THE EFFECT OF LEVERAGE AND GOOD CORPORATE GOVERNANCE ON TAX AGGRESSIVITY IN FOOD AND BEVERAGE SUB-SECTOR MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE (IDX) FOR 2014-2018

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Abstract - *This study aims to determine the effect of Leverage and Good Corporate Governance (Managerial Ownership and Institutional Ownership on tax aggressiveness. In this study, the authors use quantitative data, namely the company's annual report obtained through the official website of the Indonesia Stock Exchange (BEI) and the company's official website. related.*

The population in this study is the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the period 2014-2018. The sample selection technique in this study used purposive sampling and obtained 8 companies that fit the criteria. This study uses multiple linear analysis with Eviews version 9.0 and the classical assumption test for data analysis.

The results of this study prove that managerial ownership has an effect on tax aggressiveness, while leverage and institutional ownership have no effect on tax aggressiveness.

Keywords: Tax Aggressiveness, Leverage, Managerial Ownership and Institutional Ownership

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I. INTRODUCTION

Tax aggressiveness is an act of manipulation in order to reduce taxable income through tax planning, whether related to tax evasion or not (Frank, Lynch, & Rego 2009) in Mia Hernawati (2018). Mahule, Pratomo, & Nurbaeti (2016) define tax evasion as an effort by taxpayers to avoid paying taxes illegally, which is clear that these actions are illegal. Companies that make tax avoidance efforts, one of which is the act of tax aggressiveness, will get a negative image from the public, because this action does not violate the law and is not socially responsible.

According to the news media Kompas.com, the phenomenon of one of the tax aggressiveness practices in Indonesia several years ago was the beverage company PT. Coca Cola Indonesia (CCI). PT CCI is suspected of circumventing taxes, causing a tax underpayment of Rp. 49.24 billion. Initially, the Directorate General of Taxes (DGT), Ministry of Finance investigated the tax payment cases from 2002-2006. PT CCI reported a very large increase in the company's operating expenses. Large operating expenses cause taxable income to decrease, so that the tax payment is smaller. Operating expenses include advertisements from the 2002-2006 period of Rp. 556.48 billion specifically for the Coca-Cola brand. The DGT stated that PT CCI's total taxable income in that period was Rp. 603.48 billion. Meanwhile, PT CCI claims taxable income of Rp. 492.59 billion. As a result, the DGT calculated PT CCI's underpayment of income tax (PPh) of Rp.49.24 billion (Kompas.com accessed on March 16 2018).

According to Pramudito (2015) management will be more careful in making decisions because it will have a direct impact on him as a shareholder. So that with the increase in the number of share ownership by managerial can reduce the tendency of companies to do tax avoidance, and vice versa. The reason is that the manager's share ownership considers the continuity of his company so that the manager will not want his business to be examined for tax issues. By adding the independent variable, namely managerial ownership. Because it is considered influencing tax aggressiveness.

Institutional ownership is the ownership of a company owned by an institution or institution such as insurance companies, banks, investment companies and other institutional ownership. Companies with high institutional ownership tend to be more aggressive towards their taxes and avoid opportunities to act selfishly. Research conducted by Winda Megawati Ongkowidjojo (2016) shows that institutional ownership has no significant effect on tax aggressiveness. In contrast to the research conducted by Alfred Amril (2015), it shows that institutional ownership has an effect on tax aggressiveness.

Based on the research mentioned above, there are differences in the results obtained from different researchers. So that the selection of variables was chosen due to inconsistencies in previous studies so that it needs to be investigated further. This study uses independent variables, namely the effect of leverage and good corporate governance. While the dependent variable is tax aggressiveness. This research was conducted in the food and beverage sub-sector manufacturing industry which is listed on the Indonesia Stock Exchange (BEI) in 2014-2018. Based on the description above, the authors are interested in conducting research with the title "THE EFFECT OF LEVERAGE AND GOOD CORPORATE GOVERNANCE ON TAX AGRESIVITY IN FOOD AND BEVERAGE SUB-SECTOR MANUFACTURING COMPANIES LISTED IN INDONESIA SECURITIES EXCHANGE (IDX) FOR 2014-2018".

Formulation of the problem
Based on the background description above, several problems can be formulated in the research this is:
  1) Does leverage affect tax aggressiveness in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange 2014-2018?

2) Does managerial ownership affect tax aggressiveness in the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange 2014-2018?

3) Does institutional ownership affect tax aggressiveness in the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange 2014-2018?

II. LITERATURE REVIEW
2.1. Agency Theory

Jansen and Meckling (1976) describe the relationship as: "agency relationship as a contract under which one or more person (the principals) angage another person (the agent) to perform some service on their behalf involves delegating some decision making authority to the agent" . Agency relationship is a contract in which one or more people (principal) order another person (agent) to perform a service on behalf of the principal and authorize the agent to make the best decisions for the principal. If both parties have the same goal of maximizing company value, it is believed that the agent will act in a way that is in accordance with the principal's interests (Susanto et al, 2018). Susanto and Ramadhani (2016) relate agency theory to conservatism, namely the more capital a company has, indicating the greater the protection carried out by investors. For example, by conducting more intensive supervision of manager performance. So that it will suppress earnings engineering actions because managers will tend to be careful (conservative) in reporting earnings.

According to agency theory, one way that is expected to align the goals of principals and agents is through a reporting mechanism (Luayyi, 2010). Information is one way to reduce uncertainty, thus giving accountants an important role in sharing risk between managers and owners. Eisenhardt (1989) states that agency theory uses three assumptions of human nature, namely, humans are generally self-interested, humans have limited thinking power about future perceptions (bounded rationality), and humans always avoid risk (risk averse). Agents have more information about their capacity, work environment and the company as a whole. Meanwhile, the principal does not have sufficient information about the agent's performance. When not all circumstances are known to all parties and as a consequence, when certain consequences are not considered by the parties, this results in imbalance of information held by the principal and agent. This imbalance of information is called information asymmetries.

Tax Aggressiveness

Tax aggressiveness occurs in almost all companies, such as large and small companies around the world. Balakrishnan et al. (2014) in Mia Hernawati (2018) revealed that companies are involved in various forms of tax planning to reduce tax obligations. Meanwhile, according to Frank et.al) 2009) in Mia Hernawati (2018) states that tax aggressiverness is an act of manipulation to reduce taxable income through tax planning, whether related to tax evasion or not. Mahule et al. (2016) defines tax evasion as an attempt by taxpayers to avoid illegal taxes, which is clearly against the law. The more gaps used or the more likely it is that the company will save money, the more aggressive the company will be.

Leverage

Leverage in the business sense refers to the use of assets and sources of funds by a company where in the use of these assets or funds the company must pay fixed costs or fixed expenses. The use of these assets (assets) or funds is ultimately intended to increase potential profits for shareholders. So leverage can be interpreted as the use of assets or funds where to use these funds the company must cover fixed costs or pay fixed expenses. Leverage provides an

overview of the company's financial ratios because it can describe the company's capital structure and know the risk of uncollectible debt. Kasmir (2012) in Sulistyoningrum et.al (2019).

Managerial Ownership

Managerial ownership is a condition where there is a dual role between the manager as the manager of the company and the shareholders as the owner of the company or in other words a manager is also someone who owns the company's shares. Hadi and Mangoting (2014) in Lubis at.all (2018). As a manager and shareholder, he did not want the company to experience financial difficulties or even bankruptcy. A shareholder is a person or legal entity that legally owns one or more shares in a company. Managerial ownership is one aspect of corporate governance. Providing opportunities for managers to be involved in share ownership aims to include the interests of managers and shareholders.

Institutional Ownership

According to Faisal (2004: 199), institutional ownership is the party that monitors companies with large institutional ownership (more than 5%) identifying their ability to monitor greater management. The supervision carried out by institutional investors is very dependent on the size of the investment made. Institutional parties that control more shares than other shareholders can supervise larger management policies as well so that management will avoid behavior that is detrimental to shareholders.

2.2. Hypothesis Development

Leverage on Tax Aggressiveness

It is possible for companies to use debts from creditors to meet the operational and investment needs of the company. Debt will create a fixed expense for the company which is called interest. Article 6 paragraph (1) letter a of Law Number 36 of 2008 states that interest is a business expense that can be deducted in the process of calculating corporate Income Tax (PPh). The greater the debt the company has, the less tax burden will be because the company's business costs are getting bigger.

The trade off theory reveals that companies tend to take advantage of debt to minimize the tax burden which leads to aggressive actions against corporate taxes. This theory states that leverage has a positive effect on tax aggressiveness. Companies with a higher amount of debt have a lower Effective Tax Rate (ETR) value because the expense of interest costs will reduce the tax costs incurred by the company (Noor et al, 2010 in Hanum, 2013). The results of research conducted by Suyanto (2012) on manufacturing companies also show that leverage has a positive effect on corporate tax aggressiveness.

H1: Leverage has a positive effect on corporate tax aggressiveness.

Managerial Ownership of Tax Aggressiveness

Ownership of shares by managers will encourage the pooling of interests between the principal and the agent thus encouraging the manager to act in accordance with the wishes of the principal so as to improve company performance. Jensen & Mecking (1976) stated that share ownership by managers is seen to be able to align potential differences in interests between shareholders outside management so that agency problems can disappear if a manager is also a shareholder.

Research conducted by Hardinata & Tjaraka (2013) and Atari et.al. (2016) show that management ownership has an effect on tax aggressiveness. With this managerial ownership, it is hoped that it can make management put aside its interests so as to prevent tax aggressiveness. Based on the explanations and theories from previous studies, this research proposes the following hypothesis:

H2: Managerial ownership has a negative effect on corporate tax aggressiveness.

Institutional Ownership of Tax Aggressiveness

According to Jensen & Mecking (1976) institutional ownership has a role in minimizing agency conflicts that occur between shareholders and managers, because it is assumed that the principal is only interested in the interest rate of return so that the principal will try to direct the company to minimize the tax burden on investors. This is in line with research conducted by Shleifer & Vishy (1997) which states that institutional ownership plays a major role in monitoring manager behavior and forces managers to be more careful in making opportunistic decisions.

Previous research from Novitasari (2017) and Amril et.al. (2015) regarding institutional ownership of tax aggressiveness, from his research it can be concluded that if the greater the institutional ownership, the company tends to be less tax aggressive. Based on the explanations and theories from previous studies, this research proposes the following hypotheses:

H2: Institutional ownership has a negative effect on corporate tax aggressiveness.

III. RESEARCH METHOD
3.1. Research Strategy

The dependent variable is a variable that is influenced by the independent variable. The dependent variable in this study is the act of tax aggressiveness. Meanwhile, the independent variable is the influence of one or more independent variables on the dependent variable. The variables to be tested for the significance of the effect are leverage, managerial ownership, and institutional ownership (Independent Variable) on tax aggressiveness (Dependent Variable). Tax aggressiveness is an act of manipulation to reduce taxable income through tax planning, whether related to tax evasion or not (Frank et al., 2009).

This research is a quantitative type of research using secondary data. Secondary data is data that has been provided by other parties. Secondary data used in this study are annual reports of food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (BEI). The method used to collect data is the documentation method.

3.2. Population and Sample

The documentation method is carried out by recording data related to the problem to be examined from documents held by relevant agencies, generally regarding financial reports of food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange companies for the period 2014-2018. The data in this study were obtained through the Indonesia Stock Exchange website, namely, www.idx.co.id. The data analysis method used in this research is panel data regression technique. Regression analysis aims to obtain a form regarding the relationship between the independent variable and the dependent variable which is assessed to determine the performance of each company. In this research, the data were processed using the computer program E-Views (Econometric Views).

3.3. Data and Data Collection Methods

In this research, the data analysis technique used is descriptive analysis, as a tool used to describe each variable. In this study, a descriptive statistical test was carried out to determine the minimum, maximum, mean, and standard deviation values of the variables. Researchers filtered the data using the classical assumption test consisting of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. In making panel data estimates, the researcher uses the Chow test, the Hausman test and the Lagrange multiplier test. Furthermore, to test the hypothesis using the coefficient of determination, F statistical test (Simultaneous), and statistical t test (partial).

3.4. Operationalization of Variables

3.4.1. Definition of Research Variables

In a study, there are several variables that must be clearly defined before starting data collection. Research variables are anything in the form determined by the researcher to study so that information is obtained about it, then conclusions are drawn (Sugiyono, 2017).

In accordance with the research title chosen by the author, namely "The effect of leverage and good corporate governance on tax aggressiveness in manufacturing companies for the 2014-2018 period", the authors classify the variables in the title into 2 (two) variables, namely the independent variable and dependent variable (dependent variable).

Operationalization of Variables
1. Tax Aggressiveness (Y)

   Tax aggressiveness is measured using the proxy effective tax rate (ETR). ETR is a proxy that is widely used in previous studies to determine how much companies engage in tax aggressiveness. Lanis & Richardson, 2012 in Mia Hernawati (2018). Where if the ETR value is high, the tax aggressiveness is low, whereas if the ETR value is low, the tax aggressiveness is high. The ETR calculation formula is:

$$ETR = \frac{\text{Total Tax Expense}}{\text{Income Before Tax}}$$

2. *Leverage* (X1)

   Kasmir (2013: 151) in Hidayat & Eta Febriana (2018) Leverage ratio is the ratio used to measure the extent to which the company's assets are financed using debt. By comparing the amount of the company's debt burden with the assets owned by the company. According to Gemilang, Desi Nawang (2016) leverage is the amount of debt owned by a company for financing and can be used to measure the amount of assets financed by debt. A leveraged company reflects that the company depends on external loans or debt, while low leverage reflects that the company finances its assets using its own capital (Purwanto, Agus 2016). Companies with high leverage will also have a high level of aggressiveness. This is because loans or debts cause interest expenses which will decrease the company's profits. If the company's profit falls, the tax burden will also decrease. In contrast to companies that have low leverage, the level of aggressiveness is also low. According to Kasmir (2013: 115) in Hidayat & Eta Febriana (2018) leverage can be measured using the following formula:

$$DER = \frac{\text{Total Debt}}{\text{Total Equity}}$$

3. Managerial Ownership (X2)

   Managerial ownership is the amount of share ownership by the managerial party of the company. Jensen & Mecking (1976) in Mia Hernawati (2018) states that the greater share ownership by management in a company results in management being more active in

fulfilling the interests of shareholders who also include themselves. Pohan (2008) in Mia Hernawati (2018) states that the greater the proportion of share ownership by managerial, the better the company's performance will be, because it helps unite the interests of shareholders and managers. Managerial ownership can be formulated as follows:

$$\text{ManOwn} = \frac{\text{Number of Managerial Shares}}{\text{Number of shares outstanding}} \times 100\%$$

4. Institutional Ownership (X3)

The existence of institutional ownership in a company encourages an increase in more optimal supervision of management performance. The supervision carried out by institutional investors is very dependent on the size of the investment made. Those who control more shares than other shareholders can exercise greater oversight of management policies, so that managers will avoid behaviors that can harm shareholders and focus on economic performance. The results of research conducted by (Khurana & Moser, 2009) that the size of the concentration of institutional ownership will influence the company's tax aggressive policy. Institutional ownership can be formulated as follows:

$$\text{InsOwn} = \frac{\text{Number of Institutional Shares}}{\text{Number of shares outstanding}} \times 100\%$$

IV. RESEARCH RESULT
Descriptive Statistical Analysis Results

According to Ir. Syofian Siregar (2017: 3) descriptive statistics are statistics relating to how to discuss ways of describing, describing, describing, or describing data so that it is easy to understand. There are several ways that can be used in describing, describing, describing, or describing data, including: Determining the size of the data, such as: the mode value, the average, and the middle value (median). Determine a measure of data variability, such as: variation (variant), degree of deviation (standard deviation), and distance (range). Determine the size of the data form: skewness, kurtosis, and box plot.

Table 4.5: Descriptive Statistics Results

	Y	X1	X2	X3
Mean	0.195832	0.785664	16.45766	36.22198
Median	0.238964	0.838790	4.483057	24.65404
Maximum	0.348719	1.872234	81.00000	81.00000
Minimum	-0.512646	0.074316	0.000157	0.368048
Std. Dev.	0.162214	0.489171	25.96109	33.04610
Skewness	-2.910544	0.209535	1.889780	0.224242
Kurtosis	11.95993	2.311440	5.089992	1.355236
Jarque-Bera	190.2757	1.082890	31.08857	4.843976
Probability	0.000000	0.581907	0.000000	0.088745

Rachma Aldienna Pelita Ardy[1], Sharifuddin Husen[2]

Sum	7.833282	31.42657	658.3065	1448.879
Sum Sq. Dev.	1.026226	9.332257	26285.14	42589.75
Observations	40	40	40	40

Source: Data processed using Eviews 9, 2020

In the results of the descriptive statistical analysis above, it shows that the amount of data in this study is 40 consisting of 8 food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the 2014-2018 period.

The tax aggressiveness variable (Y) has a maximum value of 0.348719 and a minimum value of -0.512646. In this study the company that has the maximum value is PT Indofood Sukses Makmur Jaya Tbk in 2015 and the company with the minimum value is PT Prasida Aneka Niaga Tbk in 2018. From the results of this analysis it is known that the average (mean) value of tax aggressiveness owned all of the largest sample companies were 0.195832 with a standard deviation of 0.162214. The majority of sample companies in this study have low tax aggressiveness seen from their average value. The median value in this analysis is 0.238964 and the sum value is 7.833282. the value of Jarque-Bera is 190.2757 and a probability value of 0.0000.

Classic Assumption Test
a) Normality Test

According to Hidayati et.al (2019: 77) the normality test is a prerequisite test for performing parametic statistical analysis techniques. The normality test is used to determine whether the distribution is normal or not, which is a requirement to determine the type of statistic used in the next analysis. The widely used normality test is the Jarque-Bera (JB) test.

Table 4.6: Normality Test Results
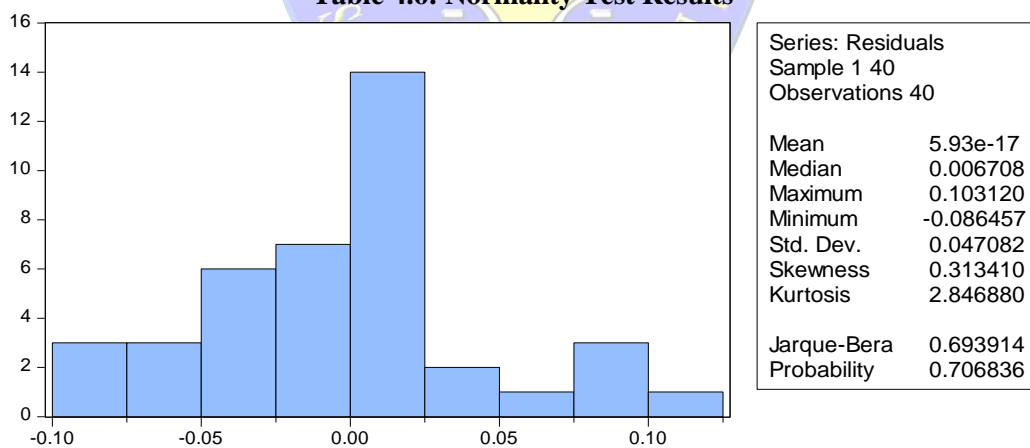
Source: data processed using eviews9, 2020

Based on Table 4.6 .Based on the normality test above using the histogram normality test, it shows that the Jarque-Bera (JB) value is 0.693914 and a probability of 0.706836, the data presented in th table can be concluded that it is normally distributed because the probability exceeds 0.05.

b) Multicollinearity Test

If a low tolerance value is the same as a high VIF value (because VIF = 1 / tolerance) and shows high collinearity. The cut off value that is commonly used is a tolerace value of 0.10 or equal to a VIF value above 10 (Ghozali, 2016: 103).

Table 4.7: Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.002683	44.68927	NA
X1	0.000862	8.823921	1.332450
X2	4.11E-05	23.08157	1.922950
X3	5.54E-05	42.74453	2.318970

Source: data processed using eviews9, 2020

Based on the results of the multicollinearity test with Varianve Inflation Factors, it shows that the value of the Centered VIF on the leverage variable is 0.000862, the managerial ownership variable is 4.11E-05, and the institutional ownership variable is 5.54E-05. From all the results of the centered VIF value for each variable in the table, it shows that nothing exceeds the value of 10, it can be concluded that there is no multicollinearity in the independent variables in this test.

c) Heteroscedasticity Test

According to Albert Kurniawan (2019: 60) The Heteroscedasticity Test is to see whether there is an inequality of variance from one residual to another. A regression model that meets the requirements is where there is a similarity in variance from the residuals of one observation to another, which is fixed or is called jomoskedasitisitas.

Table 4.8: Heteroscedasticity Test Results

F-statistic	1.807916	Prob. F(3,36)	0.1632
Obs*R-squared	5.237331	Prob. Chi-Square(3)	0.1552
Scaled explained SS	3.917451	Prob. Chi-Square(3)	0.2705

Source: data processed using eviews9, 2020

Based on the results of the heteroscedasticity test with the white heterocedasticity test above, it can be seen from the Obs * R-Squared value in the table of 5.237331, it can be concluded that in this test heteroscedasticity does not occur because Obs * R-Squared> 0.05

Rachma Aldienna Pelita Ardy[1], Sharifuddin Husen[2]

d) Autocorrelation Test

According to Albert Kurniawan (2019: 65) autocorrelation is a condition where there is a correlation from the residuals for one observation to another, which is arranged according to time series. A good regression model requires no correlation problems. To detect autocorrelation, it can be done by performing the Durbin Watson test (DW test).

Table 4.9: Autocorrelation Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.247603	0.051797	4.780247	0.0000
X1	0.014168	0.029352	0.482686	0.6322
X2	-0.001123	0.006411	-0.175198	0.8619
X3	-0.001823	0.007444	-0.244923	0.8079
R-squared	0.024965	Mean dependent var		0.239529
Adjusted R-squared	-0.056288	S.D. dependent var		0.047681
S.E. of regression	0.049004	Akaike info criterion		-3.099182
Sum squared resid	0.086451	Schwarz criterion		-2.930294
Log likelihood	65.98364	Hannan-Quinn criter.		-3.038118
F-statistic	0.307247	Durbin-Watson stat		0.703996
Prob(F-statistic)	0.819969			

Source: data processed using eviews9, 2020

Based on the results of the autocorrelation test using the Durbin Watson (DW) method. From the table, it shows that the Durbin-Watson stat is 0.703996 exceeding 0.05, it can be concluded that there is no autocorrelation.

Panel Data Regression Techniques

1) Chow test

According to Arif and Endah (2017: 33) The chow test is a test to determine the common effect model or fixed effect model, which model is most appropriate for estimating panel data.

Table 4.10 Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	14.005500	(7,29)	0.0000

Cross-section Chi-square	59.087775	7	0.0000

Source: Data processed using eviews9, 2020

Based on the results of the chow test above, it shows that the calculated F value is 14.005500. while the F table is obtained from the multiplication of the cross-section statistical F multiplied by d.f. cross-section F (7.29 X 0.05) is 0.36. Based on the results of the multiplication, it indicates that F count (14.005500)> F table (0.36), it can be concluded that the most appropriate model is the fixed effect.

2) Hausman Test

Hausman test statistical tests to determine which model is appropriate to use the Random Effect with Fixed Effect. The housman test is used to determine whether the most appropriate model to use is a fixed effect model or a common effect model.

Table 4.11: Hausman Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.516410	(14,41)	0.0109
Cross-section Chi-square	37.210780	14	0.0007

Source: Data processed using eviews9, 2020

Based on the results of the Hausman test, it can be seen that the chi-square table value obtained is 7,815 (0.05.3) by looking at the chi-square table. This shows that the chi-square table (7,815)> significant level value (0.05), so the model used in this test is the random effect.

3) Lagrange Multiplier Test

According to Neni Sri Wahyuni Nengsi, (2019) the Lagrange Multiplier (LM) test is used to find out which model is better, whether it is better to estimate using a common effect or random effect model.

Table 4.12: Lagrange Multiplier Test Results

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	34.23210	0.890882	35.12298
	(0.0000)	(0.3452)	(0.0000)

Source: Data processed using eviews9, 2020

Based on the results of the lagrange multiplier test using the omitted random effect, the Breusch-Pagan Prob value is 0.0000 with a significant level of $\alpha = 0.05$, it can be concluded that the Prob Breusch-Pagan value $<\alpha = 0.05$. therefore, the model chosen is a random effect.

Panel Data Regression Equations

This regression analysis is used to obtain a form regarding the relationship between the leverage variable (X1), good corporate governance (X2) on tax aggressiveness. The panel data regression equation model in this study is:

Tax Aggressiveness (Y) = 0.191029 + 0.017546 (X1) - 0.002189 (X2) + 0.007252 (X3)

From the data regression equation model above, it can be interpreted as follows:

1) A constant value of 0.191029 shows the magnitude of the tax aggressiveness coefficient in the food and beverage sub-sector manufacturing companies listed on the IDX for the 2014-2018 period, assuming the variables of leverage, managerial ownership and institutional ownership are equal to 0 (zero).

2) The value of the leverage coefficient is 0.017546, this means that if the leverage increases by 1 unit, the tax aggressiveness will increase by 0.017546 assuming other variables are fixed.

3) The coefficient value of managerial ownership is -0.002189, meaning that every increase in managerial ownership is 1 unit, the tax aggressiveness will decrease by 0.002189 with the assumption that other variables are fixed.

4) The coefficient value of institutional ownership is 0.007252, this means that if managerial ownership has increased by 1 unit, tax aggressiveness will increase by 0.007252 with the assumption of other fixed variables.

Determinant Coefficient (R2)

Based on table 4.12, it shows that the adjusted R-Square is 0.101948 or 10.1948%, this shows that the independent variable can explain the dependent variable by 10.1948% and the rest is influenced by other variables not used in this test.

Statistical Test F

Based on table 4.12 it can be seen from the probability value (F-Statistic) of 0.004563, which means that 0.004563 <0.05, it can be concluded that leverage, managerial ownership and institutional ownership jointly affect the tax aggressiveness variable.

Statistical Test t

Based on table 4:12, the results of the t test can be interpreted as follows:

1) Leverage variable

   The results of the test table 4:12 show that the probability t-count value of the leverage variable is 0.6031. When compared with the significance value, the probability t-count value is 0.6031> 0.05. it shows that Ho is rejected and Ha is accepted. From the above results it can be concluded that the leverage variable does not have a significant effect on tax aggressiveness.

2) Managerial Ownership Variables

   The results of the test table 4:12 show that the value of the probability t-count is 0.0355. When compared with the significance value, the probability t-count value is 0.0355 <0.05.

it shows that Ho is accepted and Ha is rejected. From the results above, it can be concluded that managerial ownership has a significant effect on tax aggressiveness.

3) Institutional Ownership Variables

The results of the test table 4:12 show that the probability t-count value of institutional ownership is 0.1250. When compared with the significance value, the probability t-count value is 0.1250 <0.05. it shows that Ho is rejected and Ha is accepted. Thus, it can be concluded that institutional ownership has no significant effect on tax aggressiveness.

Analysis and Discussion of Research Results

1. The Effect of Leverage on Tax Aggressivenes

From the results of these tests, it can be concluded that the relationship between leverage has no significant effect on the level of tax aggressiveness. This could be because the level of leverage at the retaltive food and beverage sub-sector manufacturing company is the same. This can be indicated by the standard deviation value of 0.489171, which is greater than the average leverage of food and beverage companies, which is 0.785664. In addition, the level of corporate leverage will not affect aggressiveness against the tax burden that must be paid because companies tend to maintain good relations with investors through the presentation of taxable profit which is always stable so that investor confidence is maintained.

The results of this study are in accordance with the research by Vanesali and Ari Budi Kristanto (2019) which explains that leverage is not considered a determinant of tax avoidance in Indonesia in manufacturing companies, so it does not have a significant effect. On the other hand, this study is not consistent with the results of research conducted by Suyanto (2012) which shows that leverage has a positive effect on tax aggressiveness.

2. The Effect of Managerial Ownership on Tax Aggressiveness

In this study indicates that managerial ownership in a company affects managers to take tax aggressiveness. The negative effect of managerial ownership on tax aggressiveness is because companies in Indonesia have an average managerial ownership of less than 5%. According to Prayogo and Darsono (2015), the largest shareholder describes the party who holds a strong hold in the voting for the General Meeting of Shareholders (GMS). Because managerial ownership is smaller than other investors, this party is not strong enough to influence the company's decision making. This small percentage of managerial ownership causes managers to have the opportunity and authority to influence and determine corporate tax policies. Agency theory explains that the management (agent) in a company has a big responsibility towards the company owner (principle) so that management is required to optimize the company profile in the company's financial statements (Prasetyo and Pramuka, 2018).

3. The Effect of Institutional Ownership on Tax Aggressiveness

The results of hypothesis testing in this study indicate that institutional ownership has no effect on tax aggressiveness. This research is in line with research conducted by (Pohan 2009) in Mia Hernawati (2018) which states that institutional ownership has no effect on tax aggressiveness. The size of the institutional ownership in the company which is expected to prevent the company from tax avoidance practices, apparently cannot prevent companies from engaging in tax avoidance practices. The role of institutional ownership is to supervise and influence managers, the role of institutional ownership is supposed to prevent management from becoming selfish. However, institutional owners also ensure that the decisions taken by management can provide benefits to them so that they can maximize their prosperity.

V. CONCLUSIONS AND SUGGESTIONS

This study examines the effect of leverage, managerial ownership, and institutional ownership on tax aggressiveness in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the 2014-2018 period. Based on the results of the analysis, testing and discussion that have been carried out in the previous chapter, it can be concluded from this study:

1) In variable leverage. From the results of these tests, it can be concluded that the relationship between leverage has no significant effect on the level of tax aggressiveness. This could be because the level of leverage at the retaltive food and beverage sub-sector manufacturing company is the same. This can be indicated by the standard deviation value of 0.489171, which is greater than the average leverage of food and beverage companies, which is 0.785664. In addition, the level of corporate leverage will not affect aggressiveness against the tax burden that must be paid because companies tend to maintain good relations with investors through the presentation of taxable profit which is always stable so that investor confidence is maintained.

2) In managerial ownership variable, this research indicates that managerial ownership in a company influences managers to take tax aggressiveness. The negative effect of managerial ownership on tax aggressiveness is because companies in Indonesia have an average managerial ownership of less than 5%. According to Prayogo and Darsono (2015), the largest shareholder describes the party who holds a strong hold in the voting for the General Meeting of Shareholders (GMS). Because managerial ownership is smaller than other investors, this party is not strong enough to influence the company's decision making. This small percentage of managerial ownership causes managers to have the opportunity and authority to influence and determine corporate tax policies. Agency theory explains that the management (agent) in a company has a big responsibility towards the company owner (principle) so that management is required to optimize the company profile in the company's financial statements (Prasetyo and Pramuka, 2018).

3) The results of hypothesis testing in this study indicate that institutional ownership has no effect on tax aggressiveness. This research is in line with research conducted by (Pohan 2009) in Mia Hernawati (2018) which states that institutional ownership has no effect on tax aggressiveness. The size of the institutional ownership in the company which is expected to prevent the company from tax avoidance practices, apparently cannot prevent companies from engaging in tax avoidance practices. The role of institutional ownership is to supervise and influence managers, the role of institutional ownership is supposed to prevent management from becoming selfish. However, institutional owners also ensure that the decisions taken by management can provide benefits to them so that they can maximize their prosperity.

Limitations and Further Research Development

This research was conducted with several limitations that may affect the results of the study. The research limitations are as follows:

1) The period used in this study is only 5 years, namely 2014-2018.
2) The study only uses 3 independent variables, namely: leverage, managerial ownership, and institutional ownership. From the results of this study, other variables that are more influential on tax aggressiveness are needed to be able to explain more deeply about tax aggressiveness.
3) The object in this study only uses 6 samples of manufacturing companies in the food and beverage sub-sector that are listed on the Indonesian Stock Exchange (BEI) for the 2014-2018 period.

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