of ownership of the company's management.

In this study, managerial ownership is measured by the number of shares owned by managers (directors and commissioners) to the total outstanding shares. Managerial ownership will be calculated by the following formula:

$$KM = \frac{\textbf{Number of Managerial Shares}}{\textbf{Number of Outstanding Shares}} \times 100\%$$

III. HYPOTHESIS

A. Tax Avoidance of Tax Disclosure

Corporate tax evasion has become a considerable public concern, especially since the 2008 global financial crisis (Oats & Tuck, 2019). The relationship between tax avoidance and transparency of tax disclosure can have various effects, for example, since 2016, the United Kingdom has implemented a tax reform that requires certain categories of companies to make separate disclosures related to corporate taxation strategies, and this has seen a significant increase in voluntary disclosure in annual reporting. . However, no significant effect was found on tax evasion. Companies with low reporting quality have a higher level of tax evasion. In the United States, a Securities and Exchange Commission (SEC) comment letter is issued to companies, requiring additional disclosure. (Bilicka et al., 2021).

Furthermore, Kubick et al. (2016) argue in his research that this additional disclosure request can reduce the level of tax evasion. Companies with high levels of tax avoidance tend to avoid tax disclosures; thus, when there is a demand for tax disclosure, the rate of corporate tax avoidance tends to decrease. Therefore, it is hypothesized that the level of corporate tax disclosure is associated with tax evasion.

B. Profit Management on Tax Disclosure

In the relationship between earnings management and tax disclosure is where the company performs earnings management, namely by tending to minimize company profits, this is done so that profits are used as the basis for tax imposition to be small, therefore disclosure of financial statements is important for users of information, especially relating to the disclosure of taxes paid by the company.

According to Harsono and Ricky Lazarus, (2021) stated that earnings management can affect corporate tax disclosure.

C. Managerial Ownership of Tax Disclosure

Managerial ownership of the company can also make the decision not to disclose taxes in order to get more revenue. found that in agency theory, CEO ownership serves to align management behavior with the interests of shareholders (Kharisma & Rachman, 2017).

IV. RESEARCH METHODS

This type of research uses quantitative research methods. The quantitative research used is causal quantitative. The research population is all mining sector companies listed on the IDX in 2019-2021. Determination of the research sample used a purposive sampling technique, with the following criteria:

- Mining sector companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period.
- Published a complete annual financial report for the period 2019-2021.

The data analysis method used in this study is a quantitative method which is then processed and then tested using multiple linear regression models to assess multivariate relationships between each variable.

In this study will be analyzed using multiple regression analysis tool models processed using Microsoft excel and Eviews 10 software programs. The multiple linear regression equation can be formulated as follows:

$$PKP = a + b1PHP + b2ML + b3KM + e$$

Information:

PKP	= Tax disclosure
a	= Constant
b	= Regression Coefficient
PHP	= Tax avoidance
ML	= Profit management
KM	= Managerial ownership
e	= Error

V. RESULTS

A. *Descriptive Statistical Test Results*

Table 1: Descriptive Statistical Test Results

	PKP	PHP	ML	KM
Mean	0.228551	0.288116	0.195652	0.063333
Maximum	0.330000	0.960000	12.07000	0.960000
Minimum	0.110000	0.000000	-10.68000	0.000000
Std. Dev.	0.061865	0.212099	2.275544	0.197950
Observations	69	69	69	69

Information:
Y : Tax Disclosure (PKP)
X1 : Tax Avoidance (PHP)
X2 : Profit Management (ML)
X3 : Managerial Ownership (KM)

Based on the descriptive statistical test table above, information is obtained that:

B. *Tax Disclosure (Y)*

Based on the data processing that has been done, it can be seen that the Tax Disclosure variable (PKP) has a mean or an average of 0.228551 with a maximum value of 0.330000 is found in PT. Bukit Asam Tbk and minimum value 0.110000 is available at PT. Bumi Resources Minerals Tbk. with a standard deviation of 0.061865 which means that the maximum increase is variable average. The increase in Tax Disclosure (PKP) was +0.061865, while the maximum decrease from the average variable Tax Disclosure (PKP) was -0.061865.

C. *Tax Avoidance (X1)*

Based on the data processing that has been done, it can be seen that the variable Tax Avoidance (PHP) has a mean or an average of 0.288116 with a maximum value of 0.960000 is found in PT. Adaro Energy Indonesia Tbk and a minimum value of 0.000000 is found at PT. Samindo Resources Tbk. with a standard deviation of 0.212099 which means that the maximum increase is variable average. The increase in Tax Avoidance (PHP) was +0.212099, while the maximum decrease of the average of the variable Tax Avoidance (PHP) was -0.212099.

D. *Profit Management (X2)*

Based on the data processing that has been done, it can be seen that the Profit Management (ML) variable has a mean or an average of 0.195652 with a maximum value of 12.07000 is found in PT. Bumi Resources Minerals Tbk and a minimum value of -10.68000 is found at PT. Bumi Resources Minerals Tbk. with a standard deviation of 2.275544 which means that the maximum increase is variable average. The increase in Profit Management (ML) was +2.275544, while the maximum decrease of the average of the Profit Management (ML) variable was -2.275544. The increase in Profit Management (ML) was +1.579140, while the maximum decrease of the average of the Profit Management (ML) variable was -1.579140.

E. *Managerial Ownership (X3)*

Based on the data processing that has been done, it can be seen that the Managerial Ownership (KM) variable has a mean or an average of 0.063333 with a maximum value of 0.960000 is found in PT. J Resources Asia Pasifik Tbk and minimum value of 0.000000 is found at PT. Aneka Tambang Tbk. with a standard deviation of 0.197950 which means that the maximum increase is variable average. The increase in Managerial Ownership (KM) was +0.197950, while the maximum decrease of the average variable Managerial Ownership (KM) was -0.197950.

F. *Classical Assumption Test*

Classical assumption tests are performed before using regression models which aim to test whether in regression models, residual variables have a normal distribution. This classical assumption test consists of a data normality test, a multicollinearity test, a heterokedasticity test, and an autocorrelation test.

G. *Normality Test Results*

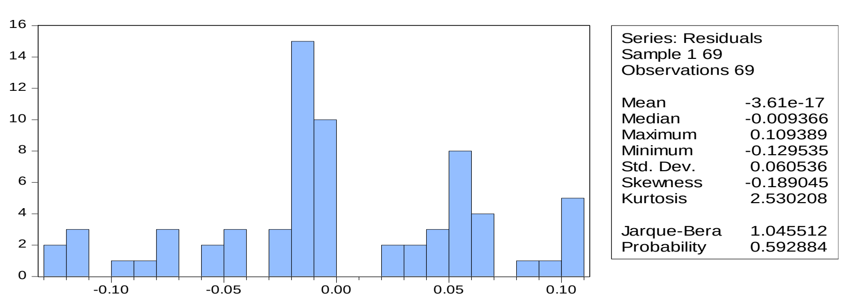

Fig. 1: Normality Test Results

Based on the picture above, it shows that the Jarque-Bera through the *statistical software* Eviews.10. Value is 1.045512 with a probability value of 0.592884 which is greater than the significant level of 0.05, so it can be concluded that the data in this study are normally distributed.

H. Multicolliearity Test

Table 2: Multicolliearity Test Results

No	**Variable**	**VIF**	**Information**
1	Tax Avoidance	1.155576	No Multicollinearity
2	Profit Management	1.007278	No Multicollinearity
3	Managerial Ownership	1.148182	No Multicollinearity

Based on the results of the multicollinearity test in the table above, it shows that the VIF value for the variables Tax Disclosure, Tax Avoidance, Profit Management, Managerial Ownership is less than 10. Thus it can be concluded that the four variables are free from multicollinearity problems because the VIF value < 10.

I. Chow Test Results

Table 3: Chow *Test* Results

Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			
Effects Test	Statistic	D.F.	Prob.
Cross-section F	18.951900	(22,43)	0.0000
Cross-section Chi-square	163.523089	22	0.0000

Based on the results of the chow-test above, it can be seen that the probability value of the F test is 0.0000 < 0.05 and the chi-square is 0.0000 < 0.05. Thus, Ho was rejected and H1 was accepted. That is, the model estimation approach follows the fixed effect model. In other words, the fixed effect model is better than the common effect model.

J. Hausman Test)

Tabel 4 Hasil Uji Hausman (*Hausman Test*)

Correlated Random Effects – Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. D.f.	Prob.
Cross-section random	2.484318	3	0.4781

Based on the results of the Hausman test on the able above, it can be seen that the probability value in the random cross section test is 0.4781 which means it has a significance greater than the confidence level (significance level) 95% (α = 5%). So that the decision taken on this Hausman test is that Ho is accepted and H1 is rejected. In other words, the model follows the random effect model method. Or it can be concluded that the random effect model method is better than the fixed effect model method.

K. Random Panel Data Regression Results

Before the panel data regression test was carried out, a classical assumption test was first carried out to ensure that the regression coefficient did not occur, and the best panel data regression model in this study was decided using a *random effect model*.can be seen in the table.

Table 5: Random Panel Data Regression Results

Dependent Variable: PKP		
Method: Least Squares		
Date: 08/07/23 Time: 13:20		
Sample: 69		

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Included observations: 54				
HAC standard errors & covariance (Bartlett kernel, Newey-West fixed bandwidth = 4.0000)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.219319	0.019647	11.16300	0.0000
PHP	0.045656	0.047529	0.960592	0.1702
ML	-0.001893	0.003859	-0.490540	0.3127
KM	-0.056093	0.029711	-1.887945	0.0318
R-squared	0.042510	Mean dependent var		0.228551
Adjusted R-squared	-0.001682	S.D. dependent var		0.061865
S.E. of regression	0.061917	Akaike info criterion		-2.669820
Sum squared resid	0.249192	Schwarz criterion		-2.540307
Log likelihood	96.10879	Hannan-Quinn criter.		-2.618438
F-statistic	0.961931	Durbin-Watson stat		0.830209
Prob(F-statistic)	0.416134	Wald F-statistic		1.344555
Prob(Wald F-statistic)	0.267661			

Based on the data above, PKP = 0.219319 + 0.040656 PHP - 0.001893 ML - 0.056093 KM + ε

From the equation model above, it can be explained that based on the results of the regression test with HAC shows that Tax Avoidance has a positive relationship with Tax Disclosure. Meanwhile and Profit Management and Managerial Ownership have a negative relationship with Tax Disclosure.

VI. HYPOTHESIS TESTING RESULTS

- *Effect of Tax Avoidance, Profit Management, Managerial Ownership, Against Tax Disclosure.*

Table 5: Results of Determination Analysis (R2)

The regression model used in the study based on the above test is as follows:	The regression model used in the study based on the above test is as follows:
PKP = 0.219319 + 0.040656 PHP - 0.001893 ML - 0.056093 KM + ε	PKP = 0.219319 + 0.040656 PHP - 0.001893 ML - 0.056093 KM + ε

Based on the results of data processing, the R-Squared value is 0.042510. This can be interpreted that the independent variables in this study, namely tax avoidance, profit management and managerial ownership together can explain the dependent variable, namely tax disclosure of 4.25%. The remaining 95.75% was explained by other variables outside the research model.

- *Statistical Test F*

Table 6: Statistical Test Results F

	F-statistic	*Prob(F-statistic)*
Tax avoidance, Profit management and managerial ownership	0.961931	0.416134

Based on the value of F-Statistic and the value of Prob (F-statistic) in this study is 0.961931 with a probability value of 0.416134. The statistical probability value F is greater than the significant value α = 5%, so it can be concluded that the independent variables in this study, namely tax avoidance, profit management and managerial ownership together do not have a significant effect on the variable tied to tax disclosure.

- *Statistical Test t*

Table 6: Statistical Test Results F

Variable Relationships			**β**	Sig	**Conclusion**
PHP	→	Y	0.045656	0.1702	No Effect, H1 Rejected
ML	→	Y	-0.001893	0.3127	No Effect, H2 Rejected
KM	→	Y	-0.056093	0.0318	Influential, H3

Information
Y : Tax Disclosure (PKP)
X1 : Tax evasion (PHP)
X2 : Earnings management (ML)
X3 : Managerial Ownership (KM)

VII. DISCUSSION

A. *Tax Avoidance affects Tax Disclosure*

Based on the test results showed that the first hypothesis was rejected. This is because based on obtaining the coefficient value (β) with a negative direction of 0.045656 and a Significance value of 0.1702 > 0.05 (significance level of 5%). These results show that Tax Avoidance has no effect on Tax Disclosure in mining sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2019 - 2021. This result is in line with the agency theory proposed by Jensen & Meckling (1976) that the company is described as a collection of contracts between parties who interact within the company (stakeholders). Each party will act in accordance with its own interests so that conflicting interests will arise. Thus, there is a conflict of interest between management as an agent or party who calculates and reports company taxes with the principal as the owner of the company. Agency conflicts between shareholders and company management may encourage management to engage in tax avoidance for their personal benefit or to avoid pressure from shareholders to increase corporate profits. Agency conflicts can cause company management to hide information or make limited tax disclosures so that shareholders are not aware of tax avoidance practices.

Tax disclosure aims to increase transparency and provide useful information for stakeholders. By disclosing detailed tax information, companies can demonstrate their financial performance and the extent of their contribution to the state. Tax avoidance, on the other hand, can create the impression that companies or individuals are not contributing fully according to their obligations. Clear and transparent tax disclosures can affect a company's reputation and public perception of them. Companies seen to avoid taxes may be perceived as less socially responsible and trigger negative reactions from consumers, shareholders, and the general public. Therefore, accurate and honest tax disclosure is important to maintain the company's reputation and social responsibility.

This result is in line with research conducted by Moraes et,al (2021) which shows that tax avoidance has negative results on tax disclosure. This is different from the research conducted by Hantoyo, (2016) and Larasati, (2019). Based on the results of the study, it was concluded that tax avoidance has a positive effect on tax disclosure.

B. *Profit Management Affects Tax Disclosure*

Based on the test results showed that the second hypothesis was accepted. This is because based on partial testing (t-test) the coefficient value (β) with a positive direction of -0.001893 and a significance value of 0.3127 > 0.05 (significance level of 5%). These results show that profit management has no effect on tax disclosure in mining sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2019 - 2021. The results of this study support the legitimacy theory that companies attempt to seek recognition and support from stakeholders by maintaining the company's reputation and image as a legitimate and ethical entity. Proper and transparent tax disclosure is also important in building corporate legitimacy. Transparent tax disclosure helps stakeholders understand the company's tax obligations and ensure that the company complies with applicable tax regulations. Profit management is the practice by which companies make adjustments in their financial statements to achieve certain goals, such as showing better performance than reality. Profit management practices may include changes in accounting estimates, delays in recognition of revenues or expenses, or using accounting methods that can result in higher profit figures. In legitimacy theory, accurate and comprehensive tax disclosure becomes essential to maintain stakeholder support and trust. If information about tax positions is not disclosed transparently, companies may be perceived as less trustworthy or try to conceal unethical practices.

Profit management practices can lead to significant disclosure deficiencies in tax-related financial statements. This can include vagueness regarding tax calculation methods, differences between tax profits and accounting profits, or the potential for significant tax disputes. Companies that perform profit management to reduce their tax liability may tend to hide relevant tax-related information. They can use accounting methods that complicate the identification of transactions or reveal detailed information about the actual tax burden. Managers carry out profit management because of the desire to reduce the tax burden. So, the more aggressive the company conducts profit management, it can be said that the level of aggressiveness of corporate taxes is also high because the tax burden is getting smaller (Suyanto, 2012).

This result is different from the research of Mgammal, Bardai and Ismail (2018) and (Harsono &; Lazarus, 2021) shows positive results that significantly affect tax disclosure.

C. *Managerial Ownership Affects Tax Disclosure*

Based on the test results showed that the third hypothesis was rejected. This is because based on partial testing (t-test) the coefficient value (β) with a positive direction of -0.056093 and a significance value of 0.0318 < 0.05 (significance level of 5%). This means that managerial ownership has a negative and significant effect on Tax Disclosure in mining sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2019 - 2021. The results of this study are in line with the legitimacy theory that ownership, management, and tax disclosure have an important relationship. Significant management ownership can encourage management to act more responsibly and ethically in tax management, while proper and transparent tax disclosure helps strengthen a company's legitimacy as a legitimate and trustworthy entity in the eyes of stakeholders. Management ownership in mining industry companies in Indonesia has been effective in monitoring corporate tax reporting. This is one of the reasons why ownership management affects tax disclosure.

From Managerial Ownership the company can also make the decision not to disclose taxes in order to get more income. found that in agency theory, CEO ownership serves to align management behavior with shareholder interests (Kharisma &; Rachman, 2017). Some studies have recognized a trade-off between low levels of ownership that serve to align CEO interests and larger levels of ownership that encourage CEO strengthening, suggesting that the relationship between CEO ownership levels and interest alignment is not linear (Sundaramurthy, 1996).

This is similar to research conducted by (Harson &; Lazarus, 2021) which shows the results of managerial ownership have a positive and significant effect on tax disclosure.

VIII. CONCLUSION AND SUGGESTION

A. Conclusion

- Tax Avoidance has no effect on Tax Disclosure in mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2019 - 2021.
- Profit Management does not affect Tax Disclosure on mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2019 - 2021.
- Managerial Ownership has a negative and significant effect on Tax Disclosure in mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2019 - 2021.

B. Suggestion

➢ *For Companies*

Although tax avoidance may not affect tax disclosure, companies must still ensure full compliance with applicable tax regulations. Ensure that all tax obligations are fulfilled in a timely manner and with high accuracy. Companies can increase employees' understanding and awareness of the importance of tax compliance and proper disclosure. Conducting training or internal education programs on tax regulations, tax ethics, and the importance of transparency in tax reporting can help build a culture of tax compliance and responsibility in the company. Companies should also offer more shares ownership to management, because the higher the management shares, the lower the level of tax avoidance.

➢ *Share Further Research*

This research only focuses on one sector, namely mining companies, and mining sector companies listed on the Indonesia Stock Exchange (IDX), so the research results cannot be generalized to other types of industries. The proxy for measuring tax disclosure variables in this study uses content analysis, so there is still an element of subjectivity in scoring or inaccuracy in scoring, to suggest researchers will come to use a more accurate tax disclosure proxy with a ratio value. It is also expected that further researchers can expand the observations studied so that they can find out the dominant factors in influencing Tax Disclosure. Researchers can then add the research period and use the latest research period to make the research more valid and up to date.Furthermore, the observation year in this study was only carried out for three years, namely the period 2019 – 2021. We recommend that further studies add years of observation so that the samples obtained are more numerous and diverse or in other ways to multiply samples, this is likely that the results of this study do not adequately describe the conditions regarding the reputation of mining sector companies in Indonesia.

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