International Journal of Business and Quality Research

https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

The Effect of Corporate Governance and Fixed Asset Intensity on Tax Avoidance (A Study) Empirical In Manufacturing Companies (on The Indonesian Stock Exchange)

Nuridz Dzatiwa Ihwabas[1*], La Ane[2]

[1,2]Fakultas Ekonomi Dan Bisnis, Universitas Negeri Medan

*Corresponding author: ridzaikhwabas@gmail.com
https://orcid.org/0000-0002-7867-270X

Abstract

Tax avoidance is a strategy employed by companies to legally minimize tax expenses by taking advantage of applicable tax regulations. This practice is influenced by several factors, including corporate governance mechanisms and fixed asset intensity. This study aims to examine the effect of independent commissioners, audit committees, institutional ownership, managerial ownership, and fixed asset intensity on tax avoidance. The study is expected to provide empirical evidence regarding the factors influencing tax avoidance practices in food and beverage manufacturing companies. The population of this study consisted of food and beverage manufacturing companies listed on the Indonesia Stock Exchange during the 2023–2025 period. The sample was selected using a purposive sampling technique, resulting in 33 companies with a total of 99 observations. This study employed secondary data obtained from the companies' annual reports and financial statements. The data were analyzed using descriptive statistics, classical assumption tests, multiple linear regression analysis, and hypothesis testing with the assistance of SPSS version 25. The results indicate that independent commissioners, institutional ownership, and managerial ownership have a negative and significant effect on tax avoidance. In contrast, the audit committee and fixed asset intensity do not have a significant effect on tax avoidance. Simultaneously, all independent variables significantly affect tax avoidance. The Adjusted R Square value of 0.691 indicates that 69.1% of the variation in tax avoidance can be explained by the research model, while the remaining 30.9% is explained by other factors outside the model. Based on the findings, it can be concluded that effective corporate governance plays an important role in reducing tax avoidance practices. Independent commissioners, institutional ownership, and managerial ownership

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

have proven to function as effective monitoring mechanisms in enhancing corporate tax compliance. The findings are expected to provide useful insights for companies, investors, and regulators in strengthening corporate governance practices. Future research is recommended to expand the research scope, extend the observation period, and incorporate additional variables to obtain more comprehensive findings

Keywords: Corporate Governance, Tax Avoidance, Fixed Asset Intensity, Manufacturing Companies

INTRODUCTION

Tax is source main state revenue that has role strategic in finance organization government, development national, provision service public, as well as improvement welfare society. In the structure Budget State Revenue and Expenditure (APBN), revenue taxation in a way consistent become contributor the biggest compared to state revenue is not tax and grant (Purbawangsa et al., 2020). The height dependence government to reception tax cause optimization compliance must taxes, in particular must corporate tax, is one of the priority in policy Indonesian fiscal. Therefore that, every potential practices reduce reception taxes, including avoidance tax (*tax avoidance)*, becomes attention Serious for government Because can hinder achievement of state revenue targets (Buertey et al., 2020).

According to the OECD, developing countries like Indonesia still face challenge in increase ratio tax to product domestic gross (GDP), so that required strengthening governance companies and systems taxation For reduce opportunity practice avoidance taxes (Lewis, 2019). Although reception Indonesian taxation shows trend increase after COVID-19 pandemic, government Still face challenge in guard sustainability reception tax consequence low level compliance and still existence practice planning aggressive taxation by some company (Agyei-Mensah, 2018). OECD data shows that total revenue Indonesian taxes increase from IDR 1,844.69 trillion in 2021 to IDR 2,363.88 trillion in 2022, then return increase to Rp2,517.06 trillion in 2023. However Thus, the structure reception the Still dominated by taxes corporate income and taxes increase mark so that effectiveness supervision to compliance tax corporation still become attention main government (Al-Taee & Flayyih, 2023).

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

Table 1. Development Indonesia 's Tax Revenue 2021–2023

Year	Total Tax Revenue (Billion Rupiah)	Corporate Income Tax (Billion Rupiah)
2021	1,844,690	533,625
2022	2,363,876	736,613
2023	2,517,061	829,665

Improvement reception tax the Not yet fully reflect optimally level compliance must corporate tax. OECD explains that Indonesia is still own ratio reception tax relative to GDP low compared to several countries in the Asia Pacific region, so room improvement reception tax Still Enough big if level compliance and effectiveness supervision can improved (Brahem et al., 2024). Condition the push government For Keep going strengthen administration taxation, improving governance company, as well as increase transparency reporting finance as effort pressing practice avoidance taxes paid legally through utilization gap in provision taxation (Van Greuning & Bratanovic, 2020).

One of sectors that have contribution important to growth economy national is sector manufacturing. Within it, the subsector food and Drink be one of subsectors that show growth relatively stable Because supported by the height request domestic, growth consumption House stairs, and development industry processing Food (Januardi et al., 2022). Companies in the sub-sector This generally own asset still in amount big For support activity production as well as produce relative profit stable (Ajili & Bouri, 2018). Condition the cause company own obligation sufficient tax big so that push management For do planning tax in a way efficient. In practice, efficiency tax can done through various policy accounting and taxation which is still is at in corridor regulations, so that bring up phenomenon *tax avoidance* that up to moment This Still become attention in study accounting and taxation (Waris & Haji Din, 2023).

Companies that do avoidance taxes in essence make an effort minimize burden tax without violate provision taxation in a way explicit. Practice the different with *tax evasion* Because utilise weakness or gap in regulations taxation. From the perspective theory agency, action avoidance tax can affected by conflict interest between holder share as *principal* and management as *agent* (Sartawi & Sanad, 2019). Management own more information big about condition company so that potential take decision favorable taxation company and his interests alone (Sadjiarto et al., 2020). Therefore that, the mechanism effective corporate *governance* required For supervise policy management, improve transparency, as well as

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

ensure that the tax strategy implemented still notice principle accountability and compliance to applicable regulations (Chebbi, 2024).

Besides the commissioner independent and audit committee, mechanism *corporate governance* which is also a lot become attention in various study scientific is ownership institutional and ownership managerial. Ownership institutional show size proportion share companies owned by various institutions, such as institution finance, company investment, pension funds, companies insurance, as well as institutions others. The presence of institutional investors in general believed own capacity more supervision strong so that can monitor policies taken by management in a way more effective, including related policies with taxation. Meanwhile that, ownership managerial reflect level ownership shares owned by the party management company (Hamdan et al., 2025). The more tall proportion shares owned by management, the more great harmony interest between management with holder shares, so that potential occurrence conflict agency expected can pressed.

Although Thus, the results study previously Still show diverse findings. Hendrianto (Hadi et al., 2022) proved that ownership institutional own influence negative to *tax avoidance,* whereas Jenifer and Alfia's (Uang et al., 2006) research shows different results, namely ownership institutional influential positive to *tax avoidance.* Meanwhile that, on the variable ownership managerial, a number of study conclude that variables the No influential to *tax avoidance,* whereas study other find existence influence positive. Difference results study the indicates that structure ownership company Still Not yet produce proof consistent empirical in explain behavior avoidance tax (Aryotama & Firmansyah, 2020).

Beside mechanism *corporate governance,* intensity asset fixed (*capital intensity)* is also one of the frequent variables used in various research in the field taxation. Variables This reflect size proportion investment company on assets still compared to with overall assets owned. Companies that have level intensity asset stay high generally bear burden further depreciation large. Depreciation expense the recognized as component costs that can be incurred reduce profit hit taxes, so that potential lower size obligation taxes that must be paid paid by the company. On the basis of said, the intensity asset still often associated with implementation of efficiency strategies fixed tax is at in limitation provision applicable taxation (Fauzan et al., 2021).

Although Thus, the results research that examines connection between intensity asset fixed and *tax avoidance* Still show diverse findings. A number of study show that intensity asset still influential positive to *tax avoidance,* while study other conclude that connection the No own significant influence. Difference results the indicates that influence intensity asset still to practice avoidance tax Still influenced by characteristics industry, policy accounting, as well as condition operational company (Dang & Tran, 2021). Because

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

of that that, research on companies manufacturing subsector food and Drink during the 2023–2025 period becomes important For done use get proof more empirical latest (Oana Pintea et al., 2021).

Although study about avoidance tax (*tax avoidance)* has experience sufficient development rapidly in field accounting and taxation, evidence empirical results generated until moment This Still show existence inconsistency. Difference the looks good in direction connection and level significance the influence of each mechanism *corporate governance* to *tax avoidance.* Some research state that implementation of governance company capable reduce practice avoidance tax through strengthening function supervision, whereas study other show that mechanism the Not yet implemented in a way effective so that No give significant influence to policy taxation company. Besides that, research about intensity asset still produces diverse findings as consequence from difference characteristics industry, structure asset company, as well as policy applied depreciation. Conditions the show that until moment This Not yet there is proof truly empirical consistent about factors that influence *tax avoidance,* so that study advanced Still required For produce proof more empirical comprehensive (Asghar et al., 2020).

Previous research is also still own a number of limitations from aspect methodology. Most of the studies only use One or two indicator *corporate governance,* such as commissioner independent and audit committee, without enter structure ownership as part from mechanism internal company supervision. On the other hand, there is also research that only focus on ownership institutional and ownership managerial, but ignore role commissioner independent as well as audit committee as element important in governance system company (Purbawangsa et al., 2019). Condition This cause mechanism *corporate governance* Not yet analyzed in a way comprehensive as something system mutual supervision integrated. In addition, some study previously use period observation before implementation various adjustment policy taxation post-pandemic, so that results obtained Not yet fully reflect condition company in a longer period latest.The research This use period further observation new, namely 2023–2025. In addition to the differences period research, research it also develops research models with add two variables independent, namely commissioner independent and ownership managerial, so that expected can give greater understanding comprehensive about factors that influence avoidance tax (Suhadak et al., 2019). On the basis of difference said, the author interested For do study with title " The Influence of Corporate Governance and Fixed Asset Intensity to Tax Avoidance (Empirical Study on Manufacturing Companies on the Indonesia Stock Exchange)".

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

METHOD

This research using secondary data sourced from company manufacturing subsector food and beverages listed on the Indonesia Stock Exchange (IDX). Research data obtained through the official website of the Indonesian Stock Exchange, namely **www.idx.co.id** , and through page official of each company in form report finance annual *report* and reports published financial statements (Nguyen & Dao, 2022). Period observations used in study This covers 2023–2025, so that the data obtained expected capable give description about condition company during period study as well as support analysis about influence *corporate governance* and intensity asset still to avoidance tax (Siregar & Br Bukit, 2018).

This research use method *purposive sampling* as technique determination sample. Purposive sampling is technique election sample based on criteria or consideration certain that have been determined by the researcher (Putri & Syafruddin, 2021). This technique used Because No all over company in population have complete data in accordance with need research. According to Sekaran and Bougie (2021), *purposive sampling* appropriate used in study business and accounting when researchers requires a unit of analysis that has information special in accordance with objective research. In research this, sample determined based on criteria as following :(Bonazzi & Islam, 2007)

1. Manufacturing company subsector food and drinks that are consistent listed on the Indonesia Stock Exchange (BEI) during period 2023–2025.
2. The company that issued report annual and reports finance in a way complete during period study.
3. Companies that use Rupiah currency in report finance.
4. Companies that do not experience make a loss during period study.
5. Companies that have information about corporate governance structure and related data asset fixed and tax income.

Data collection techniques in study This done with use method documentation and studies bibliography. Documentation method used For obtaining secondary data in the form of report finance annual report and reports finance company manufacturing subsector food and beverages listed on the Indonesia Stock Exchange (IDX) during period 2023–2025 (Ferriswara et al., 2022).

Data analysis techniques are stages research conducted For processing, interpreting, and drawing conclusions based on the data that has been collected. In research quantitative, data analysis was carried out with use method statistics because of research data shaped numbers and aims For test connection intervariable in a way objective. According to Sugiyono (Sadiq & Gebba, 2022) data analysis in study quantitative is activity after all data

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

from respondents or other data sources collected. Activities the covering data grouping based on variables, data presentation, calculations statistics, as well as testing hypothesis For answer formulation problem study.

RESULTS AND DISCUSSION

Sugiyono (2023) explains that in study quantitative, explanation about object study important delivered at the beginning discussion results, because characteristics object participate determine method researchers interpret results testing statistics. Based on the view said, part This to describe history of the Indonesian Stock Exchange as place object study recorded, then to be continued with explanation about company manufacturing, in particular subsector food and drink become focus study This (Suhartini et al., 2024).

Data Analysis Results

Table 1. Statistical Results Descriptive

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
X1	99	.18	.53	.3966	.07949
X2	99	1.01	4.03	2.9495	.33238
X3	99	.01	.90	.5296	.24282
X4	99	-.05	.81	.1979	.23307
X5	99	.05	.78	.3814	.16427
ETR	99	.00	.96	.2464	.14018
Valid N (listwise)	99				

Based on the table above known that all over variables study own amount observations (N) of 99, so that No there is missing data (*missing value)* during the data processing process. This is show that all data meets condition For analyzed more carry on use analysis multiple linear regression.

Classical Assumption Test

Testing prerequisite analysis (classical assumptions) was carried out before testing hypothesis. Testing This important done Because multiple linear regression requires a number of assumptions statistics for regression models produce unbiased and efficient estimation or fulfil Best Linear Unbiased Estimator criteria (Ghozali, 2021). If assumptions

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

This No fulfilled, results testing hypothesis potential produce erroneous conclusions. This research use multiple linear regression, so that the prerequisite test is carried out includes normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

Analysis Multiple Linear Regression

This research use analysis multiple linear regression For test influence commissioner independent (X1), audit committee (X2), ownership institutional (X3), ownership managerial (X4), and intensity asset fixed (X5) against avoidance proxied tax through the Effective Tax Rate (ETR). The regression model used in study This formulated as following.

YETR = α + β1X1 + β2X2 + β3X3 + β4X4 + β5X5 + e

The results of data processing using SPSS are presented in the table following.

Table 2. Analysis Results Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.992	.097		10,213	.000
X1	-.959	.102	-.544	-9,392	.000
X2	.034	.024	.081	1,419	.159
X3	-.637	.058	-1.104	-10,990	.000
X4	-.602	.060	-1,000	-10,041	.000
X5	-.025	.049	-.029	-.508	.613

Based on the table above, the equation model multiple linear regression in research This is as following.

ETR = 0.992 - 0.959X1 + 0.034X2 - 0.637X3 - 0.602X4 - 0.025X5 + e

Based on the equation regression said, can explained that :

1. Constant value of 0.992 shows that if all over variables independent considered constant or worth zero, then estimated ETR value of 0.992.

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

2. Coefficient regression commissioner independent of -0.959 indicates connection negative. This means that every improvement proportion commissioner independent as big as One unit will lower ETR value of 0.959, with assumptions other variables remain constant.
3. Coefficient regression audit committee of 0.034 indicates connection positive. This means that the increase amount audit committee of One unit will increase ETR value of 0.034, with assumptions other variables remain constant.
4. Coefficient regression ownership institutional of -0.637 indicates connection negative. The more tall ownership institutional, then ETR values tend to decrease of 0.637.
5. Coefficient regression ownership managerial of -0.602 indicates connection negative against ETR.
6. Coefficient regression intensity asset still of -0.025 indicates connection negative, but size influence relatively small.

Hypothesis Testing

Partial Test (T-Test)

The t-test is used For test the influence of each variable independent to variables dependent in a way partial. Criteria testing state that if mark significance more small from 0.05, then variables independent influential significant to variables dependent.

Table 3. Partial Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.992	.097		10,213	.000
X1	-.959	.102	-.544	-9,392	.000
X2	.034	.024	.081	1,419	.159
X3	-.637	.058	-1.104	-10,990	.000
X4	-.602	.060	-1,000	-10,041	.000

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

X5	-.025	.049	-.029	-.508	.613

Variables commissioner independent show mark coefficient regression of -0.959, with t - value of -9.392 and the level significance of 0.000. Significance value the more small compared to level significance 0.05 (0.000 < 0.05), so that can concluded that commissioner independent own significant influence to *Effective Tax Rate* (ETR). With Thus, the hypothesis first (H1) which states that commissioner independent influential to avoidance tax stated accepted. The coefficient value valuable regression negative show that improvement proportion commissioner independent will followed by a decline ETR value, which indicates increasing level avoidance taxes paid company. Research results This need reviewed more carry on in part discussion Because direction the relationship found different with view general in theory agency that explains that commissioner independent play a role as mechanism supervision For limit practice avoidance tax (Muhammad Tasnim Khan et al., 2021).

Discussion

This research done with objective For test and analyze influence measured corporate *governance* through variables commissioner independent, audit committee, ownership institutional, and ownership managerial, as well as intensity asset still to practice avoidance tax. Testing process done with refers to the hypothesis that has been set previously in research. The results testing against each hypothesis study served as following.

Table 4. Summary of Test Results Hypothesis

Hypothesis	Statement	Sig. Value	Information
H1	Commissioner independent influential to avoidance tax	0,000	Accepted
H2	Influential audit committee to avoidance tax	0.159	Rejected
H3	Ownership institutional influential to avoidance tax	0,000	Accepted
H4	Ownership managerial influential to avoidance tax	0,000	Accepted
H5	Intensity asset still influential to avoidance tax	0.613	Rejected

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

Influence Independent Commissioner of Tax evasion

Based on the results testing hypothesis first, variable commissioner independent get mark coefficient regression of -0.959, with t - value of -9,392 and the level significance of 0.000. Significance value the more small compared to level established significance of 0.05, so that hypothesis First stated accepted. The results show that commissioner independent own significant influence to avoidance taxes on companies manufacturing subsector food and beverages listed on the Indonesia Stock Exchange during period 2023–2025. Coefficient value negative regression show that improvement proportion commissioner independent will followed by a decline level avoidance taxes paid company. With thus, the more big existence commissioner independent in structure companies, increasingly effective function supervision carried out, so potential management in implementing avoidance strategies tax can pressed (Arrasyid & Helmina, 2024).

In a way statistics, values coefficient regression of -0.959 indicates that every improvement One unit proportion commissioner independent will followed by a decline mark Effective Tax Rate (ETR) of 0.959 units in accordance direction coefficient in the regression model. Based on the measurements used in study this, direction connection the show that changes to governance mechanisms company through commissioner independent own significant relationship with change ETR value. In addition, the t - value is far more big than mark critical as well as level very little significance show that connection the own level belief high statistics. Findings This show that commissioner independent is one of the governance mechanisms companies that play a role important in influence policy taxation company (Akbar & Meiryani, 2023).

From the side empirical, results study This in line with research by Alkurdi, Hussainey, Tahat, and Aladwan (Luque-Vílchez et al., 2023) which found that governance mechanisms strong companies, especially independence of the board of commissioners, capable increase quality supervision to decision management so that practice avoidance tax become more low. The research explain that commissioner independent own trend For guard compliance company to regulations taxation Because consider risk law and reputation term long. Findings this is also consistent with study Kovermann and Velte (2022) conclude that effectiveness of independent boards relate with increasing quality of governance company and its decline practice *aggressive tax planning.* According to study said, the company with proportion commissioner more independent big tend apply policy more taxation conservative compared to companies that have mechanism weak supervision.

Although however, still there is a number of research that shows results different. For example, research by Nguyen, Dang, and Tran (Jasir et al., 2023) found that that commissioner independent No always capable pressing practice avoidance taxes, especially

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

on companies with ownership concentrated. The difference results the possibility caused by characteristics governance system companies in each country, structure ownership company, quality enforcement law taxation, as well as effectiveness role commissioner independent in operate function his supervision.

Based on the whole results the can concluded that commissioner independent proven influential significant to avoidance taxes, so that Hypothesis 1 (H_1) is accepted. Findings This show that the more effective function commissioner independent in operate supervision, increasingly big opportunity company For apply policy more taxation accountable and appropriate with governance principles good company. This result at a time strengthen role commissioner independent as one of the mechanism important in reduce conflict agency and increase quality taking decision company related policy taxation.

Influence Audit Committee on Tax evasion

Test results hypothesis second show that variables the audit committee obtains mark coefficient regression of 0.034, with t - value of 1,419 and the level significance of 0.159. Significance value the more big compared to level significance used in research, namely 0.05 (0.159 > 0.05). Therefore that, hypothesis both of which stated that influential audit committee to avoidance tax stated rejected. Research results This indicates that existence audit committee in the company manufacturing subsector food and beverages listed on the Indonesia Stock Exchange during the 2023–2025 period has not yet show significant influence to practice avoidance tax. Although mark coefficient regression show direction positive relationship, in statistics influence the Not yet own adequate strength in explain change or variation level avoidance tax company (Nugrahanti et al., 2020).

Based on the whole results discussion said, can concluded that the audit committee does not influential significant to avoidance taxes, so that Hypothesis 2 (H_2) is rejected. Therefore, the audit committee at the company manufacturing subsector food and Drink the 2023–2025 period has not yet capable operate function supervision that is direct influence practice avoidance tax. Existence standing audit committee own role important in increase quality reporting finance and systems company's internal control, however its effectiveness in pressing avoidance tax Still depends on the quality implementation tasks, competencies members, as well as independence audit committee. Therefore that, the company No only need fulfil condition amount member audit committee, but also must increase quality supervision so that the function the audit committee can walk more effective in support compliance taxation (Marques et al., 2023).

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

Influence Ownership Institutional to Tax evasion

Test results hypothesis third show that variables ownership institutional get mark coefficient regression of -0.637, with t - value of -10,990 and the level significance of 0.000. Significance value the be under level significance study of 0.05, so that hypothesis third stated accepted. The results prove that ownership institutional own significant influence to avoidance taxes on companies manufacturing subsector food and beverages listed on the Indonesia Stock Exchange during period 2023–2025. Coefficient value valuable regression negative show that the more tall percentage ownership shares by institutional investors, then the more low level avoidance taxes paid by the company. Findings This show that the presence of institutional investors capable operate role monitoring (*monitoring)* effective to various policy management, including related policies with tax planning and strategy company.

Based on the whole results discussion the can concluded that ownership institutional influential significant to avoidance taxes, so that Hypothesis 3 (H_3) is accepted. The more big proportion ownership institutional, increasingly strong function supervision to management so that related decisions with policy taxation more prioritize compliance to applicable regulations (Nicolo' & Cervilla-Bellido, 2025). Findings This strengthens the Agency Theory which states that improvement monitoring function of holder share institutional capable reduce conflict interest between management and shareholders share as well as push creation of governance more companies good. Besides providing contribution to development theory, results study this also shows that institutional investors own role strategic in increase quality of governance company and support creation compliance sustainable taxation..

Influence Ownership Managerial to Tax evasion

Test results hypothesis fourth show that variables ownership managerial get mark coefficient regression of -0.602, with t - value of -7,750 and the level significance of 0.000. Significance value the more small compared to level significance study of 0.05, so that hypothesis fourth stated accepted. Test results This show that ownership managerial own significant influence to avoidance taxes on companies manufacturing subsector food and beverages listed on the Indonesia Stock Exchange during period 2023–2025. Coefficient value valuable regression negative show that improvement proportion ownership shares by party management will followed with decline trend company in do practice avoidance tax. Findings the indicates that involvement management as owner company can drive the decision-making process more decisions consider sustainability companies, including in set related policies with taxation.

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

Based on the whole results discussion said, can concluded that ownership managerial influential significant to avoidance taxes, so that Hypothesis 4 (H_4) is accepted. The more big proportion shares owned by management, the more tall level alignment interest between management and shareholders share so that decisions taken more prioritize sustainability company than profit term short. Findings This strengthens the Agency Theory and Alignment of Interest Theory which states that ownership shares by management can reduce conflict agency, increase quality taking decisions, and push company For apply policy more taxation obedient to applicable regulation. From the side practical, results study This show that improvement ownership managerial can become one of the company's strategies in strengthening governance companies and minimize risks that arise consequence practice avoidance excessive taxes.

Influence Fixed Asset Intensity to Tax evasion

Test results hypothesis fifth show that variables intensity asset still get mark coefficient regression of -0.025, with t - value of -0.279 and the level significance of 0.781. The significance value the more big compared to level significance used in research, namely 0.05, so that hypothesis the fifth one stated that intensity asset still influential to avoidance tax stated rejected. Research results This show that intensity asset still No own significant influence to avoidance taxes on companies manufacturing subsector food and beverages listed on the Indonesia Stock Exchange during period 2023–2025. Although mark coefficient regression show direction negative relationship, relationship the No own level strength adequate statistics For explain change level avoidance taxes paid by the company.

In a way statistics, coefficients regression of -0.025 indicates that every improvement One unit intensity asset still only will followed by a decline Effective Tax Rate (ETR) value of 0.025 units with assumptions other variables remain constant. However, the calculated t-value of -0.279 with level significance of 0.781 indicates that influence the No significant in a way statistics. With Thus, the intensity asset still Not yet can made into factor the main thing that explains variation practice avoidance taxes on companies sample. This is indicates that size investment company on assets still No always followed by changes policy significant taxation.

Research result this is also supported with research by Firmansyah and Arham (2022) which found that intensity asset still No influential significant to avoidance taxes on companies manufacturing in Indonesia. The research explain that benefit taxes earned from burden depreciation has become part from system taxation so that company No need carry out avoidance strategies tax through improvement investment asset remains. Findings This is also supported by research Pratama and Sari (2023) which shows that intensity asset still

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Business and Quality Research
https://e-journal.citakonsultindo.or.id/index.php/IJBQR
E-ISSN: 2985-9468

No is factor main factors that influence tax avoidance. According to study said, the policy avoidance tax more Lots influenced by profitability, leverage, size companies, and corporate governance mechanisms compared structure asset company.

Based on the whole results discussion said, can concluded that intensity asset still No influential significant to avoidance taxes, so that Hypothesis 5 (H_5) is rejected (Luo et al., 2024). Research results This show that size investment company on assets still No become factor the main determining factor policy avoidance taxes on companies manufacturing subsector food and beverage companies listed on the Indonesia Stock Exchange for the 2023–2025 period. Investment company on assets still more directed For support activity operational and improve capacity production than as a strategy for reduce burden tax. Research results This show that benefit taxes incurred from cost depreciation Not yet Enough big For influence decision company in do avoidance tax (Long et al., 2005). With Thus, the decision company related compliance taxation more influenced by corporate governance mechanisms compared to size investment in assets still.

CONCLUSION

Based on the results data analysis, testing hypothesis, and discussion about the influence of Corporate Governance as proxied through commissioner independent, audit committee, ownership institutional ownership managerial, and intensity asset still to avoidance taxes on companies manufacturing subsector food and beverages listed on the Indonesia Stock Exchange for the 2023–2025 period, then can withdrawn a number of conclusion as following.

1. Commissioner independent influential significant to avoidance tax. Research results show that commissioner independent own influence negative and significant to avoidance tax. Research objectives First has achieved and hypothesis The first hypothesis (H1) is accepted. This result show that existence commissioner independent capable increase quality of governance company through more monitoring functions effective.
2. audit committee does not influential significant to avoidance tax (*tax avoidance)*. Analysis results show that the audit committee has mark coefficient regression of 0.034 with mark significance 0.159 > 0.05, so hypothesis second (H2) is rejected. The results are indicates that amount and existence the audit committee has not yet capable give significant influence to policy avoidance taxes on companies manufacturing subsector food and Drink during period research. Ownership institutional influential significant to avoidance tax.

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

3. Research result show that ownership institutional own influence negative and significant to avoidance tax. Research objectives third has achieved and hypothesis third (H3) is accepted. This result show that institutional investors capable operate monitoring function in effective so that conflict agency can minimized.
4. Ownership managerial influential significant to avoidance tax. Based on the results analysis regression, ownership managerial influential negative and significant to avoidance tax. Research objectives fourth has achieved and hypothesis The fourth hypothesis (H4) is accepted. Findings This strengthen view that ownership managerial is one of the governance mechanisms effective company in reduce conflict agency.
5. Intensity asset still No influential significant to avoidance tax. Research results show that intensity asset still own direction connection negative, but No significant to avoidance tax. Research objectives fifth Not yet fully proven and hypothetical The fifth hypothesis (H5) was rejected. The findings This show that decision investment asset still more based on needs operational company than as a strategy for do avoidance tax.
6. This research show that corporate governance plays a role in influence practice avoidance tax company. Implementation governance mechanisms effective company, especially through commissioner independent, ownership institutional, and ownership managerial, capable strengthen function supervision so that trend company do avoidance tax can pressed. Therefore that, the increase quality of governance company be one of efforts that can be made done For support compliance taxation and creating management more companies transparent as well as accountable.
7. In a way overall, research This show that Corporate Governance has more roles dominant compared to intensity asset still in influence avoidance tax. Research results prove that commissioner independent, ownership institutional, and ownership managerial influential significant to avoidance tax, whereas audit committee and intensity asset still No influential significant.

REFERENCES

Agyei-Mensah, B. K. (2018). Impact Of Corporate Governance Attributes And Financial Reporting Lag On Corporate Financial Performance. African Journal Of Economic And Management Studies, 9(3), 349–366. Https://Doi.Org/10.1108/Ajems-08-2017-

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

0205

Ajili, H., & Bouri, A. (2018). Corporate Governance Quality Of Islamic Banks: Measurement And Effect On Financial Performance. International Journal Of Islamic And Middle Eastern Finance And Management, 11(3), 470–487. Https://Doi.Org/10.1108/Imefm-05-2017-0131

Akbar, F. S., & Meiryani. (2023). The Effect Of Business Strategies And Enviromental Uncertainty On Tax Avoidance In Manufacturing Companies In Indonesia. International Journal Of Economics, Business And Accounting Research (Ijebar), 7(1), 59–65.

Al-Taee, S. H. H., & Flayyih, H. H. (2023). Impact Of The Electronic Internal Auditing Based On It Governance To Reduce Auditing Risk. Corporate Governance And Organizational Behavior Review, 7(1), 94–100.

Arrasyid, A. H., & Helmina, M. R. A. (2024). Literature Review: Pengaruh Good Corporate Governance Terhadap Nilai Perusahaan. Neraca: Jurnal Ekonomi, Manajemen Dan Akuntansi, 2(1), 331–343.

Aryotama, P., & Firmansyah, A. (2020). The Effect Of Business Strategy On Tax Avoidance In Indonesia's Consumer Goods Industry. Public Sector Accountants And Quantum Leap: How Far We Can Survive In Industrial Revolution 4.0?, 235–239. Https://Doi.Org/10.1201/9780367822965-48

Asghar, A., Sajjad, S., Shahzad, A., & Matemilola, B. T. (2020). Role Of Discretionary Earning Management In Corporate Governance-Value And Corporate Governance-Risk Relationships. Corporate Governance: The International Journal Of Business In Society, 20(4), 561–581. Https://Doi.Org/10.1108/Cg-11-2019-0347

Bonazzi, L., & Islam, S. M. N. (2007). Agency Theory And Corporate Governance. Journal Of Modelling In Management, 2(1), 7–23. Https://Doi.Org/10.1108/17465660710733022

Brahem, E., Depoers, F., Lakhal, F., & Guizani, A. (2024). Corporate Social Responsibility And Stock Price Crash Risk: The Mediating Effect Of Accounting Conservatism. International Journal Of Business Governance And Ethics, 18(6), 651–677. Https://Doi.Org/Https://Doi.Org/10.1504/Ijbge.2024.141809

Buertey, S., Sun, E. J., Lee, J. S., & Hwang, J. (2020). Corporate Social Responsibility And Earnings Management: The Moderating Effect Of Corporate Governance Mechanisms.

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

Corporate Social Responsibility And Environmental Management, 27(1), 256–271. Https://Doi.Org/10.1002/Csr.1803

Chebbi, K. (2024). Examining The Interplay Of Sustainable Development, Corporate Governance, And Stock Price Crash Risk: Insights From <Scp>Esg</Scp> Practices. Sustainable Development, 32(1), 1291–1309. Https://Doi.Org/10.1002/Sd.2733

Dang, V. C., & Tran, X. H. (2021). The Impact Of Financial Distress On Tax Avoidance: An Empirical Analysis Of The Vietnamese Listed Companies. Cogent Business And Management, 8(1). Https://Doi.Org/10.1080/23311975.2021.1953678

Fauzan, F., Arsanti, P. M. D., & Fatchan, I. N. (2021). The Effect Of Financial Distress, Good Corporate Governance, And Institutional Ownership On Tax Avoidance. Riset Akuntansi Dan Keuangan Indonesia, 6(2), 154–165.

Ferriswara, D., Sayidah, N., & Agus Buniarto, E. (2022). Do Corporate Governance, Capital Structure Predict Financial Performance And Firm Value?(Empirical Study Of Jakarta Islamic Index). Cogent Business And Management, 9(1). Https://Doi.Org/10.1080/23311975.2022.2147123

Hadi, H., Sulistiyono, A., & Sudarwanto, A. S. (2022). Good Corporate Governance And Tender Conspiracy In Perceptions Of Business Competition In Indonesia. Journal Of Positive School Psychology, 11352–11356.

Hamdan, D., Gurrib, I., & Atayah, O. F. (2025). Exploring The Nexus Between External Corporate Governance Mechanisms And Earnings Quality: Evidence From Pakistan's Stock Exchange. Competitiveness Review: An International Business Journal, Ahead-Of-P(Ahead-Of-Print). Https://Doi.Org/10.1108/Cr-04-2024-0070

Januardi, Estralita, T., & Amrie, F. (2022). Tax Risk, Environmental Uncertainty, And Tax Avoidance: Does Financial Distress Matter? Jurnal Manajemen Dan Jurnal Akuntansi, 5(2), 105–116.

Jasir, M., Khan, N. U., & Barghathi, Y. (2023). Stewardship Theory Of Corporate Governance And Succession Planning In Family Businesses Of Uae: Views Of The Owners. Qualitative Research In Financial Markets, 15(2), 278–295. Https://Doi.Org/10.1108/Qrfm-08-2021-0135

Long, T., Dulewicz, V., & Gay, K. (2005). The Role Of The Non-Executive Director: Findings Of An Empirical Investigation Into The Differences Between Listed And Unlisted Uk Boards. Corporate Governance: An International Review, 13(5), 667–679.

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

Https://Doi.Org/10.1111/J.1467-8683.2005.00458.X

Luo, W., Tian, Z., Fang, X., & Deng, M. (2024). Can Good <Scp>Esg</Scp> Performance Reduce Stock Price Crash Risk? Evidence From Chinese Listed Companies. Corporate Social Responsibility And Environmental Management, 31(3), 1469–1492. Https://Doi.Org/10.1002/Csr.2646

Luque-Vílchez, M., Gómez-Limón, J. A., Guerrero-Baena, M. D., & Rodríguez-Gutiérrez, P. (2023). Deconstructing Corporate Environmental, Social, And Governance Performance: Heterogeneous Stakeholder Preferences In The Food Industry. Sustainable Development, 31(3), 1845–1860. Https://Doi.Org/10.1002/Sd.2488

Marques, I. C. P., Leitão, J., Ferreira, J., & Cavalcanti, A. (2023). The Socioemotional Wealth Of Leaders In Family Firm Succession And Corporate Governance Processes: A Systematic Literature Review. International Journal Of Entrepreneurial Behavior & Research, 29(1), 268–295. Https://Doi.Org/10.1108/Ijebr-01-2022-0092

Muhammad Tasnim Khan, Muhammad Mudassar Anwar, & Muhammad Husnain. (2021). The Relationship Between Corporate Diversification And Tax Avoidance: Empirical Evidence From The Emerging Economy Of Pakistan. Journal Of Accounting And Finance In Emerging Economies, 7(1), 35–52. Https://Doi.Org/10.26710/Jafee.V7i1.1514

Nguyen, N. P. A., & Dao, T. T. B. (2022). Liquidity, Corporate Governance And Firm Performance: A Meta-Analysis. Cogent Business And Management, 9(1). Https://Doi.Org/10.1080/23311975.2022.2137960

Nicolo', G., & Cervilla-Bellido, J. M. (2025). Investigating The Antecedents Of Sustainable Development Goals Disclosure Via Social Media: Evidence From Water Companies. Corporate Social Responsibility And Environmental Management, 32(2), 2317–2331. Https://Doi.Org/Https://Doi.Org/10.1002/Csr.3066

Nugrahanti, Y. W., Sutrisno, T., Rahman, A. F., & Mardiati, E. (2020). Do Firm Characteristics, Political Connection And Corporate Governance Mechanism Affect Financial Distress (Evidence From Indonesia). International Journal Of Trade And Global Markets, 13(2), 220. Https://Doi.Org/10.1504/Ijtgm.2020.106753

Oana Pintea, M., Pop, A. M., Dan Gavriletea, M., & Sechel, I. C. (2021). Corporate Governance And Financial Performance: Evidence From Romania. Journal Of Economic Studies, 48(8), 1573–1590. Https://Doi.Org/10.1108/Jes-07-2020-0319

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

Purbawangsa, I. B. A., Solimun, S., Fernandes, A. A. R., & Mangesti Rahayu, S. (2019). Corporate Governance, Corporate Profitability Toward Corporate Social Responsibility Disclosure And Corporate Value (Comparative Study In Indonesia, China And India Stock Exchange In 2013-2016). Social Responsibility Journal, 16(7), 983–999. Https://Doi.Org/10.1108/Srj-08-2017-0160

Purbawangsa, I. B. A., Solimun, S., Fernandes, A. A. R., & Mangesti Rahayu, S. (2020). Corporate Governance, Corporate Profitability Toward Corporate Social Responsibility Disclosure And Corporate Value (Comparative Study In Indonesia, China And India Stock Exchange In 2013-2016). Social Responsibility Journal, 16(7), 983–999.

Putri, R. K., & Syafruddin, M. (2021). The Effect Of Contingencent Fitness Between Business Strategies And Environmental Uncertainty On Tax Avoidance. Diponegoro Journal Of Accounting, 10(2), 1–12.

Sadiq, M., & Gebba, T. R. A. (2022). Financial Performance, Firm Value, Transparency And Corporate Governance. Evidences From Family-Owned Business In Uae. Transnational Corporations Review, 14(3), 286–296. Https://Doi.Org/10.1080/19186444.2021.1938496

Sadjiarto, A., Hartanto, S., . N., & Octaviana, S. (2020). Nalysis Of The Effect Of Business Strategy And Financial Distress On Tax Avoidance. Journal Of Economics And Business, 3(1). Https://Doi.Org/10.31014/Aior.1992.03.01.193

Sartawi, A. M. A. M. Al, & Sanad, Z. (2019). Institutional Ownership And Corporate Governance: Evidence From Bahrain. Afro-Asian J. Of Finance And Accounting, 9(1), 101. Https://Doi.Org/10.1504/Aajfa.2019.096916

Siregar, N. B., & Br Bukit, R. (2018). Impact Of Corporate Social Responsibility And Company Size On Corporate Financial Performance With Good Corporate Governance As Moderating Variable. Proceedings Of The 1st Economics And Business International Conference 2017 (Ebic 2017). Https://Doi.Org/10.2991/Ebic-17.2018.37

Suhadak, S., Kurniaty, K., Handayani, S. R., & Rahayu, S. M. (2019). Stock Return And Financial Performance As Moderation Variable In Influence Of Good Corporate Governance Towards Corporate Value. Asian Journal Of Accounting Research, 4(1), 18–34. Https://Doi.Org/10.1108/Ajar-07-2018-0021

Suhartini, D., Tjahjadi, B., & Fayanni, Y. (2024). Impact Of Sustainability Reporting And Governance On Firm Value: Insights From The Indonesian Manufacturing Sector.

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.

Cogent Business And Management, 11(1). Https://Doi.Org/10.1080/23311975.2024.2381087

Uang, J. Y., Citron, D. B., Sudarsanam, S., & Taffler, R. J. (2006). Management Going-Concern Disclosures: Impact Of Corporate Governance And Auditor Reputation. European Financial Management, 12(5), 789–816. Https://Doi.Org/10.1111/J.1468-036x.2006.00277.X

Van Greuning, H., & Bratanovic, S. B. (2020). Analyzing Banking Risk: A Framework For Assessing Corporate Governance And Risk Management. World Bank Publications. Https://Doi.Org/Https://Doi.Org/10.1016/J.Jclepro.2018.10.120

Waris, M., & Haji Din, B. (2023). Impact Of Corporate Governance And Ownership Concentrations On Timelines Of Financial Reporting In Pakistan. Cogent Business & Management, 10(1), 2164995. Https://Doi.Org/10.1080/23311975.2023.2164995

Copyright to the author of some rights reserved This work is licensed under aCreative Commons Attribution-ShareAlike 4.0 International License.