INFLUENCE OF COMPANY SIZE, COMPANY AGE, SALES GROWTH, AND PROFITABILITY ON TAX AVOIDANCE

(Empirical Study on Pharmaceutical Sub-Sector Companies Listed on the Indonesia Stock Exchange for the 2016-2019 Period)

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Abstract- This study aims to examine whether the influence of Company Size, Company Age, Sales Growth, and Profitability on Tax Avoidance in listed pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange (BEI).

The method used in this research is associative with a quantitative approach. The population used in this study were 10 pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange (BEI) in 2016-2019. The sample selected based on the purposive sampling method of 10 companies. The data used is secondary data. The collected data were analyzed using the Eviews 9 program.

Based on the results of processed data that has been collected and the results of tests that have been carried out on research, the following conclusions can be drawn: (1) Company size has no effect on tax avoidance (2) Company age has no effect on tax avoidance (3) Sales growth has no effect against tax avoidance (4) Profitability has no effect on tax avoidance.

Keywords: Tax Avoidance, Company Size, Company Age, Sales Growth, Profitability

1. INTRODUCTION

Tax avoidance is an effort made by companies to minimize the tax burden. Tax avoidance is considered legal because it is still in accordance with tax laws and regulations, but the government has objections because tax avoidance can harm the state (Suandy, 2016).

There are several income tax provisions that are relatively influenced by company size. Larger firms may have more resources available to influence a tax policy, acquire a tax planning expertise, and organize their operations in an optimal tax-saving manner.

The greater the size of the company, the greater the tendency to apply with compliance or avoid taxes (tax avoidance). Astri & Suardana (2016) study found that company size has an effect

on tax avoidance. Meanwhile, other studies have found that company size has no effect on tax avoidance (Mahanani, et al 2014).

Company age has an effect on tax avoidance because the longer the operational period of the company, the more experience the company has and the human resources it has, the more skilled it is in managing the tax burden so that the tendency to find loopholes in tax avoidance is getting higher (Dewinta and Setiawan, 2016). This is because when a company is registered on the IDX and goes public, the company must publish its financial reports to the public and users of financial reports so that the information contained in them can be immediately used by parties in need. According to Claudio Loderer and Urs Waelchli (2010) over time, companies will become inefficient. Aging companies must reduce costs including tax costs due to the experience and learning that the company has and other influences both in the same and different industries. The longer the operational period of a company, the more experience the company has and the tendency to do tax avoidance will be higher.

Furthermore, what affects tax avoidance is Profitability, Profitability is an indicator of management performance in managing the company's assets designated by profit (Dewi, 2016). Profitability is allocated as shareholder welfare in the form of dividend payments and profit returns (Agusti, 2014). ratio to assess the company's ability to seek profit. This ratio also provides a measure of the level of management effectiveness of a company. (Darmawan & Sukartha, 2014) who found that profitability has an effect on tax avoidance, the problem formulations in this study are:

1. Does Company Size affect Tax Avoidance?
2. Does Company Age affect Tax Avoidance?
3. Does Sales Growth affect Tax Avoidance (TaxAvoidance)?
4. Does Profitability have an effect on Tax Avoidance?

2.   LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT
2.1.   Review of Past Results

To compare in an accuracy, a truth and a clarity in a study, a comparison tool is needed, for that the author can include some research results that will be used as a reference to be understood or studied further. Research that will be carried out either directly or indirectly has one thing in common, namely the similarity of themes and methods of research, so that this research will be a perfect result. The results of previous studies related to the variables of this study and those that affect tax avoidance include research conducted by:

Hidayat's research (2018) which analyzes the effect of productivity, leverage, and sales growth on tax avoidance. Data can be collected from 25 manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2011 to 2014 using purposive sampling technique. The method of analysis of this research uses multiple regression. The results of this study indicate that profitability and sales growth have a significant effect on tax avoidance, while leverage has no effect on tax avoidance.

Dewinta and Setiawan (2016) who examined the effect of company size, company age, profitability, leverage and sales growth on tax avoidance. This research can be focused on manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2011-2014. The total number of observations was 176 samples obtained by the nonprobability sampling method, namely purposive sampling technique. The analysis technique used in this study is multiple linear regression analysis. The results of the analysis show that company size, company age, profitability and sales growth have a positive effect on tax avoidance.

Research conducted by Silva (2017) for taxpayers, the decision to do tax avoidance is decided by management who will carry out earnings management and are related to several supporting factors, namely company age, company size and company sales growth.

2.2.1. Theory Basis

2.2.2. Tax Avoidance

Tax avoidance is an effort made by taxpayers to reduce the tax burden that must be borne by taking advantage of the weaknesses of legislation (Ngadiman et al, 2014; Prasetyo 2017)

According to Pohan (2017) tax avoidance is a tax avoidance effort that is carried out legally and safely for taxpayers because it does not conflict with taxation provisions, where the methods and techniques used tend to take advantage of the weaknesses (gray area) contained in the taxation law. itself to minimize the amount of tax owed. According to Tandean (2016), the fiscal affairs committee from the Organization for Economic Corporation and Development (OECD) describes three characteristics of tax avoidance, namely:

1. There is an artificial element where various arrangements seem to exist in it, but they are not and this is done in the absence of tax factors.

2. Make use of loopholes from the law or apply legal provisions for various purposes, even though that is not what lawmaking actually means.

3. The consultants show the tools or ways to do tax avoidance on the condition that taxpayers keep as confidential as possible (Cahyono et al., 2016).

In Mardiasmo (2018) states that tax avoidance is an effort to ease the tax burden by not violating the law. Tax avoidance is a tax avoidance strategy and technique that is carried out legally and safely for taxpayers because it does not conflict with taxation provisions.

Based on the explanation described above, tax avoidance is an action taken by taxpayers to minimize or reduce the amount of tax owed by not violating existing tax regulations and laws.

Tax Evasion (tax evasion) occurs before a Tax Assessment (SKP) is issued. This is a violation of the law with the intention of getting away from taxes / reducing the basis for tax determination by hiding part of the income. Taxpayers in each country consist of large taxpayers (from multinational corporations consisting of national important companies) and small taxpayers (from independent professionals consisting of doctors who open their own practice, lawyers who work alone, etc.).

Tax smuggling is a disgraceful act committed by a taxpayer or an expert advisor with the aim of deliberately violating the provisions of the tax laws in force. Tax Evasion is an illegal act that minimizes or escapes from not paying taxes according to the amount of tax that must be paid.

According to Erly Suandy (2014: 21), explaining tax evasion is as follows: "Tax evasion is a tax reduction done by violating tax regulations such as providing false data or hiding data. Thus, tax evasion can be subject to criminal sanctions. "

In general, tax avoidance and tax evasion have the same goal, namely reducing the tax burden, however, the way of tax evasion in reducing the tax burden is clearly an illegal act or an act of breaking the law. The cause of taxpayers to do tax evasion, among others, is the nature of the income obtained by taxpayers, which is mainly shown to meet their daily needs. When it has fulfilled the tax provisions, there will be an obligation to pay taxes to the state. There is also a conflict between self-interest and state interest.

2.2.1.1 Self Assessment System

Self Assessment System is a tax collection system which imposes the determination of the amount of tax that must be paid by the taxpayer concerned. In other words, the taxpayer is the party that plays an active role in calculating, paying, and reporting the amount of tax to the Tax Office (KPP) or through an online administration system that has been created by the government.

Self Assessment System is a tax collection system that applies in Indonesia, this is stated in Law Number 16 of 2009 concerning Law - General Provisions and Tax Procedures. However, not a few taxpayers adhere to the With Holding System, this is due to the assumption of taxpayers who think that tax management is only a waste of time and also lack of understanding of the taxpayers to do self-assessment so that these activities are entrusted to a more competent third party to do tax planning

Tax planning is a method that can be utilized by taxpayers in managing taxation of their business or income, however, it should be noted that the tax planning in question is tax planning without violating the constitution and the prevailing taxation law.

Tax planning is the first step in tax management. At this stage, taxation regulations are collected and researched in order to select the types of tax savings measures to be taken. In general, the emphasis of tax planning is to minimize tax obligations (Erly Suandy, 2014).

Tax avoidance is one of the tax savers arising from taking advantage of legally enforced tax provisions to minimize the tax liability. In other words, this tax avoidance practice is the practice of tax planning carried out by companies on their profits but still within the corridor of applicable tax regulations. Tax avoidance is an effort made by taxpayers to reduce the tax burden that must be borne by taking advantage of the weaknesses of laws and regulations (Ngadiman et al., 2014; Prasetyo, 2017). Tax avoidance is still within the framework of taxation regulations, namely This study is calculated through Generally Accepted Accounting Princples Effective Tax Rates (GAAP ETR).

2.2.1.2. Effective Tax Rate

In taxation theory, the term Effective Tax Rate (ETR) is known as the Effective Tax Rate (ETR), which is the actual tax rate that must be paid by taxpayers compared to the income generated by taxpayers. Effective Tax Rate (ETR) between companies is relative due to differences in recording In fiscal terms, the Effective Tax Rate (ETR) shows the effectiveness of tax avoidance, because the effective tax rate can reflect the difference between book profit and taxable profit (Rego and Lynch, 2009). This difference is temporary or permanent.

$$\textit{Effective Tax Rate (ETR)} = \frac{\textit{Income Tax Expense}}{\textit{Profit before tax}}$$

2.2.3. Company Size

Kreshna and Kompyurini (2016) The larger the size of a company, the more it becomes the center of attention of the government and will cause tendencies for company managers to be obedient or aggressive (tax avoidance) in taxation. can reduce company income, taxes also affect shareholders to avoid tax with the aim of cost efficiency or tax burden. company size is the size of the company seen from the amount of equity value, sales value or asset value (Ngadiman, 2014).

According to Hermawan (2014), company size can be calculated using several indicators, namely:

1. Total Assets
The greater the total assets of the company, the more capital invested.
2. Total Sales
The more sales, the more money is circulated.
3. Market Capitalists
The bigger the market capitalist, the bigger it is known in the community to measure company size, namely using total assets because company size is proxied by Ln of total assets. The use of natural log (Ln) is intended to reduce excessive fluctuation of data without changing the proportions and actual original values.

In previous research conducted by Dharma and Adriana (2016) and Ardiansyah and Zulaikha (2014) company size is measured based on market capitalist value.

2.2.4. Company Age

Company age is used to measure the effect of the company's length of operation on company performance (Savitri, 2014). A long-established company has had a reputation and has tried to maintain it and has the ability to minimize costs and improve quality in production from its

experience, so that the company will be more able to generate profits (Yunietha and Palupi, 2017).

The more experience a company has, the more competent the company will be. And the longer the company is established and survives, the more recognized its existence and excellence in the public eye. The company will be trusted by consumers if it is a good company and guarantees good results. Aging companies must reduce costs including tax costs due to the experience of the company and other influences both in the same industry and in different industries.

In previous research conducted by Dewinta and Setiawan (2018) the age of the company was measured from the year the company was founded which was written on the legal establishment deed.

2.2.5. Sales Growth

In financial management, sales growth is measured based on changes in sales. Growth in sales is an important indicator of market acceptance of the company's products and / or services, where the revenue generated from sales can be used to measure the rate of sales growth. Sales growth will show the development of sales levels from year to year. Increased growth allows the company to be able to increase the company's operating capacity. Conversely, if growth decreases, the company will encounter obstacles in order to increase its operating capacity (Heryuliani, 2015).

According to Veno (2015), financially, the growth rate can be found based on the company's financial capacity. Based on its own financial capacity, it can be divided into two, namely the growth rate on its own strength (internal growth rate) and the sustainable growth rate. The internal growth rate is the maximum growth rate that a company can achieve without the need for external funds or a growth rate that is only triggered by additional retained earnings. The sustainable growth rate is the maximum growth rate that a company can achieve without financing capital but by maintaining the ratio between debt and equity (debt to equity ratio).

According to Titisani and Mahanani (2017), companies can properly optimize existing resources by looking at sales from the current year to the previous year because to measure sales growth which describes the good or bad level of a company's sales growth.

Sales growth is measured by the difference between sales in the current period and sales in the previous period compared to sales in the previous period (Kasmir, 2016). It can be formulated systematically as follows:

$$Sales\ growt = \frac{TST - TS\,t-1}{TS\,t-1}$$

Keterangan:
Sales growth   = Sales growth.
TSt   = Total sales (sales) for the current period.
TSt-1   = Total sales (sales) for the previous period.

2.2.4. Profitability

Profitability ratio is a ratio to measure a company's ability to generate profits using company-owned sources such as assets, capital or sales (Sudana, 2015: 25). According to Jorenza (2015), it explains that profitability is the company's ability to earn profits in relation to sales, total assets, and own capital. Thus, for long-term investors who have an interest in profitability analysis, for example, shareholders will see the benefits that will actually be received in the form of dividends.

Profitability is an indicator of management performance in managing the company's wealth, which is shown by profit (Dewi, 2016). Profitability is allocated for the welfare of shareholders in the form of dividend payments and profit returns.

Profitability is the level of a company's ability to generate revenue or profit (Kasmir, 2016). Profitability is an indicator of the performance carried out by management in managing the

company's wealth as indicated by the profit generated. The higher the level of profitability in a company, the greater the profit the company gets.

2.3.   Relationship Between Research Variables
2.3.1 Effect of Company Size on Tax Avoidance

According to research by Shella Yuniasta (2018), it proves that there is a significant effect of company size on tax avoidance, because when the size of the company increases, it shows that the company's fixed assets also increase, that means when fixed assets increase there is a depreciation expense that must be paid, it can reduce profits if profits reduced, the tax burden paid is reduced or decreased, at that time tax avoidance is carried out by the company.

H_1: Company size has an effect on *tax avoidance*.

2.3.2 The Effect of Company Age on Tax Avoidance

According to Silvia (2017), it shows that company age has a positive effect on tax avoidance, because companies with a longer operational period will also make companies more skilled in managing their taxes based on previous experiences and human resources. experts in regulating and managing their tax burden so that the tendency to do tax avoidance is getting higher.

H_2: Company age has an effect on *tax avoidance*.

2.3.3. The Effect of Sales Growth on Tax Avoidance

According to Oktamawi (2017) sales growth reflects the ability of a company to improve performance over time. The higher the sales growth of a company, the company is successful in executing a strategy in marketing and selling products. Even logically, if sales growth also increases, the company will tend to get a very large profit, therefore the company will tend to practice tax avoidance because large profits will also cause a large tax burden. Previous research from Hidayat (2018) shows that sales growth has a significant effect on tax avoidance.

**H_3: Sales growth has an effect on *tax avoidance*.**

2.3.4. Effect of Profitability on Tax Avoidance

Return on Assets (ROA) is one of the profitability ratios. This ratio is most often highlighted in financial statement analysis because it is able to show the company's success in generating profits. Return on Assets (ROA) is used to measure a company's ability to generate profits based on its assets. the higher the ROA value, the greater the profit the company gets. When profits get bigger, the amount of income tax will increase according to the increase in company profits so that the company is likely to do tax avoidance to avoid an increase in the amount of tax burden. The company will be able to manage its assets well so that it can benefit from tax incentives and other tax concessions so that the company appears to be doing tax avoidance (Darmawan, 2014).

Managers will undertake tax evasion to minimize tax payments. However, increasing profits can also increase the company's profitability. An increase in profit will result in a higher amount of tax to be paid, or it can be said that it is possible to do tax evasion. The results of this study are consistent with the results of research by Pratama (2017), Irianto et al. (2017), Salaudeen (2017).

H_4: Profitability berpengaruh terhadap *tax avoidance*.

2.4.   Research Conceptual Framework

Conceptual Framework
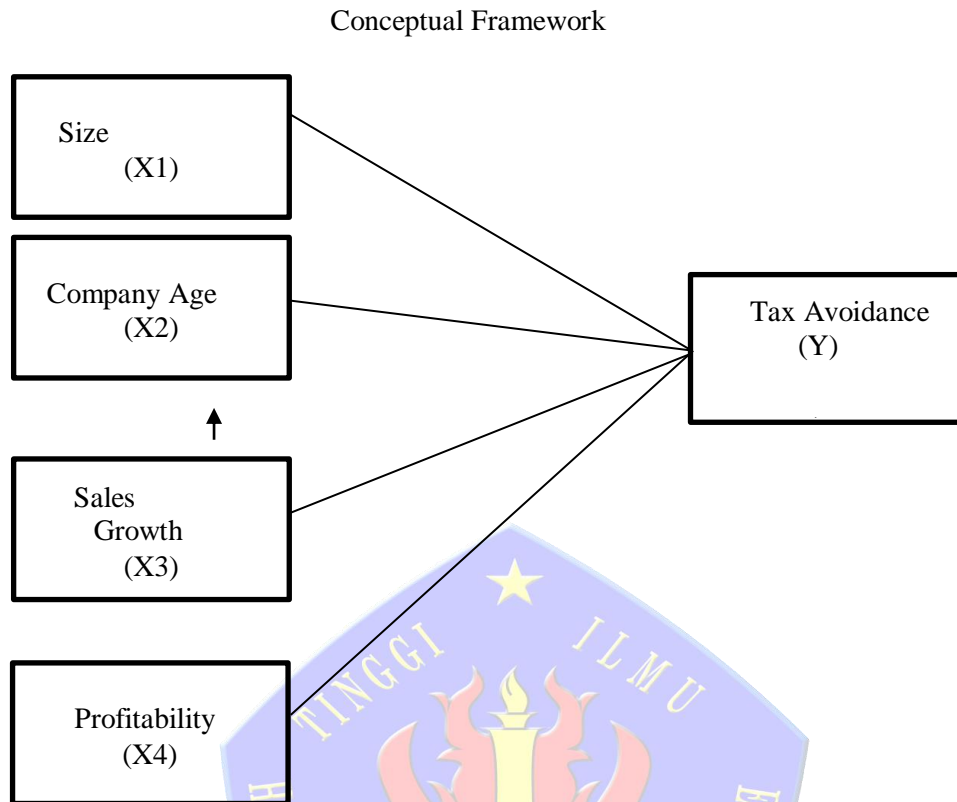
3.   METODA PENELITIAN
3.1.   Research Strategy

The strategy used in this study is an associative strategy and this associative strategy is a research strategy conducted to determine the relationship between two or more variables (independent variables and dependent variables) (Sugiyono, 2016). This study will use four independent variables (independent variables) to be studied, namely, company size, company age, sales growth and profitability, while the dependent variable is (the independent variable) to be studied, namely tax avoidance in pharmaceutical companies listed on the Indonesia Stock Exchange.

3.2.   Population and Sample

Based on the predetermined criteria, 10 companies in the pharmaceutical sub-sector were found to be 40 in this study. The sample list of pharmaceutical sub-sector companies in this study.

3.3.   Data and Research Data Methods

The data in this study is secondary data. Secondary data is data whose sources are obtained indirectly. The data is evidence, records or historical reports arranged in archives, both published and unpublished (Ghazali, 2016). Secondary data used in this study is the annual financial report data of pharmaceutical companies listed on the Indonesia Stock Exchange in 2016-2019.

3.4. Operational Variables

1. Company Size (X_1)

   Company Size = y =ln α

2. Company Age (X_2)

Company Age = (Research Year - Company Establishment Year)

3. Sales Growth (X_3)

$$Sales\ growth = \frac{TST - TS\ t - 1}{TS\ t - 1}$$

4. Profitability (X_4)

$$ROA = \frac{Net\ income\ after\ tax}{Total\ assets}\ X\ 100\%$$

3.5. Data analysis method

The analytical method used is by using multiple linear regression analysis models. The data analysis of this study uses statistical calculations. In addition to measuring the strength of the relationship between two or more variables, regression analysis can also show the dependent variable and the independent variable. The method of analysis that can be used in research This is data testing, namely descriptive statistics, classical assumption tests, and furthermore it is also carried out by hypothesis testing.

4. DISCUSSION

4.1 Description of Research Object

The population used in this study are all financial reports and annual reports of pharmaceutical companies listed on the Indonesia Stock Exchange (BEI) for the period 2016-2019 which disclose the complete data needed in the study. The sample companies were selected using purposive sampling method according to predetermined criteria. Based on data obtained from the Indonesia Stock Exchange (IDX), it is known that mining companies listed on the IDX issued financial reports and as many as 10 companies, which were sampled in the study were 10 companies in 2016-2019 with a total number of observations of 40 financial reports.

4.2 Descriptive Statistical Analysis Results

Descriptive statistics are used to provide an overview of the descriptions of the variables used in the study which consist of related variables, namely Company Size (Size), Company Age (Age), Sales Growth (Growth), and Profitability (Profitability), as well as providing an overview for the dependent variable, namely tax avoidance.

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Descriptive Statistics

X1	X2	X3	X4	Y

Mean	28.38747	44.90000	0.087703	0.141570	0.237262
Median	28.13888	46.00000	0.086653	0.075176	0.256482
Maximum	30.63990	65.00000	0.228361	1.789981	0.585274
Minimum	25.79571	20.00000	-0.030254	-0.437574	-0.868018
Std. Dev.	1.254173	10.10154	0.060722	0.365866	0.200542
Observations	40	40	40	40	40

Sumber: Eviews versi 9

4.2.2. Common Effect Model Results

Common Effect Model is a model that combines time series and cross section data as a unit without seeing the difference between time and individuals (entities)..

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.091938	0.630684	0.145776	0.8849
X1	-0.014207	0.022757	-0.624264	0.5365
X2	0.010644	0.003024	3.519372	0.0012
X3	0.590490	0.498410	1.184748	0.2441
X4	0.133679	0.076357	1.750702	0.0888

R-squared	0.361499	Meandependentvar	0.237262
Adjusted R-squared	0.288527	S.D. dependentvar	0.200542
S.E. ofregression	0.169154	Akaike info criterion	-0.599540
Sum squaredresid	1.001463	Schwarz criterion	-0.388430
Log likelihood	16.99080	Hannan-Quinn criter.	-0.523209
F-statistic	4.953967	Durbin-Watsonstat	2.039025
Prob(F-statistic)	0.002852		

4.2.3. Fixed Effect Model Results

Fixed Effect Model (FEM) is one of the methods of panel data regression. This method assumes that the regression coefficient remains between companies and over time, but the intercept is different between companies but the same over time (time invariant). However, this method has a drawback, namely the reduced degree of freedom which in turn reduces the efficiency of the parameter.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.128585	3.268359	-0.651270	0.5206
X1	0.062306	0.132026	0.471922	0.6409
X2	0.012632	0.026207	0.482000	0.6338
X3	0.043135	1.018935	0.042334	0.9666
X4	0.185076	0.073835	2.506617	0.0188
EffectsSpecification				
Cross-section fixed (dummyvariables)				
R-squared	0.633280	Meandependentvar		0.237262

Adjusted R-squared	0.449920	S.D. dependentvar	0.200542
S.E. ofregression	0.148736	Akaike info criterion	-0.704066
Sum squaredresid	0.575185	Schwarz criterion	-0.112958
Log likelihood	28.08131	Hannan-Quinn criter.	-0.490340
F-statistic	3.453755	Durbin-Watsonstat	3.538271
Prob(F-statistic)	0.003460		

Sumber: diolah dengan Eviews versi 9

4.2.4. Results of the Random Effect Model

This model assumes that the error-term will always exist and may be correlated across time series and cross sections. This method is used on data with a sample size greater than the number of research periods.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.203076	0.876340	-0.231732	0.8181
X1	-0.004556	0.031726	-0.143610	0.8866
X2	0.011666	0.004289	2.720313	0.0101
X3	0.260929	0.582796	0.447719	0.6571
X4	0.162271	0.069831	2.323777	0.0261
EffectsSpecification				
			S.D.	Rho
Cross-section random			0.100789	0.3147
Idiosyncratic random			0.148736	0.6853
WeightedStatistics				
R-squared	0.284148	Meandependentvar		0.140870
Adjusted R-squared	0.202336	S.D. dependentvar		0.163510
S.E. ofregression	0.146034	Sum squaredresid		0.746407
F-statistic	3.473196	Durbin-Watsonstat		2.716407
Prob(F-statistic)	0.017202			
UnweightedStatistics				
R-squared	0.348900	Meandependentvar		0.237262
Sum squaredresid	1.021224	Durbin-Watsonstat		1.985407

Sumber: diolah dengan Eviews versi 9

4.3. Panel Data Regression Model Selection Test
4.3.1. Chow Test Results

EffectsTest	Statistic	d.f.	Prob.
Cross-section F	2.140998	(9,26)	0.0627

Cross-section Chi-square	22.181023	9	0.0083

Source: processed with Eviews version 9

The results of the Chow test show that the probability value of cross section F is 0.0627> 0.05, meaning that H0 is accepted. Thus, the most appropriate model in estimating the panel data regression equation is *Common Effect Model* (CEM).

4.3.2. Hausman Test Result

TestSummary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-sectionrandom	2.739721	4	0.6023

Source: processed with Eviews version 9

The results of the Hausman test show that the probability value of random cross section is 0.6023> 0.05, meaning that H0 is accepted. Thus, the most appropriate model in estimating the regression equation is *Random Effect Model* (REM).

4.3.3. Lagrange Multiplier Test Results

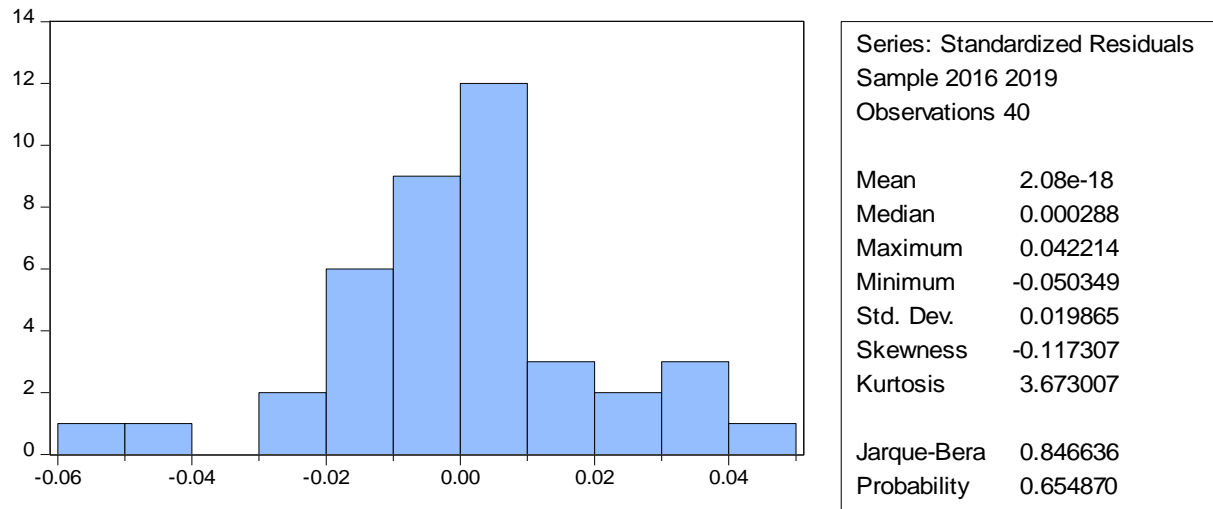| Null (norand. effect) Alternative	Cross-section One-sided	Period One-sided	Both
Breusch-Pagan	1.673445 (0.1958)	0.607234 (0.4358)	2.280680 (0.1310)

Source: processed with Eviews version 9

The results of the lagrange multiplier test show that the probability value of the Breusch-Pagan cross section is 0.1958> 0.05, meaning that H0 is accepted. Thus, the most appropriate model in estimating the regression equation is *Common Effect Model* (CEM).

4.4. Classical Assumption Test Results

The classical assumption test needs to be done after determining the appropriate model used in the panel data regression equation. The classical assumption test consists of several tests, namely normality test, multicollinearity test, autocerrelation test, heteroscedasticity test.

4.4.1. Normality Test Results

	Series: Standardized Residuals
	Sample 2016 2019
	Observations 40
Mean	2.08e-18
Median	0.000288
Maximum	0.042214
Minimum	-0.050349
Std. Dev.	0.019865
Skewness	-0.117307
Kurtosis	3.673007
Jarque-Bera	0.846636
Probability	0.654870

Source: processed with Eviews version 9

The results obtained from the normality test with a probability value of 0.654870> 0.05, it can be concluded that the data is normally distributed.

4.4.2. Multicollinearity Test Results

	X1	X2	X3	X4
X1	1.000000	0.226948	0.285002	-0.003495
X2	0.226948	1.000000	0.398525	-0.238570
X3	0.285002	0.398525	1.000000	-0.100574
X4	-0.003495	-0.238570	-0.100574	1.000000

Source: processed with Eviews version 9

The results obtained from the multicollinearity test showed the correlation value between the independent variables. The relationship between company size and company age, company age and sales growth and sales growth with profitability is 0.226948 and 0.285002, and the relationship between company age and company size and sales growth is 0.226948 and 0.398525. Meanwhile, the sales growth with company size is 0.398525 and 0.398525. The correlation value between profitability variables and company size is -0.003495 and -0.238570. All correlation values between variables are less than 0.80, so H0 is accepted. It can be concluded that there is no multicollinearity problem between the independent variables of the regression model.

4.4.3. Hasil Uji Autokorelasi

N	K	d_l	d_u	4 - d_l	4 - d_u	DW	Kesimpulan
40	4	1.2848	1.7209	2.7152	2.2791	2.039025	Tidak ada autokorelasi

Source: processed with Eviews version 9

The results obtained from the autocorrelation test using the Durbin-Watson test (DW test) show that the DW value is 2.039025. Meanwhile, the value of 4 minus the upper limit (4 - du) of 2.2791 and the value of 4 less the lower limit (4- dl) of 2.7152. From the predetermined basis for decision

making, the DW value is between the dudan 4 - du value, namely 1.7209≤ 2.039025≤2.2791 (du <d <4 - du). Based on these results, it can be concluded that there is no autocorrelation in the regression model.

4.4.4.   Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.129501	0.442460	-0.292684	0.7715
X1	0.011742	0.015965	0.735466	0.4670
X2	-0.000191	0.002122	-0.089935	0.9289
X3	-1.038008	0.349662	-2.968599	0.0054
X4	-0.082055	0.053569	-1.531773	0.1346

Source: processed with Eviews version 9

Tabel 4.11.Interpretasi Uji *Glejser*

Variabel Independen	Probabilitas	Kesimpulan
Ukuran Perusahaan	0.4670	Tidak ada heterokedastisitas
Umur Perusahaan	0.9289	Tidak ada heterokedastisitas
Pertumbuhan Penjualan	0.0054	Tidak ada heterokedastisitas
Profitabilitas	0.1346	Tidak ada heterokedastisitas

Source: Author processed data

The results obtained from the heteroscedasticity test using the Glejser test show that there is no relationship between each of the independent variables (Company Size, Company Age, Sales Growth, and Profitability) with the absolute residual value (RESABS). This is evidenced by each independent variable having a probability value greater than 0.05, so H0 is accepted. Thus, it can be concluded that the regression model does not have heteroscedasticity problems.

4.5 Panel Data Linear Regression Analysis

$$Q_{it}= 0.091938 - 0.014207 + 0.010644+ 0.590490+ 0.133679 + e$$

From the panel data regression analysis equation above, it can be seen the influence of the variable company size, company age, sales growth, and profitability on tax avoidance variables.

4.6.   Hypothesis testing
4.6.1.   Result of Determination Coefficient Test (R2)

Adjusted R-squared	0.361499

Source: processed with Eviews version 9

The results obtained from the determination coefficient test with an adjusted R^2 value of 0.361499 or 36.14%. This shows that 36.14% of the variation in firm value can be influenced by company size, company age, sales growth, and profitability. With the remaining 63.86% influenced or explained by other variables not included in this research model.

4.6.2. Partial Test Results for Regression Coefficients (t Statistical Test)

1. The firm size variable has tcount = -0.624264 (tcount <ttable) then (-0.624264 <2.02809). While the probability value of 0.5365 is greater than the significant level of 0.05 (0.5365> 0.05). From these results it can be concluded that company size has no effect on tax avoidance, the coefficient value of -0.014207 indicates a negative relationship between the variable company size and tax avoidance. So this hypothesis states that company size has no effect on tax avoidance is rejected.

2. The company age variable has tcount = 3.519372 (tcount> ttable) then (3.519372> 2.02809). While the probability value of 0.0012 is smaller than the significant level of 0.05 (0.0012 <0.05). From these results it can be concluded that company age has an effect on tax avoidance, the coefficient value of 0.010644 indicates a positive relationship between the variable company age and tax avoidance. So this hypothesis states that company age has no effect on tax evasion is accepted.

3. The Sales Growth variable has tcount = 1.184748 (tcount <ttable) then (1.184748 <2.02809). While the probability value of 0.2441 is greater than the significant 0.05 (0.2441> 0.05). From these results it can be concluded that Sales Growth has no effect on tax avoidance, the coefficient value of 0.590490 indicates a positive relationship between variables and tax avoidance. So this hypothesis states that sales growth has no effect on tax avoidance is rejected.

4. Profitability variable has tcount = 1.750702 (tcount <ttable) then (1.750702 <2.02809). While the probability value of 0.0888 is greater than significant 0.05 (0.0888> 0.05). From these results it can be concluded that profitability has no effect on tax avoidance, the coefficient value of 0.133679 indicates a positive relationship between variables and tax avoidance. So this hypothesis states that profitability has no effect on tax avoidance is rejected.

4.7. Discussion of Research Results

4.7.1. Effect of Company Size on Tax Avoidance

Based on the test results, it can be seen that the size of the company has no effect on the occurrence of a tax avoidance practice in the pharmaceutical sub-sector companies that were sampled and these results are in accordance with the hypothesis that has been proposed, so it can be concluded that the larger the company size, the higher the tax avoidance activity (tax avoidance) in companies because companies with relatively large total assets tend to be more capable and more stable in generating profits. This condition causes an increase in the amount of the tax burden, which encourages companies to practice tax avoidance (Dewinta and Setiawan, 2016).

4.7.2. The Effect of Company Age on Tax Avoidance

The results of this study concluded that the age of the company has an effect on the pharmaceutical sub-sector companies to do tax avoidance. The length of time the company operates has made the company gain a good name and gain the trust of the public, for this pharmaceutical sub-sector company it is known that the level of public trust greatly affects the purchasing power of the company's products so that the company will try very hard to maintain its good name, because Therefore, companies are reluctant to practice tax avoidance because it will risk the loss of public trust in the company and will affect the company's sales level.

4.7.3. The Effect of Sales Growth on Tax Avoidance

Research conducted to obtain the results that sales growth has no effect on tax avoidance, this means that the greater the increase in sales, the smaller is a tax avoidance practice carried out by a company.

4.7.4. Effect of Profitability on Tax Avoidance

The results of this study indicate that profitability has no effect on tax avoidance in pharmaceutical sub-sector companies. Profitability is an important indicator for a company in achieving corporate profits. Profit is the most important factor in determining the amount of effective tax payment (ETR) because the higher the value of the company's net income and its profitability, the company will position itself to reduce the tax burden. Large profits will increase the amount of income tax because the profit generated by the company is the basis for the imposition of income tax so that the company will try to avoid an increase in the amount of the tax burden by taking tax avoidance measures.

5. CONCLUSION, ADVICE AND LIMITATIONS
5.1. Conclusion

Based on the results of research on this research, the following conclusions can be drawn:

1. The firm size variable shows that firm size has no effect on tax avoidance. With a probability value of 0.8209 which is greater than significant (0.05), which states that company size has no significant effect on tax avoidance practices. According to Dharma and Adriana (2016), this shows that large companies have greater operating activities and the quality of their resources is also superior to small companies. Resources owned by the company can be used to reduce the tax burden. The greater the company's assets, the greater the resulting depreciation expense, this can be used by the company to use the right asset policy to support tax avoidance efforts because this expense can reduce company profits.

2. The company age variable shows that the age of the company affects the company's decision to do tax avoidance. With a probability value of 0.2028 greater than a significant value (0.05) which states that the company's age has no effect on tax avoidance. Companies that have been standing for a long time and have the status of Tbk have a big responsibility on their behalf and have a thorough management of risk assessment, therefore companies that have been around for a long time will not take the risk of tax evasion because they can lose the public trust that has been formed over time. which is old.

3. The sales growth variable shows that sales growth has no effect on the company's decision to do tax avoidance. With a probability value of 0.2584 is greater than significant (0.05). Companies with good sales growth will get bigger profits, therefore there is a tendency or a trend of the company's tax burden to increase. The following conditions make companies less likely to do tax evasion because the company does not want to take the risk of being subject to sanctions that will diminish public confidence in the company and can interfere with the company's increasing performance.

4. The profitability variable shows that profitability has no effect on the company's decision to practice tax avoidance. With a probability value of 0.3288 which is greater than significant (0.05). Profitability is the company's ability to seek profit or profit. The profit generated by the company during the current year can be an indicator of tax avoidance and it can be seen from the companies that were researched for 3 years that they did not experience losses that caused stability that could not lead to tax avoidance.

5.2 Suggestion

Based on the research results and the conclusions of this study, the researcher proposes several suggestions for further researchers, including:

1. The size of a company has no effect on tax avoidance. This means that the size of the company is one of the factors or encouragement for companies to practice tax avoidance. The results of this study are expected to become a reference for corporate tax auditors to be more thorough in tax reporting carried out, especially by large companies.

2. Based on the research results, company age has an effect on tax avoidance. Although the research is only conducted on pharmaceutical sub-sector companies, the results of this study are expected to become a reference for other companies in order to maintain credibility in not doing tax evasion.

3. Sales growth has no effect on tax avoidance. This can be expected to become a reference for auditors to consider sales growth as one of the triggers for tax avoidance, and it is hoped that companies will not do this when the company's performance increases.

4. Profitability has no effect on tax avoidance. This can be expected to become a reference for auditors to consider profitability as one of the triggers for tax avoidance, and it is hoped that companies will not do tax avoidance when the company's profitability is increasing or growing rapidly.

5.3. Limitations of Problems and Further Research Development

After analyzing and knowing the interpretation of the results, the researchers found several limitations in this study, including:

1. There are difficulties in accessing financial information on companies that are the object of the research. Difficulties were encountered when the author was in the process of collecting data on financial information in the 2016 financial year.

2. This variable only produces a determination coefficient of 14.78%. Therefore, there are other variables that may have an effect on the company's decision to do tax avoidance that is not in this study.

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