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The Influence of Corporate Social Responsibility, Revenue Growth, and Ownership Structure on Tax Avoidance

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ABSTRACT
In this study, the aim of this study is to find out how the effect of CSR partially, increasing revenue and ownership on tax avoidance, and to find out which variables have a strong influence on tax avoidance in bank companies which have been previously listed on the Indonesia Stock Exchange. There are 45 companies listed on the Indonesia Stock Exchange as the population in this study, while as many as 13 companies are used as samples and have been selected through purposive sampling technique. Documentation technique is the technique used in this study. n this study using linear regression as data analysis. The results obtained in this study are: (1) simultaneously, where tax avoidance cannot be affected by the growth that occurs in revenue. and (2) partially, tax avoidance in banking companies cannot be affected by the growth that occurs in revenue.

Keywords: *corporate social responsibility, revenue growth, ownership structure, tax avoidance*

1. INTRODUCTION

Taxes are the most important source of funds in our State Revenue and Expenditure Budget (APBN). In the last three years, the contribution of tax revenue to the APBN has been very large, namely: 82.6 percent in 2016, 84.8 percent in 2017, and 81.4 percent in 2018. On the other hand, the effectiveness of tax revenues during this period was not optimal. In 2016, the achievement of tax revenue was 83.5 percent, in 2017 it was 98.3 percent, and in 2018 it was 95.7 percent [1].

One of the factors that causes tax revenue to be not optimal according to the Corruption Eradication Commission (KPK) is Tax avoidance by taxpayers [2]. Tax avoidance is an attempt by taxpayers to minimize corporate tax payments by exploiting weaknesses in tax provisions by directing them to transactions that are not taxable objects. Tax avoidance can be estimated using cash effective tax rates (CETR) as used [3] [4]. Namely the formula for paying taxes in cash divided by profit before tax [5]. Although tax avoidance is considered legal, ethically it is a special case operating on the edge of a potentially immoral legal boundary [6]. Even [7] calls it a crime of globalization.

Tax avoidance is a problem facing all countries today, including Indonesia. Some of the tax avoidance cases that came to public attention include: (1) case of Lotte Group in 2016 in South Korean [8], (2) case of Gucci in December 2017 in Switzerland [9], and (3) case of Samsung in 2018 [10].

Regarding tax evasion, there are several examples of cases that have occurred in Indonesia [12] as follows: 1) In 2005 and 2007 there was a case with a Toyota company (2) In 2007 there was a case with PT Asian Agri Group, (3) From 2007 to 2014 there was a case with Ford, (4) In 2014 there was a case at PT Coca Cola Indonesia, (5) In 2016 there was a case at PT RNI, (6) In 2017 there was a case in the fisheries and in 2018 there was a case in the palm oil industry.

The cases of tax avoidance in Indonesia mentioned above are only a small part compared to those that have not been revealed. The Indonesian Forum for Budget Transparency (FITRA) estimates that tax avoidance reaches Rp110 trillion annually, mostly by business entities (around 80 percent), most of which are foreign companies, and the rest are private incividuals [13]. Based on the results of a survey conducted by UN University analysis using a database from the International Center for Policy and Research (ICTD), it can be said that of the 30 countries included in the sample surveyed with an estimated value of USD 6.48

billion as state tax evaders, Indonesia is the the largest tax-avoiding country was ranked 11th.

The factors affecting tax avoidance have been widely researched, both abroad and in Indonesia. Based on several previous research results, there are inconsistencies in the influence of several variables that affect tax avoidance. In the CSR variable, the results of research [15] [16] [17] show that CSR is negatively related to tax avoidance. In contrast, [18] research results show that CSR is positively related to tax avoidance. On the other hand, the results of research [19] show that CSR has no effect on tax avoidance.

In sales growth, it turns out to have another variable, namely inconsistency. In a study conducted [20], it shows that tax avoidance can actually be influenced by the variable of increasing sales. However, the research conducted [21] [22] is inversely proportional to the previous study, namely tax avoidance can be negatively affected by increased sales.

Inconsistencies can also be seen in the variable ownership structure. There are several previous studies, where the results of these studies show that someone who owns shares can positively and significantly affect tax avoidance [4]. Other studies have also shown that tax avoidance can be affected by share ownership but is negatively affected [9] [2]. Meanwhile, other studies also show that institutional ownership can positively affect tax avoidance [23]. On the other hand, the results of research [24] show that tax avoidance cannot be influenced by institutional ownership. The theory which states that managerial ownership and institutional ownership has no relationship with tax avoidance [25], and this theory can strengthen the results of the research study above.

Meanwhile, a study [26] shows that tax avoidance cannot be influenced by family ownership. A study also conducted shows that foreign ownership and government can be linked to tax avoidance. This study is strengthened by the results of research [27] which states that an increase in the concentration of tax ownership can affect tax avoidance.

The Indonesia Stock Exchange (IDX) is a capital market institution in Indonesia. Listed on the IDX regarding the number of companies currently 618 issuers which are divided into three industry classifications, namely: main, manufacturing and services. The classification is divided into several sectors, and each sector is divided into several sub-sectors. One of the sub-sectors of the financial sector service industry is the banking sub-sector.

2. LITERATURE REVIEW

2.1 Tax avoidance

Tax avoidance broadly includes anything that reduces corporate taxes relative to pre-tax accounting revenue [28]. Tax avoidance is tax savings that arise by taking advantage of legally enforced taxation provisions to minimize tax obligations.
As used [29] Tax avoidance is estimated using the cash effective tax rates (CETR) proxy, namely by the formula: Payment of Taxes in Cash divided by Profit Before Tax. In the Cash Flow Statement for tax payments in cash, while in the Revenue Statement there is Profit Before Tax.

Changes in estimates are not affected by CETR, for example in the protection made to taxes, so CETR is good to use to describe tax avoidance activities [16]. The higher the percentage approaching the the rate on revenue tax is 25 percent, it can be said that the level of tax avoidance is getting lower and vice versa.

2.2 Corporate Social Responsibility (CSR)

CSR has a definition to be committed to business work so that they can behave ethically, have a contribution to economic development, and workers can have a quality life ([15]. CSR is an action that has been considered ethically by the company which has previously been given direction in the process of improving the economy, and families and employees must have an increase in their quality of life [31].

In the 2007 Law Number 40 regarding limited liability companies and the 2012 government regulation Number 47, it is explained that the environmental and social responsibility implementation activities are reported to the company regarding the annual report and the responsibility is carried out by the GMS. Based on these regulations, it is understood that the implementation of CSR must be budgeted by the company and calculated as company costs and included in the company's annual report and can be accounted for to the GMS.

2.3 Revenue Growth

Based on PSAK 23, when during a period, cash flows experience revenue so that it can result in an increase in equity that has nothing to do with contributions, so that it results in cash flows experiencing revenue / revenue on gross from economic utilization that arises due to normal company activities. This is what is meant by the company's revenue for a period. of investors [32]. Revenue for the banking company can be in the form of revenue from interest, fees and commissions, and administration.

Revenue can be measured by the amount of revenue earned in monetary value (in this case Rupiah).

2.4 Ownership Structure

The company's ownership structure arises as a result of the comparison of shares owned by the owners[16]. According the structure of share ownership show the distribution of power and influence of shareholders over the company's operational activities [21]. Thus, the ownership structure show the power (influence) of the shareholders based on the percentage of shares owned. The greater the number of shares owned, the greater the power (influence) they have on the company's operations. Conversely, the smaller the number of shares owned, the less power (influence) has over the company's operations.

Ownership structure seen from the dominance of the number of shares owned by certain parties. Thus, the ownership structure can be owned dominantly by parties, including: (1) manager (executive) or public, (2) family or private, (3) government or public, (4) foreign or domestic.

The research hypothesis is formulated as follows:

1. CSR, revenue growth, and ownership structure simultaneously influence avoidance of taxes on banking companies that have been listed on the IDX;
2. CSR, revenue growth, and ownership structure partially affect avoidance of taxes on banking companies that have been listed on the IDX;
3. Revenue Growth and ownership structure have a dominant avoidance of taxes on banking companies that have been listed on the IDX.

3. ANALYSIS METHOD

This research is a quantitative that explanation of its effect on PCR, growth on revenue, banking companies listed on the Indonesia Stock Exchange (IDX) regarding the existing ownership structure on tax avoidance.

The population that will be used in this study is that the researcher takes a population of all banking companies that have been listed on the Indonesia Stock Exchange (IDX) of 45 companies from 2016 to 2018. Meanwhile, the selection of the sample to be used is a purposive sampling technique with several the criteria used are:: listed on the IDX during 2016-2018; Publish annual reports with complete information; Publish audited financial reports; The company is in profit (no loss); Using the Rupiah currency in annual reports / financial reports. Based on the above criteria, banking companies listed on the IDX that meet the criteria to be sampled are presented in Appendix 3. Based on the above criteria, 18 of the 45 banking companies listed on the IDX that meet the criteria to be used as samples.

Data were analyzed using multiple regression analysis, F test dan ttest using the SPSS 25 for Windows program

4. RESULT AND DISCUSSION

Based on the data that has been collected, the researcher conducted several tests such as the classical assumption test on the data, where the results obtained were: (1) Normality test, all data obtained were normally distributed using the Kolmogorov-Smirnov test. (2) the heteroscedasticity test with the Glejser test obtained that CSR, Revenue Growth, and Ownership Structure did not contain symptoms of heteroscedasticity; (3) the multicollinearity test with the Variance Inflation Factor (VIF) test obtained that the CSR, Revenue Growth, and Ownership Structure did contain multicollinearity.

The results of the hypothesis test show CSR, Revenue Growth, and Ownership Structure simultaneously an partially have no effect on Tax Avoidance.

4.1 Effect of CSR, Revenue Growth, and Ownership Structure Simultaneously on Tax Avoidance

The results of study show that CSR, Revenue Growth, and Ownership Structure simultaneously have no effect on Tax Avoidance. These findings also show that all variable only explain or predict tax avoidance by 27 percent.

4.2 Effect of CSR, Revenue Growth, and Ownership Structure Partially on Tax Avoidance

a. CSR has no effect on Tax Avoidance means that the CSR funds issued by the company was not influence on indication of avoidance by the company. This was because the allocation of funds for CSR activities was an obligation for the company so that the expenditure of CSR funds was not intended as an effort to reduce or avoid taxes. The results were in line with [33] research which show that CSR has no effect on tax avoidance. On the other hand, the results of this study were not in line with the results of research which show that CSR is negatively related to tax avoidance and the results of [28] research which show that CSR was positively related to tax avoidance.

b. Tax avoidance is not affected by the growth in revenue. It can be concluded that companies that experience tax avoidance are not affected by growth in revenue, either when revenue increases or revenue decreases, and when the company suffers a loss in revenue. This is because high revenue does not directly cause high profits because in calculating profits, the revenue earned by the company will be reduced by the costs incurred to obtain the revenue. Thus, high revenue will not necessarily make the company make efforts to reduce taxes by avoiding tax. The results of this study are supported by research results which state that tax avoidance is not affected by the growth that occurs in sales [25].

c. Ownership Structure has no effect on Tax Avoidance means that the Company's Ownership Structure, both domestic-full ownership and domestic-foreign ownership have no influence the indications of avoidance carried out by the company. This is because the company's owners, both foreign and domestic investors, cannot pressure the company's management to avoid tax. The results of this study are in line with the results of research [33] which show that institutional ownership has no effect on tax avoidance.

5. CONCLUSION

Based on the research results, the following conclusions were obtained: 1) CSR, Revenue Growth, and Ownership Structure simultaneously have no effect on Tax Avoidance. 2) Partially: (1) CSR has no effect on Tax Avoidance, which means the size of the CSR Burden, does not cause Tax Avoidance, (2) Revenue Growth has no effect on Tax Avoidance, which means that company revenue increases, decreases, even loss does not cause Tax Avoidance, 3) Ownership Structure has no effect on Tax Avoidance, which means that full-domestic ownership and domestic-foreign ownership do not cause Tax Avoidance

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