The Role of Independent Commissioners in Moderating the Effect of Profitability, Company Size and Company Risk on Tax Avoidance

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ABSTRACT
The purpose of this study was to determine and analyze the role of Independent Commissioners in moderating the effect of profitability, company size, and company risk on tax avoidance in manufacturing companies on the Indonesia Stock Exchange period 2016-2018 with a total of 77 companies. The sampling technique in this study used a purposive sampling technique with a total observation are of 231 firm-years. With multiple regression analysis, this research showed that the Company’s Profitability and Risk had a significant positive effect on Tax Avoidance, while Company Size did not have a significant effect on Tax Avoidance. The Independent Commissioners succeeded in weakening the positive influence of profitability and company risk on tax avoidance. This research succeeds in proving that as a component of the corporate governance mechanism, the Independent Commissioner has a role in supervising managerial decisions, including tax decision.

Keyword: Tax Avoidance, Profitability, Company Size, Company Risk, and Independent Commissioners

1. INTRODUCTION
Tax revenue is an important role in state income. Payment of taxes is a manifestation and obligation of the state and the participation of taxpayers to directly and jointly carry out tax obligations for state financing and national development. In accordance with the philosophy of taxation law, paying taxes is not only an obligation, but it is the right of every citizen to participate in the form of participation in state financing and national development (www.pajak.go.id).

Various policies in the form of tax intensification and extensification have been formulated by the Government in order to increase state revenue from the tax sector. Tax intensification is an increase in the intensity of levies on a potential tax subject and object. Intensification efforts can be pursued through improving tax administration to improving tax laws such as improvements to tax laws carried out in Indonesia, one of which is Law No. 36 Tahun 2008 concerning the fourth amendment of Law No. 6 Tahun 1983 regarding Income Tax. Through this change, it is hoped that it can increase the awareness of taxpayers to be more obedient in paying taxes according to the amount charged. Meanwhile, tax extensification is an effort to expand tax subjects and objects as well as rate adjustments that can be done by expanding taxpayers, improving rates and expanding tax objects such as increasing or lowering the PTKP (non-taxable income) rate for individual taxpayers.
Activities to increase tax revenues are activities that benefit the state, but not for taxpayers, especially business entities such as companies. The government’s interest in maximizing tax revenue is in fact contrary to the company’s interests, namely minimizing tax payments because the activities carried out by the Government have the potential to increase the tax burden that must be borne by the company. This can increase the company’s profit reduction element that has been achieved by company managers. Due to differences in interests between the government and companies as taxpayers, the company is looking for strategies to reduce the burden of paying taxes by doing tax planning.

Tax avoidance is one of the strategies in tax planning. Tax avoidance is an effort made legally for taxpayers because it does not contradict the provisions of taxation legislation where the methods and techniques used tend to take advantage of the weaknesses (gray areas) contained in tax laws and regulations to minimize the amount of tax owed (Pohan, 2013). Tax avoidance is also one of the aggressive tax strategies implemented by companies in minimizing tax burdens, which creates risks such as fines and a bad reputation in the public eye for companies (Annisa & Kurniasih, 2012). Therefore, the problem of tax avoidance is complex and unique.

Relate to the practice of tax avoidance, the Government has submitted a Bill on Tax Provisions and Facilities to improve the economy to the DPR (Dewan Perwakilan Rakyat) to be discussed at the 2020 DPR general session (https://www.suara.com). This shows that the practice of tax avoidance is a practice that must be eliminated in order to improve the economy. Therefore the authors are interested in knowing the factors that can affect tax avoidance.

There are several factors that can affect tax avoidance. First, profitability which is a measure of the performance of a company (Asri & Suardana, 2016). When the company earns a large profit, the tax burden by the company will increase according to the increase in company profit so that the company’s tendency to do tax avoidance is higher. Mahdiana & Amin (2020), found that profitability has a positive effect on tax avoidance, which means that the greater the profitability, the higher the tax avoidance.

Second, the factor indicated to affect tax avoidance is company size. Company size is a scale or value that can classify a company into large or small categories according to various ways such as total assets of the company, stock value, average sales level and total sales (Cahyono et al., 2016). A large company size has a large total assets which indicates that the company has reached the maturity stage where at this stage the company’s cash flow is positive, it is considered to have good prospects in a relatively long period of time, besides it also reflects that the company is relatively more stable and more able to generate profits compared to companies with small total assets. This also allows large companies to be able to regulate taxation by implementing tax planning so that optimal tax savings can be achieved. In this case, tax saving describes tax avoidance by the company in a legal. Alviyani (2016), found that company size has a significant effect on tax avoidance.

Third, the factor indicated to affect tax avoidance is company risk which is the deviation or standard deviation of earnings, whether the deviation is less than planned (downside risk) or more than planned (upset potential), the greater the standard deviation of company earnings indicates the greater the risk existing company. If the company increasingly has a high risk of shares, it will have more complex problems, then there will be a desire for the company to avoid taxes to minimize the burden on the company to achieve optimal profit. Sinambela et al. (2017), found that corporate risk has a significant positive effect on tax avoidance.

Last, in this research the factor that can influence tax avoidance is GCG (Good Corporate Governance) which is a system or mechanism that regulates and controls
the company to create value added for all stakeholders. The company is one of the taxpayers, while the corporate governance mechanism explains the relationship between various participants in the company that determines the direction of the company’s performance, so that the corporate governance mechanism has a share in decision making, including in decisions about fulfilling tax obligations. Tax planning will depend on the dynamics of corporate governance in a company (Jon et al., 2016).

Independent Commissioner is an important component in the corporate governance mechanism. According to the Financial Services Authority Regulation Number 55/PJK.04/2015, Financial Services Authority Regulation Number 55/PJK.03/2016, Independent Commissioners are members of the Board of Commissioners who come from outside the issuer or public company and meet the requirements. With the existence of independent members, it is hoped that supervision can be carried out optimally because they are avoided from the influence of the interests of other parties.

This research integrates several studies conducted by previous researchers and uses an Independent Commissioner as a variable that moderates the effect of profitability, company size, and company risk on tax avoidance. Thus, the problem to be examined in this study is whether independent commissioners are able to reduce the impact of profitability, company size and company risk on tax avoidance.

This study found that the Company’s Profitability and Risk had a significant positive effect on Tax Avoidance, while Company Size did not have a significant effect on Tax Avoidance. The Independent Commissioners succeeded in weakening the positive influence of profitability and company risk on tax avoidance. This research is expected to provide benefits for investors to consider the role of the company’s independent commissioners in making investment decisions. For regulators, the key role of company independent commissioners needs to be accommodated in making tax policies.

The discussion will be followed by a literature review and hypothesis development then followed by a description of the research methods used in this study. Furthermore, the researcher will describe the results of the analysis and discuss the results of the analysis. The discussion will close with the conclusions, limitations and implications of the research results.

2. LITERATURE REVIEW AND HYPOTHESIS

Agency Theory
The concept of agency theory is focus on the relationship or contract between agents and principals who have different interests. Agency theory is based on the assumption that each individual is motivated by his own interests, causing a conflict of interest between the principal and the agent (Kariyoto, 2018; Kusdarini, 2016).

Agency theory can explain the practice of tax avoidance which describes the differences in the interests of agents (companies) and principals (government). Managers can perform opportunistic actions that lead to tax avoidance practices (tax avoidance).

Tax Avoidance
For the companies, the tax owed is one of the expenses that must be paid. Therefore, there will be a tendency for the strategy the company undertakes to reduce the amount of tax that the company must pay which is known as Tax Planning. This Tax Planning is a tax reduction strategy that can be carried out both legally and illegally. Tax Avoidance is part of tax planning which is carried out with the main objective of minimizing tax payments which are not legally prohibited even though they often get unfavorable views from the tax office because it has negative connotations for the tax office (Damayanti & Susanto, 2015; Febrianti & Puspita, 2017; Mardiasmo, 2018; Pohan, 2013; Putra & Saptono, 2021; Riantami & Triyatno, 2018).
Profitability
Profitability at the company shows the ability of a company to generate profits for a certain period at the level of sales, assets and certain share capital (Dewinta & Setiawan, 2016). It can be concluded that profitability as a measure of management performance in managing company wealth as seen from company profits, the higher profitability ratio, the better company’s ability to generate company profit.

Company Size
Company size is the total total of assets owned by the company which is the scale to classify the size of a company (Noviyani & Muid, 2019). Cahyono et al. (2016), states that company size is a scale or value that can classify a company into large or small categories according to various ways such as total assets of the company, stock value, average sales level and total sales.

Company Risk
According to Darma et al. (2019), risk is related to uncertainties. Company risk is a condition where the possibilities that cause the performance of a company to be lower than expected are due to uncertainty in the future (Dewi & Sari, 2015). Company risk is the volatility of the company’s earnings, which can be measured by the standard deviation formula. Thus, it can be interpreted that the company’s risk is a deviation or standard deviation of earnings, both deviations that are less than planned (down risk) or more than planned (upside potential). The greater the deviation of earnings in the company, the greater the risk of the company.

Good Corporate Governance (GCG)
According to The Organization for Economic Co-Operation and Development (2015), corporate governance is a unified relationship involving parties from internal and external the company such as management, the Board of Commissioners, and shareholders and other stakeholders. Good Corporate Governance (GCG) is a system or mechanism that regulates and controls the company to create value added for all stakeholders.

Independent Commissioners are an important component of the corporate governance mechanism that comes from outside the company which functions to assess the company’s performance in a broad and overall manner (Mulyani et al., 2018). Based on Financial Services Authority Regulation Number 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies, it states that independent commissioners must meet the following requirements:

a. Not a person who works or has the authority and responsibility to plan, lead, control, or supervise the activities of the Issuer or Public Company within the last 6 (six) months, except for re-appointment as Independent Commissioner of the Issuer or Public Company for the next period.

b. Do not own shares, either directly or indirectly, in the Issuer or Public Company.

c. Has no affiliation with the Issuer or Public Company, members of the Board of Commissioners, members of the Board of Directors, or major shareholders of the Issuer or Public Company.

d. Does not have a business relationship, either directly or indirectly, related to the business activities of the Issuer or Public Company.

Hypotheses Development
Effect of Profitability on Tax Avoidance
The increase in profit earned has an impact on the income tax payable which is getting bigger. Based on agency theory, this will encourage companies to try to reduce or minimize the taxes owed. Companies that are able to manage these assets properly can take advantage of depreciation, amortization and other expenses as a deduction from taxable income. Thus there is a possibility for indicated companies to do tax evasion.
Research by Oktavian et al. (2018) and Mahdiana & Amin (2020), found that profitability has a significant positive effect on tax avoidance. This means that the greater the profitability, the higher the tax avoidance. Based on previous theory and research, presumed there is a relationship between profitability and tax avoidance. Thus, the hypothesis can be proposed:

H1: Profitability has a positive effect on Tax Avoidance

The Effect of Company Size on Tax Avoidance

In practice, the larger the company size, the more complex the transactions will be. The complexity of the company allows the company to take advantage of the opportunity for tax avoidance of each transaction. In addition, large companies that have a tendency to operate across countries have the goal of avoiding higher taxes than companies operating across domestic. This is because they can transfer profits to companies in other countries, where these countries collect lower tax rates than other countries. Meanwhile, small companies have limited activities and it is a bit difficult to avoid taxes.

Alviyani (2016), states that company size has a significant effect on tax avoidance. This means that the greater the total assets, the greater the size of the company, and then any increase in company size will increase tax avoidance. Based on previous theory and research, presumed there is a relationship between company size and tax avoidance. Thus, the hypothesis can be proposed:

H2: Company size has a positive effect on Tax Avoidance

Effect of Company Risk on Tax Avoidance

If the risk exists in a large company, there will be a desire for the company to avoid taxes to minimize the burden borne by the company to achieve optimal profit. The results of research by Sinambela et al. (2017), conducted a study on the effect of corporate risk on tax avoidance. This study shows that company risk has a significant positive effect on tax avoidance. If the risk in the company is large, the company management will do tax avoidance to minimize the tax burden. Based on previous theory and research, the following hypothesis can be proposed:

H3: Company risk has a positive effect on Tax Avoidance

Effect of Independent Commissioners in Moderating the Effect of Profitability, Company size and Company Risk on Tax Avoidance

Corporate governance necessary to ensure that the agent acts in accordance with the wishes of the principal. Ariawan & Setiawan (2017), suggest that the Independent Commissioner is included in the corporate governance mechanism which functions to oversee performance and control company management. The more the proportion of Independent Commissioners, the more supervision on the performance of company management related to the reporting of corporate tax burdens will increase, so that the company’s tax avoidance efforts decrease. Independent commissioners as parties who are not affiliated with shareholders or members of the Board of Directors and the Board of Commissioners to exercise strict supervision of management in order to minimize agency problems (Diantari & Ulupui, 2016). Close supervision can affect the attitude of company management, due to increased supervision within the company, management tends to be more careful in making every decision, including decisions related to tax payments (Dewi & Noviari, 2017). The presence of Independent Commissioners is expected to be able for minimize the opportunistic behavior of managers that may occur (Asri & Suardana, 2016).

Based on the basis of previous research results, the hypothesis in this study is as follows:
H4: The Independent Board of Commissioners weakens the positive influence between Profitability and Tax Avoidance
H5: The Independent Board of Commissioners weakens the positive influence of Company Size on Tax Avoidance
H6: Independent Board of Commissioners weakens the positive influence of Company Risk on Tax Avoidance

Operational Definition of Variable and Measurement
The independent variables in this study are profitability, company size, company risk. Meanwhile, the dependent variable in this study is tax avoidance. This study also uses a moderating variable, namely the Independent Commissioner.

The dependent variable in this study is Tax Avoidance, which is an effort to reduce legally by optimally utilizing provisions in the field of taxation. The dependent variable is measured using the Cash Effective Tax Rate (CETR), where the smaller the CETR value indicates the higher the level of corporate tax avoidance. Oktamawati (2016) explains that to facilitate interpretation regarding CETR, it must be multiplied by minus one. So that the greater the CETR, the higher the tax avoidance is carried out and vice versa, the smaller the CETR value, the lower the level of tax avoidance. The formula for calculating CETR is as follows:

\[
\text{CETR} = \frac{\text{Cash Taxes Paid}}{\text{Earning Before Tax}} \times (-1)
\]

Explanation:
- \(\text{CETR}\) = Cash Effective Tax Rate
- \(\text{Cash taxes paid}\) = cash paid for tax expense
- \(\text{Earning Before Tax}\) = profit before tax

The independent variables in this study are as follows:

a. Profitability as measured by ROA
   Return of Assets (ROA) is the ratio of profitability to measure the extent to which the company’s ability to generate profits from assets used in the company. The higher the ROA value, then the higher the company gets profits and the higher the level of profitability. If the profitability ratio is high, it means that it shows the efficiency carried out by the management. The formula for calculating ROA is as follows:
   \[
   \text{ROA} = \frac{\text{Earnings After Tax}}{\text{Total Asset}}
   \]

b. Company Size
   The size of the company is shown through the log of total assets, because it is assessed that this measure has a greater level of stability than other proxies and tends to be continuous between periods (Jogiyanto,
The formula for calculating Company Size is as follows:
Size = \log (Total Assets)

c. Company Risk
Generally, risk is related to uncertainties. Something that is uncertain can be beneficial because of opportunities or even detrimental because of risks. Company risk is a condition where the possibilities that cause the performance of a company to be lower than what a company expects are due to certain uncertain conditions in the future. A large company risk shows that executives have a risk taking preference and vice versa according to Umi & Puji (2014). The formula for calculating company risk is as follows:
Company Risk = \frac{EBITDA}{Total Asset}

Explanation:
EBITDA = Earning before income tax, depreciation and amortization

The moderating variable is a variable that strengthens or weakens the influence of the independent variable on the dependent variable. The moderating variable in this study is independent commissioners. An Independent Commissioners is a characteristic of important in corporate governance. It is an Independent Commissioners whose function is to carry out supervision, support good company management and make financial reports more objective. The measurement of this variable uses the following formula:
Independent Commissioners = \frac{(Total Independent Commissioners)}{(Total Board of Commissioner)}

The control variable in this study is leverage. Leverage is the amount of debt used to finance or buy company assets (Annisa, 2017). This study uses the proxy Debt to Asset Ratio (DAR) to measure leverage which describes the proportion of total company liabilities to total assets owned by the company. The reason for using the DAR proxy to measure leverage is because DAR is able to describe the funding decisions made by the company (Darmawan & Surakartha, 2020). The greater the DAR ratio indicates that the greater the amount of debt used by the company as a source of funding to finance its assets, and vice versa. The formula for the Debt to Asset Ratio (DAR) is as follows:
DAR = \frac{(Total Liabilities)}{(Total Asset)}

Explanation:
DAR = Debt to Asset

3. METHODS
Data Collection Procedure
This research data was obtained from annual report company, company financial reports and Indonesia Stock Exchange (BEI) that site is (www.idx.com).

Data Analysis Method
Based on the previous explanation, to prove the existence of a relationship between one or more independent variables and the dependent variable, this study uses multiple regression analysis methods which can be formulated as follows:

| Table 1. Sample | Company Characteristics | Total |
|----------------|-------------------------|-------|
| No.            |                         |       |
| 1.             | The number of manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2016-2018 period | 160   |
| 2.             | Companies with data that do not present complete financial reports for the 2016-2018 period | 20    |
| 3.             | The company does not present financial statements in rupiah currency | 29    |
| 4.             | Companies with negative profit values during the study year which resulted in distorted Cash Effective Tax Rate (CETR) | 34    |
| The number of companies that were the research samples | 77 |
| Total Sample Companies (3 years) | 231 |

Source: Processed data 2020
Y = a + b1X1 + b2X2 + b3X3 + b4 (X1X4) + b5 (X2X4) + b6 (X3X4) + e

Explanation:
Y = Tax Avoidance
a = Constant
b1- b6 = Regression coefficient
X1 = Profitability
X2 = Company Size
X3 = Company Risk
X4 = Independent Commissioner
e = Error

4. RESULT AND DISCUSSION
In this study, the sampling technique used purposive sampling technique with the criteria for sampling referring to the following considerations.

Based on table 1, it can be seen that the manufacturing companies sampled in this study is 77 companies. The research period is for 3 (three) years, from 2016, until 2018. So total sample is 231.

Statistic Descriptive
The results of the descriptive statistical test of this study are shown in table 2.

From descriptive statistic on table 2, the following results are shown:
a. Tax Avoidance
The results of the descriptive analysis of the tax avoidance variable obtained the minimum value is -0.9712 and the maximum value is -0.0124 with average (mean) tax avoidance is -0.2697 and a standard deviation is 0.1085.
b. Profitability
The results of the descriptive analysis of the Profitability variable obtained the minimum value is 0.0003 and the maximum value is 0.5267 with average (mean) profitability is 0.0831 and a standard deviation is 0.0802.
c. Firm Size
The results of the descriptive analysis of the firm size variable obtained the minimum value is 11,2029 and the maximum (mean) of 14,5375 with average value of the firm size is 12,3893 and a standard deviation is 0.6812.
d. Company Risk
The results of the descriptive analysis of the Company Risk variable obtained the minimum value is 0.0013 and the maximum value is 0.7091 with average value of the corporate risk is 0.1101 and a standard deviation is 0.1068.
e. Independent Commissioner
The results of the descriptive analysis of the Independent Commissioner obtained the minimum value is 0.2000 and the maximum value is 0.6667 with average value of the Independent Commissioners is 0.4041 and a standard deviation is 0.0941.

Table 2. Descriptive Statistics Results

| Variable             | N  | Minimum | Maximum | Mean  | Std. Deviation |
|----------------------|----|---------|---------|-------|----------------|
| CETR (Tax Avoidance) | 231| -0.9712 | -0.0124 | -0.2769 | 0.1085         |
| ROA (Profitability)  | 231| 0.0003  | 0.5267  | 0.0831 | 0.0802         |
| Size (Company Size)  | 231| 11,2029 | 14,5375 | 12,3893 | 0.6811         |
| Risk (Company Risk)  | 231| 0.0013  | 0.7091  | 0.1101 | 0.1068         |
| DKI (Independent Commissioner) | 231| 0.2000  | 0.6667  | 0.4041 | 0.0941         |
| DAR (Leverage)       | 231| 0.0769  | 0.8318  | 0.4001 | 0.1747         |

Source: Processed data 2020
f. Leverage
The results of the descriptive analysis of the Leverage obtained the minimum value 0.0769 and the maximum value is 0.8318 with average value is 0.4001 and a standard deviation is 0.1747.

Hypothesis Testing
After all the classical assumption tests are fulfilled, the hypothesis test results are as follows (Table 3).

Based on table 3, it is known that the coefficient of determination seen from the Adjusted R-Square value is 0.151. This shows that the dependent variable is tax avoidance can be explained by the independent variables are profitability, company size, and company risk with leverage as the control variable and Independent Commissioner as moderation is 15.1%. Meanwhile, the remaining 84.9% is explained by other factors outside.

Based on table 3, shows that the F value is 6.126 with a significant level of 0.000. Because the significance level is much smaller than the value 0.05 (0.000 <0.05), it can be interpreted that all independent variables have a significant effect simultaneously on tax avoidance.

Table 3. Multiple Analysis Results

| Variable       | Prediction Direction | Regression Coefficient (B) | Sig.  | Conclusion       |
|----------------|----------------------|-----------------------------|-------|------------------|
| Constant       |                      | 0.683                       | 0.107 |                  |
| ROA            | Positive             | 10.511                      | 0.008 | H1 Accepted      |
| Size           | Positive             | -0.073                      | 0.051*| H2 Rejected      |
| Risk           | Positive             | 7.839                       | 0.008 | H3 Accepted      |
| ROA × DKI      | Negative             | -16.684                     | 0.049 | H4 Accepted      |
| SIZE × DKI     | Negative             | 0.190                       | 0.030 | H5 Rejected      |
| RISK × DKI     | Negative             | -12.864                     | 0.043 | H6 Accepted      |
| DAR            |                      | 0.024                       | 0.266 |                  |

Adj, R Square 0.151
F-Statistic   6.126 (sig. 0.000)

*sig. at α = 0.1 (10%)
Source: Processed Data 2020

t-Test
The Effect of Profitability on Tax Avoidance
Based on the results of partial regression testing, the ROA regression coefficient value shows a positive effect (10.511) and the significant value of the profitability variable is 0.008, the value is less than 0.05 (0.008 <0.05). Then the first hypothesis (H1) is accepted, that means there is a significant effect between profitability on tax avoidance.

The Effect of Company Size on Tax Avoidance
Based on the results of partial regression testing, the regression coefficient show a negative effect (-0.073) and the significant value of the company size variable is 0.051, the value is less than 0.10 (0.051 < 0.05). Then the second hypothesis (H2) is rejected, that means there is a significant effect between company size on tax avoidance in a moderate level.

The Effect of Company Risk on Tax Avoidance
Based on the results of partial regression testing, the regression coefficient for risk
company shows a positive effect (7.839) and the significant value of company risk variable is 0.008, the value is less than 0.05 (0.008 <0.05). Then the third hypothesis (H3) is accepted, that means there is a significant effect between company risk and tax avoidance.

The Effect of the Independent Board of Commissioners in Moderating the Relationship between Profitability and Tax Avoidance
Based on the results of partial regression testing, the regression coefficient for ROA × DKI shows a negative effect (-16.684) and the significant value of the Independent Commissioners variable is 0.049, the value is less than 0.05 (0.049 <0.05). Then, the fourth hypothesis (H4) is accepted. That means the Independent Commissioners weakens the positive effect of profitability on tax avoidance.

The Effect of the Independent Board of Commissioners in moderating the relationship between Company Size and Tax Avoidance
Based on the results of partial regression testing, the regression coefficient for SIZE × DKI shows a positive effect (0.190) and the significant value of the Independent Commissioner variable is 0.03, the value is less than 0.05 (0.030 <0.05). Then, the fifth hypothesis (H5) is rejected. That means the Independent Commissioners does not weakens the positive effect of company size on tax avoidance.

The Effect of the Independent Commissioners in moderating the Relationship between Company Risk and Tax Avoidance
Based on the results of partial regression testing, the regression coefficient for RISK × DKI shows the negative effect (-12.864) and the significant value of the Independent Commissioner variable is 0.043, the value is less than 0.05 (0.043<0.05). Then, the sixth hypothesis (H6) is accepted. That means the Independent Commissioners weakens the positive effect of corporate risk on tax avoidance.

Discussion of The Result
The Effect of Profitability on Tax Avoidance
Based on hypothesis testing, it shows that profitability has a significant positive effect on tax avoidance, H1 is accepted. That means the greater value of profitability, the higher the tax avoidance actions taken by the company. The results of this study are in line with research conducted by Oktaviana et al., (2018) which states that profitability has a significant positive effect on tax avoidance.

The Effect of Company Size on Tax Avoidance
Based on hypothesis testing, it shows that company size has a significant negative effect on tax avoidance, H2 is rejected. This shows that the larger the company size, the more compliant the company will be with tax regulations. The results of this study are supported by Windaryani & Jati (2020), which found that company size has a negative effect on tax avoidance.

The company does not want to take risks in the audit process or be subject to sanctions for tax avoidance which will have an impact on the company’s image in the future it means bad image. Supervision is not only for large companies but also for small companies to comply with applicable tax regulations so it can reach sustainability companies. The results of this study are supported by political cost theory, namely because the company does not use its own power to do tax planning because there are limitations in the form of the possibility of being highlighted by the regulator’s decision.

The Effect of Company Risk on Tax Avoidance
Based on hypothesis testing, it shows that company risk has a significant positive effect on tax avoidance, so H3 is accepted. It means that the greater the risk of the company, the higher of tax avoidance actions taken by the company. The results of this study are supported by Sinambela et al. (2017), which result that company risk has a significant
positive effect on tax avoidance. This study succeeds in explaining agency theory in which agents will try to maximize profits in various ways, including tax avoidance. The fluctuation of corporate risk reflects the tendency of the executive character. A higher level of corporate risk indicates that the executive character is more risk taker.

The Effect of the Independent Board of Commissioners in Moderating the Relationship between Profitability and Tax Avoidance
Based on hypothesis testing, it shows that Independent Commissioners weaken the relationship between profitability and tax avoidance, so H4 is accepted. It means that the Independent Commissioner of the company weakens the positive influence of company profitability on tax avoidance actions by the company. The results of this study indicate that the Independent Commissioner has a role in preventing tax avoidance.

The Effect of the Independent Board of Commissioners in moderating the Relationship between Company Size and Tax Avoidance
Based on hypothesis testing and referring to the second hypothesis (H2) where company size has a significantly negative effect on tax avoidance, so the fifth hypothesis (H5) is rejected. It shows that the Independent Commissioners of the company reinforce the negative influence of company size on tax avoidance. The size of a company as measured by total assets negatively affect the company’s decision to take tax avoidance because companies tend to comply and not to violate applicable taxation provisions. There is another indication that the company does not want to take risks in the audit process or be subject to sanctions for tax avoidance which will have an impact on the company’s bad image in the future. Thus, commissioners play a role in encouraging large companies to comply with tax regulations. The presence of Independent Commissioners is expected to be able for minimize the opportunistic behavior of managers that may occur (Asri & Suardana, 2016; Diantari & Ulupui, 2016).

The Effect of the Independent Commissioners in moderating the Relationship between Company Risk and Tax Avoidance
Independent commissioners weaken the relationship between company risk and tax avoidance, so H6 is accepted. It shows that the Independent Commissioner of the company weakens the effect of the level of company risk on tax avoidance actions by the company. These results indicate that the Independent Commissioners carry out their role in adequate oversight of the company management. The Independent Commissioner plays a role in supervising company management in complying with applicable tax laws and regulations to report corporate tax burdens fairly and minimize tax avoidance behavior by companies. The existence of an Independent Commissioner in the company will improve supervision and monitoring of company management in every taken decision.

5. CONCLUSION
Based on the results of the analysis and discussion described in the previous chapter, the conclusions of this study are:
1) Profitability has a significant positive effect on tax avoidance in manufacturing companies listed on the IDX in 2016-2018.
2) Company size has no significant effect on tax avoidance in manufacturing companies listed on the IDX in 2016-2018.
3) Company risk has a significant positive effect on tax avoidance in manufacturing companies listed on the IDX in 2016-2018.
4) The Independent Commissioner succeeded in weakening the positive effect of profitability on tax avoidance in manufacturing companies listed on the IDX in 2016-2018.
5) Independent Commissioners do not weaken the positive influence of company size on tax avoidance in manufacturing companies listed on the IDX in 2016-2018.
6) The Independent Commissioner has succeeded
in weakening the positive influence of company risk on tax avoidance in manufacturing companies listed on the IDX in 2016-201. This research certainly has limitations in the implementation and presentation of the research results. The limitation in this study is the limited measurement of corporate governance which only uses one component, namely the Independent Commissioner. Another measurement that can be used is audit committee, institutional ownership, and audit quality. Another limitation is the use of tax avoidance measurement with the Cash Effective Tax Rate (CETR). Other measurements such as book tax difference (BTD), composite measure of tax avoidance (CMTA) and others may better reflect tax avoidance practices. Based on the conclusions and limitations of the research stated above, the implications that the authors can give are as follows: 1) Future research is expected to overcome the limitations of the previously presented research. 2) For investors and potential investors, it is best to pay attention to the practice of tax avoidance which is not justified so that it does not rule out that the company will be caught in this case which results in losses for companies and investors, so this research can be a consideration for investors in conducting and choose an investment in a company. Investors can consider the proportion of Independent Commissioners in considering investment decisions because they are proven to reduce tax avoidance practices.

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