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The Effect of Profitability, Capital Intensity, Company Size, Institutional Ownership, and Corporate Social Responsibility on Corporate Tax Avoidance

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Abstract: *Tax-related state income plays a significant part in funding state spending. The government is working to maximize tax income, but tax avoidance practices have prevented it from reaching. The effective tax rate (ETR) was used in this study to calculate tax avoidance. This study aims to gather empirical data on the relationship between tax avoidance and variables such as profitability, capital intensity, company size, institutional ownership, and corporate social responsibility. This study was done at mining companies listed on the Indonesia Stock Exchange between 2017 and 2021. From the tax perspective, the mining industry contributes so much to the national economy that it receives comparatively little oversight, resulting in unethical behavior such as tax dodging. The discussion of tax avoidance is interesting because many mining companies still do tax avoidance, which will impact the interest of the government's development. Purposive sampling was used to determine the sample size, yielding 55 samples. Data were evaluated using multiple linear regression analysis with specific criteria, and up to 11 companies were found to fit the criteria. This study's results indicate that profitability positively affects tax avoidance, while capital intensity, company size, institutional ownership, and corporate social responsibility do not.*

Keywords: *Profitability, Capital Intensity, Company Size, Institutional Ownership, Corporate Social Responsibility (CSR), Tax Avoidance*

Introduction

Tax avoidance and tax planning are lawful methods of tax management that a company might use. Tax avoidance may include tax planning activities that reduce tax obligations as feasible by employing current rules to maximize profit after tax, which impacts the company's worth (Ichsani & Susanti, 2019). The key distinction between the two lies in the legality and ethical considerations. Tax planning is within the bounds of the law and accepted financial practices, while tax avoidance may raise concerns about its legitimacy and ethicality.

Making transactions not forbidden by tax rules, employing tax regulations that give tax deductions, choosing companies' activities with lower tax rates, and exploiting tax regulations' flaws are examples of legal tax reduction. Sarra (2017) stated that according to the government, tax income from the tax sector would decline if taxpayers pay less than they should, while according to the company, tax is one of the expense elements that reduces business earnings. The contrast in interests might obstruct tax income; thus, efforts to lower taxpayers' taxes are always made.

According to data from the Ministry of Finance of the Republic of Indonesia, the tax income realization contra to the tax revenue target has changed from 2017 to 2021. Table 1 shows the tax revenue target and actual revenue collected. According to Table 1, tax revenue was achieved at 89.25 percent in 2020. Although this result is lower than the 92.4 percent target achieved in 2018, it is still higher than last year's 84.3 percent. This aim should have been realized

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by establishing the Tax Amnesty policy, but it still needs to be, indicating that tax avoidance tactics are still in use.

The variables studied connected to tax avoidance are profitability, capital intensity, company size, institutional ownership, corporate social responsibility, and many other independent variables. Research results from several studies are consistent, and some could be more consistent. Profitability positively affects tax evasion, which is the conclusion of a study by Dewinta and Setiawan (2016). Sriyono & Andesto (2022) concludes that there is a significant negative influence between tax avoidance and profitability. Capital intensity positively affects tax avoidance, which is the conclusion of the research of Darsani & Sukartha (2021). This research is dissimilar from the analysis of Monika & Noviari (2021) who found that the capital intensity variable does not influence tax avoidance.

Table 1. Effectiveness of Indonesian Tax Collection

Year	Tax Revenue Target (Trillion Rupiah)	Tax Revenue Realization (Trillion Rupiah)	Effectiveness of Tax Collection (%)
2017	1.283,60	1.147,50	89,40
2018	1.424,00	1.315,93	92,41
2019	1.577,56	1.332,06	84,44
2020	1.198,82	1.069,98	89,25
2021	1.229,60	1.277,50	103,9

Source: www.kemenkeu.go.id (2022)

A study by Dewinta and Setiawan (2016) revealed a positive impact between tax evasion and company size. Then Tanjaya & Nazir (2021) shows a negative significant impact between tax avoidance and company size. Other researchers, such as Kalbuana, N., Solihin, S., Yohana, Y., & Yanti, D. R. (2020), reveal no effect between tax avoidance and company size. Saputra, Nadirsyah, & Hanifah (2017) study shows that institutional ownership influences tax avoidance. Meanwhile, Darsani & Sukartha's research (2021) shows that institution ownership negatively influences tax avoidance.

The study by Sandra & Anwar (2018) concluded that in mining corporations listed on the IDX from 2015 to 2017, there was a negative impact between tax avoidance and corporate social responsibility. Meanwhile, Wiguna & Jati (2017) state that tax avoidance positively influences corporate social responsibility. If a company has a high corporate social responsibility disclosure level, its use of tax avoidance strategies will increase.

This research examines factors that influence tax avoidance and intends to confirm earlier research due to many differences of opinion. Researchers will use research samples from mining corporations listed on the IDX, and the observation is from 2017-2021. From an accounting perspective, mining companies have some special characteristics that differentiate them from companies in other industries. These characteristics include long-term and intensive capital projects, which accounting for such long-term projects involves extensive capitalization and depreciation processes, and environmental and reclamation obligations, which involve recognizing the costs associated with restoring the environment after mining activities cease. Besides, the mining companies have a price volatility risk that may impact inventory valuation and financial reporting, requiring careful consideration in accounting practices.

Meanwhile, the mining companies also usually entered joint ventures to share risks and resources. The accounting for joint ventures and allocating costs among partners can be complex, including the fact that mining companies may pay royalties to governments or landowners for the right to extract minerals from their land. Due to these special characteristics, accounting for mining companies requires in-depth knowledge of the industry's specific accounting standards and principles. Professional accountants working with mining companies must consider the unique challenges posed by the sector to ensure accurate and compliant financial reporting.

From a tax perspective, the mining industry contributes so much to the national economy that it receives comparatively little oversight, resulting in unethical behavior such as

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tax dodging (katadata.co.id). In 2019, the realization growth was -20,41%; in 2020, it decreased to -43,72%. The discussion of tax avoidance is interesting because, in the modern era, many companies still do tax avoidance, which will impact the interest of the government's development.

Literature Review and Hypothesis Development

Tax avoidance is a method to reduce taxes while remaining compliant with the law (Swingly & Sukartha, 2015). In order to lower the amount of tax payable, tax avoidance frequently makes use of holes in tax regulations and the laws themselves. Companies frequently engage in tax avoidance to reduce their tax liability within the context of the relevant tax regulations. Tax avoidance is a big risk; a company may face legal repercussions if discovered to have engaged in illegal tax avoidance. Although continuing to engage in tax avoidance may put the company at significant risk in the future, this does not change the corporation's motivation. Indonesia's lax tax laws and regulations drive company tax avoidance (Amri, 2017).

The effective tax rate (ETR) can gauge corporate tax avoidance. Interested parties and decision-makers typically employ effective tax rates when creating internal company policies and coming to conclusions regarding the corporate tax system (Prasetyo, Masitoh, & Wijayanti, 2018). ETR measures how much of the actual tax payments of the company are based on its commercial earnings. Arianti (2020) stated that the lower the ETR number, the more likely a company will avoid paying taxes. This research uses the most recent ETR, which divides tax expense by income before taxes.

Much research about tax avoidance has been conducted, considering factors such as tax rates, tax incentives, deductions, corporate culture, etc. This research will examine the effect of profitability of companies which is measured by a corporation's ability to earn income over a specific time while maintaining a certain group of share capital, assets, and sales. According to Dewinta & Setiawan (2016), the ratio of profitability, known as return on assets (ROA), compares total assets with net income at the end of the period and determines a company's capacity for profit. The corporation's net income and profitability increase as ROA increases. Companies with high profitability could position themselves in tax avoidance, which can lower the tax burden, as the total income tax will grow as the profit earned increases (Harahap, 2021).

Dharma and Ardiana (2016) stated that the corporation's capital funded in fixed assets determines the capital intensity. The management of capital-intensive enterprises has more opportunities than other companies for tax planning or tax avoidance tactics. For instance, they can choose to buy or lease to acquire assets. Companies can benefit from depreciation costs used as tax deductions utilizing management investing the company's nonfunctioning funds in fixed assets. Rodriguez & Arias (2012) commented that the business's fixed assets authorize companies to diminish their taxes due to yearly depreciation from fixed assets. Companies that emphasize investment in fixed assets will have a low effective tax rate.

According to Saifudin & Yunanda (2016), the value of equity, sales, the number of employees, the overall asset value, and other factors help establish a company's size. Dewinta and Setiawan (2016) explain that the company size is considered a factor that may lead to tax avoidance because the company is a taxpayer and so has the potential to affect how it meets its tax obligations. Companies on a larger scale typically have more resources than those with a lesser scale to manage taxes. It is necessary to have human resources with tax expertise in order to maximize the company's tax management efforts and lower its tax burden. Small businesses needed more taxation professional to manage their tax burden effectively. Therefore, the amount of tax avoidance the corporation engages in increases proportionately to the company size variable.

The study of Rodriguez & Arias (2012) determines the company size using total assets since large total asset enterprises typically have positive cash flows and are thought to perform well and have promising futures. Additionally, businesses with more significant total assets are better able to turn a profit than those with less total assets. As a result, total assets are the foundation for calculating a company's size. This research will determine the company size using the natural logarithm proxy of fixed assets.

Another factor that is interesting to study in Tax avoidance research is Institutional Ownership. Institutional ownership in a corporation will promote increased, more effective management performance oversight.

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Institutional parties that hold a more significant percentage of the stock than regular shareholders can exert more powerful control over management practices, ensuring that management stays away from harmful actions. The more institutional ownership a company has, the more power external parties have over the company.

Corporate Social Responsibility implementation and disclosure can be utilized to avoid paying taxes. The fees and expenses incurred by the business to fulfill its CSR obligations can be used as an expense to lower the organization's gross income and hence lower its taxable income (Dewi and Noviari, 2017). However, when examined from the legitimacy perspective, businesses with high CSR ratings tend to refrain from tax dodging. Organizations that have provided various CSR-related information to gain a good reputation are working to keep it. One of his initiatives is to lessen or refrain from tax avoidance, which might damage a good reputation through CSR operations.

Profitability and Tax Avoidance

Profitability, also known as Return on Assets, is a business performance metric that explains the financial success in generating profits from assets (ROA). A greater ROA will indicate that the corporation's profit is increasing, and vice versa; a low ROA will indicate that the business' profit is also decreasing. The existence of agency theory will encourage agents to improve business profitability. The corporation's taxes must also increase because the company's earnings increase with a greater ROA. According to agency theory, agents would work to minimize their tax burden to evade having their performance compensation decreased due to reduced company income by the tax burden, which motivates the company to engage in tax evasion (Arianandini & Ramantha, 2018). According to conducted research (Wardani, 2019), the profitability variable positively influences tax avoidance. In contrast, a study indicates that profitability negatively impacts tax avoidance (Arianandini & Ramantha, 2018). The hypothesis can be formulated as follows

H1 = Profitability has a positive influence on tax avoidance.

Capital Intensity and Tax Avoidance

According to studies by Kurnia, Pratomo, & Raharja (2021) and Darsani & Sukartha (2021), capital intensity significantly positively affects tax avoidance. While research by Akbar & Thamrin (2020) produced opposing conclusions, claiming that capital intensity does not impact tax avoidance. The high value of assets and income will result in a high tax burden for the corporation. In order to maximize profit, the firm that acts as an agent will lower the corporation's tax burden. Therefore, the higher the capital intensity, the opportunity that the corporation will engage in tax avoidance. Companies can use the depreciation of fixed assets to reduce their tax liability. If the tax liability is descending, the depreciation expense on fixed assets is high. So that the researcher puts out the following hypothesis:

H2: Capital intensity has a positive influence on tax avoidance

Company Size and Tax Avoidance.

Dewi and Noviari (2017) stated that major companies that do companies operating across countries have a stronger tendency to do tax avoidance than companies that operate across local lines because they can transmit revenues to corporations situated in another country, where the country charges lower tax rates when compared to another nation. Major companies also engage in complex transactions, creating tax evasion opportunities. A significant company's size will draw the government's attention through the proper tax. Thus, the authors conclude that company size positively influences tax avoidance. On this basis, the following formulation is possible:

H3: Company Size has a positive influence on tax avoidance

Institutional Ownership and Tax Avoidance

According to Hanum and Zulaikha (2013) in Fiandri & Muid (2017), since institutional shareholders primarily monitor how closely management abides by the rules in creating profits, they will act as external supervisors who oversee the company's management to ensure that it does so by the applicable regulations. Institutional shareholders cooperate with

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existing legislation because they know that if an issue arises, their reputation could be tarnished (Irawan, Sularso, & Farida, 2020). Because institutional shareholders are particularly worried about the long-term repercussions of aggressive tax activities, the more institutional ownership the company has, the more aggressive tax policy action can be restrained (Zemzem & Ftouhi, 2013 in Pattiasina et al., 2019). This is supported by the study of Charisma & Dwimulyani (2019), which claims that institutional ownership negatively impacts tax avoidance. Theoretically and based on earlier studies, management's efforts to elude paying taxes are less as institutional ownership increases.

H4: Institutional Ownership has a negative influence on tax avoidance.

Corporate Social Responsibility and Tax Avoidance

The findings of a study by Hidayati and Fidiana (2017) further demonstrate that corporate social responsibility positively impacts tax evasion. Both taxes and corporate social responsibility have the general well-being in mind. According to this, businesses will be encouraged to be more transparent in declaring their CSR efforts since there are more CSR initiatives. Companies participating in CSR initiatives are likelier to take lower tax avoidance measures. So that the researcher puts out the next hypothesis:

H5: Corporate Social Responsibility has a positive influence on tax avoidance.

Methods

Sample and Population

The population consists of all the mining corporations on Indonesia Stock Exchange from 2017-2021, which can be retrieved on the ISE's official website (www.idx.co.id) and www.sahamgain.com. In this study, 47 companies serve as the population. The sample, intended to reflect the population, is a portion of the entire population under research. According to research by Gay, LR, and Diehl, PL (1992), the sample size must be as large as possible. Since the study is descriptive, and the representative sample must represent a minimum of 10% of the whole population. The researchers chose 23.5% of the population or 55 samples. This analysis implemented a non-probability sampling method using a method of purposive sampling. Researchers used the following criteria to choose the companies in the sample:

1) Mining corporations listed on the Indonesia Stock Exchange (IDX)
2) Mining companies consistently release annual and audited financial reports from 2017 to 2021.
3) Mining companies publish financial reports using US Dollars (USD) from 2017 to 2021
4) Mining companies that did not incur losses from 2017 to 2021.

The research object is mining corporations on the Indonesia Stock Exchange from 2017 to 2021, totaling 47 companies. The sample was selected using purposive sampling. The details of the sample selection process is illustrated in Table 2.

Table 2. Sample Determination Results

No.	Criteria	Total of Companies
1	Mining corporations listed on the IDX from 2017 to 2021	47
2	Mining companies that did not publish complete financial statements and annual reports from 2017-2021	0
3	Mining companies that incurred losses and did not publish their audited financial reports in Dollar America from 2017 to 2021	(36)
	Number of companies selected	11
	Observation year	5
	Number of observations 2017-2021	55

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Variables and Measurement

The ETR is one of several tools for measuring tax evasion (dependent variable). The company's current-year corporate income tax payment is used to establish the ETR. The current tax cost on earnings before tax is used to calculate ETR. Current tax expenses may reflect a company's tax burden deferral strategy. As a result, the ETR can accurately reflect the discrepancy between how commercial profit is calculated and adjusted taxable profit is calculated (Sonia & Suparmun, 2019). Tax Avoidance is likely committed if a company pays less than 20%. The level of corporate tax evasion decreases when the ETR rate rises by nearly 25 percent of the corporate tax rate. The formula to compute ETR = (Tax expense / income before tax)

This study uses the ROA to gauge a company's profitability (independent variable). Because it can demonstrate the company's success in making a profit from the assets used in the financial statements, this ratio is frequently highlighted in the analysis of financial statements. Therefore, profitability gauges how profitable a company is to its overall assets. Prabowo (2020) stated that the tax burden increases with profitability. The following formula is used to determine profitability (ROA) = (Net income / total assets)

Capital intensity and the corporation's investment in fixed assets are related. The expense of depreciating fixed assets increases as the company's assets increase. In other words, the tax amount that must be paid decreases as the rate at which fixed assets depreciate each year increases. The percentage of fixed assets to its total assets, as defined by Muzakki and Darsono (2015), is known as the capital intensity (CI) ratio. It is determined using the formula: CI = total fixed assets/ total assets.

Log Natural Total Assets (LnTA) is used in this study to approximate the company size. LnTA can simplify the number of assets with values in the hundreds of billions or even trillions while maintaining the proportion of the total number of assets. Total assets are used by Rodriguez & Arias (2012) to determine the company size since large total asset enterprises typically havepositive cash flows and are thought to perform well and have promising futures. According to Rodriguez & Arias (2012), the following formula can be used to determine a company's size: Ln x Total Assets.

Institutional ownership will encourage more efficient and heightened oversight, which will play a vital role in monitoring management. The formula below may determine institutional ownership by dividing the institution shares by the total outstanding shares (Institutional ownership = (Proportion of Shares Owned by Institutions/number of shares issued)

This analysis examines corporate social responsibility utilizing CSR disclosure ratios. On www.globalreporting.org, the CSR disclosure parameters from the Global Reporting Initiative are used in this study. The GRI-developed indicators have a broad scope and are widely used to evaluate a corporation's sustainable performance. The company expects to receive 91 goods in total. This measurement is carried out by comparing the items on the checklist with those declared in the corporation's annual report. The value on the checklist is 1 if item Iis disclosed; 0 if item I is not disclosed. The following equation can be used to determine CSRI = (∑Xi / n)

Multiple linear regression is utilized in this research to examine the strength of the link and the influence of more than two independent variables on the dependent variable. This analysis examines how the independent variables, such as profitability, capital intensity, company size, institutional ownership, and corporate social responsibility, affect the dependent variable, namely, tax evasion, either partially or concurrently. Here is the regression equation:

$$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \varepsilon$$

Y : Tax Avoidance that is measured by the ETR proxy.
α : Constant
$X1$: Profitability
$X2$: Capital Intensity
$X3$: Company Size
$X4$: Institutional Ownership
$X5$: Corporate Social Responsibility
$\beta 1 - \beta 5$: Regression Coefficient
ε : Error

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Result

Multiple Linear Regression Analysis

The outcomes of the tests using multiple regression analysis are displayed in Table 3. As observed from Table 7 above, the equation of multiple regression developed for this investigation is as follows: Y = 0,249 - 0,203 - 0,044 - 0,001 - 0,072 - 0,086 + ε

Table 3. Multiple Linear Regression Analysis Result

	Unstandardized Coefficients		Unstandardized Coefficients	t	Sig.
Model	Beta	Std. Error	Beta		
(Constant)	0,249	0,125		1,987	0,053
Profitability	-0,203	0,086	-0,334	-2,342	0,023
Capital Intensity	-0,044	0,124	-0,061	-0,357	0,722
Company Size	-0,001	0,007	-0,019	-0,096	0,924
Institutional Ownership	-0,072	0,066	-0,179	-1,083	0,284
Corporate Social Responsibility	-0,086	0,151	-0,109	-0,569	0,572

Dependent Variable: Tax Avoidance

Based results presented in Table 3, it implies that if profitability, capital intensity, company size, institutional ownership, and corporate social responsibility all equal zero, the constant value of 0,249 (24,9%) is the average tax avoidance (ETR) in mining businesses on the IDX. This indicates that tax avoidance is uncommon among mining companies on the IDX when profitability, capital intensity, firm size, institutional ownership, and corporate social responsibility are equal to zero. The variable regression coefficient of profitability (ROA) is -0,203, explaining that other variables are constant if the profitability (ROA) value has increased by 1%. The dependent variable, tax avoidance, proxied by the ETR, will increase by 0,203 or 20,3%.

Information presented in Table 3 shows that the variable regression coefficient of capital intensity (CI) is -0,044, explaining that other variables are constant if the value of capital intensity (CI) increases by 1%. The dependent variable, tax avoidance, proxied by the ETR, will increase by 0,044 or 4,4%. The variable regression coefficient company size (CS) is -0,001, explaining that other variables are constant if the company size (CS) value has increased by 1%. The dependent variable, tax avoidance, proxied by the ETR, will increase by 0,001 or 0,1%.

The variable regression coefficient of institutional ownership (IO) is -0,072, explaining that other variables are constant if the institutional ownership (IO) value has increased by 1%. The dependent variable, tax avoidance, proxied by the ETR, will increase by 0, 072 or 7,2%. The variable regression coefficient of corporate social responsibility (CSRDi) is -0,086, explaining that other variables are constant if the value of corporate social responsibility (CSRDi) increases by 1%. The dependent variable, tax avoidance, proxied by the ETR, will increase by 0,086 or 8,6%.

The Coefficient of Determination Test (R^2)

According to Table 4, the adjusted R^2 value is -0,020, which means the independent variables – profitability, capital intensity, firm size, institutional ownership, and corporate social responsibility – can explain variation in the dependent variable; tax avoidance – where tax avoidance is represented by the ETR, which is 2%. Other variables outside the regression model explain the remaining 98%.

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Table 4. Coefficient of Determination (**R²**) Result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,336[a]	0,113	0,020	0,07165

a. Predictors: (Constant), Corporate Social Responsibility, Profitability, InstitutionalOwnership, Capital Intensity, Company Size

b. Dependent Variable: Tax Avoidance

Discussion

Profitability Test Results (H1)

According to analytical findings in Table 10, the negative profitability variable has a coefficient value of 0,203 and a significance level of 0,023, which is lower than the study's actual 0,05 (5%). This value demonstrates that from 2017 to 2021, the ROA ratio of mining businesses listed on the IDX has a negative effect on tax avoidance. The ETR value decreases as profitability rises. The company's lower ETR value indicates that the company's tax avoidance measures are increasing. As a result, the greater the company's profitability, the greater the tax avoidance action performed by the company. Thus, this study's first hypothesis (H1), which states that profitability positively influences tax avoidance, is accepted. These findings concur with those of Pitaloka & Merkusiawati (2019) and Dewi & Noviari (2017), all assert that profitability influences tax avoidance. The conclusions are also consistent with the agency theory, which contends that the government's interests (principal) and those of the company (the agent) differ. The manager or company wants to make the most profit possible; thus, it will attempt to reduce the tax burden. The government wants to increase its tax revenue. The company's profit increases with its profitability level, increasing the tax levied on its profits.

Capital Intensity Test Results (H2)

According to the analysis findings of 3, the negative capital intensity ratio has a significance level of 0,722 and a coefficient value of 0,044, higher than the study's actual 0,05 (5%). This finding demonstrates that from 2017 to 2021, the capital intensity ratio of mining corporations on the IDX does not influence ETR, showing any impact on tax avoidance. Thus, this study's second hypothesis (H2), which states that capital intensity positively influences tax avoidance, is rejected. These findings are consistent with Wiguna & Jati (2017), according to which capital intensity does not influence tax avoidance. This conclusion indicates that the company's efforts to avoid paying taxes are unaffected by having a significant quantity of fixed assets. Companies with substantial fixed assets employ these fixed assets for the company's advantage, namely supporting the company's operational operations, which reduces the effect of the number of fixed assets possessed by the company.

Company Size Test Results (H3)

According to analytical findings in Table 3, the negative company size has a significance level of 0,924 and a coefficient value of 0,001, higher than the study's actual 0,05 (5%). This value demonstrates that from 2017 to 2021, the company size ratio of mining companies on the IDX does not influence tax avoidance. Thus, this research's third hypothesis (H3), which states that company size positively influences tax avoidance, is rejected. These findings are consistent with Nathania et al. (2021), according to which company size variable does not influence tax avoidance. The size of a huge corporation is not a criterion for a corporation to engage in tax evasion. This ensures that tax avoidance is not dependent on a company's size. As long as there remain tax law gaps, there will be opportunities for tax avoidance for both big and small businesses.

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Institutional Ownership Test Results (H4)

According to analytical findings in Table 3, the negative institutional ownership has a significance level of 0,284 and a coefficient value of 0,072, higher than the study's actual 0,05 (5%). This finding demonstrates that from 2017 to 2021, the institutional ownership ratio of mining companies on the IDX does not affect ETR, showing that it does not influence tax avoidance. Thus, this study's second hypothesis (H2), which states that institutional ownership negatively influences tax avoidance, is rejected. Subagiastra et al. (2016) found that institutional ownership positively influences tax avoidance, which is at odds with the findings of this study. This indicates that institutional ownership is crucial to overseeing corporate management. Institutional ownership will result in increased, ideal oversight, guaranteeing shareholder prosperity. High institutional ownership companies will be more aggressive in reducing tax reporting.

Corporate Social Responsibility Test Results (H5)

According to analytical findings in Table 3, the negative corporate social responsibility has a significance level of 0,572 and a coefficient value of 0,086, higher than the study's actual 0,05 (5%). This value demonstrates that from 2017 to 2021, the corporate social responsibility of mining corporations on the IDX does not influence tax avoidance. Thus, this research's third hypothesis (H3), which states that corporate social responsibility positively influences tax avoidance, is rejected. Businesses with low corporate social responsibility (CSR) scores are viewed as socially irresponsible, allowing them to use more aggressive tax planning techniques than socially conscious businesses. Businesses with irresponsible CSR efforts are more active tax avoiders. As a form of accountability to stakeholders, CSR activities include not only consideration of the financial but also of the social, environmental, and other effects of the company's actions. The public perceives tax avoidance as unethical and irresponsible; hence, it is incompatible with CSR.

Conclusion

According to the findings of the multiple regression analysis methods used in statistical testing, the study titled "The Effect of Profitability, Capital Intensity, Company Size, Institutional Ownership, and Corporate Social Responsibility on Corporate Tax Avoidance" can be concluded that profitability has a positive influence on tax avoidance in mining companies on the IDX in the 2017-2021 period. It means the extent of a company's tax avoidance strategies increases with its profitability. The capital intensity variable had no influence on tax avoidance in mining companies on the IDX in the 2017-2021 period, which means the value of the company's total fixed assets will not affect the company's tax avoidance. The analysis found that the company size variable had no influence on tax avoidance in mining companies on the IDX in the 2017-2021 period, which means that the size of the company will not affect tax avoidance. Institutional ownership did not influence tax avoidance in mining companies on the IDX in 2017-2021. Meanwhile, corporate social responsibility also has no influence on tax avoidance in mining companies on the IDX in 2017-2021. It means that mining companies' institutional ownership and corporate social responsibility didn't affect tax avoidance efforts in mining companies.

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