

The Effect of Return on Assets, Auditor Reputation, and Company Size on Tax Avoidance (Consumer Goods Industry Sector Companies Listed on the Indonesia Stock Exchange for the 2018-2021 Period)

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Abstract:- This study was conducted to examine the effect of return on assets, auditor reputation and firm size on tax avoidance in consumer goods sector companies listed on Indonesia Stock Exchange. The sampling technique used is the population criteria technique so that it becomes a population or sample frame, and produces a total sample of 31 companies so that there are 124 observation samples. The data used is secondary data obtained from the Indonesia Stock Exchange website and other official websites. The data in this study were analyzed by multiple linear regression analysis, hypothesis testing and the coefficient of determination using SPSS Version 25.0. The results showed that Return on Assets had a significant negative effect on tax avoidance, Auditor Reputation had a positive and insignificant effect on tax avoidance and Firm Size had a significant negative effect on tax avoidance. positive and significant impact on tax avoidance in consumer goods sector companies listed on the Indonesia Stock Exchange.

Keywords: *Return on Assets, Auditor Reputation, Tax Avoidance.*

I. INTRODUCTION

Tax avoidance or resistance to taxes are obstacles that occur in tax collection resulting in reduced state cash receipts. Tax avoidance is always interpreted as a legal activity (Bambang, 2009). Tax avoidance is using the amount of tax owed without violating tax regulations or in other terms looking for regulatory weaknesses (Hutagaol, 2007).

The practice of tax avoidance has often been practiced by Indonesian taxpayers, as the case of former Finance Minister Agus Martowardjo, there are thousands of multinational companies that do not carry out their obligations to the state, that almost 4,000 companies do not pay their taxes for 7 (seven) years (Source: www.merdeka.com).

The state views taxes as a corporate obligation and a major source of state revenue, but for corporations it views taxes as a profit-maximizing expense. This causes companies to tend to look for ways to reduce the amount of tax payments, both legally and illegally (Waluyo, et al 2015). Tax revenue by the state has continued to increase, but the increase is not as targeted by the government, so the tax potential cannot be maximized. The following is an overview between the target and the realization of tax revenues for the 2016-2020 period, as stated in the table.

Table 1 Phenomenon of Tax Revenue Targets and Realisasi in Indonesia 2018-2020 (in Trillions)

Year	Target	Realization %	Ratio
2016	1,539.00	1,283.00 83.40%	9.0%
2017	1,283.00	1,147.00 89.40%	8.5%
2018	1,424.00	1,315.90 92.41%	8.8%
2019	1,577.6	1,332.10 84.40%	8.4%
2020	1,198.82	1,069.98 89.25%	6.9%

Source: www.cnbcindonesia.com

In table 1, it can be seen that the realization of tax revenues has never reached the target. Even tax revenues continue to decline when viewed from the ratio. The revenue target, which cannot be realized, results in a further

decrease in the tax ratio, where from 2016 to 2020 the tax ratio continues to decline, and which reduces net profit. It is theoretically that the purpose of establishing the company is the most significant in 2020. The decrease in the tax ratio

can be used as an indicator that tax revenues have decreased. The tax ratio shows the government's ability to collect tax revenue or reabsorb Gross Domestic Product from the public in the form of taxes. The higher the tax ratio of a country the better the performance.

Tax avoidance practices have occurred in Indonesia, one of which is PT Adaro Energy Tbk, which is suspected of tax avoidance. PT Adaro Energy Tbk allegedly carried out tax avoidance practices by conducting meaningful transfer pricing by transferring large amounts of profits from Indonesia to companies in countries that have low tax rates or even exempting taxes. This practice has been carried out for quite a long time, namely from 2009 to 2017. PT Adaro Energy Tbk, is alleged to have carried out this practice so that the company could pay taxes of Rp.1.75 trillion or US\$ 125 million less than the amount that should have been deposited into the Indonesian tax office. Based on this case, tax enforcement is carried out by means of transfer pricing (www.globalwitness.org).

Another phenomenon, namely Google, is suspected to have carried out tax avoidance practices in Indonesia. According to tax observer Danny Darussalam, Google deliberately did not establish BUT in Indonesia because it did not want to be subject to income tax. If there is a BUT, the profit generated to the BUT is minimal. Google practices tax avoidance by means of tax planning. The tax planning method carried out by Google is by utilizing the physical presence requirement. The google company has a subsidiary in Singapore that regulates business around asia. While in Indonesia Google only builds a marketing representative office that has a supporting and complementary role. According to Danny, Google considers marketing support to be one of the unimportant functions so that in the context of pricing it is only charged a cost and commission of 8% and there are no problems (Detik.com).

UN trade reveals that 60%-80% are affiliate transactions in the Agency's WP Tax Return. This is estimated to trigger losses to countries around the world of US\$ 100-240 billion per year or equivalent to 4%-10% of global corporate income tax receipts (cnbcIndonesia.com, 2021). According to the Center for Indonesia Taxation Analysis in the era of globalization, there are many tax avoidance practices, especially from multinational companies. As in 2016, approximately 2000 FDI did not fulfill its tax obligations on the grounds that the company experienced losses continuously (10 consecutive years) but was still operating, this is a strong indication of aggressive tax avoidance practices (Kompas.com, 2021).

The number of cases of tax avoidance actions that occur in Indonesia is still quite large so that this has an impact on reducing tax revenue. Research on factors affecting tax avoidance has been carried out by several researchers, from the results of the study there are factors that affect tax avoidance including, Return On Assets (ROA), Auditor Reputation and Company Size.

Profitability is a picture of the company's financial performance in making a profit from asset management known as Return on Assets (ROA) which is related to the company's net profit and the imposition of income tax for companies (Kurniasih & Sari, 2013). The higher the profitability of the company, the higher the company's net profit generated and the imposition of taxes generated for Corporate Taxpayers.

Auditor's reputation is the occurrence of any possibility when the auditor audits the client's financial statements and finds customers or errors that occur and reports them in the financial statements. Financial statements audited by The Big Four Public Accountants have a lower level of tax fraud than companies audited by Non Big Four Public Accountants. If the nominal tax paid is too high, it will usually force the company to commit tax evasion, then the more qualified the audit of a company, the more likely the company is not to carry out profit manipulation for the benefit of taxation.

Business size is a picture of the size or size of a company. The size of the company is listed on the financial statements during the end of the audited period. The size of the company can be seen from the total assets owned by the company or the total assets of the company whose size of the company can be measured based on total sales, total book value of assets, total assets and number of workers (Munawir, 2007).

II. LITERATURE REVIEW AND HYPOTHESIS FORMULATION

➤ *Agency Theory*

Agency Theory explains the existence of conflicts that will arise between the owner and management of the company. The conflict is called an agency problem (Jansen and Meckling, 1976).

In tax avoidance, the conflict occurs between the company (management) and the fiscus (Principal). The fiscus wants a large income from tax collection, while the company wants a fairly effective profit with a low tax burden. This difference of views causes a conflict between the tax collector and the company as a taxpayer (Prakosa, 2014).

➤ *Tax Avoidance*

Tax avoidance or often referred to as tax planning, is a process of controlling actions to avoid the consequences of imposing unwanted taxes on both personal and corporate taxpayers. According to Hary Graham Balter: "Tax avoidance is an undertaking made by the tax payer whether it succeeds or not to reduce or completely eliminate tax debt, which does not violate the provisions of tax legislation."

According to Robert H. Anderson Tax Avoidance is "a way of reducing taxes that are still within the limits of tax legislation and can be justified primarily through tax planning".

➤ *Tax Avoidance Indicators*

In this study, the tax avoidance variable was calculated through the company's CETR (Effective Tax Rate), namely the cash spent on tax costs divided by profit before tax, (Judi Budiman and Setiyono, 2012). The Cash Effective Tax Rate (CETR) is good to be used to describe tax avoidance activities by companies because CETR is not affected by estimates such as assessment allowances or tax protection. (Hanlon, Maydew, 2007). CETR also describes all tax avoidance activities that reduce tax payments to tax authorities. Because CETR is directly calculated from the cash paid by the company for taxes divided by profit before tax.

The higher the ETR percentage rate, which is close to the corporate income tax rate of 25% indicates that the lower the corporate tax avoidance rate. , and if CETR is more than 25% it can be said to be non-tax evasion. Likewise, the lower the percentage level of CETR indicates that the higher the level of corporate tax avoidance (Dewinta & Setiawan, 2016). According to Lanis & Grant (2013) indicates that low CETR is a key indicator or sign of aggressiveness of companies that avoid corporate taxes by reducing their taxable income (PKP) while maintaining financial accounting profits. A low CETR indicates that the income tax burden is less than the pre-tax income.

The formula for calculating CETR is as follows:

$$\text{CETR} = \frac{\text{Pembayaran Pajak}}{\text{Laba Sebelum Pajak}}$$

Information:

CETR = Effective Tax Rate

Tax Payment = Cash On Tax Payment

➤ *Return on Assets (ROA) Indicator*

Return on Asset (ROA) is a comparison of the value of net profit after tax divided by the total assets owned by the company. This level of profit does not have a direct effect on the total assets owned because sometimes the profit is allocated to indirect financing such as asset depreciation and receivables reserves. Return On Asset (ROA) is viewed based on the value of the company's net profit and the imposition of income tax (PPh) for corporate taxpayers. The increase in ROA value shows that the higher the profit obtained by the company so that the better the management of the company's assets. Return On Asset (ROA) also shows that the company's performance is getting better in managing assets used to generate a profit. ROA provides a better measure of the company's profitability because it shows the effectiveness of management in using assets to obtain Cashmere income (2012).

In this study, Return On Asset (ROA) was measured by a comparison between net profit after tax divided by

total assets at the end of the period used as an indicator of the company's ability to Generate profit by using the following formula.(Kurniasih & Sari, 2013) formula as follows :

$$\text{ROA} = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Asset}} \times 100\%$$

- H1: *Return on Assets* has a positive effect on tax avoidance.

➤ *Auditor Reputation Indicators*

Companies are more confident in using audit services from audit offices affiliated with The Big Four because they are considered to have more quality in carrying out their duties of auditing financial statements, so the reputation of The KAP affiliated with The Big Four is considered more trustworthy and reliable. According to Yanti (2016), the company will prefer a public accountant with good quality over other public accountants to improve the quality of financial statements within the company and to improve the company's reputation in the eyes of users of financial statements. Many companies choose to use the Big Four KAP because The Big Four KAP is more able to maintain its independence than the Non Big Four KAP.

Kap The Big Four has several advantages compared to the Non Big Four Public Accountants, such as more resources and professional personnel (partners and staff), competent manpower due to the selection of strict in the recruitment and training process is quite a lot. In addition, the number of clients owned by The Big Four Public Accountants is diverse and more than the Non-Big Four Public Accountants, so that the experience and knowledge gained by auditors in the field of auditing will be more. Many clients also point out that The Big Four Public Accountants have greater assets to support the audit process. KAP The Big Four has a good reputation in the eyes of the public, so they will be more careful in conducting audits to improve the reputation and performance of the Auditors it provides. The advantages of KAP The Big Four help its auditors in carrying out a better audit process and in accordance with SPAP so that auditors are better able to detect and report violations in the client's financial statements to ensure the conformity of financial statements with SAK. Therefore, KAP The Big Four is believed to provide high auditor performance.

Audit reputation is measured by classifying between companies that use the audit services of The Big Four Public Accountants and companies audited by Non Big Four Public Accountants. Auditor reputation is an auditor's achievement for the quality of professional performance. The Big Four KAP includes Deloitte Touche Tohmatsu, PricewaterhouseCooper, Ernst and Young and Klynveld Peat Marwick Goerdeler. According to Yanti, et al (2018) the auditor's reputation is an image or good name that is owned and attached to an auditor for the results of work (audit quality) that has achieved. Measurement or indicator of the auditor's reputation based on dummy variables. The

dummy variable is a value of 1 if the auditor is affiliated with the Big Four KAP and a value of 0 if the auditor is not affiliated with the Big Four KAP .

- H2: *Auditor's Reputation has a Positive Effect on Tax Avoidance*

➤ *Company Size Indicator*

The size of a company is a large company that has a wider base of stakeholders, will have a greater impact on large companies than small companies. (Rusydi, 2013). According to various ways, among others: natural logarithm of total assets, stock market value, number of labor, and others. In this study, researchers measured the company proxied by the natural logarithm of the company's total assets formulated as Ln Total Assets. Assets are assets or resources owned by a company. The larger the assets owned, the company can make investments well and meet the demand for products. This further expands the market share achieved and will affect the company's profitability.

Total assets were chosen as a calculation of company size in this study by considering the relatively more stable asset value compared to the capitalized market value and sales. Companies with large total assets reflecting the company have reached the stage of maturity. The company's cash flow is already positive and has a good prospect in the long term, and shows that the company is more stable and able to generate profits than with total small assets.

In this study, the company size indicators used were as follows:

$$\text{SIZE} = \text{Ln} (\text{Total Assets})$$

- H3: *Company Size Positively Affects Tax Avoidance.*

III. RESEARCH METHODS

➤ *Research Design*

The type of research used is descriptive research. The purpose of quantitative research is to reveal the magnitude of the influence or relationship between one variable and another expressed in the form of numbers. This study wants to examine the effect of variable return on assets, auditor reputation and company size on tax avoidance variables.

➤ *Research Subjects*

According to Prastowo (2014) research subjects are defined as people, objects or other things that are used as data holders for inherent and disputed research variables. The subjects used in this study were consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) during the period of 2018, 2019, 2020 and 2021.

➤ *Research Data*

The data source used in this study is secondary data. Secondary data is data obtained not directly but from pre-existing sources. Secondary data is generally in the form of reports, records, evidence that has been compiled and journals. The data used for this study used financial statements and annual reports of consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) during the 2018-2021 period obtained from the www.idx.co.id website. Using the template.

➤ *Data Collection Techniques*

The data collection technique carried out in this study is by the documentation method, namely by collecting secondary data obtained from the Indonesia Stock Exchange (www.idx.co.id) website regarding the company's annual reports and financial statements during the period 2018 to 2021.

➤ *Population, Sample and Sampling Techniques*

The research population is the entire area of the object and subject of the study that is determined to be analyzed and then drawn conclusions by the researcher, according to Sugiyono (2017: 80). Mean while the sample is a subgroup or part of the population. By studying the sample, researchers will be able to draw conclusions that can be generalized to the study population (Sekaran, 2011). In this study, all companies listed on the Indonesia Stock Exchange (IDX) were population. While the sample in this study is a consumer goods industry company listed on the Indonesia Stock Exchange (IDX) during the 2018-2021 period.

The research sample is part of the sum of the characteristics possessed by that population. Sampling must be truly representative (Sugiyono, 2017:81). The data used in this study is secondary data with the technique of population criteria so that it becomes a population or sample frame, which is a technique for determining samples when all members of the population used as a sample according to the following criteria:

- Companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) during the 2018-2021 period.
- The company presents the complete report information data during the period 2018-2021.
- Companies that do not incur losses during the period 2018-2021 to avoid negative ETR and CETR values.
- Companies that use rupiah currency units during 2018-2021. The rupiah currency unit was chosen to facilitate calculations, because the value of the dollar currency is constantly fluctuating.
- Companies where there is no outlier data
- Companies with a positive profit value so as not to cause the Cash Effective Tax Rate (CETR) value to be distorted.

IV. RESEARCH RESULTS

➤ *Descriptive Statistical Analysis*

Table 2 Descriptive Statistical Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
Roa	124	.38	44.68	11.3574	8.60219
Size	124	25.95	32.82	29.1015	1.54035
Cetr	124	1.47	76.36	25.0040	13.25184
Valid N (listwise)	124				

Source: Data processed SPSS version 25.0

From the data in table 2 above, it can be explained that:

- The lowest Return on Assets (ROA) value of 0.38% was owned by PT Tunas Baru Lampung Tbk in 2021, while the highest value of 44.68% was owned by PT Unilever Indonesia Tbk in 2018. The average value of the company in the calculation of Return on Assets (ROA) is 11.35% and the standard deviation value is 8.60%. The relatively high standard deviation value reflects that the Return on Assets (ROA) varies relatively with the number of observations (n) of 124 samples.
- The lowest Company Size Value (SIZE) of 25.95 units of natural logarithm or Rp. 187,057,163,854 is owned by PT Pyridam Farma Tbk in 2018, while the highest value is 32.82 units natural logarithm or Rp.179.356.193.000.000 is owned by PT Indofood Sukses Makmur Tbk in 2021. The average value of the company in the calculation of Company Size (SIZE) is 29.10 units of natural logarithm or Rp. 15,528,293,034,614 and the standard deviation value of 1.54 with the number of observations (n) A total of 124 samples.
- The lowest CETR value of 1.47% is owned by PT Kino Indonesia Tbk in 2021. In terms of tax avoidance, this minimum value has the meaning of high tax avoidance because the payment of corporate tax is lower than the profit generated by the company. Meanwhile, the highest value of 76.36% is owned by PT Tempo Scan Pacific Tbk in 2019. The average value of CETR is 25.00%. This means that the average company in this study is very few who do tax avoidance. Because the average effective tax rate in companies ranges from the applicable tax rate of 25% according to the Income Tax Law No. 36 of 2008 article 17 paragraph 2a. In addition, the average value of this calculation is also close to the standard deviation value of 13.25%, so this indicates a deviation in low Tax Avoidance (CETR) data.

Table 3 Variable Frequency of KAP

Keterangan	Jumlah	Presentase
KAP the big four	56	45.2%
KAP Non the big four	68	54.8%
Total	124	100%

Source: Data Processed by the Author

In this study, the big four public accountants were rated 1 and the non-big four public accountants were rated 0. From table 3, it can be seen that 45.2% or 56 observations in this study chose to use the services of the big four public accountants. Meanwhile, 54.8% or 68 observations in this study chose to use the services of a non-big four public accountant. Thus, it can be seen that more samples in this study were audited by non-big four public accountants compared to companies audited by big 4 public accountants.

➤ *Normality Test*

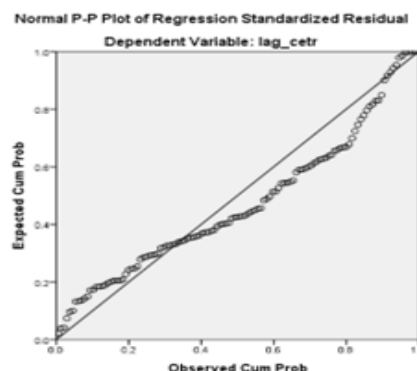


Fig 1 Normal P- Plot

Source: Data Processed SPSS Version 25.0

From the normal probability plot image above, it can be seen that the distribution of residues in the form of dots as much as the number of samples = 124 or variable points are around or not far from the diagonal line and the spread Following the direction of the diagonal line, it indicates that the data is normally distributed.

➤ *Multicholinerarity Test*

The results of the multicollinearity test with the VIF method are as follows:

Table 4 Multicollinearity Test

Model		Coefficients ²	
		Collinearity Statistics	
		Tolerance	VIF
1	lag_roa	.922	1.084
	lag_kap	.768	1.301
	lag_size	.827	1.209

a. Dependent Variable: lag_cetr

Source: Data processed SPSS version 25.0

The result calculation results obtained multicollinearity test findings presented in the table above, the following research findings were obtained :

- The lag_roa variable is free from the Multicholinerarity problem, this finding is proved by the VIF coefficient = 1,084 < 10
- The lag_kap variable is free from the multicollinearity problem, this is proven by the VIF coefficient = 1,301 < 10
- The lag_size variable is free from the multicollinearity problem, this is proven by the VIF coefficient = 1,209 < 10

From the results of the multicollinearity test with the VIF method, the tolerance value ≥ 0.10 and the VIF value ≤ 10 , meaning that all independent variables do not correlate with each other. Based on the results of the test, it can be concluded that in the regression equation there is no multicollinearity, so it does not refract the interperformance of the results of the regression analysis.

➤ *Heteroskedasticity Test*

Table 5 Heteroskedasticity Test with Glejser

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.213	15.710		.268	.789
	lag_roa	-.201	.111	-.170	-1.812	.072
	lag_kap	-.278	2.049	-.014	-.136	.892
	lag_size	.272	.642	.042	.423	.673

a. Dependent Variable: abs_lag_res

Source: Data Processed SPSS

Based on the table above, the results of the heteroskedastistity test using glejser are obtained as follows:

- The variable lag_roa free from the problem of heteroskedastistity, this finding is proved by the coefficient sig = 0.072 > 0.05
- The variable lag_kap free from the problem of heteroskedastistity, this finding is proved by the coefficient sig = 0.892 > 0.05
- The variable lag_size free from the problem of heteroskedastistity, this finding is proved by the coefficient sig = 0.673 > 0.05

➤ *Autocorrelation Test*

Table 6 Autocorrelation Test

Model Summary ⁰			
Model	R	R Square	Durbin-Watson
1	.345 ^a	.119	1.991

a. Predctors: (Constant),lag_size, lag_roa,lag_kap

b. Dependent Variable:lag_cetr

Source: Data processed SPSS version 25.0

Based on the data results in table 6, the DW value of 1.991 is in the Ho acceptance area . In this case it can be concluded that a regression model is free of autocorrelation problems, this finding is proved by the coefficient $du = 1.756 < dw = 1.994 < 4-du = 2.244$.

➤ *Multiple Linear Regression Analysis*

Table 7 Multiple Linear Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-21.069	22.823		-.923	.358
	lag_roa	-.525	.161	-.292	-3.256	.001
	lag_kap	1.153	2.977	.038	.387	.699
	lag_size	1.933	.933	.196	2.73	.040

a. Dependent Variable: lag_cetr

Source: Data Processed SPSS Version 25.0

Based on the table of multiple linear regression test results presented above, the regression equation can be formulated as follows:

$$\text{Lag_cetr} = -21.069 + \text{lag_roa} * (-0.525) + \text{lag_kap} * 1.153 + \text{lag_size} * 1.933$$

The regression equation above, the regression equation can be described as follows:

- $B_0 = -21,069$

If the value of Return On Assets, Auditor Reputation, Company Size and each independent variable is equal to 0 or constant, then Tax Avoidance (CETR) is negative 21.069

- $B_1 = -0.525$

Every increase in one unit in the Return On Assets (ROA) variable, as well as other variables with a cash value or 0, will cause a decrease in Tax Avoidance (CETR) of -0.525

- $B_2 = 1.153$

Each unit increase in the Auditor's Reputation variable (KAP), as well as another variable of constant value or 0, will lead to an increase in Tax Avoidance (CETR) of 1.153

- $B_3 = 1.933$

Any increase in one unit in the Company Size variable, as well as another variable of constant value or 0, will lead to an increase in Tax Avoidance (CETR) of 1,933

➤ *Statistical Test t*

Table 8 Statistical Test Results t

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-21.069	22.823		-.923	.358
	lag_roa	-.525	.161	-.292	-3.256	.001
	lag_kap	1.153	2.977	.038	.387	.699
	lag_size	1.933	.933	.196	2.073	.040

a. Dependent Variable: lag_cetr

Source: Data Processed SPSS Version 25.0

The interpretation of the statistical test t based on table 8 above is as follows:

- *Return on Asset (ROA) to Tax Avoidance*

The variable Return on Assets (ROA) has a significant and negative effect on Tax Avoidance (CETR). This is evidenced by the sig coefficient = $0.001 < 0.05$ as well as the beta coefficient which is negative.

- *Auditor's Reputation for Tax Avoidance*

The Auditor's Reputation Variable (KAP) has an insignificant and positive effect on Tax Avoidance (CETR). This is evidenced by the sig coefficient = $0.699 > 0.05$ as well as the beta coefficient which is positively valued.

- *Company Size against Tax Avoidance*

The Variable Company Size (Size) has a significant and positive effect on Tax Avoidance (CETR). This is evidenced by the sig coefficient = $0.040 < 0.05$ as well as the beta coefficient which is of positive value.

➤ *Statistical Test F*

Table 9 Statistical Test Results F

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2610.519	3	870.173	5.343	.002 ^b
	Residual	19380.477	119	162.861		
	Total	21990.996	122			
a. Dependent Variable: lag_cetr						
b. Predictors: (Constant), lag_size, lag_roa, lag_kap						

Source: Data Processed SPSS Version 25.0

Based on the data presented above, research findings were obtained that there is a significant and simultaneous influence of free variables on bound variables, this finding is evidenced by coefficients sig = $0.002 < 0.05$.

➤ *Coefficient of Determination (R2)*

Table 10 Coefficient of Determination Test Results

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.345 ^a	.119	.096	12.76171
a. Predictors: (Constant), lag_size, lag_roa, lag_kap				
b. Dependent Variable: lag_cetr				

Source: Data Processed SPSS Version 25.0

The value of the coefficient of determination can be seen in the table view 10 The result of regression with the OLS (Ordinary Least Square) method obtained R2 (Coefficient of Determination) of 0.119, meaning that the dependent variable (Y) in the regression model, namely Tax Avoidance (CETR) described by independent variables namely Return On Assets (ROA), Auditor Reputation (KAP), and Company Size (SIZE) was 11.9%, while the remaining 88.1% was explained by other factors outside the model.

V. CONCLUSION

The result of analysis that has been carried out and the discussions that have been carried out in the previous chapter, conclusions can be drawn regarding the Effect of Return On Assets (ROA), Reputation Auditors and Company Size towards Tax Avoidance in Consumer Goods Sector Companies Listed on the Indonesia Stock Exchange for the 2018-2021 Period as follows:

- Return on Assets (ROA) has a negative and significant effect on Tax Avoidance (CETR) on consumer goods sector companies listed on the Indonesia Stock Exchange for the 2018-2021 period.
- The auditor's reputation has a positive and insignificant effect on Tax Avoidance (CETR) on consumer goods sector companies listed on the Indonesia Stock Exchange for the 2018-2021 period.
- The size of the company has a positive and significant effect on Tax Avoidance (CETR) in consumer goods sector companies listed on the Indonesia Stock Exchange for the 2018-2021 period.

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