THE EFFECT OF CAPITAL STRUCTURE, CAPITAL INTENSITY, AND PROFITABILITY ON EFFECTIVE TAX RATE IN MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE (IDX) FOR 2017-2019 PERIOD

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Abstract - *This study aims to determine the effect of Capital Structure, Capital Intensity, and Profitability on the Effective Tax Rate of manufacturing companies listed on the Indonesia Stock Exchange (BEI) 2017-2019 Period. Effective Tax Rate is proxied by ETR, Capital Structure is proxied by Debt Equity Ration (DER), Capital Intensity is proxied by Capital Intensity Ratio (CIR), and Profitability is proxied by Return On Assets (ROA).The sample in this study were manufacturing companies listed on the Indonesia Stock Exchange (IDX) in the 2017-2019 period. The number of samples used was 123 companies which were taken through purposive sampling, and the total samples were 369 samples. The method of analysis of this research uses panel data regression with Eviews version 10.The results of this study indicate that the capital structure or debt equity ratio has a positive and significant effect on the Effective Tax Rate of manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the 2017-2019 period. Capital Intensity and Profitability have a negative effect on the Effective Tax Rate of manufacturing companies listed on the Indonesia Stock Exchange (BEI) for the 2017-2019 period.*

***Keywords*:** *Capital Structure, Capital Intensity, Profitability, Effective Tax Rate*

I. INTRODUCTION

Manufacturing company is a business entity that operates machinery, equipment and labor in a process medium to convert raw materials into finished goods that have a selling value. In the process of work, this company has a characteristic that is to change a raw material into a finished product that has a large selling value. The processes and stages carried out in the activities of a manufacturing company have been carried out based on

standard operating procedures or commonly referred to as established SOPs. One of the parts of a manufacturing company in Indonesia is usually called a factory. The factory is a place for the manufacturing process.

Income tax (PPh) is a tax imposed on income. According to the Income Tax Law (UU), income refers to any additional economic capability received or obtained by a taxpayer, from within or outside the country, both to increase wealth, consumption, investment, and so on. In simple terms, there are two types of income tax subjects, namely individuals and bodies. For taxpayers who have their own business, they are required to pay corporate income tax. The following is an explanation of the subject, object, and corporate income tax rates and examples of their calculations. Based on the Law on General Provisions and Tax Procedures (KUP), which includes the definition of a body is Limited Liability Company (PT), Limited Liability Company (CV), other companies, BUMN with any name and in any form, BUMD with any name and form, firm , kongsi, cooperatives, pension funds, associations, associations, foundations, mass organizations, socio-political organizations or other organizations, institutions and other forms of entities including collective investment contracts, and permanent establishments. Referring to the Income Tax Law and Regulation of the Minister of Finance (PMK) No.156 / PMK.010 / 2015 concerning the Fourth Amendment to PMK No.215 / PMK.03 / 2008 concerning the Establishment of International Organizations and Officials of Representative Offices of Excluded International Organizations In the subject of income tax, there are parties that are exempted from being subject to corporate tax, namely: First, representative offices of foreign countries.

This research was conducted at manufacturing companies listed on the IDX. This is done on the grounds that manufacturing companies are the dominant group in all companies listed on the IDX. Thus, the conclusions obtained can represent all companies listed on the IDX. Associated with the variables in this study, where one of the research variables is Capital Structure, Capital Intensity, and Profitability as measured by looking at the company's debt and total assets. Companies that have sizable total assets are manufacturing companies. In connection with one of the financial scandals that have occurred, which has been described previously, it is also a manufacturing company listed on the IDX.

In addition to the inconsistency problem of some research results, the reason the authors conducted research related to capital structure, capital intensity and profitability as variables were as follows: first, capital structure is more important in decision making in starting a business. related to the investment to be made so that the quality of earnings information reported by the company is a major concern. Because profits that are not quality will mislead a business that will be started. Second, intensity capital is also related to fixed assets which will affect the profit that will be run by the company, the more fixed assets the company has, the more depreciation will be greater. Then the quality of the information that the company will report is a concern as its income tax burden. Third, profitability is also important in influencing a company because the size of the company's profits can affect the company's income**.**

II. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT
2.1 Tax

The definition of tax according to Law Number 16 of 2009 concerning the fourth amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures in Article 1 Paragraph 1 reads that tax is an obligatory contribution to the state owed by an individual or entity that is compelling based on law, without receiving direct compensation and used for the needs of the state for the greatest prosperity of the people.

Meanwhile, according to Rochmat Soemitro (2018) taxes are people's contributions to the state treasury based on law (which can be enforced) without receiving lead services (counter-achievement) which can be directly demonstrated and used to pay for general expenses.

2.2 Definition of Effective Tax Rate

Effective tax rate (ETR) is the company's effective tax rate which can be calculated from income tax expense (current tax expense) which is then divided by profit before tax. The lower the value of the effective tax rate (ETR), the better the value of the effective tax rate (ETR) in a company and the better the value of the effective tax rate (ETR) indicates that the company has succeeded in implementing tax planning. The tax expense used only uses the current tax burden because at the current tax expense it is possible to make choices for policies related to taxation and accounting.

The amount of tax burden is calculated from the tax base multiplied by the applicable tax rate. The applicable tax rate is based on the rate stipulated in the taxation regulations. The tax rate set in this tax regulation is known as the Statutory Tax Rate (STR). In Indonesia, STR for personal income is a progressive rate. Meanwhile, the corporate income tax rate is a proportional rate of 25% which has been in effect since 2010. According to Hassett & Mathur (2015), STR is not a good measure to see competitiveness between companies, because STR does not take into account the extent of the tax base. To compare competitiveness between companies, it is better to use effective tax rates.

2.3 The Effect of Capital Structure on the Effective Tax Rate

According to Muhamad Ressa (2015), the higher the ratio, the lower the company's funding provided by shareholders. On the other hand, the lower the DER ratio, the higher the funding provided by shareholders. The dominant funding comes from high debt, which of course will have an impact on reducing corporate taxes. Meanwhile, dominant funding from shareholders will certainly increase the profit value which will also cause the company's tax value to increase. shows the result that DER also affects income tax.

According to Afrinaldi (2015), the results show that Debt to Equity has a significant effect on payable corporate income tax.

H1 : Capital structure has a negative effect on the Effective Tax Rate

2.4 The Effect of Capital Intensity on the Effective Tax Rate

According to Rodriguez and Arias (2012), the capital intensity ratio is often related to how much fixed assets a company has on sales volume. states that fixed assets owned by the company allow the company to cut taxes due to depreciation of fixed assets each year. However, for certain purposes the company can make accounting policies by slowing down the depreciation time of fixed assets compared to depreciation according to taxes so that the company's accounting profit becomes greater than its fiscal profit, causing deferred tax in future periods. This shows that companies with high fixed assets have a lower tax burden than companies with low fixed assets.

According to Liu and Cao (2007), the method of depreciation of assets is driven by tax law, so that depreciation costs can be deducted from profit before tax. Thus, the greater the proportion of fixed assets and depreciation costs of capital, the company will have a low ETR.

H2 : Capital Intensity has a negative effect on the Effective Tax Rate

2.5 Effect of Profitability on Effective Tax Rate

According to Richardson and Lanis (2007) Profitability is the company's ability to benefit from the activities the company carries out. stated that companies with high profitability will pay higher taxes than companies with lower profitability. The reason is that corporate income tax will be imposed based on the amount of income received by Law No. 36 of 2008 article 1 concerning income tax explains that income tax is borne by tax subjects who receive or earn income in the tax year.

According to Arias (2012), the relationship between profitability and effective tax rate is direct and significant. The level of income tends to be directly proportional to the taxes paid, so that companies that have a high profit rate tend to have high taxes. Companies that have the ability to earn profits must prepare taxes to be paid in the amount of income earned.

H3: Profitability has a positive effect on the Effective Tax Rate
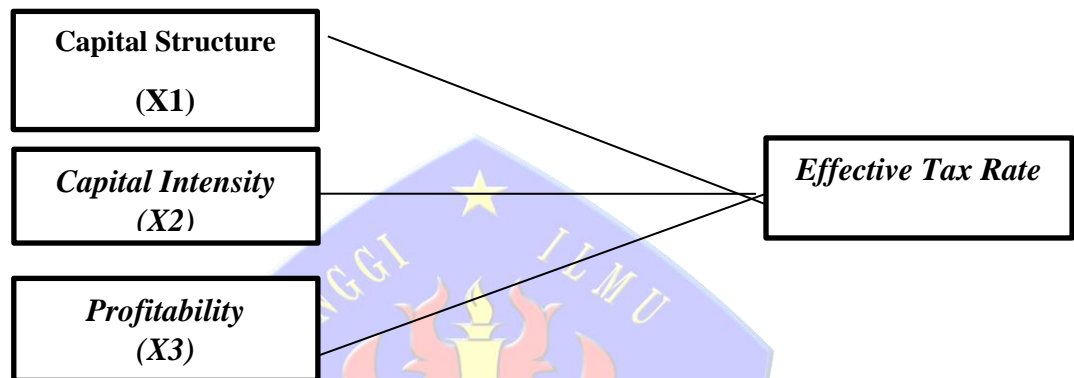
III. RESEARCH METHOD

Secondary data is taken from the financial statements of manufacturing companies published from 2017-2019 on the website of the Indonesia Stock Exchange (BEI) www.idx.co.id. The population in this study are manufacturing companies listed on the Indonesia Stock Exchange 2017-2019 years. Samples were taken using purposive sampling method.

Tabel 1 : Sample Selection Criteria

Keterangan	Total
Manufacturing sector companies listed on the Indonesia Stock Exchange for the 2017-2019 period.	166
Manufacturing sector companies that did not publish complete annual financial reports during the 2017-2019 observation period.	(43)
Number of companies to be studied	123

Number of years of observation	3
Number of Samples (123 x 3)	369

Independent variables or independent variables are variables that affect or cause the change or the emergence of the dependent variable (dependent). In this study, the independent variables used are Capital Structure (DER), Capital Intensity (CIR), and Profitability (ROA). Capital Structure (DER) Capital Structure Is the ratio of debt to equity in the company's capital structure policy (I Made Sudiartana, 2018: 338), Capital Intensity (CIR) Capital Intensity is the ratio of the intensity of fixed assets. the intensity of fixed assets is how much the proportion of the company's fixed assets in the total assets owned by the company (Made Astrela Widani, 2018: 338), Profitability (ROA) , 2016: 108).

The dependent variable or dependent variable is the variable that is affected or that is the result, because of the independent variable. In this study, the dependent variable used is the Effective Tax Rate. Effective Tax Rate is the ratio between the real tax we pay and the commercial profit before tax. The effective tax rate or ETR (Effective Tax Rate) is used to measure taxes paid as a proportion of economic income.

Variabel	Dimensi	Indikator	Skala
Capital Structure (DER)	To find out between the amount of long-term debt with own capital.	$DER = \dfrac{TOTAL\ DEBT}{TOTAL\ CAPITAL}$	Ratio
Capital Intensity (CIR)	to find out how much the company invests in assets.	$CIR = \dfrac{FIXED\ TOTAL\ ASSETS}{TOTAL\ ASSETS}$	Ratio
Profitabilitas	This is to determine the company's ability to generate profits during a certain period.	$ROA = \dfrac{PROFIT\ BEFORE\ TAX}{TOTAL\ ASSETS}$	Ratio
Effective Tax Rate (Y)	To find out the amount of the tax burden is calculated from the tax base multiplied by the applicable tax rate.	$ETR = \dfrac{PAYMENT\ OF\ TAXES}{PROFIT\ BEFORE\ TAX}$	Ratio

The data analysis used is panel data regression analysis with descriptive statistical testing of predetermined variables and is assisted by using the Microsoft Excel program and statistical methods by the Econometric Views (EViews) version 10.0 program.

Before testing the multiple linear regression analysis on the research hypothesis, it is necessary to first test the classical assumptions of the data to be processed. Panel data regression analysis is a combination of time series data and cross section data. The panel data regression model is as follows:

$$ETR_{it} = \alpha + \beta_1 SM_{it} + \beta_2 CI_{it} + \beta_3 PROF_{it} + \varepsilon$$

Information :

ETR = Effective Tax Rate of company i year t
α = Constant Coefficient
β = Regression Coefficient
SM = Capital structure company i year t
CI = Capital Intensity of company i year t
PROF = Profitability of company i year t
ε = error rate (standard error)

IV. RESULTS

Tabel 1: Descriptive Statistics Results

	ETR	DER	CIR	ROA
Mean	-0.250081	3.678696	0.410976	0.064874
Maximum	2.362579	786.9311	0.890712	3.206796
Minimum	-6.934553	-4.924980	0.001194	-0.605703
Std.Dev	0.550413	41.24584	0.189925	0.204756
Observation	369	369	369	369

Based on the results of descriptive analysis of the variable Capital structure as an independent variable proxied by DER, it has an average value (mean) of 3.678696 with a standard deviation of 41.24584. shows the average amount of company capital compared to debt in manufacturing sector companies for the 2017-2019 period of 3.68% The minimum value in the DER variable is -4.924980 or -4.9% owned by PT. Inti Keramik Alam Asri Industri Tbk in 2017, while the maximum value is 786.9311 or 786.9% owned by PT. Alumindo Light Metal Industry Tbk in 2019, the high DER occurred because the company's total debt had a smaller value compared to the company's total capital.
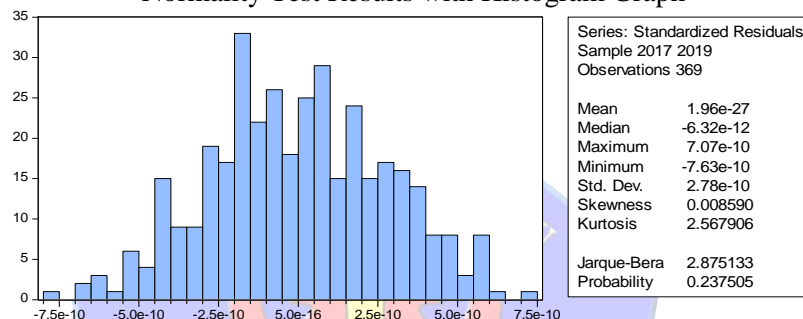
The variable Capital Intensity as an independent variable proxied by CIR has an average value (mean) of 0.410976 with a standard deviation of 0.189925. 410976 shows the average size of the company's fixed assets compared to total assets in manufacturing sector companies for the 2017-2019 period of 41.06%. The minimum value on the CIR variable is 0.001194 or 0.11% owned by PT. Star Petrochem Tbk in 2019 because the company's total fixed assets have a smaller

value compared to the company's total assets. While the maximum value of 0.890712 or 89.07% is owned by PT. Panasia Indo Resources Tbk in 2019.

The profitability variable as an independent variable proxied by ROA has an average value (mean) of 0.064874 with a standard deviation of 0.204756. The minimum value on the ROA variable is -0.605703 or -60.6% owned by PT Panasia Indo Resources Tbk in 2018,. While the maximum value of 3.206796 or 3.20% is owned by PT. Asia Pacific Fibers Tbk in 2017.

The variable Effective Tax Rate as the dependent variable which is proxied by ETR has an average value (mean) of -0.250081 with a standard deviation of 0.550413. The minimum value on the ETR variable is -6.934553 or -6.93% owned by PT. Prashida Aneka Niaga Tbk in 2019, while the maximum value of 2.362579 or 2.4% is owned by PT. Goodyear Indonesia Tbk in 2017.

Tabel 2: Classic assumption test
Normality Test Results with Histogram Graph

Series: Standardized Residuals	
Sample 2017 2019	
Observations 369	
Mean	1.96e-27
Median	-6.32e-12
Maximum	7.07e-10
Minimum	-7.63e-10
Std. Dev.	2.78e-10
Skewness	0.008590
Kurtosis	2.567906
Jarque-Bera	2.875133
Probability	0.237505

Based on the output results above, it shows that the Jarque-Bera value is 2.875133 with a probability of 0.237505. With a probability value of 0.237505 which is greater than the significant rate of 0.005, it can be concluded that the data in this study are normally distributed.

Tabel 2: Classic assumption test
Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.095707	0.068461	1.397981	0.1630
DER	-0.000103	0.000656	-0.156651	0.8756
CIR	0.246881	0.146032	1.690594	0.0918
ROA	-0.177189	0.135283	-1.309768	0.1911

Based on table 2, the regression results between the independent variables and their absolute residuals show that the coefficient of each independent variable is not significant (significance rate> 0.05). So that it does not become a problem of heteroscedasticity.

Tabel 2: Classic assumption test
Autocorrelation Test Results - Durbin Watson

Model Summary[b]		
Model	Std Erorr of the Estimate	Durbin-Watson
1	0,485158	2.818856

Source: Secondary Data Processed (2020)

Based on the output above, it is known that the DW (Durbin Watson) value is 2.818856. Furthermore, we will compare this value with the DW table value with a significance of 5%, it is known that the amount of data is N = 369 and the number of independent variables K = 3, so the dl value (upper limit) is obtained of 1.81855, the DW value of 2.818856 is more than (4 - dl) 4 - 1,81855 = 2.18145 and the DW value is less than 4. So it can be concluded that there is no negative correlation.

Tabel 2: Classic assumption test
Multicollinearity Test Results

Model	Collinearity Statistics	
	Tollerance	VIF
DER	4.93E-07	1.005928
CIR	0.024437	1.043166
ROA	0.020972	1.047557

Source: Data Processing Results (2020)

The regression test results without the interaction variable show that there is no VIF (Variance Inflation Factor) value more than 10 which indicates that this test is not affected by multicollinearity. In this test, the VIF results from 3 variables of Capital Structure (DER), Capital Intensity (CIR), Profitability (ROA) are 1.005928, 1.043166, 1.047557, respectively. This shows that there is no correlation between the independent variable Capital Structure (DER), Capital Intensity (CIR), Profitability (ROA), which indicates that the test in this study is a good regression model.

Tabel 3: : Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.087224	(122,243)	0.2905
Cross-section Chi-square	160.726571	122	0.0108

Source: Data processed with Eviews 10.0 (2020)

Based on the output table above, it appears that the chi-square Cross-Section in the column prob. The estimated chow test is 0.0108. because the value of the prob. Cross-section chi-square is 0.0108 <0.05, thus it can be concluded that the model used in this study is the model used in this study is the Fixed Effect (FEM) model because the value of prob. Cross Section Chi-Square <0.05.

Tabel 4 : Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	5.239929	3	0.0350

Source: Data processed with Eviews 10.0 (2020)

Based on the output table above, it appears that the Cross Section Random column Prob. For the Hausman test estimate the value is 0.0350. katrena Cross Section Random value of 0.0350. Thus, that the value of the Cross Section Random <0.05 (0.0350 <0.05), it can be concluded that the approach uses the Fixed Effect (FEM) model.

Tabel 5 : Panel Data Regression Test Results with the Fixed Effect Model Method (FEM)

Variabel	Coefficient	STD Error	t-statistic	Prob
C	-0.021530	0.026180	-0.822377	0.4117
DER	0.000736	0.000153	4.814483	0.0000
CIR	-0.564905	0.062394	-9.053805	0.0000
ROA	0.013924	0.022888	0.608348	0.5435
F-Statistic	20.03332			
Prob (F-statistic)	0.000000			
R-Squared	0.911545			
Adjusted R-Squared	0.866044			

Source: Eviews Version 10.0 (2020) Results

A constant value of -0.021530 indicates that if the Capital Structure (X1), Capital Intensity (X2), Profitability (X3), are considered constant or have a value of 0, then the Effective Tax Rate (Y) variable will have a value of -0.021530, 2. Structure regression coefficient Capital (DER) (X1) of 0.000736 indicates that for every increase in Capital Structure (DER) of 1 unit, the Effective Tax Rate will increase by 0.000736.3. The regression coefficient of Capital Intensity (CIR) (X2) is -0.564905 indicates that for each decrease in Capital Intensity (CIR) of 1 unit, the Effective Tax Rate will decrease by -0.564905.4. then the Effective Tax Rate will increase by 0.013924.

Tabel 6 : Determination Coefficient Test Results

Adjusted R-squared	0.866044

Source: Data processed (2020)

Based on the results obtained from the coefficient of determination test, the researcher obtained an Adjusted R-squared value of 0.866044. This shows that the influence of the independent variables of capital structure, capital intensity, and profitability on the effective tax rate is high, namely 86.6%, while the remaining 13.4% is the contribution of other variables apart from the variables studied.

Tabel 7 : Partial Test Result (t test)

Variabel	t-statistic	Prob
C	-0.822377	0.4117
DER	4.814483	0.0000
CIR	-9.053805	0.0000
ROA	0.608348	0.5435

Source: Eviews Version 10.0 Results

Based on the calculation of the results from eviews 10.0 in table 4.8 illustrates that the tcount of the Capital Structure variable (DER) is 4.814483, the tcount value of the Capital Intensity (CIR) variable has a value of -9.053805, and the tcount value of Profitability (ROA) has a value of 0.608348. With that, to determine hypothesis testing in the regression model, it is necessary to determine the degree of freedom (df).

Tabel 8 : Simultaneous Test Calculation Results (Test F)

F-statistuc	20.03332
Prob (F-statistic)	0.000000

Source: Eviews Version 10.0 Results

Based on the calculation results obtained from the F test on the table that has been presented with an F value of 20.03332, the results for the F table using Microsoft Excel calculations with the formula = FINV (0.05; 369; 3) have a value of 8.533925. So the results of Fcount> Ftable with a probability value of 0.000000 <0.05 are smaller than alpha 5% of all independent variables, namely Capital Structure calculated by Debt Equity Ration (DER), Capital Intensity calculated by Capital Intensity Ratio (CIR) and Profitability calculated by the Return On Assets (ROA) simultaneously has a significant effect on the Effective Tax Rate.

4.1   Effect of Capital Structure (DER) on Effective Tax Rate

In this study, the first hypothesis (H1) discussed is related to the research on the Effect of Capital Structure as measured by the Debt Equity Ratio (DER) formula on the Effective Tax Rate which has a probability value of 0.0000 <0.05 with a probability value smaller than 5% alpha and Having a positive coefficient sign, the results of the variable significance of the Debt Equity Ratio (DER) have a positive and significant effect on the Effective Tax Rate. This means that the larger or smaller the Debt Equity Ratio (DER) will affect the Effective Tax Rate of manufacturing companies listed on the IDX. If the Debt Equity Ratio (DER) increases, the company's funding provided by shareholders is lower, but conversely, the lower the DER, the higher the funding provided by shareholders. The dominant funding comes from high debt, which of course will have an impact on reducing corporate taxes. Meanwhile, dominant funding from shareholders will certainly increase the profit value which will also cause the company's tax value to increase. Based

on the description above, the Capital Structure (DER) has a positive effect on the Effective Tax Rate.

4.2   Pengaruh Capital Intensity(CIR) terhadap Effective Tax Rate

In this study, the first hypothesis (H2) discussed is related to the research on the Effect of Capital Intensity as measured by the capital intensity ratio (CIR) formula on the Effective Tax Rate which has a probability value of 0.0000 <0.05 with a probability value smaller than 5% alpha and having a negative coefficient sign, the results of the variable significance of the Capital Intensity Ratio (CIR) have a negative and significant effect on the Effective Tax Rate. This means that the larger or smaller the Capital Intensity Ratio (CIR) will affect the Effective Tax Rate of manufacturing companies listed on the IDX. If the Capital Intensity Ratio (CIR) increases, it has a low tax burden but conversely, the lower the CIR, the higher the tax burden. Thus, the greater the proportion of fixed assets and the cost of capital depreciation, the company will have a low Effective Tax Rate (ETR). Based on the description above, Capital Intensity (CIR) has a negative effect on the Effective Tax Rate.

4.3   Effect of Profitability (ROA) on Effective Tax Rate.

In this study, the first hypothesis (H3) discussed is related to the study of the Effect of Profitability as measured by the Return On Assets (ROA) formula on the Effective Tax Rate which has a probability value of 0.5435> 0.05 with a probability value greater than 5% alpha and has a coefficient sign. negative, then the significance result of the Profitability variable (ROA) has a negative and significant effect on the Effective Tax Rate. This means that greater or less profitability (ROA) will affect the Effective Tax Rate of manufacturing companies listed on the IDX. If Profitability (ROA) increases, the tax burden will be high. On the other hand, if ROA decreases, the tax burden will be low. So, high profitability will pay higher taxes than companies that have a lower level of profitability. Based on the description above, Profitability (ROA) has a negative effect on the Effective Tax Rate.

V. CONCLUSION, IMPLICATION AND LIMITATION.

5.1   Conclusion

1. According to Gustin's previous research (2017) Capital Structure has a negative effect, whereas in my research the capital structure measured using the Debt Equity Ratio (DER) formula has a positive and significant effect on the Effective Tax Rate of manufacturing companies listed on the Indonesia Stock Exchange (BEI) in the years 2017-2019. The lower the DER, the higher the funding provided by shareholders. The dominant funding comes from high debt, which of course will have an impact on reducing corporate taxes.

2. According to Noor and Sabli's (2012) previous research, Capital Intensity has a negative effect, while in my study Capital intensity as measured by using the Capital intensity ratio (CIR) formula has a negative effect on the Effective tax rate of manufacturing companies listed on the Indonesia Stock Exchange (IDX).) in 2017-2019.

3. According to Rodriguez and Arias' previous research (2012) Profitability has a positive effect, while in my research Profitability (ROA) as measured by the Return On Assets (ROA) formula has a negative effect on the Effeective Tax Rate of manufacturing companies listed on the Indonesia Stock Exchange (BEI).) in 2017-2019. Then the lower the profitability value, the smaller the tax burden.

5.2   Suggestion

1. For the Company
   In an effort to increase the effective tax rate, it is hoped that the company will be able to comply with laws and regulations relating to company compliance with taxation.
2. For Prospective Investors and Creditors

To be more careful in paying attention to company funding sources in order to reduce risks for potential investors and creditors as well as sources of company funding, these can be used as material for consideration in making decisions to invest and provide loans to companies appropriately.

3. For Further Researchers a.
   a. The sample used in further research is expected not only from the types of manufacturing companies but can come from all types of public companies or can also compare between types of public companies.
   b. It is hoped that it can add research variables with other factors that affect the effective tax rate of a company so that it can find new and even better and useful findings, such as leverage, and independent commissioners.
   c. For better and more accurate results, further research is expected to extend the research period.

5.3 Limitation

1. The sample in this study only uses a list of manufacturing sub-sector companies listed on the Indonesia Stock Exchange (BEI) 2017-2019, so the results of the study do not represent all companies listed on the Indonesia Stock Exchange (BEI).
2. In this study, the authors only use capital structure which is proxied by Debt Equity Ratio (DER), capital intensity is proxied by Capital Intensity (CIR) and Profitability is proxied by Return On Assets (ROA) as an independent variable and the result turns out to be Effective Tax Rate. only influenced by one independent variable, namely Capital Structure
3. In this study, the number of observation years used was only 3 years, namely 2017-2019, so the information obtained was less relevant to explain the influence between variables

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