THE EFFECT OF SALES GROWTH, GENDER DIVERSITY, AND FIRM SIZE ON TAX PLANNING (AN EMPIRICAL STUDY OF FOOD AND BEVERAGE SUBSECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2021-2024 PERIOD)

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Abstract

This study examines the effect of sales growth, gender diversity, and firm size on corporate tax planning by integrating financial characteristics and corporate governance perspectives. The study focuses on food and beverage subsector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. A quantitative approach was employed using secondary data obtained from companies' annual financial reports. Purposive sampling resulted in 32 companies and 128 firm-year observations. The empirical analysis examines the relationship between sales growth, gender diversity, firm size, and tax planning measured using the Cash Effective Tax Rate (CETR). The findings indicate that sales growth has a significant effect on tax planning, whereas gender diversity and firm size do not show statistically significant individual effects. Simultaneously, the independent variables significantly explain variations in corporate tax planning. This study contributes to the tax and corporate governance literature by integrating financial growth characteristics, managerial diversity, and organizational characteristics in explaining corporate tax planning behavior in an emerging-market context. The findings also indicate that tax planning decisions cannot be explained solely by board diversity and company scale, suggesting that other financial and governance characteristics should be considered in future research.

Keywords: Sales Growth, Gender Diversity, Firm Size, Tax Planning

INTRODUCTION

Tax is the main source of government revenue that plays a strategic role in supporting national development, funding public services, and maintaining a country's economic stability. For developing countries like Indonesia, maximizing tax revenue is very important because the need for development funding across various sectors is quite high. Since 1968, Indonesia has implemented a Self-Assessment System, where taxpayers calculate and report their own taxes. However, its implementation still faces various challenges, one of which is Indonesia's low tax ratio, which in recent years has remained at around 10% of Gross Domestic Product (GDP). This figure is still below the ideal standard recommended by the International Monetary Fund (IMF), which is at least 12–15% of GDP. This is not just a number problem. A low tax ratio reflects fundamental issues within the tax system that need to be addressed immediately (Siregar et al., 2025).

When it comes to paying taxes, there is a difference in goals between companies as taxpayers and the government. Companies see taxes as a cost that reduces their profits, while the government views taxes as a primary source of income to fund national needs. This difference in perspective leads companies to try to reduce their tax payments through tax planning (Hidayat & Maulidiyah, 2022).

Tax planning includes various ways to reduce or avoid taxes. It is usually carried out because of differences in tax policies within a country or differences in tax systems between countries. The practices involved are often still within legal boundaries, but some fall into a gray area or even clearly violate the law, such as intentionally reporting lower income than actual or exaggerating tax deductions (Kouroub & Oubdi, 2022).

Under Indonesia's current tax regulations, domestic companies and permanent business entities are subject to a Corporate Income Tax rate of 22% of taxable income. This is stated in Law Number 7 of 2021 on Tax Regulation Harmonization, which took effect starting the 2022 tax year. Previously, the government had already reduced the Corporate Income Tax rate from 25% to 22% through Law Number 2 of 2020, Article 5 Paragraph (1), which applied for the 2020 and 2021 tax years. Therefore, the 22% tax rate has been consistently applied from 2020 to 2024 (Ministry of Finance, 2023).

This study is different from previous research because the sample used consists of Food and Beverage Sub-Sector Companies listed on the Indonesia Stock Exchange during the 2021–2024 period. Based on data released by Statistics Indonesia (BPS), this sector grew by 4.47% in 2023, reaching a value of Rp853.716 trillion. This growth is expected to continue, with a projected increase of 4.53% by the end of 2024.

Several factors are believed to influence corporate tax planning practices, including sales growth, gender diversity in the board of directors, and firm size. These factors have been widely studied both nationally and internationally, but the results are often inconsistent from one researcher to another.

Sales growth reflects the success of a company's past investments and can be used as a basis for estimating future performance. It shows the rise and falls of a company's sales level, helping the company estimate how much profit it will earn going forward (Muniroh, 2025). Research by Fadhillah (2023) found that sales growth has an effect on tax avoidance. On the other hand, research by Muniroh (2025) found that sales growth does not affect tax avoidance practices.

Another factor that has received attention in modern tax research is gender diversity. The presence of women in the board of directors is believed to influence corporate decision-making, as women tend to be more cautious and risk-averse compared to men (Fahlevi et al., 2023). In the context of corporate tax planning, several studies have examined differences in how women and men make decisions. Research by Pontoh & Kustinah (2024) found that gender diversity in the board of directors has a significant effect on the Effective Tax Rate (ETR), but in a negative direction. In other words, the more gender-diverse the board is, the higher the level of tax avoidance tends to be. In contrast, a different result was found by Garcia-Blandon et al. (2022), which showed that a higher proportion of women on the board actually correlates with increased tax aggressiveness in companies in Norway.

In addition to sales growth and gender diversity, firm size is also a variable that is often linked to tax planning. Firm size describes the scale of a company, which is generally measured by its total assets. Larger companies have more adequate resources, including the ability to take advantage of gaps in tax regulations to conduct tax planning more effectively (Rahmayani et al., 2023). Research by Suryatna et al. (2023) found that firm size has a positive effect on tax avoidance because larger companies have more complex transactions, which creates more opportunities for tax planning. In contrast, research by Tyas and Binekas (2023) found a different result, showing that firm size has a negative effect on tax avoidance because larger companies tend to avoid reputational risks associated with tax avoidance practices. The novelty of this study lies in integrating financial growth characteristics and corporate governance mechanisms within a single framework of corporate tax planning. Rather than examining financial determinants independently, this study simultaneously considers sales growth, gender diversity, and firm size to capture managerial incentives, governance monitoring, and organizational capacity. Furthermore, the study provides recent evidence from Indonesian food and beverage companies during the 2021–2024 period, a period characterized by post-pandemic business recovery and changes in the Indonesian corporate taxation environment.

Based on empirical findings, inconsistent results from previous studies, and the importance of tax planning from an economic and corporate governance perspective, this study aims to analyze the effect of sales growth, gender diversity, and firm size on tax planning in food and beverage sub-sector companies listed on the Indonesia Stock Exchange during the 2021–2024 period. This research is expected to contribute theoretically to the development of tax and corporate governance literature, as well as provide practical implications for companies and the government in understanding the factors that influence corporate tax planning practices.

REVIEW OF LITERATURE

Agency Theory

Agency theory, introduced by Jensen, M.C. and Meckling, W.H. (1976), explains that an agency relationship occurs when an owner hires a manager to run a company and gives that manager the authority to make important business decisions. This theory states that managers tend to act in their own personal interest unless there is a good internal control system in place to prevent such behavior.

In this study, the principal wants management to pay taxes according to the actual amount owed, while company management tries to minimize the tax burden in order to generate higher profits. However, there are times when the interests of management and shareholders align with each other. In such conditions, actions that encourage tax avoidance can emerge (Zhang et al., 2022).

Upper Echelon Theory

Upper Echelons Theory explains that the personal characteristics of individuals in top management can influence a company's strategic decision-making. Hambrick and Mason, through this theory, emphasized that the background, experience, and demographic characteristics of company leaders will be reflected in the policies the company makes, including its tax policies. In this study, gender diversity in the board of directors is seen as a factor that can influence how careful a company is when carrying out tax planning. Women on the board of directors tend to have more conservative characteristics and are more risk-averse compared to men, which can affect company policies in taxation practices (Budiana and Kusuma, 2022). Agency Theory and Upper Echelons Theory provide complementary explanations for corporate tax planning decisions. Agency Theory emphasizes managerial incentives and conflicts of interest associated with corporate financial decisions, whereas Upper Echelons Theory explains how the characteristics of top management influence strategic corporate choices. In this study, sales growth represents an economic condition that may strengthen managerial incentives to manage corporate tax burdens as revenues and potential taxable income increase. Gender diversity represents a governance mechanism because differences in managerial characteristics may affect monitoring quality, risk preferences, ethical considerations, and tax-related decision-making. Firm size reflects both organizational capability and external pressure, as larger companies may possess greater resources to conduct tax planning while simultaneously facing stronger scrutiny from regulators, investors, and the public. Therefore, corporate tax planning can be understood as a strategic decision shaped by managerial incentives, governance characteristics, organizational resources, and external monitoring.

Tax Planning

Tax planning is an effort made by companies to minimize their tax burden legally by taking advantage of gaps in existing tax regulations. Tax planning is different from tax evasion because tax planning still operates within the boundaries of tax law. Tax planning is an important part of a company's financial strategy because it can improve efficiency and maintain the company's profitability. Tax planning in this study is measured using the Cash Effective Tax Rate (CETR), which is the ratio between cash tax payments and pre-tax income. A lower CETR value indicates a higher likelihood that the company is engaging in tax planning (Damayani et al., 2025). CETR is able to provide a more accurate picture of a company's actual tax payments compared to accrual-based measurements (Silva et al., 2024).

Sales Growth

Sales growth is the increase in a company's total sales volume from one period to the next, which reflects how well the company is able to expand its operational scale. When sales growth shows a positive number, the company will experience an increase in profit, which goes hand in hand with the amount of debt obligations that must be fulfilled (Musyafiq et al., 2025). According to agency theory, when sales increase, which signals a rise in profit from sales, managers have the opportunity to use certain strategies to make their profits appear smaller, so that the company's tax burden is also reduced. In other words, sales growth can motivate managers to take aggressive actions in tax management for their own personal benefit (Aisyah et al., 2024).

Gender Diversity

Gender diversity describes the variety of genders represented in a company's board of directors or management structure. The presence of women on a company's board is considered capable of improving the quality of oversight and decision-making within the company. Women tend to be more careful and have a higher level of compliance with regulations, which can help reduce corporate tax avoidance practices (Fahlevi et al., 2023).

Empirical studies indicate that boards with gender diversity are more effective at minimizing agency conflicts of interest by creating a more balanced decision-making process. In Indonesia, the implementation of gender quota policies in corporate governance aims to increase the diversity of board composition, which is expected to have an impact on corporate tax strategies (Pratama & Aris, 2025).

Firm Size

Firm size describes the scale or magnitude of a company. Firm size reflects the characteristics of a company that has a high volume of sales or ownership of large assets, so the higher the sales value or the larger the assets owned, the bigger the company's size (Musyafiq et al., 2025).

Large companies that own a significant amount of assets tend to find it easier to attract investors to place their funds in the company. This is because large assets reflect the company's ability to manage its finances well. In terms of firm size itself, it is usually measured by how large the company's total assets are. These assets are what the company uses to carry out its various daily operational activities so that the business continues to run and grow (Romli et al., 2023).

Hypothesis Development

The Effect of Sales Growth on Tax Planning

Sales growth reflects the expansion of a company's operating activities and indicates its ability to generate increasing revenues over time. Higher sales growth may subsequently increase operating income and taxable income, thereby increasing the amount of corporate tax payable. From the perspective of Agency Theory, this condition may create incentives for management to improve tax efficiency because taxes represent cash outflows that may reduce profits available to shareholders and managerial performance indicators.

Companies experiencing rapid sales growth may therefore have stronger incentives to utilize legitimate tax planning opportunities to manage their effective tax burden. Nevertheless, high sales growth does not automatically lead to more aggressive tax behavior because growing firms may also prioritize business expansion and regulatory compliance. These competing considerations explain why previous empirical studies have produced inconsistent findings regarding the relationship between sales growth and corporate tax behavior.

The Effect of Gender Diversity on Tax Planning

According to Upper Echelons Theory, corporate strategic decisions reflect the demographic and cognitive characteristics of top management. Gender diversity may broaden managerial perspectives, strengthen board deliberation, and improve the monitoring of strategic corporate decisions. Female directors are frequently associated with greater risk awareness, ethical sensitivity, and regulatory compliance, which may discourage excessively aggressive tax strategies.

From an agency perspective, greater board diversity may also strengthen managerial monitoring and reduce opportunistic behavior. However, the effectiveness of gender diversity depends not only on the numerical representation of women but also on their decision-making authority, board position, ownership structure, and organizational governance environment. Therefore, the presence of female directors does not necessarily guarantee a direct change in corporate tax policies.

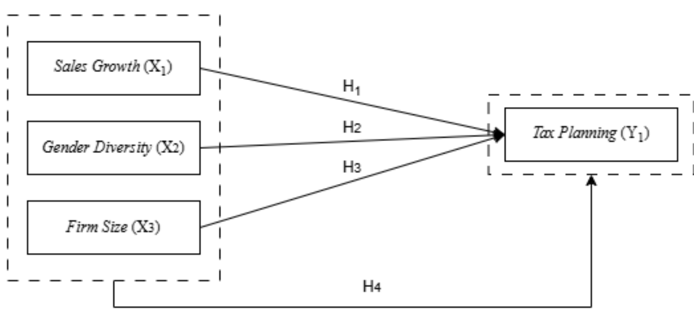
The Effect of Firm Size on Tax Planning

Firm size represents organizational scale, resources, operational complexity, and corporate visibility. Larger companies generally possess more sophisticated accounting systems, professional tax personnel, external consultants, and complex transactions. These resources may provide greater opportunities to identify legitimate tax planning strategies and optimize corporate tax liabilities.

Nevertheless, Political Cost and Agency perspectives suggest an opposing mechanism. Large companies attract greater attention from tax authorities, investors, the media, and other stakeholders. Consequently, reputational concerns and regulatory scrutiny may increase the expected costs associated with aggressive tax practices. Large companies may therefore have greater tax planning capability while simultaneously facing stronger incentives to maintain tax compliance.

Based on the hypotheses above, the research hypothesis framework of this study can be illustrated as follows:

Figure 1.
Research Model



RESEARCH METHOD

This study employs a quantitative explanatory research design using secondary data obtained from annual reports and financial statements of food and beverage subsector companies listed on the Indonesia Stock Exchange. The observation period covers 2021–2024. Purposive sampling was applied based on predetermined criteria, resulting in 32 companies observed over four years and producing 128 firm-year observations.

Because the dataset combines cross-sectional observations across companies and time-series observations across years, the data have a panel structure. Therefore, panel data regression is employed to examine the effects of sales growth, gender diversity, and firm size on corporate tax planning. Model selection is conducted by comparing the Common Effect

Model, Fixed Effect Model, and Random Effect Model through appropriate specification tests. Hypothesis testing is subsequently performed using the regression model selected from these tests. The population used was 101 companies in the food and beverage sector listed on the IDX in the 2021-2024 period based on IDX-IC. The purposive sampling method was used, with the criteria listed in the following table:

Table 1
Research Population and Sample

No	Description	Sum
1	Companies in the food and beverage sectors listed on the IDX.	101
2	Excluding food and beverage sub-sector companies that had their IPO on the IDX after the 2021–2024 period.	(40)
3	Excluding food and beverage sub-sector companies listed on the IDX that did not publish at least one annual report during the 2021–2024 period.	(10)
4	Excluding food and beverage sub-sector companies listed on the IDX that experienced a net loss during the 2021–2024 period.	(15)
5	Excluding food and beverage sub-sector companies that did not provide complete data required for the calculation of research variables throughout the 2021–2024 period.	(4)
	Total	**32**

Source: Data Proceed (2026)

Operational Definitions and Measurement of Variables

Table 2.
Operational Definitions

Variable	Definition	Formula
Sales Growth	Sales growth is a company's effort to continuously increase its sales value over a certain period, which can be compared to the previous period (Sari & Nurdin, 2024).	$SG = \frac{Sales_t - Sales_{t-1}}{Sales_{t-1}}$
Gender Diversity	Gender diversity is the comparison of the composition between women and men who are involved in managing and operating a company (Inayah & Sofianty, 2022).	*Gender Diversity* = $\frac{\sum \text{Female Board Members}}{\sum \text{Company Board}}$
Firm Size	Firm size describes the scale or magnitude of a	*Firm Size* = $Ln(Total\ Assets)$

	company (Musyafiq et al., 2025).	
Tax Planning	Tax planning is a process of managing tax obligations that is carried out in such a way that it does not exceed the company's financial capacity (Anam et al., 2024).	*Tax Planning* = $\frac{\text{Tax Payment}}{\text{Profit Before Tax}}$

Source: Data Proceed (2026)

The regression formula used

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \varepsilon$$

Notes:

Y = Dependent variable value (Y)

a = Constant, the value of Y when the X variable is zero

b_1 b_2 = Multiple regression coefficients for each variable

X_1 = *Sales Growth*

X_2 = *Gender Diversity*

X_3 =*Firm Size*

Ɛ = Standard error

RESULTS AND DISCUSSION

Table 3.
Descriptive Statistical Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Sales Growth	128	-.43	1.16	.1293	.20076
Gender Diversity	128	.00	.50	.1201	.13668
Firm Size	128	14.08	31.02	21.8617	5.74047
Tax Planning	128	.02	3.22	.2915	.31909
Valid N (listwise)	128				

Source: SPSS version 27 output results.

Based on Table 3 above, the results of the descriptive statistical test show that the independent variable Sales Growth (X1) has a minimum value of -0.43 and a maximum value of 1.16, with a mean value of 0.1293 and a standard deviation of 0.20076. Gender Diversity (X2) has a minimum value of 0.00 and a maximum value of 0.50, with a mean value of 0.1201 and a standard deviation of 0.13668. Firm Size (X3) has a minimum value of 14.08 and a maximum value of 31.02, with a mean value of 21.8617 and a standard deviation of 5.74047. The dependent variable, Tax Planning, has a minimum value of 0.02 and a maximum value of 3.22, with a mean value of 0.2915 and a standard deviation of 0.31909.

Multiple Linear Regression Analysis Results

Table 4.
Multiple Linear Regression Test Results

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.007	.080		.093	.926
Sales Growth	-.394	.081	-.394	-4.867	.000
Gender Diversity	-.152	.094	-.132	-1.607	.111
Firm Size	-.089	.082	-.089	-1.082	.281

a. Dependent Variable: Tax Planning

Source: SPSS version 27 output results.

From table 4, we derive the subsequent regression equation:

$$\mathbf{Y = 0,007 - 0,394X1 - 0,152X2 - 0,089X3 + \varepsilon}$$

The explanation of the influence of each variable:

1) The constant value of 0.007 indicates that if the values of Sales Growth (X1), Gender Diversity (X2), and Firm Size (X3) are all 0, then the Tax Planning (Y) level has a value of 0.007.
2) The regression coefficient value of Sales Growth (X1) of -0.394 indicates that the Sales Growth variable (X1) has a negative effect on CETR, or in other words, a positive effect on Tax Planning (Y).
3) The regression coefficient value of Gender Diversity (X2) of -0.152 indicates that the Gender Diversity variable (X2) has a negative effect on CETR, or in other words, a positive effect on Tax Planning (Y).
4) The regression coefficient value of Firm Size (X3) of -0.089 indicates that the Firm Size variable (X3) has a negative effect on CETR, or in other words, a positive effect on Tax Planning (Y).

Coefficient of Determination Analysis Results

Table 5.
Coefficient of Determination Analysis Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.436[a]	.190	.170	.9028461	1.848

a. Predictors: (Constant), Firm Size, Sales Growth, Gender Diversity

b. Dependent Variable: Tax Planning

Source: SPSS version 27 output results.

Based on table 5, this indicates that 17% of tax planning is influenced by sales growth, gender diversity, and firm size, 83% is affected by variables outside the scope of this research.

Hypothesis Test Results

According to table 4, discussion of the above result is as follows:

The Effect of Sales Growth on Tax Planning

The empirical results indicate that sales growth has a statistically significant relationship with CETR. The negative regression coefficient implies that increases in sales growth are associated with lower CETR values. Because a lower CETR represents a higher level of tax planning, the result suggests that companies experiencing stronger sales growth tend to engage in greater tax planning.

This relationship can be explained through Agency Theory. Higher sales may increase operating income and consequently increase potential corporate tax liabilities. Management therefore has an economic incentive to improve tax efficiency to preserve after-tax profitability and corporate cash flows. In this context, tax planning functions as part of a broader financial strategy rather than merely as a response to taxation regulations.

The finding also suggests that financial performance conditions may provide more immediate incentives for tax planning than governance characteristics. Growing firms face greater operational transactions and financial flows, potentially providing more opportunities to organize transactions in a tax-efficient manner. Nevertheless, this interpretation concerns legal tax planning and should not automatically be interpreted as evidence of illegal tax evasion.

The result supports the findings of Aisyah et al. (2024) and Musyafiq et al. (2025), while differing from Muniroh (2025) and Putri et al. (2025). These differences may arise from variations in industry characteristics, observation periods, corporate financial conditions, and institutional environments across studies.

The Effect of Gender Diversity on Tax Planning

Gender diversity does not demonstrate a statistically significant relationship with corporate tax planning. This result indicates that the numerical presence of female directors alone may not be sufficient to alter corporate tax strategies.

From the perspective of Upper Echelons Theory, demographic characteristics of senior executives may influence strategic decisions; however, such influence depends on the extent to which directors possess substantive authority and participate in strategic decision-making. In the present sample, the average gender diversity value is only 0.1201, indicating relatively limited female representation on corporate boards. Consequently, female directors may not yet reach sufficient representation or decision-making influence to significantly affect corporate tax policies.

Furthermore, tax planning decisions are generally shaped by collective corporate processes involving financial management, tax departments, external consultants, ownership structures, and boards of directors. Gender representation may therefore exert an indirect rather than an immediate influence on tax planning. Corporate governance culture in

Indonesia may also affect the extent to which board diversity translates into strategic policy outcomes.

This finding supports Mardjono (2024), Kurnia and Wagisuwari (2023), and Hajawiyah et al. (2025), but differs from Sulistyawati and Rahmawati (2024). Such mixed evidence indicates that gender diversity should not be interpreted merely from board composition but also from board authority, participation, governance structure, and institutional context.

The Effect of Firm Size on Tax Planning

Firm size does not have a statistically significant relationship with corporate tax planning. This result suggests that organizational scale alone is insufficient to explain differences in corporate tax planning behavior among Indonesian food and beverage companies.

The insignificant finding may reflect two opposing mechanisms. First, larger companies possess greater financial resources, more sophisticated accounting systems, professional tax expertise, and more complex transactions, which may increase their capability to conduct tax planning. Second, large companies are more visible to tax authorities, investors, the media, and the public. Greater visibility increases regulatory monitoring, political costs, and reputational risks associated with aggressive tax practices.

These competing pressures may offset one another, resulting in no statistically significant relationship between firm size and tax planning. Therefore, company size should not automatically be interpreted as evidence of stronger tax planning incentives. Instead, the effect of organizational size may depend on complementary factors such as profitability, leverage, audit quality, ownership structure, and regulatory exposure.

The result is consistent with Dintia and Santioso (2025), Rahmawati et al. (2024), Hadzida and Siregar (2024), and Tyas and Binekas (2023), while differing from Suryatna et al. (2023) and Richie and Triyani (2023).

The Simultaneous Effect of Sales Growth, Gender Diversity, and Firm Size on Tax Planning

Table 6.
Simultaneous Test Results (F Test)

Variable	F Count	F Table	Sig.	Information
Sales Growth, Gender Diversity, Firm Size	9,675	2.68	0,000	Simultaneous effect

Source: SPSS version 27 output results

Based on the F-test results conducted previously, the F-count value is greater than the F-table value, which is 9.675 > 2.68, and the significance value is 0.000 < 0.05, so H0 is rejected and Ha is accepted. This means that sales growth, gender diversity, and firm size simultaneously have a significant effect on tax planning.

The Adjusted R Square value of 0.17 or 17% indicates that the regression model used is able to explain 17% of the variation in tax planning through the variables of sales growth, gender diversity, and firm size. Meanwhile, the remaining 83% is influenced by other factors outside the research model, such as financial characteristics and corporate governance that were not included in this study. The adjusted coefficient of determination indicates that the model explains 17% of the variation in corporate tax planning. Although this explanatory power is relatively limited, it does not necessarily indicate that the model lacks relevance. Rather, it demonstrates that corporate tax planning is a multidimensional decision that cannot be explained solely by sales growth, gender diversity, and firm size. The remaining variation may be associated with other financial and governance characteristics, including profitability, leverage, capital intensity, institutional ownership, audit quality, political connections, ownership concentration, and other company-specific factors. This finding further supports the need for future research to develop more comprehensive tax planning models.

CONCLUSION

This study examines corporate tax planning from financial and corporate governance perspectives by analyzing sales growth, gender diversity, and firm size among food and beverage subsector companies listed on the Indonesia Stock Exchange during 2021–2024. The findings demonstrate that sales growth significantly influences corporate tax planning, indicating that changes in corporate operating performance may create stronger incentives for companies to manage their tax burden. In contrast, gender diversity and firm size do not demonstrate statistically significant individual effects, suggesting that board demographic composition and organizational scale alone are insufficient to explain tax planning decisions.

Theoretically, the findings extend the application of Agency Theory and Upper Echelons Theory by demonstrating that financial incentives may have a more direct relationship with tax planning than board demographic characteristics and organizational size. The insignificant effect of gender diversity further indicates that managerial characteristics may influence corporate policies only when accompanied by sufficient authority, representation, and effective governance mechanisms. Meanwhile, the insignificant effect of firm size reflects a potential balance between greater tax planning capability and stronger regulatory and reputational pressures faced by larger companies.

From a practical perspective, corporate management should ensure that tax planning remains aligned with applicable regulations and long-term corporate governance objectives. Regulators should also consider that corporate tax behavior may be shaped by broader financial and governance characteristics rather than company size alone.

The model explains approximately 17% of the variation in tax planning, indicating substantial opportunities for further research. Future studies are encouraged to incorporate variables such as profitability, leverage, capital intensity, institutional ownership, audit quality, political connections, and other governance characteristics. Future research may also extend the observation period, compare different industrial sectors, and employ broader panel datasets to improve the generalizability of the findings.

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