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Analysis Of Leverage, Profitability, And Tax Burden On Tax Avoidance Among Coal Mining Issuers In Indonesia

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Abstract

Tax avoidance practices are a concern because they have the potential to reduce state revenues even when implemented in accordance with applicable tax regulations. This study aims to analyze the effect of leverage, profitability, and tax burden on tax avoidance in coal mining subsector companies listed on the Indonesia Stock Exchange from 2022 to 2024. The study uses a quantitative approach with an explanatory research type. The study population includes all coal mining subsector companies listed on the Indonesia Stock Exchange, while the sample was determined using a purposive sampling technique, resulting in 11 companies or 33 observational data. The data used are secondary data in the form of annual financial reports. Data analysis was performed using multiple linear regression with SPSS, preceded by classical assumption tests and hypothesis testing using t-tests and F-tests. The results show that profitability has a positive and significant effect on tax avoidance, while leverage and tax burden do not significantly influence tax avoidance. Simultaneously, leverage, profitability, and tax burden have a significant effect on tax avoidance. This study concludes that profitability is the most influential factor in influencing tax avoidance practices in coal mining subsector companies, while leverage and tax burden are not yet significant determinants individually.

Keywords: Coal Mining Companies, Leverage, Profitability, Tax Avoidance, Tax Burden.

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INTRODUCTION

Taxes are a source of state revenue that plays a dominant role in financing government administration, national development, and the provision of various public services. As one of the main pillars of state financing, optimizing tax revenue is a crucial government concern to maintain sustainable development. According to Law No. 28 of 2007, taxes are mandatory contributions paid by individuals and entities to the state based on statutory provisions without receiving any direct compensation, and are intended for the greatest possible prosperity of the community. In its implementation, Indonesia implements a self-assessment system that authorizes taxpayers to calculate, pay, and report their own tax payable in accordance with applicable regulations (Indriasih 2021). This system provides taxpayers with flexibility in fulfilling their tax obligations, but at the same time requires a high level of compliance to ensure optimal state revenue from the tax sector (Rossa et al. 2022).

Companies, as corporate taxpayers, have the flexibility to engage in tax planning to manage their tax obligations. One form of such planning is tax avoidance, which is an effort to minimize the tax burden by utilizing tax provisions permitted by law, distinguishing it from the practice of tax evasion. Although carried out legally, tax avoidance remains a government concern because, if carried out aggressively, it can reduce state revenue from the tax sector (Dharma 2020). This phenomenon is increasingly relevant for companies in the coal mining subsector, which are characterized by large-value investments, high-capacity assets, and more complex funding structures than many other sectors. In addition to contributing to tax revenue, this subsector also plays a significant role in generating Non-Tax State Revenue (PNBP). The Ministry of Energy and Mineral Resources (2022) noted that mineral and coal PNBP revenues experienced a significant increase in 2022 in line with rising commodity prices and production volumes. This situation indicates that coal mining companies hold a strategic position in supporting state revenue, making it interesting to study from a tax compliance perspective, particularly tax avoidance practices (Claresta Stephanie Hidayat 2022).

Tax avoidance practices in companies are inextricably linked to their financial condition. Several financial indicators frequently associated with management decisions regarding tax planning include leverage, profitability, and tax burden. Leverage reflects the extent of a company's use of debt as a source of funding. Under tax regulations, interest costs on debt are recognized as deductible, potentially reducing taxable income. Therefore, companies with higher levels of leverage are often thought to have greater

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opportunities for legal tax planning than companies that rely more heavily on equity-based financing. However, the relationship between leverage and tax avoidance remains inconsistent. Sudjiman (2022) concluded that leverage has a positive effect on tax avoidance, while Rahmawati (2021) found that leverage has no significant effect on tax avoidance. These differing results indicate that the relationship between debt use and tax avoidance practices requires further examination, particularly in coal mining companies, which have different funding characteristics than other sectors.

In addition to leverage, profitability is also often associated with a company's tendency to engage in tax avoidance because it reflects a company's ability to generate profits through the utilization of its assets and resources. Companies with higher profit levels generally have larger tax liabilities, encouraging management to engage in tax planning to maintain manageable tax burdens in accordance with applicable regulations. However, research findings on the relationship between profitability and tax avoidance have not shown consistent results. Kusuma (2022) found that profitability has a positive effect on tax avoidance, while Hidayat (2022) stated that profitability does not always influence tax avoidance practices because companies with high profits may choose to comply with tax regulations to maintain their reputation, investor confidence, and company sustainability. The inconsistency of these research results suggests that the influence of profitability, along with tax burden as a factor directly related to corporate tax obligations, still requires further empirical evidence in companies in the coal mining subsector.

Based on these phenomena and problems, this study aims to analyze the influence of leverage, profitability, and tax burden on tax avoidance in coal mining sub-sector companies listed on the Indonesia Stock Exchange. This research is important because the coal mining sub-sector has a strategic contribution to state revenue through taxes and Non-Tax State Revenues. Therefore, understanding the factors that influence tax avoidance practices in this sector is relevant for companies, investors, and the government in strengthening tax management and supervision. The novelty of this study lies in simultaneously testing the influence of leverage, profitability, and tax burden on tax avoidance with a focus on coal mining sub-sector companies that have different investment characteristics, assets, and funding structures compared to other sectors, while also providing empirical evidence to explain the inconsistencies in previous research results.

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METHOD

This study uses a quantitative approach with an explanatory research type to examine the effect of leverage, profitability, and tax burden on tax avoidance in coal mining subsector companies listed on the Indonesia Stock Exchange during the period 2022 to 2024. The quantitative approach was chosen because the study utilizes numerical data sourced from the company's financial statements, then analyzed using statistical techniques to test the formulated hypotheses. This study focuses on examining the relationship between variables to explain the influence of each independent variable on the dependent variable. In explaining this relationship, the study uses agency theory as a basis to describe the relationship between shareholders as principals and management as agents, particularly in decision-making related to company tax policies.

The study population included all coal mining subsector companies listed on the Indonesia Stock Exchange during the period 2022 to 2024. The population is all objects or subjects that have certain characteristics that make them suitable for the scope of the study (Sugiyono et al. 2024). The selection of the coal mining subsector was based on its industrial characteristics, which have relatively high investment needs, a complex funding structure, and a significant contribution to state revenue from the tax sector. The research sample was determined using a purposive sampling technique by setting several criteria, namely coal mining subsector companies listed on the Indonesia Stock Exchange during the study period, publishing complete and audited annual financial reports, presenting financial reports in rupiah, having complete data on leverage, profitability, tax burden, and tax avoidance, and not experiencing delisting during the observation period.

This study uses secondary data obtained from the annual financial reports of coal mining companies accessed through the Indonesia Stock Exchange and the official websites of each company. Data collection was conducted using documentation techniques, while literature studies were used as support through reviews of books, scientific journals, tax regulations, and previous research results related to leverage, profitability, tax burden, and tax avoidance. The dependent variable in this study is tax avoidance, measured using the Effective Tax Rate (ETR). The independent variables consist of leverage, measured using the Debt to Equity Ratio (DER), profitability, measured using Return on Assets (ROA), and tax burden, measured using Effective Tax Burden (ETB). Data analysis was performed using the Statistical Package for the Social Science (SPSS) program through multiple linear regression analysis. Before testing the

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hypothesis, the regression model was first tested using classical assumption tests, including normality tests with Kolmogorov Smirnov, multicollinearity tests using tolerance values and Variance Inflation Factor (VIF), heteroscedasticity tests based on significance values, and autocorrelation tests using Durbin Watson. Next, hypothesis testing was carried out using a t-test at a 5 percent significance level to determine the influence of each independent variable on tax avoidance.

The research procedure begins with determining the population and sample based on purposive sampling techniques in accordance with predetermined criteria. Secondary data collection is then carried out in the form of annual financial reports of companies through the Indonesia Stock Exchange and the official websites of each company, followed by reference collection through literature studies as a basis for compiling theoretical foundations and developing hypotheses. The data obtained are then processed by calculating each research variable, namely tax avoidance using the Effective Tax Rate (ETR), leverage using the Debt to Equity Ratio (DER), profitability using Return on Assets (ROA), and tax burden using the Effective Tax Burden (ETB). The next stage is testing the classical assumptions to ensure the feasibility of the regression model, followed by multiple linear regression analysis and hypothesis testing using the t-test to examine the effect of leverage, profitability, and tax burden on tax avoidance in coal mining subsector companies.

RESULTS AND DISCUSSION

Overview of Research Object

Table 1. Details of the Research Sample

No	Criteria	Number of Companies
1	Coal Mining Companies Listed on the IDX in 2022-2024	32
2	Companies That Did Not Publish Complete Financial Reports for 2022-2024	(11)
3	Companies that do not have complete research variable data	(10)
4	Year of Observation	3
5	Number of Sample Companies	11
6	Number of Observation Data	33

Source: Data processed using Microsoft Excel, 2026.

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The sample selection process resulted in 11 entities in the coal mining subsector that met all research requirements. The study included 33 observations over a three-year period, from 2022 to 2024. All data was then examined to determine the effects of leverage, profitability, and tax burden on *tax avoidance*.

Descriptive Statistics

Table 2. Results of Descriptive Statistical Tests

Descriptive Statistics					
	N	**Minimum**	**Maximum**	**Mean**	**Standard Deviation**
Leverage	33	0.00	35.30	1,6982	6,15898
Profitability	33	-0.13	0.62	0.1342	0.16525
Tax Burden	33	0.00	0.91	0.1012	0.16594
Tax Avoidance	33	-0.23	0.37	0.1239	0.14539
Valid N (listwise)	33				

Source: Data processed using SPSS 2026.

Information:

X1 : Leverage

X2 : Profitability

X3 : Tax Burden

Y :*Tax Avoidance*

The following table presents the results of descriptive statistical analysis of each research variable:

1. ***Leverage*(X1)**

The leverage variable was analyzed based on 33 observational data. Based on descriptive statistics, the leverage variable had the lowest value of 0.00, while the highest value reached 35.30. This minimum value indicates a company with a relatively low debt level compared to other company entities in the study. Conversely, the highest value indicates a company with a higher proportion of debt usage compared to other companies during the observation period.

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The mean leverage value is 1.6982 and the standard deviation is 6.15898. The large number compared to the average indicates that the data characteristics vary significantly, resulting in heterogeneity in leverage levels across companies. This finding indicates that profitability may influence a company's tax management policies.

These differences in leverage levels can be influenced by the company's funding policies, capital requirements to support operational activities, and financing strategies tailored to each company's specific circumstances. In the coal mining subsector, relatively large investment requirements can lead to different debt policies for each company, resulting in varying leverage values in this study.

2. **Profitability**

The profitability variable was analyzed based on 33 observational data. The analysis results indicated a minimum profitability value of -0.13 and a maximum profitability value of 0.62. The lowest value indicates a company that is unable to generate optimal profits. This condition reflects the company's inability to utilize various strategies to generate profits. Meanwhile, the maximum value indicates a company capable of generating relatively high profits through the utilization of its assets.

The mean profitability value was recorded at 0.1342, while the standard deviation was 0.16525. This difference indicates that the distribution of profitability data between companies is still quite diverse. This condition indicates that each company entity's ability to generate profits during the observation period showed different conditions.

Differences in profitability can be influenced by the effectiveness of asset management, the efficiency of operational activities, and the company's ability to generate revenue. In the coal mining subsector, market conditions, operational costs, and production levels can also influence the amount of profit generated, resulting in variations in profitability values between companies during the study period.

3. **Tax Burden (X3)**

The tax burden variable was analyzed based on 33 observational data. Based on the data processing results, the lowest value for the tax burden variable was 0.00, while the highest value reached 0.91. This minimum value indicates that during a given period, some companies did not record any tax burden. This condition can be influenced by various factors, including companies with no tax liability in the current period or certain conditions affecting the recognition of tax burden. Conversely, the maximum value

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reflects the existence of issuers that recorded a higher tax burden compared to other companies in the research sample.

The average tax burden value was 0.1012, with a standard deviation of 0.16594. The findings indicate that the variation in tax burden data between companies is still relatively high. Therefore, the amount of tax burden recognized by each company does not reflect the same level.

Differences in tax burden levels can be influenced by the amount of profit earned by a company, differences in tax expense recognition, and company policies in meeting its tax obligations. In the coal mining subsector, operational conditions and financial performance can also influence the amount of tax expense recognized, resulting in variations in tax burden values between companies during the study period.

4. ***Tax Avoidance***

Variable's *tax avoidance* analyzed based on 33 observational data. The lowest value of -0.23 and the highest value of 0.37 were obtained based on the results of descriptive statistical analysis.*tax avoidance*. This minimum figure indicates that in a certain period there are companies that have*Effective Tax Rate*(ETR) is below zero. This condition can occur due to losses, deferred tax benefits, or accounting adjustments that affect the ETR calculation. Meanwhile, a maximum value indicates a company that records*Effective Tax Rate* (ETR) compared to other companies in the research sample.

Mean variable*tax avoidance*The mean variance was recorded at 0.1239, while the standard deviation was recorded at 0.14539. Comparing these two figures indicates that the data spread is still quite high, resulting in quite diverse data characteristics between companies. This condition indicates that the practice of*tax avoidance*by each entity during the study period varied.

Difference in level*tax avoidance*can be influenced by the company's financial condition and the policies implemented by management in fulfilling its tax obligations. In coal mining sub-sector companies, differences in operational characteristics and tax policies can cause variations in the level of taxation.*tax avoidance*between companies during the study period.

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Classical Assumption Test

1. Normality Test

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		33
Normal Parameters	Mean	0.0000000
	Standard Deviation	0.10844902
Most Extreme Differences	Absolute	0.133
	Positive	0.133
	Negative	-0.108
Test Statistics		0.133
Asmp. Sig. (2-tailed)		0.146

Source: Data processed using SPSS 2026.

To ensure that the residuals from the regression model are distributed according to the assumption of a normal distribution, a normality test is used. This is done using the Kolmogorov-Smirnov (KS) method in SPSS.

The Asymp. Sig. (2 tailed) value was recorded at 0.146. The results indicate that the normality assumption has been detected, and the residuals of the regression model do not experience any deviations. Thus, the regression model can be used in the next stage of analysis.

The normality of the residuals was evaluated using a histogram graph in addition to statistical testing. The graph shows a residual distribution pattern that follows a bell-shaped curve without any significant deviations. The relatively balanced distribution of the data around the center of the distribution indicates that the regression model meets the normality assumption.

After reviewing the statistical test results and observing the histogram, it can be concluded that the residuals of the regression model meet the assumption of normality. Therefore, the regression model is considered suitable for use in the next stage of the analysis.

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2. Multicollinearity Test

Table 3. Multicollinearity Test Results

Coefficients							
	Unstandardized	Coefficients	Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	0.061	0.032	1,922	0.064		
	Leverage	-0.002	0.003	-0.619	0.540	0.883	1,132
	Profitability	0.550	0.129	0.626	0,000	0.898	1,113
	Tax Burden	-0.072	0.123	-0.082	0.565	0.974	1,026

Source: Data processed using SPSS 2026.

The multicollinearity test is a procedure for determining whether or not there is a strong relationship between independent variables in a regression model. If a good regression model does not show symptoms of multicollinearity, it means that each independent variable has the ability to explain its own dependent variable without being affected by the strong correlation between the other independent variables.

Based on the research results, it was found that the leverage variable has a tolerance value of 0.883 and a Variance Inflation Factor (VIF) of 1.132. The profitability variable obtained a tolerance value of 0.898 with a VIF value of 1.113, while the tax burden variable had a tolerance value of 0.974 and a VIF value of 1.026.

The tolerability value for each independent variable is greater than 0.10, and the VIF value is lower than 10. The results indicate no significant correlation between the independent variables in the regression model. Therefore, because the research model does not exhibit multicollinearity, the leverage, profitability, and tax burden variables can be used simultaneously in the regression analysis.

3. Heteroscedasticity Test

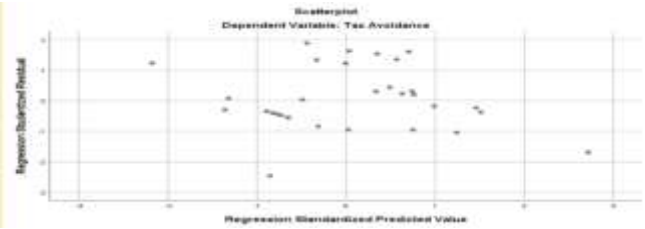


Figure 1. Heteroscedasticity Test Results
Source: Data processed using SPSS 2026.

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Heteroscedasticity testing is used to determine whether the residuals in a regression model are constant or vary across predicted values. A regression model is said to meet the assumptions if the residuals have relatively equal variance (homoscedasticity), resulting in more reliable estimates. In this study, heteroscedasticity testing was performed through scatterplot analysis comparing the Regression Studentized Residual value with the Regression Standardized Predicted Value.

Based on the scatterplot graph in the image, the distribution of observation points appears to be expanding across various positions without forming a regular pattern. The data distribution is above and below the horizontal line representing the zero value in the residual axis area. Furthermore, there is no clear pattern, such as a widening, narrowing, or wave-like distribution.

The distribution characterization shows that the residual variation in each predicted value is relatively stable. Therefore, the assumption of homoscedasticity has been met, as this research's regression model shows no indication of heteroscedasticity. Therefore, the regression model is suitable for use in the next stage of analysis.

4. **Autocorrelation Test**

Table 4. Autocorrelation Test Results

Model Summary					
Model	**R**	**R Square**	**Adjusted R Square**	**Standard Error of the Estimate**	**Durbin-Watson**
1	0.666	0.444	0.386	0.11392	1,311

Source: Data processed using SPSS 2026.

Autocorrelation testing is used to determine whether there is a relationship between the residuals of one observation and the residuals of other observations in a regression model. It is possible that autocorrelation symptoms do not occur in regression models, even good ones. The Durbin-Watson (DW) method was used to test this study against established criteria.

The test results indicate a Durbin Watson (DW) of 1.31, which is compared with the lower limit (dL) and upper limit (dU) values in the Durbin Watson table, adjusted for the number of independent variables and observations. The comparison results indicate that there is no autocorrelation with the regression model meeting the criteria. Because the residuals have no systematic relationship between observations, the regression model is considered to meet the assumptions.

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Multiple Linear Regression Model

Table 5. Coefficients Test Results

Coefficients							
	Unstandardized	Coefficients	Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	0.061	0.032	1,922	0.064		
	Leverage	-0.002	0.003	-0.619	0.540	0.883	1,132
	Profitability	0.550	0.129	0.626	0,000	0.898	1,113
	Tax Burden	-0.072	0.123	-0.082	0.565	0.974	1,026

Source: Data processed using SPSS 2026.

Table 6. Regression Coefficient Results

Variables	Coefficient
Constant	0.061
Leverage(X1)	(0.002)
Profitability (X2)	0.550
Tax Burden (X3)	(0.072)

Source: Data processed using SPSS 2026.

After the data was processed using the SPSS program, the following multiple linear regression equation was generated:

Y = 0.061 – 0.002X1 + 0.550 X2 – 0.072 X3 + e

Information :

Y =*Tax Avoidance*

X1 = Leverage

X2 = Profitability

X3 = Tax Burden

e = Error

The regression equation shows the direction of the relationship between the variables of leverage, profitability, and tax burden on tax avoidance. The constant term

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of 0.061 illustrates that if the variables of leverage, profitability, and tax burden are assumed to be constant or equal to zero, then the value tax avoidance predicted to be 0.061.

The coefficient in the regression equation for leverage is -0.002, indicating that each increase in leverage tends to be followed by a decrease in the value of tax avoidance, assuming that the other independent variables remain unchanged.

Meanwhile, the regression coefficient for profitability is 0.550, indicating that an increase in profitability tends to be followed by an increase in value.*tax avoidance*. Meanwhile, the regression coefficient for the tax burden is -0.072, assuming all other variables remain unchanged, an increase in the tax burden tends to be followed by a decrease in the value *tax avoidance*. This regression coefficient describes the direction of the relationship between each independent variable and*tax avoidance* however, to determine whether these relationships have a statistically significant impact, a hypothesis test using the t-test is required, as explained in the following discussion.

Hypothesis Testing

1. t-Test (Partial)

Table 7. Results of the t-Test (Partial)

Coefficients							
	Unstandardized	Coefficients	Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	0.061	0.032	1,922	0.064		
	Leverage	-0.002	0.003	-0.619	0.540	0.883	1,132
	Profitability	0.550	0.129	0.626	0,000	0.898	1,113
	Tax Burden	-0.072	0.123	-0.082	0.565	0.974	1,026

Source: Data processed using SPSS 2026.

The influence of each independent variable on *tax avoidance* as the dependent variable was analyzed using a partial t-test. The basis for decision-making refers to the significance level (Sig.) with a significance level of 5% or 0.05. The hypothesis will be accepted if the significance level is less than 0.05, while a significance level equal to or exceeding 0.05 will reject the hypothesis.

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The test results are shown in the following coefficients table:

A. The Effect of Leverage on *Tax Avoidance*

The test results indicate that the leverage variable does not have a significant influence on *tax avoidance,*with a t-value of -0.619 and a significance value of 0.540. The Sig. value exceeds 0.05, thus concluding that leverage has a low significance value. Based on these results, the first hypothesis (H1) states that *tax avoidance* influenced by leverage is rejected. There is an inverse relationship between leverage and *tax avoidance*, as indicated by the regression coefficient for leverage of -0.002, which means that an increase in leverage is followed by a decrease*tax avoidance*.

However, this relationship is not significant according to the results of statistical tests and therefore cannot explain changes in*tax avoidance*between the research sample companies.

These results indicate that debt use in coal mining subsector companies is more directed towards meeting operational and investment funding needs than as a means of tax management. Furthermore, the mining industry's large capital requirements mean that financing decisions are not always linked to sound company practices.*tax avoidance*.

B. The Influence of Profitability on *Tax Avoidance*

With a calculated t value of 4.281 and a significance value of 0.000, which is smaller than 0.05, it results that the profitability variable has a significant influence on *tax avoidance*. Therefore, the second hypothesis (H2) is accepted. The regression coefficient of 0.550 indicates a positive relationship between *tax avoidance* and profitability. This finding indicates that changes in a company's profitability may influence its tax avoidance practices. This condition indicates that a company's ability to generate profits can impact tax liability management policies.

The results show that companies with higher profitability tend to be more attentive to tax planning. Increasing corporate profits also translate into increased tax liabilities, prompting companies to strive to manage their tax burden in accordance with applicable tax requirements.

C. The Impact of Tax Burden on *Tax Avoidance*

As shown by the calculated t value of 0.582 and the significance value of 0.565, the tax burden variable does not have a significant influence on *tax avoidance* This significance value is relatively greater than 0.05, which proves

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that the tax burden variable does not have a significant influence. Therefore, the third hypothesis (H3) cannot be accepted. The regression coefficient of -0.072 illustrates an inverse relationship between *tax avoidance* and tax burden. This means that the decrease in the value of tax deductions usually equals the level of the tax burden. However, this relationship is not significant and cannot explain the changes that occurred in companies operating in the coal mining subsector.

These results reflect that the size of the tax burden has not become a determining factor in tax practices *tax avoidance*. Companies tend to consider various other aspects, such as financial condition, company policies, and compliance with tax regulations when making decisions about tax management.

2. **F Test (Simultaneous)**

Table 8. F-Test Results (Simultaneous)

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	0.300	3	0.100	7,706	0.001
	Residual	0.376	29	0.013		
	Total	0.676	32			

Source: Data processed using SPSS 2026.

The F-test was conducted to determine whether tax avoidance is influenced by leverage, profitability, and tax burden. The significance value (Sig.) found in the ANOVA table and a significance level of 5% (0.05) are used to make decisions.

The F-test yielded a significance value below the established limit, thus declaring the research model suitable for use. The F-test achieved 7.706 and a Sig. value of 0.001. This significance level is below 0.05, thus, leverage, profitability, and tax burden simultaneously affect *tax avoidance*.

The results show that the three independent variables, as a whole, can provide an explanation of differences in *tax avoidance practices* among the coal mining subsector companies that were the subject of this study. Although partial testing showed that some variables did not have a significant impact, the simultaneous influence of these three variables on the dependent variable remained significant.

The results show that tax avoidance is influenced by a combination of several financial factors, but also a combination of various aspects of the company's finances.

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The feasibility of the model obtained shows that the regression analysis is able to explain the relationship between independent variables and *tax avoidance*, so that the model is worthy of being submitted for research testing.

Coefficient of Determination

Table 9. Results of the Determination Coefficient Test

Model Summary					
Model	**R**	**R Square**	**Adjusted R Square**	**Standard Error of the Estimate**	**Durbin-Watson**
1	0.666	0.444	0.386	0.11392	1,311

Source: Data processed using SPSS 2026.

The extent of the independent variable's ability to explain changes in the dependent variable can be determined through the coefficient of determination value resulting from the regression analysis.

Based on the Model Summary table, the R Square value is 0.444. The results found show that the tax burden,*leverage*, and profitability is responsible for 44.4% of the variation *tax avoidance*, while the remainder, namely 55.6%, is explained by other factors not included in the study model.

After considering the number of independent variables in the model*leverage*, profitability, and tax burden have the ability to explain variations*tax avoidance*by 38.6%. Other variables outside the model influence the remaining 61.4%. This is indicated by the adjusted R-square value of 0.386.

The results suggest that the regression model constructed has the ability to explain most of the differences in*tax avoidance*However, there are additional components from outside the research model that may influence these variables.

RESEARCH DISCUSSION

The Effect of Leverage on Tax Avoidance

Based on the results of descriptive statistical analysis, the average leverage variable was recorded at 1.6982, while the average*tax avoidance*The value is 0.1239. These results indicate that during the study period, the level of debt utilization among coal mining subsector companies differed significantly. However, these differences in leverage levels did not show a significant relationship with changes in value.*tax avoidance*.

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Theoretically, the use of debt has the potential to generate interest expenses that can reduce taxable profits, thus predicting a decrease in a company's tax liabilities. However, this research finding shows that this mechanism has not had a significant impact.*tax avoidance*These findings indicate that organizational decisions regarding debt utilization are more influenced by funding needs than by tax management objectives.

The first hypothesis was rejected because the results of the hypothesis test indicated that leverage did not have a significant effect on *tax avoidance*, with a significance value of 0.540. This result indicates that small amounts of debt cannot explain changes in tax avoidance in coal mining subsector companies.

Companies in this subsector typically require significant capital to support investment and operational activities. Therefore, debt is used more as a source of corporate financing than as a strategy for managing tax obligations. Furthermore, oversight from the government, investors, and creditors forces companies to be more careful in establishing their financial policies.

The results of this study are in line with previous research.Novianti Rini & Wijaya Hoki Cindy (2024), which concludes that*leverage*does not affect efforts*tax avoidance*. On the other hand, research conducted byPrincess Karmini Selma Ayu Ning (2023), obtained different results, namely*leverage*proven to have an effect on *tax avoidance*. Different sample types, research periods, and company sectors used are thought to contribute to the differences in results.

The Effect of Profitability on Tax Avoidance

The company capacity to generate profits varied throughout the study, as indicated by the descriptive statistics values, the profitability variable had an average observed result of 0.1342 and the variable*tax avoidance*recorded an average value of 0.1239.

The results of the hypothesis test show that the significance value is 0.000 and the regression coefficient is positive at 0.550, profitability has a positive effect and is significantly related to*tax avoidance*. The second hypothesis was finally supported.

The results show that when the level of profitability changes, the level of*tax avoidance*also changed. Companies with higher profits tend to consider managing their tax liabilities as part of their financial policies. This suggests that profitability is one of the components influencing a company's tax management methods.

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The findings of this study are in line with Agency Theory, which states that agents try to manage company resources to maintain company performance, including managing tax obligations while complying with regulations.

These results support the researchAini & Ikram (2025)stated that tax reductions are influenced by profitability. However, these results differ from the studyNovianti Rini & Wijaya Hoki Cindy (2024)which concludes that*tax avoidance*not influenced by profitability. The differing results of these studies are thought to be influenced by differences in research objects, observation periods, and sample characteristics used.

The Effect of Tax Burden on Tax Avoidance

The level of corporate tax burden during the research period varied quite significantly, for the tax burden variable, the average was 0.1012 and the value *tax avoidance*average of 0.1239, according to the results of descriptive statistics. However, this variation does not show a significant correlation with changes in the value *tax avoidance*.

The hypothesis test hypothesis says that the tax burden does not have a significant influence on *tax avoidance*, with a significance value of 0.565, the third hypothesis is rejected.

The results show that the changes*tax avoidance*The coal mining subsector is not affected by a large tax burden. In practice, companies consider financial conditions, internal policies, and compliance with tax regulations more when determining tax management strategies.

In addition, the characteristics of coal mining companies which are under the supervision of various parties also encourage companies to implement tax policies more carefully. This condition means that the size of the tax burden does not directly affect tax avoidance practices.

The results of this study differ from the results of previous studies.Mulyadi (2023)who found that tax burdens influence tax avoidance efforts. This may be due to the research period, sample characteristics, economic conditions, and tax policies applied to each research subject.

CONCLUSION

The results of the study indicate that profitability has a positive and significant effect on tax avoidance in coal mining subsector companies listed on the Indonesia Stock Exchange from 2022 to 2024. Conversely, leverage and tax burden do not

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significantly influence tax avoidance. However, leverage, profitability, and tax burden simultaneously have a significant effect on tax avoidance, thus the research model is considered adequate in explaining variations in tax avoidance practices. The Adjusted R Square value of 0.386 indicates that these three variables are able to explain 38.6 percent of the variation in tax avoidance, while the remainder is influenced by other factors outside the research model. This finding indicates that a company's ability to generate profits is a more determining factor in tax management policies than funding structure or the amount of the tax burden.

This study is limited by its sample size, which only included companies in the coal mining subsector and a three-year observation period. Therefore, the results cannot be generalized to other sectors or over longer periods. Furthermore, the research model uses only three independent variables, which suggests that other factors could potentially influence tax avoidance. Future research is recommended to expand the scope of industrial sectors, extend the observation period, and add other relevant variables to improve the model's ability to explain tax avoidance. Practically, the results of this study can be used as considerations for company management in formulating tax policies that comply with applicable regulations, for investors in evaluating company financial characteristics, and for the government as input for strengthening tax oversight in the coal mining subsector.

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