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Corporate Social Responsibility, Sales Growth, and Profitability and Their Influence on Tax Avoidance in Manufacturing Companies Listed On the Indonesia Stock Exchange (Idx) In 2021-2022

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ABSTRACT
The aim of this research is to examine the influence of corporate social responsibility (CSR), sales growth and profitability on tax avoidance. The research method used is quantitative causality. The population in this study were food and beverage sub-sector companies listed on the Indonesian Stock Exchange, which resulted in 29 companies being obtained. The technique used in the sample selection process in this study was purposive sampling, which ultimately resulted in 11 companies meeting the criteria. The method that researchers use is multiple linear regression analysis. The results of this research show that corporate social responsibility has a negative effect on tax avoidance, sales growth has a positive effect on tax avoidance and profitability has no effect on tax avoidance.
Keywords: Tax Avoidance, CSR, Sales Growth,Profitability.

Abstract: The purpose of this study is to examine the effect of corporate social responsibility (CSR), sales growth, and profitability on tax avoidance. The research method used is quantitative causality. The population in this study is the food and beverage sub-sector companies listed on the Indonesia Stock Exchange which were then obtained as many as 29 companies, the technique used in the sample determination process in this study was purposive sampling which finally obtained 11 companies that had met the criteria. The method used by the researcher is multiple linear regression analysis. The results of this study indicate that corporate social responsibility has a negative effect on tax avoidance, sales growth has a positive effect on tax avoidance and profitability has no effect on tax avoidance.
Keywords : Tax Avoidance, CSR, Sales Growth, Profitability **.**

I. INTRODUCTION

One of the highest incomes in Indonesia that contributes to building and developing the country's economy is tax. Tax is a mandatory contribution to the government that must be paid and paid by individuals or business entities that pay taxes obligatorily and in accordance with applicable laws and regulations. On the other hand, business actors consider taxes as a burden that can reduce profits. Companies often carry out tax planning and tax avoidance by exploiting loopholes in tax regulations and reducing the company's tax burden.

In this study, there is a phenomenon in the tax avoidance variable. This happened at PT. Adaro Energy, a coal mining company (ekonomi.bisnis.com, 2019). PT. Adaro Energy is suspected of diverting a lot of profits from offshore networks to avoid and minimize tax payments. According to Taxing Time for Adaro, Global Witness revealed that PT. Adaro Energy used Coaltrade Services International, its subsidiary in Singapore, at a lower cost from 2009 to 2017 .

In this study, tax avoidance is thought to be influenced by several things, namely Corporate Social Responsibility (CSR), Sales Growth and Profitability .

Some previous studies related to CSR are as follows, firstly the research results obtainedconducted by (Parhusip & Simamarta, 2022) shows that Corporate Social Responsibility (CSR) has a positive effect on Tax Avoidance . However , in research conducted by (Artini& Setiawan, 2021)shows that Corporate Social Responsibility (CSR) has a negative effect on Tax Avoidance . The second study related to sales growth as follows, the results of a study conducted by (Parhusip & Simamarta, 2022) showed that Sales Growth had a positive and significant effect on Tax Avoidance . The third study related to profitability as follows, the results of a study conducted byLaw (2021) shows that Profitability has no effect on Tax Avoidance. This does not agree with the results of research conducted by (Mahdiana & Amin, 2020) which shows that profitability has a positive effect on tax avoidance.

In today's industry, this topic is important because the implementation of CSR practices is increasingly considered a must and an important component in attracting investors, consumers and maintaining corporate reputation. And because tax avoidance can also be influenced by CSR, Sales Growth, and Profitability, the relationship between these factors and Tax Avoidance is an interesting concern .This study uses quantitative causality because the aim is to find out the causal relationship of the influence of CSR, sales growth and profitability on tax avoidance in manufacturing sector companies in the food and beverage sub-sector.

II. RESEARCH METHODS

This study uses quantitative causality research with the population used being manufacturing sector companies in the food and beverage sub-sector listed on the IDX in the 2020-2022 period. The total population used in this study was 29 companies. And after purposive sampling, the sample in this study was 11 companies. So the research data in this study is 33 data from the calculation of 11 companies multiplied by a period of 3 years.The purpose of this study is to test the hypothesis about the influence of magnitude between variables. Causal research examines the cause and effect relationship between two or more variables. Causality research examines how changes in the value of one variable affect changes in the value of another variable.

In data collection, researchers used secondary company data in the form of annual reports and sustainability reports of food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange www.idx.co.id and from the website of each company where the report starts from the period 2020 to 2022. To obtain data and information is documentation (documentation) documentation studies are carried out by collecting annual financial reports from food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX). Then, data related to finance is examined to determine the value of corporate social responsibility, sales growth, and profitability against tax avoidance disclosed in the annual financial reports of food and beverage sub-sector manufacturing companies. And some of the criteria that have been determined are as follows.

1. Manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) in 2020-2022 consecutively,
2. companies in the food and beverage sub-sector that do not publish annual reportsduring the period 2020-2022
3. Companies that do not publish Corporate Social Responsibility (CSR) or social responsibility disclosure reports on the Indonesia Stock Exchange (IDX) in the 2020 – 2022 period.
4. Companies that do not have positive profits during the 2020-2022 period.

III. RESULTS AND DISCUSSION

The first step taken in conducting this research analysis is by collecting data in the form of secondary data needed in the research, namely annual reports and sustainability reports that are the research samples. The data analyzed include tax avoidance which is proxied by CETR, Corporate Social Responsibility which is proxied by the Corporate Social Responsibility Index (CSRI) based on the GRI G4 standard. This is done by matching the disclosures made by the company in its annual report with the checklist table, then these results are calculated using CSRI sales growth which is proxied by sales growth, and profitability which is proxied by ROA.

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Table 1. Multiple Linear Regression Results

Coefficients [a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	,205	,059		3,445	,002
	X1	-,576	,260	-,314	-2,217	,035
	X2	,896	,194	,630	4,623	,000
	X3	,026	,086	,043	,301	,765

a. Dependent Variable: Y

Source : Results Output IBM SPSS 26 Processing

Based on the results of the multiple linear regression analysis test explained in Table 1, it can be concluded that the regression equation in this study is:

$$Y = 0.205 - 0.576\ CSR + 0.896SG + 0.026PRB + e$$

The coefficient values above can be interpreted as follows.

1. Constant Value (α)

Mark constant of 0.205. This means that if the corporate social responsibility variables (X1), sales growth (X2), profitability (X3) are 0, then the value of tax avoidance is 0.205.

2. Corporate Social Responsibility Coefficient = -0.576

The influence of Corporate Social Responsibility on tax avoidance is negative, indicating that the higher the value of corporate social responsibility, the lower the tax avoidance.

3. Sales Growth Coefficient = 0.896

The effect of sales growth on tax avoidance is positive, indicating that the higher the sales growth, the higher the tax avoidance. 4. Profitability Coefficient = 0.026 The effect of profitability on tax avoidance is positive, indicating that the higher the profitability, the higher the tax avoidance.

Coefficient of Determination (R^2)

The coefficient of determination (R2) essentially measures the extent to which the model is able to explain the variation in its dependent variable.

Table 2. Results of the Analysis of the Determination Coefficient ^{R2}

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,431[a]	,186	,102	,10237

a. Predictors: (Constant), X3, X1, X2

Results analysis coefficient determination (R^2) shows that presentation donation influence variables corporate social responsibility, sales growth and profitability is amounting to 10.2%. While the remaining 89.2% is influenced by other variables not included in this study.

T-test

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	,205	,059		3,445	,002
	X1	-,576	,260	-,314	-2,217	,035
	X2	,896	,194	,630	4,623	,000
	X3	,026	,086	,043	,301	,765

a. Dependent Variable: Y

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1. **Pengaruh Corporate Social Responsibility terhadap Tax Avoidance**

Based on table 4.10 which is the result of the T test, it shows that corporate social responsibility has an effect on tax avoidance. The results of the T test above show that the value of corporate social responsibility significance is less than 0.05. When compared with the alpha value used in this study, which is 5%, the significance value obtained from the calculation results is smaller (0.035 <0.05) with a calculated t value of -2.217. Based on the description above, it can be concluded that corporate social responsibility has a negative effect on tax avoidance . Results This No in line with research conducted by Faithful And Adi (2020) who revealed that corporate social responsibility has an influence positive against tax avoidance. But results This in line with research conducted by Susanto and Veronica (2020) which stated that corporate social responsibility influential negative to tax avoidance or avoidance tax

Reasons that are capable say influence negative on corporate social responsibility to tax avoidance is results data testing shows that variable corporate social responsibility have influence negative to tax avoidance , meaning If the more tall level CSR disclosure , then will the more low level avoidance the tax . This is due to Because company with activity high taxes tend disclose excessive CSR information Good For objective the benefits Alone and also For objective allocation of funds.

2. **The Influence of Sales Growth on Tax Avoidance**

Based on table 4.10 which is the result of the T test, it shows that sales growth has an effect on tax avoidance. The results of the T test above show that the sales growth significance value is less than 0.05. When compared to the alpha value used in this study, which is 5%, the significance value obtained from the calculation results is smaller (0.000 <0.05) with a calculated t value of 4.623. Based on the description above, it can be concluded that sales growth has a positive effect on tax avoidance.

This result is not in line with the research conducted by Mahdiana and Amin, (2020) which stated that the research results obtained sales growth had no effect on tax avoidance. However, this result is in line with the results of research conducted by Ziliwu and Ajimat (2021) which stated that sales growth had a positive effect on tax avoidance.

The reason that can say the positive influence of sales growth on tax avoidance is the results of data testing show that the sales growth variable has a positive influence on tax avoidance , with increasing sales growth from year to year, there will be an increase in sales operational costs. This will have an impact on the increase in the tax burden that must be borne by the company. Therefore, companies may increase tax avoidance practices to ensure their profits remain stable by reducing the impact of the increasing tax burden due to increased sales.

Sales growth is said to have a positive effect on tax avoidance because sales growth can also encourage companies to create more complex corporate structures, such as establishing subsidiaries in regions with more favorable tax regulations. This step allows companies to take advantage of differences in tax rules to avoid or reduce the amount of tax they have to pay so that they can reduce their overall tax liabilities, maximize net income, and increase overall efficiency.

3. **The Effect of Profitability on Tax Avoidance**

Based on table 4.10 which is the result of the T test, it shows that profitability has an effect on tax avoidance. The results of the T test above show that the sales growth significance value is less than 0.05. When compared to the alpha value used in this study, which is 5%, the significance value obtained from the calculation results is smaller (0.765 <0.05) with a calculated t value of 0.301. Based on the description above, it can be concluded that profitability does not have an effect on tax avoidance .

However, the results of this study are not in line with the research conducted by Mariadi et al., (2022) which states that profitability has a positive effect on tax avoidance. But the results of this study are in line with the results of a study conducted by Aulia et al., (2020)which states that profitability has no effect on tax avoidance.

The reason that can say that profitability has no effect on tax avoidance is the result of data testing shows that the profitability variable has no effect on tax avoidance . The higher the ROA, the better the company's performance and the higher its profits. Profitable companies tend not to do tax avoidance because it is in accordance with the wishes of shareholders who want large after-tax profits and the company is considered capable of managing its income and tax payments. Managers will try to maximize their after-tax profits. When a company's after-tax profit is low, the company tends to do tax avoidance so as to help increase

profits. This must be the answer to shareholder demands.

Then, some companies with larger income may also have different tax strategies. The higher or lower the ROA level cannot always affect the tendency to do tax avoidance .

IV. CONCLUSION

This study aims to test and provide empirical evidence of the influence of corporate social responsibility (CSR), sales growth, and profitability on tax avoidance . After conducting research with quantitative causality type, it can be concluded that the CSR variable has a negative influence on tax avoidance, the sales growth variable has a positive influence on tax avoidance and the profitability variable has no effect on tax avoidance.

The limitations of the research faced by the researcher, namely this study only examines the manufacturing sector of the food and beverage sub-sector and the sample of this study is relatively limited and this study uses independent variables that are limited to using only CSR, Sales Growth, and Profitability variables. While there are still other factors that can affect tax avoidance .

The researcher's contribution is that this research has an impact on companies as a consideration to prevent tax avoidance that can harm the country. Then the results of this study also have an impact on investors because in deciding to invest in a company. In addition, the results of this study also have an impact on the government by making stricter tax regulations to suppress tax violations and also have an impact on the environment because in this study there is a corporate social responsibility variable . Suggestions for other researchers who have the opportunity to continue research with the same topic are expected to expand the research population by changing the research object and are expected to be able to expand or renew the research year in order to get more accurate results, and for further researchers it is expected to be able to change and expand other factors such as leverage, family ownership, corporate governance or others.

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