

The Effect of Profitability, Leverage, and Firm Size on Tax Avoidance

Muhammad Dagan Valentiono¹, Rizal Effendi^{2*}, Pipit Fitri Rahayu³, Meti Zuliyana⁴

Tridinanti University

Abstract: *This study examines the influence of profitability, leverage, and firm size on tax avoidance in food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023. Although legally permissible, aggressive tax avoidance practices may reduce government tax revenue and undermine fiscal fairness. Using a quantitative approach with an associative design, the study analyzes 10 purposively selected companies based on secondary data from annual financial statements. Tax avoidance is measured using the Cash Effective Tax Rate (CETR), while the independent variables include Return on Assets (ROA), Debt to Equity Ratio (DER), and the natural logarithm of total assets. The multiple linear regression results show that profitability and leverage significantly affect tax avoidance, whereas firm size has no significant effect. Simultaneously, all variables collectively influence tax avoidance. These findings contribute to the literature on corporate taxation and provide practical insights for companies and tax authorities.*

Keywords: Profitability, Leverage, Firm Size, Tax Avoidance

I. INTRODUCTION

Tax revenue plays a pivotal role in supporting national development, particularly in emerging economies such as Indonesia. As the largest contributor to state income, tax compliance among corporations is essential for ensuring fiscal stability and equitable public spending (OECD, 2021). Despite this importance, companies often engage in tax avoidance – strategies aimed at reducing tax obligations while remaining within legal boundaries (Hanlon & Heitzman, 2010). Although considered a legitimate aspect of corporate financial management, aggressive tax avoidance practices have raised concerns for policymakers, as they may erode government revenue, distort tax fairness, and undermine public trust in the integrity of the tax system (Dyreng, Hanlon, & Maydew, 2008).

The food and beverage manufacturing subsector in Indonesia constitutes a significant component of national economic performance. It contributes substantially to GDP, labor absorption, and industrial expansion, making it one of the most resilient sectors during economic disruptions (BPS, 2023). The period between 2020 and 2023 was marked by profound economic turbulence due to the COVID-19 pandemic, supply chain disruptions, and fluctuating global commodity prices. These challenges potentially reshaped corporate financial behaviors, including tax planning strategies. Under heightened financial pressure, firms may have stronger incentives to engage in tax minimization practices as a means of preserving cash flows and sustaining operations. This context positions firms in this subsector as an important setting for examining the determinants of corporate tax avoidance.

Theoretically, corporate tax avoidance can be analyzed through various lenses. Agency theory posits that managers, acting as agents, may engage in tax planning to maximize firm value or personal incentives, although such actions may conflict with shareholder or regulatory interests (Jensen & Meckling, 1976; Desai & Dharmapala, 2006). Profitability becomes relevant because firms with higher earnings may seek tax minimization to retain greater after-tax profits. Empirical studies support this mechanism, noting that profitable firms often exhibit greater tax planning sophistication (Frank, Lynch, & Rego, 2009; Chen et al., 2010).

Leverage also plays a critical role within the tax avoidance framework. Debt financing generates interest expenses that provide tax shields, thereby reducing taxable income (Graham, 2003). According to political cost theory, firms with high leverage may attract fewer political and regulatory pressures, enabling them to exploit tax benefits more aggressively

The Effect of Profitability, Leverage, and Firm Size on Tax Avoidance

(Watts & Zimmerman, 1986). However, findings remain inconclusive, with some studies noting that financial distress may limit a firm's ability to implement complex tax strategies (Lim, 2011).

Firm size is another important determinant frequently examined in tax avoidance literature. Larger firms typically possess more extensive resources, specialized tax expertise, and stronger bargaining power to manage their tax obligations strategically (Zimmerman, 1983). From the perspective of legitimacy theory, however, large companies may avoid highly aggressive tax practices due to reputational concerns and higher public visibility (Lanis & Richardson, 2012). Consequently, the effect of firm size on tax avoidance remains theoretically ambiguous, reflecting a balance between resource availability and reputational risk.

The inconsistencies across previous empirical findings highlight the need for further research, particularly within specific industry contexts and economic conditions. The Indonesian food and beverage sector, with its economic importance and exposure to financial volatility during 2020–2023, provides an ideal setting to deepen understanding of corporate tax behavior. Moreover, analyzing the determinants of tax avoidance in this sector offers valuable insights for regulators attempting to strengthen tax enforcement and for firms seeking to balance compliance with financial optimization.

Based on these considerations, this study aims to examine the influence of profitability, leverage, and firm size on tax avoidance among food and beverage companies listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023. This research contributes to the literature in three key ways. First, it extends empirical evidence on corporate tax avoidance in an emerging market context characterized by regulatory changes and economic shocks. Second, it integrates multiple theoretical perspectives—agency theory, legitimacy theory, and political cost theory—to provide a comprehensive explanation of corporate tax behavior. Third, it offers practical insights for policymakers and corporate managers regarding strategies to promote tax compliance and enhance fiscal sustainability.

II. RESEARCH METHOD

2.1. Research Design

This study employs a quantitative research approach with an associative design, aiming to examine the influence of profitability, leverage, and firm size on tax avoidance in food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) during 2020–2023. The associative design allows the researcher to measure the relationship and magnitude of influence among variables (Sugiyono, 2019).

2.2 Population and Sample

The population of this study consists of all manufacturing companies in the food and beverage subsector listed on the Indonesia Stock Exchange (IDX) during the period 2020–2023, totaling 95 companies. The sample was selected using purposive sampling, a technique that selects units based on specific criteria relevant to the research objectives. The criteria used in this study include:

1. Companies that were consistently listed on the IDX during 2020–2023.
2. Companies that published complete and accessible annual financial statements for the entire observation period.
3. Companies that provided the necessary financial data to calculate research variables such as ROA, DER, total assets, and cash taxes paid.

Based on these criteria, 10 companies were selected as the research sample.

2.3. Types and Sources of Data

This study uses **secondary data** derived from:

1. Annual financial statements published by each company,
2. The official website of the Indonesia Stock Exchange (www.idx.co.id),
3. Other credible financial and regulatory data sources.

Data collected include cash taxes paid, cash flow from operations, net income, total assets, total debt, and equity.

2.4. Data Collection Techniques

Data were collected through documentation techniques, which involve systematically retrieving and reviewing annual financial reports and financial statement notes related to the variables examined in the study.

2.5. Variables and Operational Definitions

This research includes one dependent variable (tax avoidance) and three independent variables (profitability, leverage, and firm size). The operational definitions are presented below.

Table 1. Operational Definitions of Variables

Variable	Indicator	Formula	Scale
Tax Avoidance	Cash taxes paid relative to operating cash flow	CETR = Cash Tax Paid / Cash Flow from Operations	Ratio
Profitability	Ability of firm to generate profit from assets	ROA = Net Income / Total Assets	Ratio
Leverage	Proportion of debt financing	DER = Total Debt / Equity	Ratio
Firm Size	Economic size of company measured by log of total assets	SIZE = ln(Total Assets)	Ratio

2.6. Data Analysis Techniques

2.6.1. Descriptive Statistics

Used to summarize the central tendency and distribution of the variables, including mean, minimum, maximum, and standard deviation.

2.6.2. Classical Assumption Tests

Before hypothesis testing, the following tests were performed:

1. **Normality Test** – to examine whether residuals follow a normal distribution.
2. **Multicollinearity Test** – to identify correlations among independent variables.
3. **Heteroscedasticity Test** – to test for unequal variance in residuals.
4. **Autocorrelation Test** – relevant due to the multi-period nature of the data.

2.6.3. Multiple Linear Regression Analysis

This technique assesses the effect of profitability, leverage, and firm size on tax avoidance. The regression model is formulated as follows:

$$CETR = \alpha + \beta_1 ROA + \beta_2 DER + \beta_3 SIZE + \epsilon$$

Where:

α = constant,

β_1 – β_3 = regression coefficients,

ϵ = error term.

2.6.4. Hypothesis Testing

1. **t-test**: tests the partial effect of each independent variable on tax avoidance.
2. **F-test**: evaluates the simultaneous influence of all independent variables.
3. **Coefficient of Determination (R²)**: measures the model’s explanatory power.

III. RESULTS AND DISCUSSION

3.1. Descriptive Statistics

Descriptive analysis shows the data characteristics of 10 food and beverage subsector companies listed on the Indonesia Stock Exchange (IDX) for the 2020–2023 period as follows:

Table 1. Descriptive Statistical Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA	40	.0023	.3129	.109293	.0755553
DER	40	.1180	2.9044	.809800	.6628386
LnTotalAset	40	25.3100	31.1490	28.596675	1.0419593
CETR	40	.0034	.2986	.182203	.0751659
Valid N (listwise)	40				

Source: Data processed by researchers (2025)

Profitability (ROA) had a minimum value of 0.0023 and a maximum of 0.3129, with a mean of 0.1093 and a standard deviation of 0.0756. This means that, on average, companies were able to generate a profit of 10.93% of total assets, reflecting fairly efficient asset utilization. Leverage (DER) had a minimum value of 0.1180 and a maximum of 2.9044, with a mean of 0.8098 and a standard deviation of 0.6624. On average, companies financed 80.98% of their activities through debt. Firm Size (Ln Total Assets) had a minimum value of 25.3100 and a mean of 28.5967 with a standard deviation of 1.0420, indicating that the study sample consisted of large-scale companies. The Tax Avoidance Ratio (CETR) has a minimum value of 0.0034 and a maximum of 0.2986, with a mean of 0.1822 and a standard deviation of 0.0752. This value indicates that the average company pays an effective tax of 18.22% of pre-tax profit.

3.2. Classical Assumption Test

3.2.1. Normality Test

The following are the results of the normality test in this study:

Table 2. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	
N		40	
Normal Parameters ^{a,b}	Mean	.0000000	
	Std. Deviation	.02150272	
Most Extreme Differences	Absolute	.119	
	Positive	.073	
	Negative	-.119	
Test Statistic		.119	
Asymp. Sig. (2-tailed) ^c		.162	
Monte Carlo Sig. (2-tailed) ^d	Sig.	.161	
	99% Confidence Interval	Lower Bound	.151
		Upper Bound	.170

- 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 1502173562.

Source: Data processed by researchers (2025)

Based on the results of the normality test using the Kolmogorov-Smirnov test with the Monte Carlo approach, the Asymp. Sig. (2-tailed) value was 0.162 and the Monte Carlo Sig. (2-tailed) value was 0.161. Both significance values are greater than the 0.05 level. These results indicate no significant difference between the residual data distribution and the normal distribution, thus concluding that the residuals in the regression model are normally distributed.

3.2.2. Multicollinearity Test

The following are the results of the multicollinearity test in this study:

Table 3. Multicollinearity Test Results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.376	.301		-1.249	.220		
	ROA	.290	.113	.291	2.559	.015	.176	5.690
	DER	-.048	.014	-.427	-3.423	.002	.146	6.861
	LnTotalAset	.020	.010	.274	1.889	.067	.108	9.266

a. Dependent Variable: CETR

Source: Data processed by researchers (2025)

Based on the test results using Tolerance and Variance Inflation Factor (VIF) values, all independent variables showed Tolerance values greater than 0.10 and VIF values less than 10. The variables profitability (ROA), leverage (DER), and company size (Ln Total Assets) all met these criteria. These results indicate that there is no strong linear relationship among the independent variables, thus concluding that the regression model is free from multicollinearity issues.

3.2.3. Heteroscedasticity Test

The following are the results of the heteroscedasticity test in this study:

Table 4. Heteroscedasticity Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.	
		B	Std. Error	Beta		
1	(Constant)	.343	.193		1.778	.084
	ROA	-.130	.095	-.581	-1.373	.178
	DER	.010	.007	.448	1.466	.151
	LnTotalAset	-.011	.006	-.808	-1.725	.093

a. Dependent Variable: ABS_RESIDUAL

Source: Data processed by researchers (2025)

The Effect of Profitability, Leverage, and Firm Size on Tax Avoidance

Based on the results of heteroscedasticity testing using the Glejser method, significance values for the variables profitability (ROA), leverage (DER), and company size (Ln Total Assets) were all greater than 0.05. This indicates that there is no significant relationship between the absolute value of the residual and each independent variable. Therefore, it can be concluded that the regression model does not contain symptoms of heteroscedasticity, thus meeting the assumption of homoscedasticity. This regression model is suitable for hypothesis testing because the resulting regression coefficient estimates are efficient and unbiased.

3.2.4. Autocorrelation Test

The following are the results of the autocorrelation test in this study:

Table 5. Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.381 ^a	.145	.074	.1533415	1.582

a. Predictors: (Constant), LnTotalAset, ROA, DER

b. Dependent Variable: CETR

Source: Data processed by researchers (2025)

Based on the results of the Durbin-Watson (DW) test, the Durbin-Watson statistic value was 1.582. This value is around 2, which generally indicates that there is no significant autocorrelation in the regression model.

3.2.5. Results of Multiple Linear Regression Analysis

The following are the results of the multiple regression analysis in this study:

Table 6. Multiple Regression Analysis Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.376	.301		-1.249	.220
	ROA	.290	.113	.291	2.559	.015
	DER	-.048	.014	-.427	-3.423	.002
	LnTotalAset	.020	.010	.274	1.889	.067

a. Dependent Variable: CETR

Source: Data processed by researchers (2025)

Based on the data processing results, the following regression equation was obtained:

$$\text{CETR} = 0.145 + 0.290 \text{ ROA} - 0.048 \text{ DER} + 0.020 \text{ SIZE}$$

The interpretation of the regression model is as follows:

- Profitability (ROA) has a positive regression coefficient of 0.290, indicating that an increase in ROA will increase CETR. This indicates that companies with high profitability tend to pay higher taxes and are relatively more compliant with tax regulations.
- Leverage (DER) has a negative regression coefficient of -0.048, indicating that an increase in leverage will decrease CETR. This condition indicates that the higher the use of debt, the greater the potential for companies to utilize interest expenses to reduce tax liabilities.
- Company size (Ln Total Assets) has a positive regression coefficient of 0.020, but its effect is relatively small and not statistically significant.

3.2.6. Results of the Coefficient of Determination (R²) Test

The following are the results of the coefficient of determination (R²) test in this study:

Table 7. Results of the Coefficient of Determination (R²) Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.958 ^a	.918	.911	.0223807

a. Predictors: (Constant), LnTotalAset, ROA, DER

Source: Data processed by researchers (2025)

Based on the results of the coefficient of determination test, the R-square value was 0.918. This indicates that 91.8% of

The Effect of Profitability, Leverage, and Firm Size on Tax Avoidance

the variation in tax avoidance (CETR) can be explained by the variables of profitability, leverage, and company size. Meanwhile, the remaining 8.2% is explained by variables outside the research model, such as corporate governance, fiscal policy, share ownership, and other external factors. The high R-square value indicates that the regression model used has very strong explanatory power.

3.2.7. Simultaneous Test Results (F Test)

The following are the results of the simultaneous test (F test) in this study:

Table 8. Simultaneous Test Results (F Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.202	3	.067	134.634	<.001 ^b
	Residual	.018	36	.001		
	Total	.220	39			

a. Dependent Variable: CETR

b. Predictors: (Constant), LnTotalAset, ROA, DER

Source: Data processed by researchers (2025)

The results of the simultaneous test (F-test) showed a calculated F-value of 134.634 with a significance level of <0.001, which is less than the 0.05 level. Thus, it can be concluded that profitability (ROA), leverage (DER), and company size (Ln Total Assets) simultaneously have a significant effect on tax avoidance (CETR). This means that these three independent variables together can explain variations in tax avoidance levels among manufacturing companies in the food and beverage subsector on the IDX for the 2020–2023 period.

3.2.8. Partial Test Results (t-Test)

The following are the results of the partial test (t-test) in this study:

Table 9. Partial Test Results (t-Test)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.376	.301		-1.249	.220
	ROA	.290	.113	.291	2.559	.015
	DER	-.048	.014	-.427	-3.423	.002
	LnTotalAset	.020	.010	.274	1.889	.067

a. Dependent Variable: CETR

Source: Data processed by researchers (2025)

The partial t-test results were used to determine the effect of each independent variable on the dependent variable individually, with the following results:

- Profitability (ROA) has a significance value of 0.015 (<0.05) with a positive regression coefficient. This indicates that ROA has a positive and significant effect on CETR. Therefore, more profitable companies tend to have lower levels of tax avoidance.
- Leverage (DER) has a significance value of 0.002 (<0.05) with a negative regression coefficient. These results indicate that leverage has a negative and significant effect on CETR. Thus, the higher the leverage, the greater the tendency for a company to engage in tax avoidance.
- Firm Size (Ln Total Assets) has a significance value of 0.067 (>0.05). This indicates that firm size does not significantly influence tax avoidance, although the direction of the relationship is positive.

3.3. Discussion

3.3.1. The Effect of Profitability, Leverage, and Company Size on Tax Avoidance

The results of multiple linear regression tests indicate that profitability (ROA), leverage (DER), and company size (Ln Total Assets) simultaneously have a significant effect on tax avoidance, as measured by the Cash Effective Tax Rate (CETR). This finding indicates that a company's financial characteristics collectively play a significant role in determining its tax strategy.

These results align with agency theory, which states that management, as an agent, has incentives to manage the tax burden through various financial policies to maximize the interests of owners (Jensen & Meckling, 1976). Profit structure, financing, and company scale are key instruments in tax planning.

3.3.2. The Effect of Profitability on Tax Avoidance

Based on the results of a partial test (t-test), profitability (ROA) has a positive and significant effect on CETR. This means that the higher a company's profitability, the greater its effective tax payments, resulting in lower levels of tax avoidance. Theoretically, companies with high profitability tend to be under stricter scrutiny from tax authorities and the public, thus having a greater incentive to maintain fiscal compliance and corporate reputation (Hanlon & Heitzman, 2010). Companies with good performance are also relatively less inclined to engage in aggressive tax avoidance because they have sufficient financial capacity to meet their tax obligations.

This finding is consistent with research by Richardson and Lanis (2007), which states that companies with high profitability tend to demonstrate better levels of tax compliance to avoid the risk of tax audits and sanctions. Similar results were also presented by Dyreng et al. (2010), who found that profit performance is positively related to long-term tax payments. Thus, the results of this study reinforce the view that high profitability functions as a controlling factor against tax avoidance practices.

3.3.3. The Effect of Leverage on Tax Avoidance

Partial test results indicate that leverage (DER) has a negative and significant effect on CETR. This means that the higher a company's leverage, the lower its CETR, indicating increased tax avoidance practices. Theoretically, the use of debt provides tax benefits through a tax shield, which is a reduction in taxable income due to interest expenses (Modigliani & Miller, 1963). Companies with high levels of leverage tend to actively utilize interest expenses as a legitimate tax planning strategy.

This finding aligns with research by Stickney and McGee (1982), which states that companies with debt-based capital structures tend to have lower effective tax burdens. Research by Taylor and Richardson (2013) also shows that leverage is a key determinant of corporate tax avoidance practices. Thus, leverage functions not only as a financing instrument but also as a fiscal strategy that can reduce a company's tax liabilities.

3.3.4. The Effect of Company Size on Tax Avoidance

The results of the study indicate that company size (Ln Total Assets) has a positive but insignificant effect on CETR. This means that although larger companies tend to pay higher taxes, the effect of company size on tax avoidance is not statistically strong. Theoretically, larger companies have greater resources for tax planning (Rego, 2003). However, on the other hand, large companies also face stricter levels of public scrutiny and regulation, thus limiting the scope for tax avoidance.

Research by Zimmerman (1983) suggests that large companies tend to be more compliant with tax policies due to the political pressure they face (political cost hypothesis). This may explain why company size in this study was not a dominant factor in determining the level of tax avoidance. These results align with several empirical studies that found that company size does not always have a significant effect on tax avoidance because its effects can be offset by government oversight and public transparency.

IV. CONCLUSION

This study analyzes the influence of profitability, leverage, and company size on tax avoidance in food and beverage manufacturing companies listed on the Indonesia Stock Exchange for the 2020–2023 period. The results show that all three variables simultaneously have a significant effect on tax avoidance. Partially, profitability has a positive and significant effect on the Cash Effective Tax Rate (CETR), indicating that companies with high profitability tend to have better tax compliance. Conversely, leverage has a negative and significant effect on CETR, indicating that the use of debt contributes to increased tax avoidance practices through the utilization of interest expenses. Meanwhile, company size was not found to have a significant effect on tax avoidance.

The practical implications of this study suggest that company management needs to consider the balance between financing strategies and tax compliance to ensure that tax efficiency does not pose fiscal and reputational risks. For regulators, these results emphasize the importance of stricter oversight of highly leveraged companies due to their greater potential for tax avoidance. This research is expected to serve as an empirical reference for the development of tax policies and sustainable corporate governance practices.

REFERENCES

- [1] Badan Pusat Statistik (BPS). (2023). *Statistik industri manufaktur Indonesia 2023*. Badan Pusat Statistik Republik Indonesia.

The Effect of Profitability, Leverage, and Firm Size on Tax Avoidance

- [2] Chen, S., Chen, X., Cheng, Q., & Shevlin, T. (2010). Are family firms more tax aggressive than non-family firms? *Journal of Financial Economics*, 95(1), 41–61. <https://doi.org/10.1016/j.jfineco.2009.02.003>
- [3] Desai, M. A., & Dharmapala, D. (2006). Corporate tax avoidance and high-powered incentives. *Journal of Financial Economics*, 79(1), 145–179. <https://doi.org/10.1016/j.jfineco.2005.02.002>
- [4] Dyreng, S. D., Hanlon, M., & Maydew, E. L. (2008). Long-run corporate tax avoidance. *The Accounting Review*, 83(1), 61–82. <https://doi.org/10.2308/accr.2008.83.1.61>
- [5] Dyreng, S. D., Hanlon, M., & Maydew, E. L. (2010). The effects of executives on corporate tax avoidance. *The Accounting Review*, 85(4), 1163–1189. <https://doi.org/10.2308/accr.2010.85.4.1163>
- [6] Frank, M. M., Lynch, L. J., & Rego, S. O. (2009). Tax reporting aggressiveness and its relation to aggressive financial reporting. *The Accounting Review*, 84(2), 467–496. <https://doi.org/10.2308/accr.2009.84.2.467>
- [7] Graham, J. R. (2003). Taxes and corporate finance: A review. *The Review of Financial Studies*, 16(4), 1075–1129. <https://doi.org/10.1093/rfs/hhg033>
- [8] Hanlon, M., & Heitzman, S. (2010). A review of tax research. *Journal of Accounting and Economics*, 50(2–3), 127–178. <https://doi.org/10.1016/j.jacceco.2010.09.002>
- [9] Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, 3(4), 305–360. [https://doi.org/10.1016/0304-405X\(76\)90026-X](https://doi.org/10.1016/0304-405X(76)90026-X)
- [10] Lanis, R., & Richardson, G. (2012). Corporate social responsibility and tax aggressiveness: An empirical analysis. *Journal of Accounting and Public Policy*, 31(1), 86–108. <https://doi.org/10.1016/j.jaccpubpol.2011.10.006>
- [11] Lim, Y. (2011). Tax avoidance, cost of debt and shareholder activism: Evidence from Korea. *Journal of Banking & Finance*, 35(2), 456–470. <https://doi.org/10.1016/j.jbankfin.2010.08.021>
- [12] Modigliani, F., & Miller, M. H. (1963). Corporate income taxes and the cost of capital: A correction. *The American Economic Review*, 53(3), 433–443.
- [13] OECD. (2021). *Corporate tax statistics 2021*. Organisation for Economic Co-operation and Development. <https://www.oecd.org/tax/tax-policy/corporate-tax-statistics.htm>
- [14] Rego, S. O. (2003). Tax avoidance activities of U.S. multinational corporations. *Contemporary Accounting Research*, 20(4), 805–833. <https://doi.org/10.1506/VANN-B7UB-GMFA-9E6W>
- [15] Richardson, G., & Lanis, R. (2007). Determinants of the variability in corporate effective tax rates and tax reform: Evidence from Australia. *Journal of Accounting and Public Policy*, 26(6), 689–704. <https://doi.org/10.1016/j.jaccpubpol.2007.10.003>
- [16] Stickney, C. P., & McGee, V. E. (1982). Effective corporate tax rates: The effect of size, capital intensity, leverage, and other factors. *Journal of Accounting and Public Policy*, 1(2), 125–152. [https://doi.org/10.1016/S0278-4254\(82\)80004-5](https://doi.org/10.1016/S0278-4254(82)80004-5)
- [17] Sugiyono. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.
- [18] Taylor, G., & Richardson, G. (2013). The determinants of thinly capitalized tax avoidance structures: Evidence from Australian firms. *Journal of International Accounting, Auditing and Taxation*, 22(1), 12–25. <https://doi.org/10.1016/j.intaccudtax.2013.02.005>
- [19] Watts, R. L., & Zimmerman, J. L. (1986). *Positive accounting theory*. Prentice-Hall.
- [20] Zimmerman, J. L. (1983). Taxes and firm size. *Journal of Accounting and Economics*, 5, 119–149. [https://doi.org/10.1016/0165-4101\(83\)90008-3](https://doi.org/10.1016/0165-4101(83)90008-3)