THE EFFECT OF CAPITAL INTENSITY, SALES GROWTH, INVENTORY INTENSITY, AND PROFITABILITY ON TAX AGGRESSIVENESS (EMPIRICAL STUDY ON FOOD AND BEVERAGE SUB SECTOR MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2020-2023)

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Abstract

This research explores the influence of capital intensity, sales growth, inventory intensity, and profitability on tax aggressiveness in manufacturing companies within the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023. Tax aggressiveness is measured using the effective tax rate method. The population of this study consists of food and beverage sub-sector manufacturing firms listed on the IDX during the specified period. The sample was selected using a purposive sampling method, resulting in a total of 101 samples. The data were analyzed using multiple linear regression analysis with the assistance of SPSS 26 software. The results indicate that capital intensity, sales growth, and inventory intensity do not have a significant effect on tax aggressiveness. However, profitability has a significant influence on tax aggressiveness.

Keywords: Tax Aggressiveness, Capital Intensity, Sales Growth, Inventory Intensity, Profitability.

INTRODUCTION

As the primary source of state revenue, taxes contribute significantly to increasing government income, which is then used to fund routine expenditures and national spending, especially in the development sector, such as public facilities, education, infrastructure, and health development (Widiyantoro & Sitorus, 2019). The government's efforts to increase and maximize tax revenue to finance the administration of governance often conflict with the interests of taxpayers, particularly companies that seek to maximize profits by managing tax burdens as low as possible.

Many Indonesian companies are involved in tax aggressiveness practices. Studies show significant losses in state revenue due to tax aggressiveness in the form of tax avoidance. According to the Tax Justice Network report, tax avoidance causes an annual loss of $4.86 billion for Indonesia, equivalent to Rp68.7 trillion at an exchange rate of Rp14,149 per US dollar. The total loss is estimated at $4.78 billion or Rp67.6 trillion in the report "The State of Tax Justice 2020: Tax Justice in the Time of Covid-19." Most of this loss is due to the elimination of corporate tax payments in Indonesia, while the remaining $78.83 million or approximately Rp1.1 trillion comes from individual contributions (Michalos, 2023).

One example of tax aggressiveness in Indonesia occurred at PT Coca-Cola Indonesia (PT CCI) during the 2002-2006 period. PT CCI was suspected of tax evasion amounting to Rp49.24 billion by utilizing advertising expenses of Rp566.84 billion as a financial burden, thereby reducing taxable income. The Directorate General of Taxes (DJP) estimated the taxable income should be Rp603.48 billion, but PT CCI only reported Rp492.59 billion. Due to this discrepancy, the DJP stated that PT CCI had an Income Tax (PPh) obligation of Rp49.24 billion. The DJP suspected that this significant financial burden indicated an attempt at tax avoidance through tax deductions (Djumena, 2014).

The first factor that can influence tax aggressiveness is capital intensity. Capital intensity refers to a company's investment activities in the form of fixed assets, reflecting the extent of the company's wealth (Prasetyo & Wulandari, 2021). The greater the investment in fixed assets, the higher the company's depreciation expense. High depreciation expenses will lead to higher costs, thereby reducing the company's generated profit (Maulana, 2020).

The second factor is sales growth. Sales growth represents the change in sales figures between the previous year's financial report and the current year, indicating the company's future prospects and profitability potential (Susan & Faizal, 2023). Higher sales levels result in greater profits and better company performance.

The third factor is inventory intensity. Inventory intensity refers to companies with large inventories, which face storage and maintenance costs. As inventory levels increase, so do the company's maintenance and storage costs (Marcella, 2022). These expenses reduce the company's income or profit.

The fourth factor is profitability. Profitability is the company's ability to generate profit over a certain period efficiently and effectively. It indicates how well the company manages its assets to generate profit. Return on Assets (ROA) is a commonly used metric to measure profitability. A high ROA indicates higher profit, while a low ROA suggests smaller profit. Consequently, the higher the ROA, the greater the tax the company must pay (Sinambela & Nur'aini, 2021).

The researcher chose the food and beverage manufacturing sub-sector as the research object because this industry has high tax potential. According to tax observer Fajry Akbar from the Center for Indonesia Taxation Analysis (CITA), the food and beverage sector significantly contributes to increasing tax revenue. The Directorate General of Taxes' 2020 Performance Report stated that this sub-sector was prioritized in 2021 due to three reasons: its significant contribution to Gross Domestic Product (GDP), its considerable tax potential and gap, and its high ability to pay (Santoso, 2021). Therefore, tax aggressiveness practices in food and beverage companies may affect the country's economic development.

REVIEW OF LITERATURE

Agency Theory

Agency theory was introduced by Jensen and Meckling in 1976. They describe agency theory as a concept explaining the contract between one or more principals who delegate their authority to agents to make decisions in managing the company (Jensen & Meckling, 1976). According to agency theory, the relationship between shareholders and management is described as one where shareholders act as principals, while company management acts as agents. The principal, in this case, is the shareholder or owner who provides capital and resources needed to run the business. On the other hand, the agent is responsible for managing the business entrusted to them by the principal.

Tax Aggressiveness

Tax aggressiveness is an action involving the manipulation of taxable income, designed through tax planning strategies. This can be done legally, such as through tax avoidance, or illegally, such as through tax evasion (Hidayat & Muliasari, 2020).

Capital Intensity

Capital intensity is a company's investment in the form of fixed assets. A high level of fixed asset ownership will result in significant depreciation expenses, which can ultimately lead to a reduction in business profits. Consequently, as company assets increase, the likelihood of engaging in tax aggressiveness practices also rises (Utomo & Fitria, 2021).

Sales Growth

Sales growth is the change in sales figures between the previous year's financial report and the current year, which can indicate the company's future prospects and profitability potential (Susan & Faizal, 2023).

Inventory Intensity

Inventory intensity is an element in the company's asset structure measured by comparing the total inventory value to the company's overall assets. Inventory plays a crucial role in supporting the company's operational activities and contributing to profit achievement (Yahya et al., 2022).

Profitability

Profitability is a company's ability to generate profit within one fiscal year (Rosadani & Wulandari, 2023). It demonstrates how well the company can earn profits from its business activities, serving as a performance measure that reflects management's effectiveness in managing the company's assets, as shown in the generated profit.

RESEARCH METHOD

This research is limited to manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange from 2020 to 2023. The independent variables used as indicators affecting tax aggressiveness include capital intensity, sales growth, inventory intensity, and profitability.

The study adopts a quantitative approach with a causality model, aiming to explain and analyze the relationship between two or more variables. The independent variables are capital intensity, sales growth, inventory intensity, and profitability, while the dependent variable is tax aggressiveness. The data obtained in this research is analyzed using multiple linear regression analysis.

The population consists of all individuals or entities meeting specific criteria and serving as the research subjects. The research objects are all manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange between 2020 and 2023, totaling 60 companies. The sample is a subset of the population selected due to having similar attributes and characteristics, making it representative of the entire population under study. The sampling technique applied is purposive sampling. The criteria for selecting companies include:

a. Manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange from 2020 to 2023.
b. Companies that consistently reported profits from 2020 to 2023.
c. Companies presenting their financial statements in Indonesian Rupiah during 2020-2023.
d. Companies with complete data for all research variables from 2020 to 2023.

By applying the purposive sampling technique, 29 companies meeting the criteria were selected as research samples for the period 2020-2023.

RESULTS AND DISCUSSION

Description of Research Analysis

This study uses descriptive statistical analysis methods to present useful data. The variables consist of the dependent variable, namely tax aggressiveness, and independent variables including capital intensity, sales growth, inventory intensity, and profitability.

The research object is manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) for the period 2020-2023. Out of 60 companies, 29 companies were selected using purposive sampling, resulting in 116 observation data. After eliminating 15 outliers due to non-normal data distribution, the final sample used was 101 data.

Descriptive statistical analysis is conducted to describe the characteristics of the data, including the minimum value, maximum value, mean, and standard deviation. Table 1 presents descriptive statistical results related to the research variables explained, including:

Table 1.
Descriptive Statistical Test Results

Descriptive Statistics					
	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Tax Aggressiveness	101	0,17	0,39	0,2220	0,03420

Capital Intensity	101	0.09	0,86	0,4977	0,21223
Sales Growth	101	-0,34	0,54	0,1004	0,16048
Inventory Intensity	101	0,01	0,40	0,1405	0,08051
Profitability	101	0,02	0,23	0,0967	0,04943
Valid N (listwise)	101				

Source: SPSS Output, 2025

Based on Table 1 above, the results of descriptive statistical analysis are presented, which are explained as follows.

a. The food and beverage manufacturing companies, consisting of 29 samples from 2020-2023, recorded the smallest Effective Tax Rate (ETR) of 0.17 by PT Ultra Jaya Milk Industry & Trading Company Tbk in 2021, indicating high tax aggressiveness. Conversely, the highest ETR of 0.39 was observed in PT Astra Agro Lestari Tbk in 2020, showing low tax aggressiveness. The average ETR is 0.22 with a standard deviation of 0.03, indicating relatively uniform data distribution.
b. The smallest capital intensity value (0.09) was recorded by PT Tigaraksa Satria Tbk in 2020, reflecting low reliance on fixed assets. The highest value (0.86) was observed in PT Cisadane Sawit Raya Tbk in 2020, indicating high dependence on fixed assets. The average capital intensity is 0.50, with a standard deviation of 0.21, showing a relatively uniform data spread.
c. The lowest sales growth (-0.34) was recorded by PT Multi Bintang Indonesia Tbk in 2020, indicating a significant sales decline. The highest sales growth (0.54) was achieved by PT Sariguna Primatirta Tbk in 2023, reflecting substantial sales increases. The average sales growth is 0.10, with a standard deviation of 0.16, suggesting high data variability.
d. The smallest inventory intensity (0.01) was recorded by PT Cisadane Sawit Raya Tbk in 2020, indicating minimal inventory dependence. The highest inventory intensity (0.40) was noted in PT Mulia Boga Raya Tbk in 2023, showing significant inventory contribution to total assets. The average inventory intensity is 0.14, with a standard deviation of 0.08, reflecting relatively uniform data distribution.
e. The lowest profitability (0.02) was recorded by PT Tunas Baru Lampung Tbk in 2023, indicating low profitability due to increased operational costs. The highest profitability (0.23) was achieved by PT Multi Bintang Indonesia Tbk in 2021, reflecting high operational efficiency. The average profitability is 0.10, with a standard deviation of 0.05, indicating relatively uniform data distribution.

Classic Assumption Test Results

Normality Test Results

Normality testing in this study was carried out using the Kolmogorov-Smirnov test method. The results of the normality test can be seen in Table 1 below.

Table 2.
Kolmogorov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		116
Normal Parameters[a,b]	Mean	.0000000

		Std. Deviation	.08696961
Most Differences	Extreme	Absolute	.200
		Positive	.200
		Negative	-.152
Test Statistic			.200
Asymp. Sig. (2-tailed)			.000[c]

Sumber: Output SPSS, 2025

The data in the table is concluded to be not normally distributed because the probability value is smaller than 0.05. This normal non-distribution is caused by the presence of 15 samples that have extreme values (outliers).

Table 3.
Kolmogorov-Smirnov Test Results After Outlier Elimination

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		101
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.03138764
Most Differences Extreme	Absolute	.059
	Positive	.059
	Negative	-.045
Test Statistic		.059
Asymp. Sig. (2-tailed)		.200[c,d]

Source: SPSS Output, 2025

Based on Table 3, the Asymp. Sig. (2-tailed) of 0.200, which is greater than 0.05, indicating that the data is normally distributed. This data meets the normality criteria and can be used for further analysis.

Multicollinearity Test Results

Multicollinearity testing was carried out by looking at the Tolerance and VIF values. The model is free of multicollinearity if VIF < 10 or Tolerance > 0.10, while the presence of multicollinearity is indicated by VIF ≥ 10 or Tolerance ≤ 0.10.

Table 4.
Multicollinearity Test Results

Model		**Collinearity Statistics**	
		Tolerance	**VIF**
1	(Constant)		
	Capital Intensity	0,432	2,317
	Sales Growth	0,895	1,117
	Inventory Intensity	0,529	1,891
	Profitabilitas	0,700	1,428

Source: SPSS Output, 2025

Based on Table 4, which displays the results of the multicollinearity test, it can be concluded that the regression model does not experience multicollinearity problems.

Heteroscedasticity Test Results

Heteroscedasticity indicates inconsistent residual variance, while homoscedasticity is stable. Detection is carried out via residual plots, where random patterns indicate no heteroscedasticity.

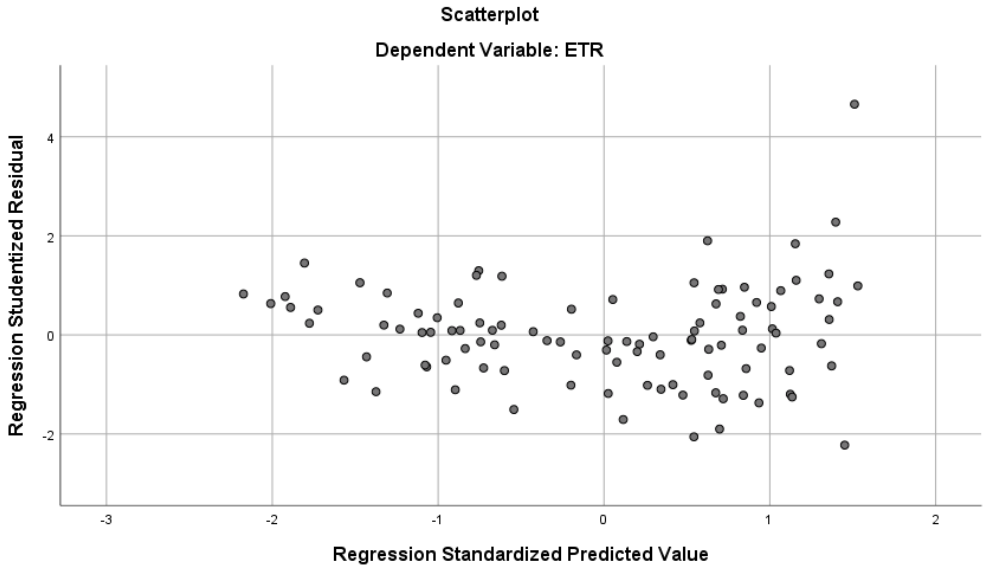

Figure 1.
Heteroscedasticity Test Results
Source: SPSS Output, 2025

The points are randomly distributed around 0 on the Y axis, indicating that the regression model is heteroscedasticity-free and valid to use.

Autocorrelation Test Results

One method used to carry out the autocorrelation test is the run test. The results of the autocorrelation test can be seen as follows.

Table 5.
Autocorrelation Test Results

	Unstandardized Residual
Test Value[a]	0,00116
Cases < Test Value	50
Cases >= Test Value	51
Total Cases	101
Number of Runs	42
Z	-1,899
Asymp. Sig. (2-tailed)	0,058
Asymp. Sig. (2-tailed)	0,058

Source: SPSS Output, 2025

The run test shows a significance of 0.058 (> 0.05), so the regression model is free of autocorrelation in the residuals.

Multiple Linear Regression Analysis Test Results

The multiple linear regression test aims to analyze the influence of the independent variable (X) on the dependent variable (Y) (Sugiyono, 2019). The results of multiple linear regression analysis are used to determine the direction and magnitude of the influence of variables. The results of the multiple linear regression test are as follows.

Table 6.
Multiple Linear Regression Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,215	0,022		9,686	0,000
	Capital Intensity	0,040	0,023	0,246	1,727	0,087
	Sales Growth	-0,013	0,021	-0,062	-0,624	0,534
	Inventory Intensity	0,040	0,055	0,094	0,733	0,465
	Profitabilitas	-0,175	0,077	-0,253	-2,256	0,026

Source: SPSS Output, 2025

Based on the results of the multiple linear regression test above, the regression equation is obtained from the values listed in the unstandardized beta coefficients table as follows:

$$\mathbf{Y = 0{,}215 + 0{,}040X_1 - 0{,}013X_2 + 0{,}040X_3 - 0{,}175X_4 + e}$$

Based on the multiple linear regression equation model, the explanation is as follows:

a. The constant value of 0.215 indicates that if the capital intensity, sales growth, inventory intensity, and profitability variables are equal to 0, the tax aggressiveness variable is estimated at 0.215.
b. The capital intensity coefficient (β1) of 0.040 indicates that each increase in capital intensity will cause an increase in tax aggressiveness by 0.040, assuming other variables remain constant.
c. The sales growth coefficient (β2) of -0.013 shows a negative direction, meaning that each increase in sales growth will cause a decrease in tax aggressiveness by 0.013, assuming other variables remain constant.
d. The inventory intensity coefficient (β3) of 0.040 indicates that each increase in inventory intensity will increase the tax aggressiveness value by 0.040, assuming other variables remain constant.
e. The profitability coefficient (β4) of -0.175 shows a negative direction, meaning that each increase in profitability will reduce the tax aggressiveness value by 0.175, assuming other variables remain constant.

Hypothesis Testing

Coefficient of Determination Test

The coefficient of determination measures the ability of independent variables to explain the dependent variable. Its value ranges between 0 and 1, with a value closer to 1 indicating a stronger explanatory power.

Table 7.
Results of the Coefficient of Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,397[a]	0,158	0,123	0,03203

Source: SPSS Output, 2025

The Adjusted R Square value of 0.123 shows that the independent variable explains tax aggressiveness by 12.3%, while 87.7% is explained by other variables outside the research.

F Statistical Test (F Test)

The F test assesses the overall influence of the independent variables on the dependent variable. If significance ≥ 0.05, there is no significant effect. If ≤ 0.05, there is a significant effect.

Table 8.
F Statistical Test Results

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0,018	4	0,005	4,495	0,002[b]
	Residual	0,099	96	0,001		
	Total	0,117	100			

Source: SPSS Output, 2025

The F test shows a value of 4.495 with a significance of 0.002 (< 0.05), so that capital intensity, sales growth, inventory intensity, and profitability together influence tax aggressiveness.

T Statistical Test (T Test)

The t-test assesses the influence of each independent variable on tax aggressiveness. If significance is > 0.05, there is no significant effect. If ≤ 0.05, there is a significant effect.

Table 9.
T Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,215	0,022		9,686	0,000
	Capital Intensity	0,040	0,023	0,246	1,727	0,087

Sales Growth	-0,013	0,021	-0,062	-0,624	0,534
Inventory Intensity	0,040	0,055	0,094	0,733	0,465
Profitabilitas	-0,175	0,077	-0,253	-2,256	0,026

Source: SPSS Output, 2025

Based on Table 9, which presents the results of the t-test, the following conclusions can be drawn:

a. According to Table 9, the capital intensity variable has a significance value of 0.087, which is greater than 0.05 (0.087 > 0.05). This indicates that the first hypothesis, which states that capital intensity affects tax aggressiveness, is rejected. It can be concluded that, partially, capital intensity does not have a significant effect on tax aggressiveness.
b. According to Table 9, the sales growth variable has a significance value of 0.534, which is greater than 0.05 (0.534 > 0.05). This indicates that the second hypothesis, which states that sales growth affects tax aggressiveness, is rejected. It can be concluded that partially, sales growth does not have a significant effect on tax aggressiveness.
c. According to Table 9, the inventory intensity variable has a significance value of 0.465, which is greater than 0.05 (0.465 > 0.05). This indicates that the third hypothesis, which states that inventory intensity affects tax aggressiveness, is rejected. It can be concluded that, partially, inventory intensity does not have a significant effect on tax aggressiveness.
d. According to Table 9, the profitability variable has a significance value of 0.026, which is smaller than 0.05 (0.026 < 0.05). This indicates that the fourth hypothesis, which states that profitability affects tax aggressiveness, is accepted. It can be concluded that, partially, profitability has a significant effect on tax aggressiveness.

Effect of Capital Intensity on Tax Aggressiveness

The results of this study's analysis indicate that capital intensity does not affect tax aggressiveness. This result contradicts agency theory because the company's fixed assets are more focused on meeting operational needs and business interests. This is suspected to occur because the owned assets do not generate depreciation expenses. The primary cause of this condition is that the company does not discontinue the recognition of assets that have reached the end of their economic life, or does not renew its existing fixed assets.

The findings of this study align with those of (Fransisca & Kesaulya, 2022) and (Pratiwi, 2024), which shows that capital intensity does not affect tax aggressiveness. This condition occurs because the company's fixed assets are primarily focused on supporting the company's operational and investment needs rather than as an effort to engage in tax aggressiveness. Companies do not intentionally accumulate large amounts of fixed assets for tax aggressiveness purposes but rather to support the smooth operation of their business.

This finding differs from the research of (Mariana et al., 2021) and (Waladi & Prastiwi, 2022), which revealed that capital intensity affects tax aggressiveness. The fixed assets owned by the company generate depreciation, which reduces income. This condition encourages companies to take advantage of opportunities to engage in tax aggressiveness by utilizing income reductions due to depreciation. As a result, the greater the proportion of fixed assets owned by the company, the lower the effective tax rate that must be paid, which in turn increases the company's likelihood of engaging in tax aggressiveness.

Effect of Sales Growth on Tax Aggressiveness

The analysis results of this study show that sales growth does not affect tax aggressiveness. This result contradicts agency theory because it is suspected that companies are more focused on sales growth as an indicator of operational performance, such as increasing market share and sales operational efficiency, rather than as a tool to manipulate financial statements or profits. Although sales growth increases, it does not directly drive tax aggressiveness actions, as management's priority is to maintain the company's reputation and long-term stability.

The findings of this study align with those of (Fransisca & Kesaulya, 2022), which show that sales growth does not affect tax aggressiveness. Regardless of whether sales increase or decrease, the company still has tax obligations that must be fulfilled. High sales growth will increase the company's profits, which in turn assumes that large profits provide the company with better opportunities to manage income and tax planning so that its tax obligations can be met appropriately.

This finding differs from those obtained by (Riswandari & Bagaskara, 2020) and (Mulyaningsih et al., 2023), which states that sales growth affects tax aggressiveness. Sales growth becomes one of the factors that can increase the company's profits. Indirectly, sales growth can also lead to higher operational expenses, which subsequently impact the increase in tax expenses that the company must pay. This reduces the company's profits, making the company more inclined to engage in tax aggressiveness to reduce the tax burden that must be paid.

Effect of Inventory Intensity on Tax Aggressiveness

The results of this study's analysis indicate that inventory intensity does not affect tax aggressiveness. This result contradicts agency theory because, although agency theory suggests that managers typically seek to reduce taxes by utilizing inventory, in this study, the high inventory intensity is more focused on calculating the Cost of Goods Sold (COGS) and determining the product's cost price. Inventory is used for operational purposes, such as meeting production and sales needs, rather than to avoid tax obligations. Therefore, although inventory affects profits, it is not used as a tax aggressiveness strategy.

The findings of this study align with (Ramdhani et al., 2022) and (Susanti & Satyawan, 2020), which states that inventory intensity does not affect tax aggressiveness. This is because the company's inventory is more focused on meeting market and operational needs, such as supporting production and sales. Inventory is not utilized to reduce tax obligations but to ensure the smooth operation of business activities, thus having no direct link to tax aggressiveness.

This study's findings differ from (Fitriani & Indrati, 2023) and (Rahayu & Suryarini, 2021), which shows that inventory intensity affects tax aggressiveness. The expenses arising from inventory provide an opportunity for management to reduce reported profits, thereby lowering the taxes the company must pay. This inventory expense reduces taxable income, which in turn decreases the company's tax obligations. This means that companies can utilize inventory as a means to minimize tax payments.

Effect of Profitability on Tax Aggressiveness

The analysis results of this study indicate that profitability affects tax aggressiveness. This result is consistent with agency theory, where agents (company management) who have deeper information about the financial condition are authorized by principals (shareholders)

to manage tax obligations through a self-assessment system. Agents exploit loopholes in tax regulations to reduce taxable income in order to minimize the amount of tax that must be paid. The greater the company's profit, the higher its profitability, which impacts greater tax obligations. Since high tax payments can reduce net profits, companies tend to implement tax aggressiveness strategies, such as aggressive tax planning or tax avoidance within legal limits, to maintain financial efficiency and increase shareholder profits.

This study's findings align with (Rosadani & Wulandari, 2023) and (Christy, 2023), which show that profitability affects tax aggressiveness. The higher the company's profitability, the greater the opportunity for managers to reduce reported profits using certain accounting strategies, ultimately lowering the company's tax obligations. High profits provide incentives for managers to minimize payable taxes, enabling the company to manage its tax obligations more efficiently.

However, this study's findings differ from (Waladi & Prastiwi, 2022) and (Riswandari & Bagaskara, 2020), which show that profitability does not affect tax aggressiveness. This condition occurs because increased company profits do not always drive management to find ways to reduce tax burdens through aggressive strategies. Tax aggressiveness is a risky action that can damage the company's image and negatively impact business continuity. Additionally, this strategy can incur significant additional costs, both in terms of legal compliance and potential sanctions. This shows that companies with high profitability levels tend to be more compliant in fulfilling their tax obligations, as they have sufficient financial capability to pay taxes without experiencing difficulties.

CONCLUSION

Based on the results of the analysis and discussion regarding the influence of capital intensity, sales growth, inventory intensity, and profitability on tax aggressiveness in manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) from 2020 to 2023, the following conclusions can be drawn:

1. The capital intensity variable does not affect tax aggressiveness, meaning that the company's fixed assets are primarily focused on supporting operational needs and corporate investment, rather than as an effort to engage in tax aggressiveness.
2. The sales growth variable does not affect tax aggressiveness, indicating that high sales growth increases company profits, which in turn assumes that large profits become an opportunity for companies to better manage income and tax planning, allowing tax obligations to be fulfilled properly.
3. The inventory intensity variable does not affect tax aggressiveness, meaning that the company's inventory is mainly used to meet market and operational needs, such as supporting production and sales. Inventory is not utilized to reduce tax obligations but to ensure the smooth running of business activities, thus having no direct connection to tax aggressiveness.
4. The profitability variable significantly affects tax aggressiveness, meaning that the higher the company's profitability, the greater the opportunity for managers to reduce reported profits by using certain accounting strategies, ultimately lowering the company's tax obligations.

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