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THE EFFECT OF PROFITABILITY, SALES GROWTH AND COMPANY AGE ON MINING COMPANIES' TAX AVOIDANCE

Jackie Tantono[1], Angela Irena[2], Melati Putri[3]
[1,2,3]Universitas Pelita Harapan
[1]jackietantono21@gmail.com, [2]angelairenatan@gmail.com, [3]melatiputripranoto@gmail.com

ABSTRACT
Tax avoidance is usually influenced by various things including profitability, sales growth, and company age. Large profits will result in large tax costs, so management prefers to minimize tax costs by avoiding taxes. The population used in this research is all mining sector companies listed on the Indonesian Stock Exchange which is as much as 63 companies. The sampling technique used is purposive sampling, resulting in 10 companies and a total of 40 samples. The results of the study indicate that Profitability partially has a significant impact on mining sector companies listed on the Indonesia Stock Exchange (IDX). Sales Growth partially has a significant impact on mining sector companies listed on the Indonesia Stock Exchange (IDX). Company Age partially has no significant impact on mining sector companies listed on the Indonesia Stock Exchange (IDX). Profitability, Sales Growth, and Company Age simultaneously have a significant impact on Tax Avoidance in the mining sector companies listed on the Indonesia Stock Exchange (IDX).
Keywords: *Profitability, Sales, Growth, Company Age, Tax Avoidance*

INTRODUCTION

Tax collection carried out by the government does not always get a positive response from taxpayers because there are differences in interests between the government and taxpayers. For the states, the largest source of revenue comes from taxes used in administering the government, while for taxpayers it is a burden that must be paid as a manifestation and role in contributing to increasing national development. Tax collection is not an easy thing to implement. Tax from the company side is one of the factors considered because taxes are considered a burden that can affect the survival of the company.

The practice of tax avoidance in Indonesia is becoming increasingly common. Tax avoidance is an effort to avoid taxes legally which does not violate tax regulations to minimize the tax burden by exploiting weaknesses in tax provisions. Tax avoidance is a form of transaction scheme to minimize or reduce the tax burden by exploiting loopholes in a country's tax regulations, thus enabling tax experts to declare it legal because it does not violate tax regulations.

According to the Tax Justice Network report, Indonesia is estimated to face losses of US$ 4.86 billion per year or the equivalent of IDR 68.7 trillion (rupiah exchange rate of IDR 14,149 per US dollar) due to tax avoidance. In the report entitled The State of Tax Justice 2020: Tax Justice in the Time of COVID-19, Tax Justice News reported that with a total of IDR 68.7 trillion, the losses were caused by corporate taxpayers who committed tax avoidance in Indonesia. The amount of loss caused reached US$ 4.78 billion or equivalent to IDR 67.6 trillion. Meanwhile, the remainder came from individual taxpayers with an amount reaching US$ 78.83 million or the equivalent of IDR 1.1 trillion (Fatimah, 2020).

Even though the practice of tax avoidance is permitted, the government does not really want this in the hope that companies can pay their taxes without having to use tax avoidance. Tax avoidance will continue to occur because people who are experts in the field of taxation can use loopholes in regulations to reduce the amount of tax payments to be paid. Tax avoidance is usually influenced by various things including profitability, sales growth, and company age. Profitability is the ability of a company to generate profits during a certain period at a certain level of sales, assets, and share capital. Profitability is closely related to profit but they have one key differentiator.

Profit is an absolute amount, while profitability is relative. Profitability is used as a metric to determine the scope of a company's profits in relation to the size of the business. So, it can be said that profitability is a measure of efficiency that shows the success or failure of a company. The reason is, even though it generates profits, the company does not necessarily make a profit. The profitability of a company can be assessed in various ways depending on the profits and assets or capital that will be compared with each other. The greater the profitability of a company, the greater the tax that must be paid, so the greater the tax avoidance efforts. Large profits will result in large tax costs, so management prefers to minimize tax costs by avoiding taxes.

Sales growth is defined as an increase in the number of sales from year to year. Optimization of the company's existing resources can be seen through the sales percentage from the previous year. The sales growth rate describes the success of sales activities in a company. High sales growth results in the company making more profits which can cause the company to pay a larger tax burden. From a business perspective, entrepreneurs see taxes as a

burden that will reduce net profits and they would try to minimize the tax burden to maximize business profits by carrying out a series of tax strategies. Thus, the higher the sales growth of a company will increase the level of tax avoidance. This happens because if sales increase, it will increase the company's profits, which will result in higher tax costs that must be paid.

Company age can also affect tax avoidance activities. The age of the company is how long the company has been established and can survive on the IDX. The age of the company showed how long the company has existed and is able to compete in the business world. Aging companies must reduce costs including tax costs due to the experience and learning possessed by the company and the influence of other companies both in the same or different industries. The longer the operating period of a company, the more experience the company has and the tendency to carry out tax avoidance will be higher.

This research is based on previous research conducted by Ekaristi, et al. (2022) entitled Analysis of the Effect of Company Size, Profitability, Leverage, and Sales Growth on Tax Avoidance. The test result showed that company size and leverage have no effect on tax avoidance, while profitability and sales growth have an influence on tax avoidance. Also, the research conducted by Khalid, et al. (2021) entitled Understanding Corporate Tax Avoidance and the Causal Factors: Some Evidence from Malaysia. The test result showed that firm size, capital intensity, and inventory intensity have no effect on tax avoidance, while return on assets and sales growth have a negative effect on tax avoidance, and also leverage has a positive effect on tax avoidance. The research conducted by Anggraini (2022) entitled Effect of Profitability, Sales Growth, and Company Age on Tax Avoidance. The results of the tests that have been carried out in this study are profitability and company age have no effect on tax avoidance, while sales growth has an effect on tax avoidance. Another research conducted by Anggita, et al. (2021) entitled *Pengaruh Umur Perusahaan, Ukuran Perusahaan, Profitabilitas, Pertumbuhan Penjualan, Leverage terhadap Tax Avoidance pada Perusahaan Transportasi yang Terdaftar di Bursa Efek Indonesia (BEI)*. The test result showed that simultaneously company age, company size, profitability, sales growth, and leverage have an effect on tax avoidance in transportation sector service companies listed on the IDX for the 2017-2019 period. Partially, company age, profitability, sales growth, and leverage have no effect on tax avoidance, while company size has an effect on tax avoidance in transportation services companies listed on the IDX for the 2017-2019 period.

Indonesia is ranked among the top countries as a producer of mining raw materials. The rapid development of mining sector is led by the huge potential that it has. Since mining products sell very well in the export market, it has made a huge contribution to the country's income (Oktavia, 2021). Kontan News (2023) stated that "*Menilik data Badan Pusat Statistik (BPS), sektor pertambangan dan penggalian memberi kontribusi sebesar 12,22% terhadap pertumbuhan ekonomi nasional 2022. Ini meningkat dari kontribusi sektor tersebut ke pertumbuhan tahun 2021 yang sebesar 8,98% dan kontribusi ke pertumbuhan 2020 yang sebesar 6,44%*". This showed that mining sector gives a big contribution to Indonesia's economic growth and the increase in contribution from 2020 to 2022 showed the growing impact that mining sector has to the national economy.

There are a number of mainstay sectors that are considered to support tax payments in Indonesia, one of which is mining sector companies. According to a news published by DDTC News in 2022 entitled Setoran Pajak dari Sektor Tambang Tumbuh 3 Digit, Begini Perinciannya, the contribution of mining sector from the total tax revenue reaches 10.1% (news.ddtc.co.id). Mining is an activity of extracting deposits of valuable and economically valuable minerals from within the earth's crust, either mechanically or manually, on the earth's surface, below the earth's surface, and below the water surface. The results of this activity include oil and gas, coal, iron sand, tin ore, nickel ore, bauxite ore, copper ore, gold ore, silver, and manganese ore. The mining sector is divided into 5 sub-sectors, namely: Coal, Oil & Gas, Metals & Other Minerals, Rocks, and Others. According to Minister of Finance Sri Mulyani, there are a number of sectors that have experienced a decline in tax revenues, where the mining sector has experienced the sharpest decline based on tax revenue data for July 2023. This sector has experienced a decline from 263.7% to only 44%.

From research conducted by Ekaristi, et al. (2022) entitled Analysis of the Effect of Company Size, Profitability, Leverage, and Sales Growth on Tax Avoidance, there are several differences between the previous research and the current research. In terms of variables, the previous research uses 4 variables, company size, profitability, leverage, and sales growth, as the independent variables, whereas this research only discusses profitability, sales growth, and company age. Apart from that, this research was conducted on mining sector companies listed on the Indonesia Stock Exchange for the period 2019 to 2022, whereas the previous research was conducted on manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2018 to 2020. The previous research establishes its research by quantitative method. The sample collection technique uses purposive sampling method. The sample used is manufacturing companies with sub-sector trade, services, and investments listed on IDX from the beginning of 2018 to 2020. This research also only uses analytical

data in the form of descriptive statistics, multiple linear regression analysis, and partial tests using the t-test. Meanwhile, this research uses data analysis in the form of classical assumption testing consisting of normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests accompanied by multiple linear regression analysis tests, coefficient of determination tests, partial tests, and simultaneous tests.

Based on the background study above, the objective of this research is to investigate the effect of profitability, sales growth, and company age on tax avoidance in mining companies.

RESEARCH METHODS

In this research, the writer Quantitative data is a research method based on positivistic, research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem being studied to produce a conclusion (Kusnadi, 2019).

Before conducting the inferential, the writer uses the descriptive with the purpose of analyzing the characteristics of the variables. This descriptive analysis is used to describe the data of the variables, providing a clear understanding of the data and ensuring the data's suitability for further analytical analysis.

Population and Sample

The population used in this research is all mining sector companies listed on the Indonesian Stock Exchange which is as much as 63 companies. The writer uses the mining sector as the population because it gives a big contribution to Indonesia's economic growth, and the increase in contribution from 2019 to 2022 showed the growing impact that mining sector has on the national economy. The sampling technique used is purposive sampling with the following criteria:

1. Mining sector companies that are listed on the Indonesia Stock Exchange from 2019 to 2022.
2. Mining sector companies that have complete financial reports for the period 2019 to 2022.
3. Mining sector companies that have complete reports of their income tax expenses from 2019 to 2022.
4. Mining sector companies that use Rupiah currency in their financial reports for the year 2019 to 2022.

Data Collection Method

The data source used is secondary data, is in the form of literature study and documentation study. Library study activities include collecting library sources and are often the longest in research. The most important research library sources are data sources from research reports which are usually published in scientific journals, theses.

Operational Variable Definition

Table 1. Operational Variable Definition

Variable	Definition	Indicator	Measurement
Tax Avoidance (Y)	Tax avoidance is an action to reduce the tax burden of 19 mining sector companies listed on the Indonesian Stock Exchange from 2019-2022 in ways that are legal and valid in the eyes of the law, the indicator used is ETR.	ETR = $\frac{Income\ Tax\ Expense}{Earnings\ before\ Taxes}$	Ratio Scale
Profitability (X_1)	Profitability is a ratio to measure how much 19 mining sector companies listed on the Indonesian Stock Exchange are able to generate profits by using all existing company factors from 2019-2022.	$Return\ on\ Asset = \frac{Earning\ After\ Tax}{Total\ Assets}$	Ratio Scale
Sales Growth (X_2)	Sales growth is a ratio to measure the increase or decrease in the number of sales of 19 mining sector companies listed on the Indonesian Stock Exchange from 2019-2022.	Sales Growth = $\frac{Sales^{t} - Sales^{t-1}}{Sales^{t-1}}$	Ratio Scale
Company Age (X_3)	Company age refers to the number of years between the initial establishment of 19 mining sector companies listed on the Indonesian Stock Exchange and the year 2019-2022.	Company Age = $n\ Period - Company\ Founded\ Period$	Ratio Scale

Source: Prepared by Writer (2023)

RESULTS AND DISCUSSIONS

Based on the purposive sampling method, this research obtained 10 companies that are eligible as research samples with a total of 40 samples that meet the criteria for research year 2019 to 2022, as described in the sample criteria table below:

Table 2. Sample Criteria

Criteria	Amount
Mining sector companies that are listed on the Indonesia Stock Exchange from 2019 to 2022.	63
Mining sector companies that did not consistently publish their financial reports for the period 2019 to 2022.	(8)
Mining sector companies that did not consistently report their income tax expenses from 2019 to 2022.	(12)
Mining sector companies that do not use the rupiah currency in their financial reports.	(33)
Total Company	10
Total Period	4
Total Sample	40

Source: Prepared by Writer (2023)

Table 3. Sample List

No	Code	Company Name
1	ANTM	PT. Aneka Tambang Tbk.
2	BESS	PT. Batulicin Nusantara Maritim Tbk.
3	BTON	PT. Betonjaya Manunggal Tbk.
4	CITA	PT. Cita Mineral Investindo Tbk.
5	IFSH	PT. Ifishdeco Tbk.
6	INAI	PT. Indal Aluminium Industry Tbk.
7	PTBA	PT. Bukit Asam Tbk.
8	SGER	PT. Sumber Global Energy Tbk.
9	TCPI	PT. Transcoal Pacific Tbk.
10	TEBE	PT. Dana Brata Luhur Tbk.

Source: Prepared by Writer (2023)

Based on the sample criteria in table 2, the companies that will be used as samples are as shown in table 3.

The summaries of the companies selected as the research samples are as follows:

Descriptive Statistics

The result of the descriptive statistic test can be seen in the table below as follows:

Table 4. Descriptive Statistics

		Profitability	Sales Growth	Company Age	Tax Avoidance
N	Valid	31	31	31	31
	Missing	0	0	0	0
Mean		.10161	.30632	31.65	.19552
Median		.08800	.19500	25.00	.22500
Mode		.036	-.412[a]	11[a]	.225[a]
Std. Deviation		.066684	.481161	27.507	.101457
Minimum		.017	-.412	8	.002
Maximum		.252	1.662	102	.388

a. Multiple modes exist. The smallest value is shown

Source: Data Processing (SPSS.27), 2023

Result of Data Quality Testing

This data quality analysis uses the classical assumption test to get the Best Linear Unbiased Estimator (BLUE). This test has included normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

Normality test

Normality tests are used in regression models to determine whether both the dependent and independent variables are normally distributed by performing graphical and statistical analysis. Graphical analysis can be illustrated by histograms and normal probability plots, while statistical analysis can be determined using the Kolmogorov-Smirnov test (K-S). The following are the results of the normality test using histogram, normal probability plot, and the Kolmogorov-Smirnov test, which can be seen below as follows:

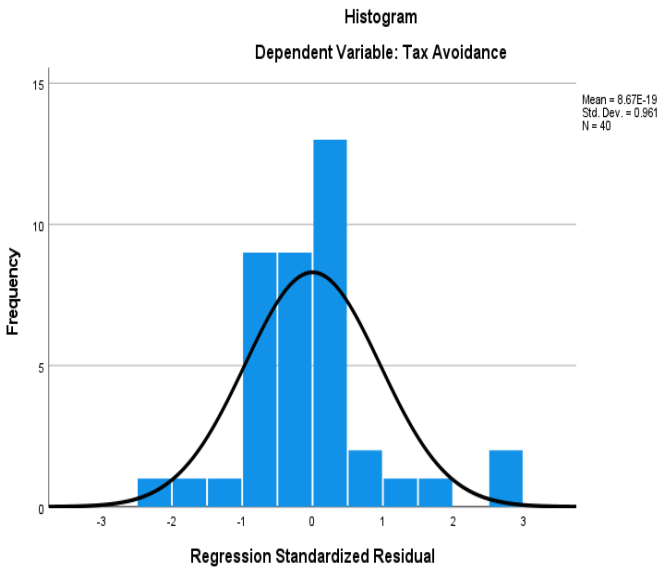

Figure 1. Normality Test Histogram Graph
Source: Data Processing (SPSS.27), 2023

Based on Figure 1 above, the histogram graph showed that the bell-shaped curve is centralized, which means that it does not lean left or right. Hence, the data fulfills the requirement of normality criteria.

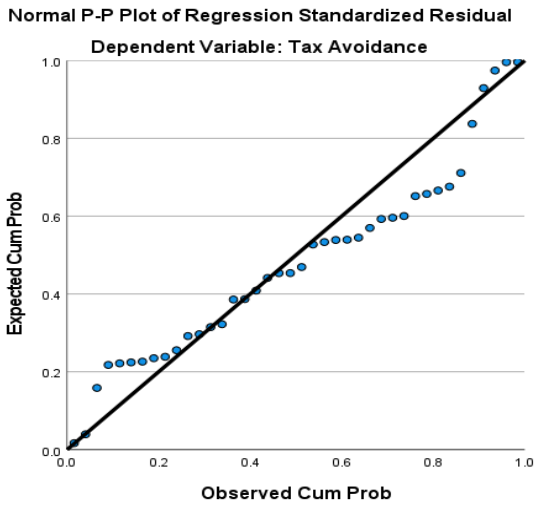

Figure 2. Normality Test Normal Probability Plot Graph
Source: Data Processing (SPSS.27), 2023

From Figure 2 above, the normal probability plot graph presents that the data distribution is not spread evenly around the diagonal line. This interprets that the data with normal distribution will not go along with the diagonal line direction and indicates that the data has failed the normality test.

Table 5. Normality Test using Kolmogorov-Smirnov Test

		Unstandardized Residual
N		40
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.20641339
Most Extreme Differences	Absolute	.167
	Positive	.167
	Negative	-.134
Test Statistic		.167

			Unstandardized Residual
Asymp. Sig. (2-tailed)[c]			.006
Monte Carlo Sig. (2-tailed)[d]	Sig.		.006
	99% Confidence Interval	Lower Bound	.004
		Upper Bound	.008

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.
Source: Data Processing (SPSS.27), 2023

Based on the Kolmogorov-Smirnov test above, the Asymp. Sig (2-tailed) is 0.006. The value is lower than the level significance of 0.05, this means that the normality test is not passed and the residual data is not normally distributed.

Based on the test results presented above, it can be seen that the data did not pass the normality test and is not normally distributed. For this reason, 9 outlier data points (extreme values) were excluded and the data left amounts to 31 data. After excluding the outlier data, the results of the normality test can be seen below as follows:

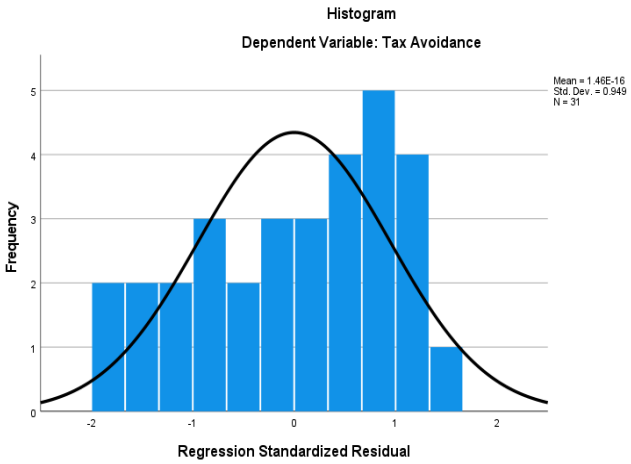

Figure 3. Normality Test Histogram Graph after Excluding Outlier Data
Source: Data Processing (SPSS.27), 2023

Based on Figure 3 above, after excluding the outlier data the histogram graph showed that the bell-shaped curve is centralized, which means that it does not lean left or right. Hence, the data fulfills the requirement of normality criteria.

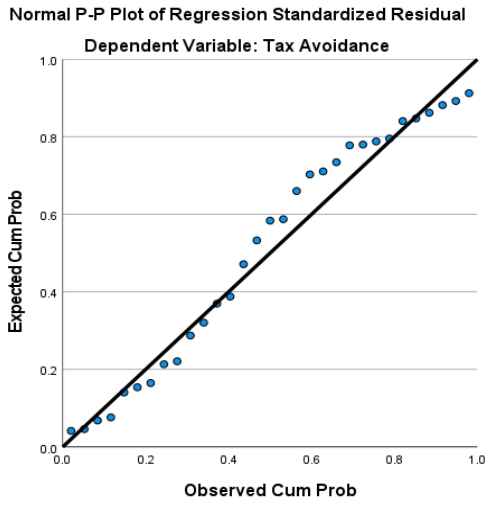

Figure 4. Normality Test Normal Probability Plot Graph after Excluding Outlier Data

Source: Data Processing (SPSS.27), 2023

From Figure 4 above, after excluding the outlier data the normal probability plot graph presents that the data distribution is spread evenly around the diagonal line. This means that the data with normal distribution will go along with the diagonal line direction and indicates that the data has passed the normality test.

Table 6. Normality Test using Kolmogorov-Smirnov Test after Excluding Outlier Data

			Unstandardized Residual
N			31
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		.08426423
Most Extreme Differences	Absolute		.132
	Positive		.082
	Negative		-.132
Test Statistic			.132
Asymp. Sig. (2-tailed)[c]			.179
Monte Carlo Sig. (2-tailed)[d]	Sig.		.174
	99% Confidence Interval	Lower Bound	.164
		Upper Bound	.183

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 299883525.
Source: Data Processing (SPSS.27), 2023

Based on the Kolmogorov-Smirnov test above, after excluding the outlier data the Asymp. Sig (2-tailed) is 0.179. The value is higher than the level significance of 0.05, this means that the normality test is passed and the residual data is normally distributed.

Multicollinearity test

Multicollinearity tests are used to test whether there is a correlation between independent variables in a regression model. A good regression model is demonstrated by a lack of correlation or multicollinearity between independent variables. The occurrence of multicollinearity will result in the standard estimator and the probability of accepting a false hypothesis is higher. Multicollinearity is not present if the Variance Inflation Factor (VIF) value is less than 10 and the tolerance value is greater than 0.1. The multicollinearity test has the following results:

Table 7. Multicollinearity Test

Coefficients[a]			
		Collinearity Statistics	
Model		**Tolerance**	**VIF**
1	Profitability	.603	1.658
	Sales Growth	.632	1.583
	Company Age	.857	1.167

a. Dependent Variable: Tax Avoidance
Source: Data Processing (SPSS.27), 2023

Based on Table 7, the result of the multicollinearity test is as follows:

1. Profitability (X_1)

The result showed that the value of tolerance on Profitability is 0.603 which is greater than 0.10 (0.603 > 0.10) and the value of Variance Inflation Factor (VIF) is 1.658 which is less than 10 (1.658< 10). Thus, it is indicated that there is no symptom of multicollinearity between Profitability and other independent variables.

2. Sales Growth (X_2)

The result showed that the value of tolerance on Sales Growth is 0.632 which is greater than 0.10 (0.632 > 0.10) and the value of Variance Inflation Factor (VIF) is 1.583 which is less than 10 (1.583 < 10). Thus, it is indicated that there is no symptom of multicollinearity between Sales Growth and other independent variables.

3. Company Age (X_3)

The result showed that the value of tolerance on Company Age is 0.857 which is greater than 0.10 (0.857 > 0.10) and the value of Variance

Inflation Factor (VIF) is 1.167 which is less than 10 (1.167 < 10). Thus, it is indicated that there is no symptom of multicollinearity between Company Age and other independent variables.

Table 8. Condition Index

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions (Constant)	Profitability	Sales Growth	Company Age
1	1	2.989	1.000	.02	.02	.03	.03
	2	.680	2.096	.02	.00	.41	.17
	3	.208	3.789	.55	.02	.20	.73
	4	.123	4.925	.41	.96	.36	.07

a. Dependent Variable: Tax Avoidance

Source: Data Processing (SPSS.27), 2023

Based on Table 8 above, the condition index (CI) is less than 10 (4.925 <10) which shows that there is no symptom of multicollinearity.

Heteroscedasticity test

The heteroscedasticity test is used to determine deviations from regression assumptions, and whether there is unequal variance in the residuals in an observation from the regression model. In this study, the scatterplot test and the Glejser test method are used to determine heteroscedasticity. A scatterplot pattern can indicate that there is no heteroscedasticity if the scatter data points are spread above and below 0 on the y-axis and the data points are not patterned. The heteroscedasticity test results can be seen in the image below:

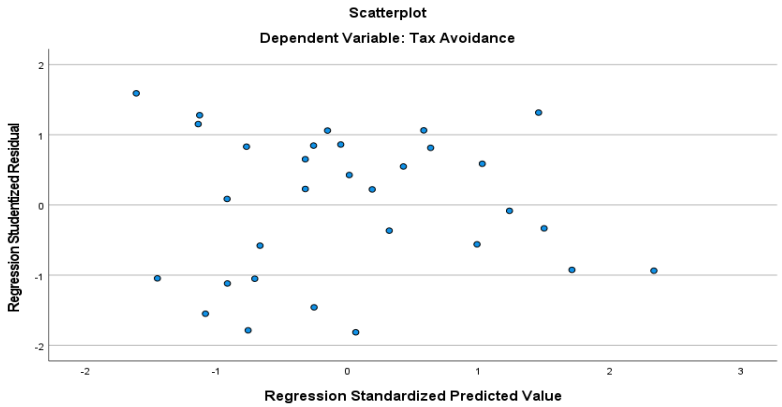

Figure 5 Heteroscedasticity Test using Scatterplot Graph

Source: Data Processing (SPSS.27), 2023

Based on Figure 5 above, it can be seen that the dots disperse above and below the 0 on the y-axis randomly and do not form a certain pattern. Therefore, it can be inferred that heteroscedasticity did not occur in this regression model, in other words, it does not provide inequality of variance from one independent variable to others or also called homoscedastic.

A statistical method is used to support the scatterplot method, which is by using the Glejser Test. Heteroscedasticity is present if the significance value is less than 0.05, while if the significance value is greater than 0.05 then the regression model can be referred to as homoscedastic. The outcome of the Glejser Test is presented below:

Table 9 Heteroscedasticity Test using Glejser Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.097	.014		7.040	.000
	Profitability	.002	.135	.003	.013	.990
	Sales Growth	-.021	.018	-.250	-1.152	.260
	Company Age	-.001	.000	-.396	-2.125	.043

a. Dependent Variable: ABS_RES

Source: Data Processing (SPSS.27), 2023

Based on Table 9, the result obtained a significance value of 0.99 for Profitability, 0.26 for Sales Growth, and 0.043 for Company Age. In conclusion, the significance values for Profitability and Sales Growth are greater than 0.05, while the significance value for Company Age is barely less than 0.05 indicating that the overall regression model does not experience heteroscedasticity and could be referred to as homoscedastic.

Autocorrelation test

The autocorrelation test aims to test whether in the linear regression model, there is a correlation between the confounding error in period t and the confounding error in the previous period. In a good regression model, autocorrelation should not occur. In this study, the autocorrelation test used is the run test and Durbin-Watson test. The result of the run test is presented below:

Table 10. Autocorrelation Test using Run Test

Runs Test	
	Unstandardized Residual
Test Value[a]	.01878
Cases < Test Value	15
Cases >= Test Value	16
Total Cases	31
Number of Runs	13
Z	-1.091
Asymp. Sig. (2-tailed)	.275

a. Median

Source: Data Processing (SPSS.27), 2023

Based on Table 10 above, it is known that the value of Asymp. Sig (2-tailed) is 0.275, which is more than 0.05. So, it can be concluded that there are no symptoms of autocorrelation and the regression model passes the autocorrelation test.

The result of Durbin-Watson test is presented below:

Table 11. Autocorrelation Test using Durbin-Watson Test

Model Summary[b]					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.557[a]	.310	.234	.088822	1.434

a. Predictors: (Constant), Company Age, Sales Growth, Profitability

b. Dependent Variable: Tax Avoidance

Source: Data Processing (SPSS.27), 2023

Based on Table 11 above, it is known that the Durbin-Watson value is 1.434. From the Durbin-Watson statistical table, it is known that the value of the lower bound (d_L) and upper bound (d_U) is 1.23 and 1.65 respectively. This result falls under $d_L < d < d_U$ ($1.23 < 1.434 < 1.65$) condition which means that there are no conclusion.

Multiple linear regression analysis

Multiple linear regression analysis is used to determine the level of influence between two or more independent variables on the dependent variable. The result of the test presents whether the independent variables, which are Profitability, Sales Growth, and Company Age have a positive or negative impact on the value of tax avoidance as the dependent variable at the mining sector companies listed on the Indonesia Stock Exchange. The result of multiple linear regression analysis can be seen in the following table:

Table 12. Multiple Linear Regression Analysis

Coefficients[a]						
		Unstandardized Coefficients		**Standardized Coefficients**		
	Model	**B**	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	.170	.032		5.284	.000
	Profitability	-.676	.313	-.444	-2.158	.040
	Sales Growth	.103	.042	.491	2.439	.022
	Company Age	.002	.001	.534	3.093	.005

a. Dependent Variable: Tax Avoidance

Source: Data Processing (SPSS.27), 2023

From Table 12, the result of the multiple linear regression analysis can be showed in the formula as follows:

Tax Avoidance = 0.17 - 0.676 Profitability + 0.103 Sales Growth + 0.002 Company Age + ε (1)

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

1. The constant value of the regression model is 0.17. This means that assuming Profitability, Sales Growth, and Company Age have a value of zero, then the Tax Avoidance value will be 0.17.
2. The coefficient of the regression model for Profitability is -0.676. This means assuming there is an increase of Profitability value by 1 unit, then the value of Tax Avoidance will decrease by 0.676 unit with the assumption that the value of Sales Growth and Company Age are constant. It also describes that Profitability has a negative relationship with Tax Avoidance.
3. The coefficient of the regression model for Sales Growth is 0.103. This means that assuming there is an increase of Sales Growth value by 1 unit, then the value of Tax Avoidance will increase by 0.103 units with the assumption that the value of Profitability and Company Age are constant. It also describes that Sales Growth has a positive relationship with Tax Avoidance.
4. The coefficient of the regression model for Company Age is 0.002. This means that assuming there is an increase of Company Age value by 1 unit, then the value of Tax Avoidance will increase by 0.002 unit with the assumption that the value of Profitability and Sales Growth are constant. It also describes that Company Age has a positive relationship with Tax Avoidance.

Hypothesis Testing

Partial hypothesis testing (t-test analysis)

The objective of the t-test is to observe the level of the significance value. When the significance value is less than 0.05, it can be inferred that the independent variables partially have a significant impact on the dependent variable. However, if the significance value is more than 0.05, then it can be inferred that the independent variables partially have no significant impact on the dependent variable. The test results can be seen in the test below as follows:

Table 13. Partial Hypothesis Testing (t-Test)

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.170	.032		5.284	.000
	Profitability	-.676	.313	-.444	-2.158	.040
	Sales Growth	.103	.042	.491	2.439	.022
	Company Age	.002	.001	.534	3.093	.005

a. Dependent Variable: Tax Avoidance

Source: Data Processing (SPSS.27), 2023

From the table above, the t-test result can be interpreted as follows:

1. The Profitability variable (X_1) shows a significance value of 0.04, which is lower than 0.05. This indicates that in the case of Tax Avoidance, Profitability partially has a significant impact on mining sector companies listed on the Indonesia Stock Exchange (IDX). As a result, the first hypothesis mentioned in Chapter II which stated that Profitability partially has a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange is accepted.
2. The Sales Growth variable (X_2) shows a significance value of 0.022, which is lower than 0.05. This indicates that in the case of Tax Avoidance, Sales Growth partially has a significant impact on mining sector companies listed on the Indonesia Stock Exchange (IDX). As a result, the second hypothesis mentioned in Chapter II which stated that Sales Growth has a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange is accepted.
3. The Company Age variable (X_3) shows a significance value of 0.005, which is lower than 0.05. This indicates that in the case of Tax Avoidance, Company Age partially has a significant impact on mining sector companies listed on the Indonesia Stock Exchange (IDX). As a result, the third hypothesis mentioned in Chapter II which stated that Company Age has a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange is accepted.

Simultaneous hypothesis testing (f-test analysis)

To determine whether there is a simultaneous influence between the independent variables namely Profitability, Sales Growth, and Company Age on the dependent variable namely Tax Avoidance, this research uses the simultaneous F-test. The methods used to decide the simultaneous hypothesis testing are by observing the significance

value. The independent variables simultaneously provide a significant impact on the dependent variable when the significance value is lower than 0.05 and if the significance value is higher than 0.05, then this means that the independent variables simultaneously do not have a significant impact on the dependent variable. The test results can be seen in the test below as follows:

Table 14. Simultaneous Hypothesis Testing (F-Test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.096	3	.032	4.047	.017[b]
	Residual	.213	27	.008		
	Total	.309	30			

a. Dependent Variable: Tax Avoidance
b. Predictors: (Constant), Company Age, Sales Growth, Profitability
Source: Data Processing (SPSS.27), 2023

From Table 14 above, the F test result shows that the significance value is 0.017 which is lower than 0.05. This indicates that Profitability, Sales Growth, and Company Age simultaneously have a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange (IDX). As a result, the fourth hypothesis mentioned in Section II which states that Profitability, Sales Growth, and Company Age have a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange is accepted.

Coefficient of determination (adjusted r^2)

To assess the influence of existing independent variables on the effect caused by other unexplained variables, this research measures the coefficient of determination, which has a range between 0 to 1. If the R^2 is close to 0, it describes the limited ability of the independent variable to clarify the dependent variable. Conversely, if R^2 almost reaches 1, it indicates that the independent variables are able to provide sufficient information to predict the variation of the dependent variable. The following is the coefficient of determination from the conducted research:

Discussion

The Effect of Profitability toward Tax Avoidance in Mining Sector Companies Listed on the Indonesia Stock Exchange

Based on the partial t-test result, the profitability variable (X_1) showed a significance value of 0.04, which is lower than 0.05. This indicates that in the case of Tax Avoidance, Profitability partially has a significant impact on mining sector companies listed on the Indonesia Stock Exchange (IDX). As a result, the first hypothesis mentioned in Section II which stated that Profitability partially has a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange is accepted. The coefficient of the regression model for Profitability is -0.676. This means that assuming there is an increase of Profitability value by 1 unit, then the value of Tax Avoidance will decrease by 0.676 unit with the assumption that the value of Sales Growth and Company Age are fixed or constant. It also describes that Profitability has a negative relationship with Tax Avoidance.

This result aligns with the previous research done by Ekaristi, et al. (2022) entitled Analysis of the Effect of Company Size, Profitability, Leverage, and Sales Growth on Tax Avoidance which stated that Profitability has an influence on Tax Avoidance. However, this result is different from the previous research done by Anggita, et al. (2022) entitled *Pengaruh Umur Perusahaan, Ukuran Perusahaan, Profitabilitas, Pertumbuhan Penjualan,* Leverage *terhadap* Tax Avoidance *pada Perusahaan Transportasi yang Terdaftar di Bursa Efek Indonesia (BEI)* which stated that Profitability partially has no effect on Tax Avoidance.

The Effect of Sales Growth toward Tax Avoidance in Mining Sector Companies Listed on the Indonesia Stock Exchange

Based on the partial t-test result, the Sales Growth variable (X_2) showed a significance value of 0.022, which is lower than 0.05. This indicates that in the case of Tax Avoidance, Sales Growth partially has a significant impact on mining sector companies listed on the Indonesia Stock Exchange (IDX). As a result, the second hypothesis mentioned in Chapter II which stated that Sales Growth has a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange is accepted. The coefficient of the regression model for Sales Growth is 0.103. This means that assuming there is an increase of Sales Growth value by 1 unit, then the value of Tax Avoidance will increase by 0.103 units with the assumption that the value of Profitability and Company Age are fixed or constant. It also describes that Sales Growth has a positive relationship with Tax Avoidance.

This result aligns with the previous research done by Satria, et al. (2023) entitled The Effect of Sales Growth, Profitability, and Firm Age toward Tax Avoidance on Consumer Goods

Companies Listed on the Indonesia Stock Exchange which stated that Sales Growth partially has a significant effect on Tax Avoidance. However, this result is different from the previous research done by Yohanes, et al. (2022) entitled *Pengaruh* Profitability, Leverage, Audit Quality, *dan Faktor Lainnya terhadap* Tax Avoidance which stated that Sales Growth has no effect on Tax Avoidance.

The Effect of Company Age toward Tax Avoidance in Mining Sector Companies Listed on the Indonesia Stock Exchange

Based on the partial t-test result, the Company Age variable (X_3) showed a significance value of 0.005, which is higher than 0.05. This indicates that in the case of Tax Avoidance, Company Age partially has a significant impact on mining sector companies listed on the Indonesia Stock Exchange (IDX). As a result, the third hypothesis mentioned in Chapter II which states that Company Age has a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange is accepted. The coefficient of the regression model for Company Age is 0.002. This means that assuming there is an increase of Company Age value by 1 unit, then the value of Tax Avoidance will increase by 0.002 units with the assumption that the value of Profitability and Sales Growth are constant. It also describes that Company Age has a positive relationship with Tax Avoidance.

This result differs from three previous researches done by Anggraini (2022) entitled Effect of Profitability, Sales Growth, and Company Age on Tax Avoidance, Anggita, et al. (2022) entitled *Pengaruh Umur Perusahaan, Ukuran Perusahaan, Profitabilitas, Pertumbuhan Penjualan,* Leverage *terhadap* Tax Avoidance *pada Perusahaan Transportasi yang Terdaftar di Bursa Efek Indonesia (BEI)*, and Satria, et al. (2023) entitled The Effect of Sales Growth, Profitability, and Firm Age toward Tax Avoidance on Consumer Goods Companies Listed on the Indonesia Stock Exchange which all three stated that Company Age partially have no effect on Tax Avoidance.

The Effect of Profitability, Sales Growth, and Company Age toward Tax Avoidance in Mining Sector Companies Listed on the Indonesia Stock Exchange

Based on the F test result, it showed that the significance value is 0.017, which is lower than 0.05. This indicates that Profitability, Sales Growth, and Company Age simultaneously have a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange (IDX). As a result, the fourth hypothesis mentioned in Chapter II which stated that Profitability, Sales Growth, and Company Age simultaneously have a significant impact on Tax Avoidance in mining sector companies listed on the Indonesia Stock Exchange is accepted.

This result aligns with the previous research of Anggita, et al. (2022) entitled *Pengaruh Umur Perusahaan, Ukuran Perusahaan, Profitabilitas, Pertumbuhan Penjualan,* Leverage *terhadap* Tax Avoidance *pada Perusahaan Transportasi yang Terdaftar di Bursa Efek Indonesia (BEI)* which stated that simultaneously Company Age, Profitability, and Sales Growth have an effect on Tax Avoidance. This result also aligns with another previous research done by Satria, et al. (2023) entitled The Effect of Sales Growth, Profitability, and Firm Age toward Tax Avoidance on Consumer Goods Companies Listed on the Indonesia Stock Exchange which stated that Sales Growth, Profitability, and Company Age simultaneously have significant effect toward Tax Avoidance.

Apart from the result of the F test, the adjusted R square value is 0.234 which showed that the variation of Tax Avoidance as a dependent variable can be influenced by Profitability, Sales Growth, and Company Age as independent variables for 23.4%. Meanwhile, the other variables that are not examined in this study influence the remaining 76.6%

CONCLUSION AND SUGGESTION

This research analyzes the influence of Profitability, Sales Growth, and Company Age on Tax Avoidance. The population of this research is 63 mining sector companies that are listed on the Indonesia Stock Exchange (IDX). The sampling method used is purposive sampling with 10 companies fulfilling the sampling criteria and taken as the samples for Based on the F test result, it showed that the significance value is < 0.001, which is lower than 0.05. This indicates that Profitability, Sales Growth, and Company Age simultaneously have a significant impact on Tax Avoidance in the mining sector companies listed on the Indonesia Stock Exchange. According to agency theory, a company as the agent typically seeks to maximize the amount of profit that they would get. Tax is one of the burdens that companies must pay and it will decrease the amount of its profit, which is why companies would most likely engage in tax avoidance to maximize their profits. While for the government, acting as principal, taxes are their main source of revenue to be used in national development, such as infrastructure projects, social welfare programs, education, and many others. This is the reason why the government wishes for the company to pay their taxes.

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