



Impact of the Pandemic on Tax Aggressiveness: Analysis of CSR, Audit Quality, and Capital Intensity in IDX Mining Companies

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Abstract

This study aims to determine the impact of Corporate Social Responsibility (CSR), Audit Quality, and Capital Intensity on tax aggressiveness during the pandemic. Utilizing secondary data from annual financial reports of mining companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2021, this quantitative research employs purposive sampling to select a sample of 20 companies. The analytical method used is multiple regression analysis, with data processing performed using SPSS 22 for Windows and Microsoft Excel. The results of this study indicate that Corporate Social Responsibility has a significantly positive effect on tax aggressiveness, suggesting that companies with higher CSR activities tend to exhibit more aggressive tax behaviors. Conversely, Audit Quality shows a significant negative effect on tax aggressiveness, indicating that higher audit quality is associated with lower levels of tax aggressiveness. Additionally, Capital Intensity is found to have a significantly negative effect on tax aggressiveness, implying that companies with higher capital investments tend to engage in less aggressive tax strategies. These findings highlight the complex interplay between CSR, audit quality, capital intensity, and tax aggressiveness, particularly in the context of the mining sector during the pandemic. The study contributes to the existing literature by providing empirical evidence on how these factors influence tax aggressiveness and offers insights for policymakers and practitioners aiming to enhance corporate governance and tax compliance.

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INTRODUCTION

Taxes are one of the largest sources of revenue in Indonesia. The degree of compliance of the taxpayer in paying taxes depends on the awareness of his taxpayer. However, there is currently a lot of massive tax avoidance due to the decline in the country's economy which makes taxpayers minimize their taxes during the Covid-19 pandemic, so various strategies to reduce tax spending have been carried out so that they are considered aggressive (Deslandes et al., 2020).

Figure 1. Realization of Indonesian Tax Revenue



Source: Data from the Central Bureau of Statistics.

From the 2020 State Budget realization data, the realization of tax revenue was recorded at Rp. 1,072.1 trillion or 19.6% compared to the realization in 2019. This realization is 89.4% of the state budget target or there is a shortfall of around Rp. 126.7 trillion. The shortfall contributed to the expansion of budget loan realization of Rp 945.8 trillion or an increase in the budget deficit to 6.1% of gross domestic product (GDP). Another factor that costs money is the handling of the Covid-19 pandemic and economic recovery. Last year, in the same period, tax revenue was recorded at Rp 531.8 trillion or contracted by minus 12%. This is because the Covid-19 pandemic first appeared at the end of the first quarter of 2020 and suppressed the deepest economy in the second quarter of 2020.

Meanwhile, the mining sector is still contracting. However, the contraction has been better in 2021, which is minus 8.1% compared to 2020, minus to 36.4%. When viewed from the tax balance, the realization of Income Tax (PPh) in 2020 reached Rp594 trillion, a decrease of 23.1% compared to the realization in 2019. Only 88.6% of the 2020 target was achieved. This condition is caused by the reduction of corporate income tax due to the rise of companies that do not pay their taxes due to the huge tax burden.

Based on this background, researchers will conduct research on mining companies listed on the Indonesia Stock Exchange (IDX) in the 2018-2021 period, so the purpose of this study is to determine the influence of *Corporate Social Responsibility*, *Audit Quality* and *Capital Intensity* on tax aggressiveness during the pandemic.

LITERATURE REVIEW

Agency theory is the basis of management and enterprise management. Agency theory is the relationship between agencies and one or more people by involving agents in service delivery and then delegating decision-making authority to agents (Jensen & Meckling, 1976).

In reality, managers implement tax plans to reduce tax payments that do not violate tax laws or legally evade taxes. This tax plan is a follow-up to the agency's theory that managers are legally allowed to avoid taxes and ensure that they do not pay too much during the tax period (Putra & Indrawati, 2018).

Tax aggressiveness is an action that reduces the tax burden, this is closely related to tax avoidance (Col & Patel, 2019). Tax aggressiveness can be measured using the ETR (*Effective Tax Rate*) formula. The Tax Aggressiveness Formula is as follows: (Christiawan & Putri, 2014)

$$ETR = \frac{\text{Beban Pajak}}{\text{Laba Sebelum Pajak}} \quad (I)$$

Corporate Social Responsibility is an action that seems to prioritize social interests outside the interests of the company and which is required by law (McWilliams & Siegel, 2001). The formula for calculating *Corporate Social Responsibility* is as follows: (Haniffa & Cooke, 2005)

$$CCSRI_j = \frac{\sum X_{ij}}{ni} \quad (II)$$

In agency theory, *Corporate Social Responsibility* is a corporate strategy to solve agency problems. According to agency theory, *Corporate Social Responsibility* can reduce information asymmetry to reduce agency costs (Trisanti & Marliani, 2019). Therefore, it can be decided **H1: Corporate Social Responsibility Negatively Affects Tax Aggressiveness.**

Audit quality is the ability of an auditor to detect and report accounting system fraud on his client's accounting system (DeAngelo & Masulis, 1980). Measurement using a certified accounting firm's measurement proxy. That is, it is considered worth 1 for companies that use Big Four KAP and 0 for companies that do not use Big Four KAP (Wiranti, 2018). The relationship between agency theory and audit quality is very close, because agency theory can help auditors as third parties understand conflicts of interest and solve the problem of information asymmetry between principals (shareholders) and agents (management). The agency relationship that exists between the owner (shareholder) and the company's directors requires that the auditor service that provides an opinion on financial statements must be an impartial and impartial view of the company's other financial activities for the benefit of users (Enofe et al., 2013). Therefore, it can be decided

H2: Audit Quality Positively Affects Tax Aggressiveness.

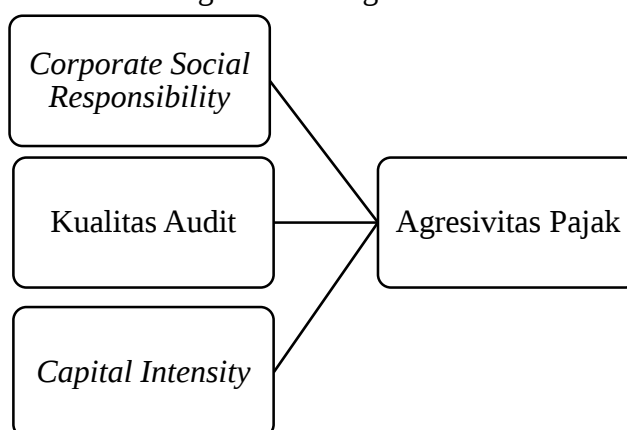
Capital Intensity is capital as the amount of investment activity of the company's fixed assets (Nugraha & Mulyani, 2019). *Capital Intensity* can be measured by the following formula: (Adnyani & Astika, 2019)

$$CINT = \frac{\text{Total Aset Tetap Bersih}}{\text{Total Aset}} \quad (III)$$

The relationship of *Capital Intensity* with agency theory because in agency theory emphasizes more on the size of the company's tax burden, idle funds of managers in companies that are invested as fixed assets with the aim of earning profits as depreciation. Expenses can be used to reduce taxes so that taxable profits become lower (Rosdiana, 2018). Therefore, it can be decided

H3: Capital Intensity Negatively Affects Tax Aggressiveness.

Figure 2. Thought Framework



Source: Data processed, 2022

METHOD

This type of research is quantitative research. Quantitative research is research used to strengthen the relationship between research variables based on the hypothesis tested (Hermawan & Amirullah, 2016). The data used is secondary data collected from mining companies listed on the Indonesia Stock Exchange during the 2018-2021 period. The total population until the beginning of 2021 was 74 mining companies listed on the Indonesia Stock Exchange, so it was taken for this research sample. Samples of mining companies will be selected using purposive sampling techniques. Purposive sampling is a sample technique that is selected based on the purpose and intent of research by setting special characteristics in order to answer research problems (Hermawan & Amirullah, 2016).

In this study, a multiple linear regression approach method was carried out. Regression analysis is a statistical technique used to explain the influence of independent variables on dependent variables and can be used to determine whether a hypothesis can be accepted or rejected (Marcus, 2012).

RESULTS AND DISCUSSION

1. Descriptive Statistical Analysis Test

Table 1.1 Descriptive Statistical Test
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CSR	80	,468	,772	,64232	,087131
KUALITAS_AUDIT	80	0	1	,50	,503
CAPITAL_INTENSITY	80	,025	,583	,25200	,129842
ETR	80	,008	,972	,24379	,193616
Valid N (listwise)	80				

Source: Processed SPSS output data, 2022

The *mean* value for 2018-2021 is 0.64232 and the standard deviation is 0.087131. The minimum value of 0.468 is owned by Trans Power Marine Tbk in 2018 which means the

company does not disclose all Corporate Social Responsibility reports. The maximum value of 0.772 is owned by Petrosea Tbk in 2021, which means that the company discloses Corporate Social Responsibility quite completely.

The *mean* value for 2018-2021 is 0.50 and the standard deviation is 0.503. A minimum value of 0 means that the company does not use Big Four Public Accountants for its audit process such as Transcoal Pacific Tbk, Astrindo Nusantara Infrastruktur, Darma Henwa Tbk, Elnusa Tbk, Golden Energy Mines Tbk, Radiant Utama Interinsco Tbk, Sillo Maritime Perdana Tbk, Trans Power Marine Tbk, Baramulti Suksessarana Tbk, and Resource Alam Indonesia Tbk. While a maximum value of 1 means that the company uses Big Four Public Accountants for its company audit process.

The *mean* value for 2018-2021 is 0.25200 and the standard deviation is 0.129842. The minimum value of 0.025 is owned by Petrosea Tbk in 2019. The maximum value is 0.583 owned by Transcoal Pacific Tbk in 2019.

The *mean* value for 2018-2021 is 0.24379 and the standard deviation is 0.193616. The minimum value of 0.008 is owned by Transcoal Pacific Tbk in 2018. Which means it has a high probability of aggressively exercising tax aggressiveness. Meanwhile, the maximum value of 0.972 is owned by Resource Alam Indonesia Tbk in 2018

2. Normality Test

Table 1.1 Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		80
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	,18006683
Most Extreme Differences	Absolute	,132
	Positive	,132
	Negative	-,061
Test Statistics		,132
Asymp. Sig. (2-tailed)		.001c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Processed SPSS output data, 2022

The results of the kolmogorov-smirnov test show Asymp values. Sig. (2-tailed) of 0.001 < 0.05. Then it can be concluded that the data is not normally distributed. In addition to Asymp. Sig (2-tailed), normality test can be performed with Monte Carlo Sig. (2-tailed). Data that is too large is not accurate when using Asymp. Sig. (2-tailed) and the value to be calculated will be biased and do not meet the assumptions required for asymptotics (Mehta & Patel, 2010).

Table 1.2 Monte Carlo Normality Test

One-Sample Kolmogorov-Smirnov Test			Unstandardized Residual
N			80
Normal Parameters ^{a,b}	Mean		,0000000
	Std. Deviation		,18006683
Most Extreme Differences	Absolute		,132
	Positive		,132
	Negative		-,061
Test Statistics			,132
Asymp. Sig. (2-tailed)			.001c
Monte Carlo Sig. (2-tailed)	Sig.		.110s
	99% Confidence Interval	Lower Bound	,101
		Upper Bound	,118

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. Based on 10000 sampled tables with starting seed 2000000.

Source: Processed SPSS output data, 2022

Test normality with Monte Carlo Sig. (2-tailed), $0.125 > 0.05$ thus, the data are normally distributed.

3. Multicollinearity Test

Table 1.3 Multicollinearity Test Results

Coefficients ^a					
Type	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
	B	Std. Error	Beta	Tolerance	VIF
1 (Constant)	-,043	,088			
CSR	,769	,148	,705	,314	3,189
KUALITAS_AUDIT	-,203	,026	-1,073	,308	3,243
CAPITAL_INTENSITY	-,420	,060	-,574	,873	1,145

a. Dependent Variable: AGRESIVITAS_PAJAK

Source: Processed SPSS output data, 2022

The multicollinearity test shows the tolerance value of each variable > 0.1 and the VIF value < 10 . So that the data in this study did not indicate multicollinearity in each variable.

4. Autocorrelation Test

Table 1.4 Autocorrelation Test Results

Model Summary ^b					
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.749a	,560	,543	,06426	1,921

a. Predictors: (Constant), CAPITAL_INTENSITY, CSR, KUALITAS_AUDIT

b. Dependent Variable: AGRESIVITAS_PAJAK

Source: Processed SPSS output data, 2022

Based on table 1.5 above shows a Durbin-Watson value of 1.921. The values of dl and du respectively in the significance level $\alpha = 5\%$ are dL 1.5600 and dU 1.7153. The result of the value of $du < d < 4-du$ means $1.7153 < 1.921 < 2.2847$ which means $4-du$ is greater than d is greater than du. So it can be concluded that the data in this study has no problems or no autocorrelation occurs.

5. Heteroscedasticity Test

Table 1.5 Glejser Test Results

Coefficients ^a					
Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-,049	,133		-,366	,715
CSR	,301	,223	,268	1,349	,181
KUALITAS_AUDIT	-,068	,039	-,351	-1,756	,083
CAPITAL_INTENSITY	,089	,090	,118	,992	,324

a. Dependent Variable: ABSRESID

Source: Processed SPSS output data, 2022

Based on table 1.6 above, the three variables have a significance of more than 0.05 which means that there are no symptoms of heteroscedasticity.

6. Coefficient of Determination Test

Table 1.6 Coefficient of Determination Test Results

Model Summary ^b					
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.749a	.560	.543	,06426	1,921

a. Predictors: (Constant), CAPITAL_INTENSITY, CSR, KUALITAS_AUDIT

b. Dependent Variable: AGRESIVITAS_PAJAK

Source: Processed SPSS output data, 2022

Based on table 4.7 above, it is known that the Coefficient of Determination is 0.560 or 56% which shows that the three variables contribute to tax aggressiveness. The remaining $100\% - 56\% = 44\%$ is influenced by other variables.

7. Simultaneous Test (Test F)

Table 1.7 Simultaneous Test Results

ANOVA ^a						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	,400	3	,133	32,292	,000b
	Residuals	,314	76	,004		
	Total	,714	79			

a. Dependent Variable: AGRESIVITAS_PAJAK

b. Predictors: (Constant), CAPITAL_INTENSITY, CSR, KUALITAS_AUDIT

Source: Processed SPSS output data, 2022

The results of the statistical test F of $0.000 < 0.05$ and F count of $32.292 > F$ table 2.72 can be concluded that the variables Corporate Social Responsibility, Audit Quality, and Capital Intensity on Tax Aggressiveness are worth testing.

8. T Test

Table 1.8 T Test Results

Type	Coefficients ^a		Standardized Coefficients Beta	t	Sig.
	Unstandardized Coefficients B	Std. Error			
1 (Constant)	-,043	,088		-,485	,629
CSR	,769	,148	,705	5,188	,000
KUALITAS_AUDIT	-,203	,026	-1,073	-7,833	,000
CAPITAL_INTENSITY	-,420	,060	-,574	-7,050	,000

a. Dependent Variable: AGRESIVITAS_PAJAK

Source: Processed SPSS output data, 2022

The variable Corporate Social Responsibility has a significance value of $0.025 < 0.05$, so it can be concluded that Corporate Social Responsibility has a positive effect on Tax Aggressiveness because the value of t value is positive, so that H1 is accepted in different directions.

The Audit Quality variable has a significance value of $0.000 < 0.05$, so it can be concluded that Audit Quality has a negative effect on Tax Aggressiveness because the t value is negative, so H2 is accepted in a different direction.

The Capital Intensity variable has a significance value of $0.000 < 0.05$, it can be concluded that Capital Intensity negatively affects Tax Aggressiveness because the t value is negative, so H3 is accepted that Capital Intensity has a significant negative effect on Tax Aggressiveness

9. Multiple Linear Regression Analysis Test

Table 1 9 Multiple Linear Regression Analysis Test Results

Type	Coefficients ^a		Standardized Coefficients Beta	t	Sig.
	Unstandardized Coefficients B	Std. Error			
1 (Constant)	-,043	,088		-,485	,629
CSR	,769	,148	,705	5,188	,000
KUALITAS_AUDIT	-,203	,026	-1,073	-7,833	,000
CAPITAL_INTENSITY	-,420	,060	-,574	-7,050	,000

a. Dependent Variable: AGRESIVITAS_PAJAK

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e \dots\dots\dots$$

$$ETR = -0.43 + 0.769 \text{ CSR} - 0.203 \text{ AUDIT QUALITY} - 0.420 \text{ CAPITAL INTENSITY} + e$$

The regression equation above can be explained as follows:

The constant value is positive for -0.43. This shows that *if Corporate Social Responsibility (X1), Audit Quality (X2), and Capital Intensity (X3) are equal to 0, then Tax Aggressiveness (Y) is -0.43*. A constant value of a negative sign indicates a negative influence on the independent variable.

The value of the Regression Coefficient of *Corporate Social Responsibility* (X1) is positive at 0.769, this shows that the *Corporate Social Responsibility* variable has a positive relationship with the Tax Aggressiveness variable. This means that every 1% increase in the *Corporate Social Responsibility* variable will lead to an increase in the Tax Aggressiveness variable by 0.769 (76.9%). *Corporate Social Responsibility* has a significant positive effect on Tax Aggressiveness in mining companies for the 2018-2021 period. The more *Corporate Social Responsibility* disclosures in the company, the more tax aggressiveness actions carried out by the company. This happened because during the COVID-19 pandemic, companies that reported *Corporate Social Responsibility* in their annual reports were still doing tax aggressiveness. (F. Wiguna & Hapsari, 2015). The results of this study are supported by research by Mohanadas et al. (2020) which states that *Corporate Social Responsibility* has a significant positive effect on Tax Aggressiveness.

The value of the Audit Quality regression coefficient (X2) is negative at -0.203, this shows that the Audit Quality variable has a negative relationship with the Tax Aggressiveness variable. This means that every 1% increase in the Audit Quality variable will cause a decrease in the Tax Aggressiveness variable by -0.203 (20.3%). Audit Quality has a significant negative effect on Tax Aggressiveness in mining companies for the 2018-2021 period. That is, the higher the quality of audits in the company, the more aggressiveness the company will decrease. There are several companies that do not use the Big Four Public Accounting to carry out massive tax aggressiveness during the COVID-19 pandemic. This happens because Big Four level auditors provide implicit and explicit information to companies to reduce their effective tax rates (Janssen et al., 2005). This is in line with agency theory, shareholders have confidence in high-quality audit results as oversight of company accounts increases. The use of auditor services from the Big Four Public Accountants will make companies less aggressive in taxes. The independence of auditors will increase the profits and welfare of KAP and allow KAP to be influenced by the company by increasing the amount of fees audited so that KAP is willing to fulfill the company's desire to reduce its tax burden (Putranti & Setiawanta, 2015). The results of this study are supported by Sumardeni & Asana (2021) research which states that Audit Quality negatively affects Tax Aggressiveness.

The Capital Intensity (X3) regression coefficient is negative at -0.420, this shows that the Capital Intensity variable has a negative relationship with the Tax Aggressiveness variable. This means that every 1% increase in the *Capital Intensity* variable will cause a decrease in the Tax Aggressiveness variable by - 0.420 (42.8%). *Capital Intensity* has a significant negative effect on Tax Aggressiveness in mining companies for the 2018-2021 period. That is, companies with high *capital intensity* can reduce the level of tax aggressiveness. *Capital Intensity* shown by mining sector companies in 2018-2021 has a greater proportion of current assets than fixed assets as indicated by an increase in current assets from the previous year due to the COVID-19 pandemic. The results of this study are supported by research by Dewi & Yasa (2020) which states that *Capital Intensity* negatively affects Tax Aggressiveness.

Analysis and Discussion

Based on the results of statistical tests conducted, the Constant Value (α) is -0.43, which shows that when Corporate Social Responsibility (CSR) (X1), Audit Quality (X2), and Capital Intensity (X3) are zero, Tax Aggressiveness (Y) is -0.43. A negative constant value indicates that under conditions without the influence of the independent variable, Tax Aggressiveness will be negative.

Effects of CSR on Tax Aggressiveness:

The hypothesis that CSR has a positive effect on Tax Aggressiveness has proven significant. Increased CSR disclosure in mining companies during the study period increased tax aggressiveness. This can happen because companies are trying to improve their image through CSR while still carrying out tax aggressiveness strategies, especially during the COVID-19 pandemic.

The regression coefficient is positive 0.769. This shows that CSR has a positive and significant relationship to Tax Aggressiveness. Every 1% increase in CSR will increase Tax Aggressiveness by 0.769 (76.9%). This study supports the findings of Wiguna & Jati (2017) and Mohanadas et al. (2020), which show that companies reporting CSR still carry out tax aggressiveness during the COVID-19 pandemic.

The Effect of Audit Quality on Tax Aggressiveness

The hypothesis that Audit Quality negatively affects Tax Aggressiveness has also proven significant. Auditors from the Big Four Public Accountants tend to provide tighter supervision, thereby reducing tax aggressiveness. This is in line with agency theory, where shareholders trust high-quality audit results that lower the risk of tax aggressiveness.

The regression coefficient is negative -0.203. This shows that Audit Quality has a negative and significant relationship to Tax Aggressiveness. Every 1% increase in Audit Quality will decrease Tax Aggressiveness by -0.203 (20.3%). This finding is consistent with research by Janssen et al. (2005) and Sumardeni & Asana (2021), which showed that auditors from the Big Four Public Accountants tend to reduce corporate tax aggressiveness.

The Effect of Capital Intensity on Tax Aggressiveness

The hypothesis that Capital Intensity negatively affects Tax Aggressiveness has also proven significant. Companies with a high proportion of fixed assets tend to have less incentive to exercise tax aggressiveness, especially since they may have more assets that are not easily moved or hidden.

The regression coefficient is negative -0.420. This shows that Capital Intensity has a negative and significant relationship to Tax Aggressiveness. Every 1% increase in Capital Intensity will decrease Tax Aggressiveness by -0.420 (42.8%). This result is in line with Dewi & Yasa's (2020) research, which shows that companies with high Capital Intensity tend to have lower levels of tax aggressiveness.

Based on this analysis and discussion, the results of this study show that Corporate Social Responsibility (CSR), Audit Quality, and Capital Intensity have a significant influence on Tax Aggressiveness in mining companies for the 2018-2021 period. A negative constant value of -0.43 indicates that without the influence of the independent variable, Tax Aggressiveness would be at a negative value, reflecting the tendency to negative influence from other factors not included in the model. A positive CSR regression coefficient of 0.769 indicates that every 1% increase in CSR disclosure will increase Tax Aggressiveness by 76.9%. These findings suggest that companies active in CSR disclosures are less likely to also engage in higher tax aggressiveness practices. This may be due to the push to improve the company's image during the COVID-19 pandemic, while still optimizing the tax burden, in line with research by Wiguna & Jati (2017) and Mohanadas et al. (2020).

In contrast, Audit Quality has a significant negative influence on Tax Aggressiveness, with a regression coefficient of -0.203. Every 1% increase in Audit Quality will decrease Tax

Aggressiveness by 20.3%. This shows that high-quality auditors, especially from the Big Four Public Accountants, tend to reduce tax aggressiveness. Auditors with a high reputation provide tighter oversight and better independence, which increases shareholder confidence and reduces the risk of tax aggressiveness. This finding is supported by research by Janssen et al. (2005) and Sumardeni & Asana (2021).

In addition, Capital Intensity also shows a significant negative influence on Tax Aggressiveness, with a regression coefficient of -0.420. Every 1% increase in Capital Intensity will decrease Tax Aggressiveness by 42.8%. This means that companies with high levels of capital intensity, characterized by a large proportion of fixed assets, tend to have lower tax aggressiveness practices. Companies with high investment in fixed assets tend to be more transparent and less flexible in avoiding taxes, in line with the findings of Dewi & Yasa (2020).

Overall, the study reveals that CSR drives an increase in Tax Aggressiveness, while Audit Quality and Capital Intensity tend to decrease Tax Aggressiveness. These findings provide important insights for stakeholders into the factors influencing tax aggressiveness behavior within mining companies during the period studied.

CONCLUSION

The conclusion of this study shows that Corporate Social Responsibility (CSR), Audit Quality, and Capital Intensity have a significant influence on Tax Aggressiveness in mining companies during the 2018-2021 period. The results revealed that CSR has a significant positive effect on Tax Aggressiveness, which means that the more companies disclose CSR activities, the higher the level of Tax Aggressiveness carried out. This could be due to the company's strategy to improve its public image through CSR while still taking advantage of opportunities to reduce the tax burden. On the other hand, Audit Quality was found to have a significant negative influence on Tax Aggressiveness. That is, the higher the quality of audits in an enterprise, the lower the level of Tax Aggressiveness that occurs. High-quality auditors, especially from Big Four Public Accounting Firms, are able to provide more rigorous and independent oversight, which in turn reduces the potential for companies to engage in tax avoidance practices. This decline was due to increased shareholder confidence in well-audited financial statements and more effective supervision of the company's tax policies. Capital Intensity was also found to have a significant negative influence on Tax Aggressiveness. Companies with high Capital Intensity, characterized by a large proportion of fixed assets, tend to have lower levels of Tax Aggressiveness. This is due to the limited flexibility of companies with many fixed assets in avoiding taxes, as well as their tendency to be more transparent in financial reporting. Overall, the study provides important insights for stakeholders, such as corporate management, investors, and regulators, into the factors affecting Tax Aggressiveness in the mining sector. CSR disclosure, high audit quality, and adequate capital intensity proved to be important factors in controlling tax aggressiveness practices. These findings emphasize the importance of an integrity management strategy and effective supervision in maintaining better tax compliance.

SUGGESTION

The public is expected to deepen knowledge in avoiding illegal tax aggressiveness and know how to legally do tax aggressiveness so as not to harm the country as is happening in Indonesia today.

For companies, it is expected to be a consideration in carrying out massive tax aggression in order to remain in accordance with existing tax laws and regulations as well as investor

decision making in investment, it needs to be reviewed and studied how the company conducts its tax management to avoid rogue companies in reporting their financial statements.

For policy, it is expected to review tax regulations, in order to minimize the occurrence of tax aggressiveness, especially the tax office, it must be able to strengthen its supervision of tax avoidance practices, because companies that previously announced that they carry out social responsibility activities continue to carry out tax avoidance.

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