THE EFFECT OF PROFITABILITY, LEVERAGE, AND COMPANY SIZE ON TAX AGGRESSIVENESS

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Abstract

The aim of this study was to examine the impact of earnings capability, capital structure, and company scale on tax aggressiveness within healthcare sub-sector firms registered on the Indonesia Stock Exchange (IDX) throughout the 2018–2024 timeframe. This investigation applied a numerical research design utilizing secondary information sourced from the corporations' yearly financial statements. The sampling method adopted was purposive selection, producing 84 firm-year data points that satisfied the established requirements. Data evaluation employed panel regression analysis accompanied by a set of classical assumption examinations, including distribution normality, variable collinearity, variance inconsistency, and serial correlation checks, to guarantee the dependability and accuracy of the model. The findings indicated that earnings capability, capital structure, and company scale collectively exerted a positive and significant influence on tax aggressiveness, indicating that firms with higher profitability, greater leverage, and larger size tend to engage more in tax management strategies to minimize tax obligations. However, when tested partially, each variable demonstrated only a modest individual effect, suggesting that tax aggression behavior is influenced by a combination of financial and structural characteristics rather than a single factor. The outcomes of this research deliver perspectives for regulators and business executives to more comprehensively grasp the factors shaping fiscal conduct and to encourage more transparent and responsible tax compliance practices in the healthcare industry.

Keywords: Tax Aggressiveness, Profitability, Leverage, Company Size

INTRODUCTION

Levies are vital as the main foundation of governmental income to sustain national advancement and societal services, as they are intended. The government uses these tax funds to finance the State Budget (APBN). However, the reality is that not all companies fulfill their tax obligations to the fullest. Many companies employ various strategies to reduce their tax burden, one of which is through tax aggressiveness . Tax aggressiveness is one of many tactics used by businesses to reduce their tax burden .

Tax aggressiveness can occur due to management's drive to preserve fiscal outcomes and enhance organizational worth. This corresponds with agency theory, which clarifies that divergences of interest between administrators (agents) and company owners (principals) can encourage managers to make decisions that benefit themselves, including in managing tax burdens (Putu Wulan Pradnya Wirasasti (2024). One form of this decision is to carry out tax aggressive practices to maintain high company net profits.

Several internal company factors are believed to determine the level of tax aggressiveness, such as profitability, leverage, and company size. In her research, Annisa Kawi (2024) demonstrated that earnings capability exerts a notable impact on tax aggressiveness, whereas capital structure and organizational scale exhibited no such effect. Conversely, Ayu Vepri (2020) found that profitability, leverage, and company size significantly influence tax aggressiveness. This is in line with research by Stephanie (2024) and Putu Wulan (2024), which showed that leverage and company size have a positive effect on tax aggressiveness.

In Indonesia, fiscal aggressiveness is not an unknown issue. Based on investigation by the Tax Justice Network, Indonesia forfeits nearly USD 4.86 billion in possible taxation receipts yearly owing to corporate fiscal avoidance schemes (Wahyuni & Andriani, 2024). One sector particularly vulnerable to these practices is the healthcare sector. Despite being a strategic sector, medical enterprises registered on the Indonesia Stock Exchange also have the potential to engage in tax aggressiveness through various schemes, such as recognizing research expenses, utilizing tax incentives, and transfer pricing .

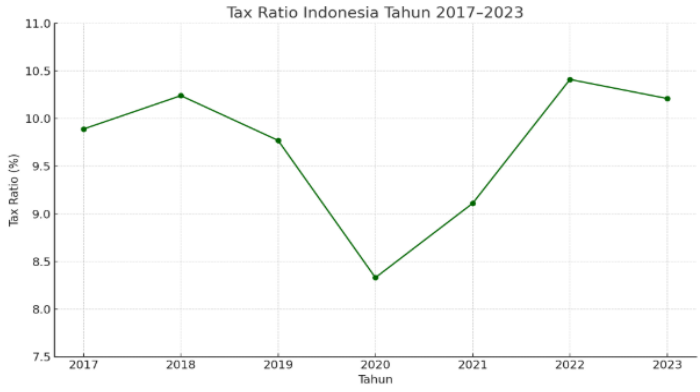

Figure 1.
Indonesia's Tax Ratio 2017 – 2023
Source: Palupy, 2024

The Indonesia Stock Exchange (IDX) is an organization that enables the exchange of shares of publicly listed companies in Indonesia. Its goal is to create an integrated, efficient, and transparent capital market. As the organizer of securities trading, the IDX has a strategic role in providing the trading facilities, systems, and infrastructure that support the smooth operation of capital market transactions in Indonesia. The IDX also plays a role in promoting information transparency and good corporate governance through regulation and oversight of issuers.

One of the sectors actively listed on the IDX is the healthcare sector, which encompasses various companies operating in pharmaceuticals, medical devices, hospitals, and other healthcare support services. This industry holds an essential position in the domestic economy, especially in delivering superior medical goods and amenities to society (Indonesia Stock Exchange, 2022).

For example , PT Kalbe Farma Tbk (KLBF), a major healthcare company , once utilized the super deduction tax facility for research and development. However, reports and fiscal data studies revealed a tendency for several pharmaceutical companies to optimize research expenses for significant tax deductions. Therefore, it is necessary to evaluate whether this strategy qualifies as efficient or tax aggressive. Furthermore, following the COVID-19 pandemic, this sector has experienced significant growth and received significant government attention, both in the form of fiscal incentives and new regulations.

Based on the author's background information, considering the inconsistency of previous research findings and the gaps in the research, this research is essential to reinforce factual proof concerning the attributes that shape fiscal aggressiveness in enterprises within the medical subsector. Hence, the writer is keen on exploring the impact of earnings capability, capital structure, and organizational scale on fiscal aggressiveness.

REVIEW OF LITERATURE

Grounded in the agency theory proposed by Michael C. Jensen (1976), it explains the interaction between a company owner (principal) and a manager (agent) in a modern organizational structure. However, in practice, company owners give managers the authority to make decisions regarding business operations. Difference The conflict of interest between these two parties often leads to conflict, especially when the agent has more information than the owner, a phenomenon known as asymmetric information. One example of this conflict is seen in tax policy, where a manager might choose an aggressive tax strategy aimed at enhancing outcomes in the perspective of stakeholders and the equity market through reducing fiscal obligations and augmenting the enterprise’s net earnings. However, this technique does not always align with the company's long-term goals and compliance with tax regulations, which can ultimately affect the company's reputation and integrity.

According to Desai & Dharmapala (2006), tax aggressiveness arises as a result of a compromise between the interests of owners and agents, where agents exploit weaknesses in the oversight system to take opportunistic actions. Companies with weak internal oversight and fragmented ownership structures are more vulnerable to tax aggressiveness. Therefore, an understanding of agency theory is crucial for explaining management behavior in tax policy.

In addition, tax decisions are influenced by economic factors and the dynamics of the relationship between management and owners. Management decisions regarding tax policy reflect not only economic conditions, but also internal relationships and incentive systems within the company, which is the main focus of agency theory (Hanlon & Heitzman, 2010) .

Fiscal aggressiveness is an action performed by enterprises to lessen their taxation obligations by utilizing gaps within fiscal legislation that are still considered legally valid. Hanlon and Heitzman (2010) characterize fiscal aggressiveness as a spectrum of measures executed by enterprises to diminish their taxation responsibilities, ranging from traditional tax planning to more drastic methods such as transfer pricing or expense recognition manipulation. Countries can face financial risks as a result of these actions, especially if large companies consistently engage in them. In Indonesia, the practice of tax aggressiveness has received increasing attention after various studies showed that attributes including earnings capability, capital structure, and organizational scale affect an enterprise's tendency to participate in fiscal avoidance. Thus, fiscal aggressiveness has emerged as a central concern in auditing and corporate administration.

One of the most important metrics for assessing a company's tax aggressiveness is the Effective Tax Rate . The ETR is determined by allocating the aggregate fiscal obligation by earnings before taxation, indicating how much tax the business actually pays relative to its profits. A low ETR indicates that the business may be using tax benefits, transfer pricing techniques, or other tax loopholes to avoid paying taxes. Conversely, because it indicates that the tax expense is paid in proportion to the profits earned, a high ETR indicates a high level of tax compliance.

Earnings capability denotes an enterprise's capacity to produce gains, signifying the degree of operational productivity and efficacy in employing its resources. Earnings capability likewise signifies administrators' achievement in directing the enterprise. Several Maya Safira Dewi & Muhammad Haryadi Thareq (2025) metrics frequently used to quantify profitability are operational earnings, final earnings, and yield on proprietors' equity. A broadly applied indicator to evaluate an enterprise's fiscal achievement is Return on Assets. ROA assesses how effectively a corporation employs its resources to produce gains (Khairi Ummah & Suprapto, 2015).

Employing Return on Assets as an indicator of fiscal achievement is crucial because it can help companies that have implemented good accounting practices assess the overall efficiency of capital utilization. ROA is also sensitive to various factors affecting a company's financial condition, allowing management to understand the company's position within the industry. Therefore, ROA is a key driver of strategic planning, as a company's financial performance improves with a higher ROA. ROA is a ratio that indicates the return on all of a company's assets.

Leverage is the ratio of funds obtained from external sources to the funds controlled by a company. Leverage provides an overview of a business's capital structure, allowing it to assess the level of risk associated with inability to repay debt. Companies with high leverage ratios tend to publish fewer corporate social responsibility (CSR) reports to claim higher current earnings Safira Dewi et al. (2021). An enterprise's liability stance indicates the volume of capital obtained from external parties to produce earnings. Broadly, the larger the share of liabilities in an enterprise's composition relative to its aggregate resources, the greater its degree of fiscal gearing.

There are two basic forms of leverage measures commonly used: the first measures the level of debt, and the second measures a company's ability to repay debt obligations. The amount of debt is measured relative to the balance sheet total, with two popular measures being the debt ratio and the debt-to-equity ratio (Elyzabet, 2019).

Enterprise scale is regarded to affect enterprise worth, since the bigger the enterprise, the simpler it becomes for the enterprise to obtain funding sources that may be utilized to accomplish its commercial objectives. However, according to (Indriyani, 2017), large size can also lead to a significant accumulation of debt, because the company's risk in meeting its obligations is considered lower . A company's total assets, which provide resources for its operations, can be used to measure company size.

Company size also plays a role in business strategy, as larger companies often have broader access to markets, technology, and qualified human resources. This allows companies to innovate and compete more effectively in the market, ultimately increasing overall company value.

Research on tax aggressiveness has been conducted previously. Several studies have covered many factors, including Marcellina's (2023) study, in which researchers examined the impact of corporate social responsibility, capital structure, earnings capability, and organizational scale on fiscal aggressiveness in consumer goods enterprises recorded on the Indonesia Stock Exchange (IDX) throughout 2018 to 2022. The findings indicated that capital structure and earnings capability exerted a significant adverse influence on fiscal aggressiveness, whereas CSR and organizational scale exerted no influence. Collectively, all variables affected fiscal aggressiveness. This accords with Stephanie's (2024) investigation, wherein scholars analyzed the impact of earnings capability, liquidity, capital structure, and organizational scale on fiscal aggressiveness in manufacturing enterprises recorded on the IDX during 2019 to 2022. The results indicated that individually, profitability and company size had a significant influence on tax aggressiveness, while liquidity and leverage showed no effect. significant impact. However, when analyzed simultaneously, the three variables jointly influence tax aggressiveness.

Based on the description and results of several studies above, the following research hypothesis can be made:

H_1 : Profitability, leverage, and company size have a simultaneous effect on tax aggressiveness.
H_2 : Profitability has a negative effect on tax aggressiveness.
H_3 : Leverage has a positive effect on tax aggressiveness.
H_4 : Company size has a positive effect on tax aggressiveness.

RESEARCH METHOD

This research adopted a quantitative method approach, collecting financial report data from the IDX. The population of this research comprised enterprises in the medical sub-sector recorded on the IDX from 2018 to 2024. Specimens chosen from this population were handled and analyzed through recognized protocols. The specimens were determined using purposive sampling, a selection method founded on particular considerations, wherein specimens drawn from the population must be genuinely representative (Sugiyono, 2013). The specimen determination in this research adhered to the following benchmarks:

1. Health sector companies that are consistently listed on the Indonesia Stock Exchange during the research period of 2018 - 2024 .
2. Healthcare sector companies that have consistently published financial reports since 2018 - 2024 happy consecutive year

Table 1.
Sample Selection Criteria

No	Research Criteria	Amount
1	Medical sector enterprises recorded on the Indonesia Stock Exchange within the 2018 period – 2024	22
2	Health sector companies listed inconsistently on the Indonesia Stock Exchange in the 2018 period - 2024.	(6)
3	Medical sector enterprises that failed to release fiscal statements across the 2018 annual reporting span – 2024	(6)
Number of samples		12
Number of years (2018 – 2024)		7
Total sample		**84**

Source: Data processed by the author (2025)

A dependent variable denotes a variable that alters due to the impact of other variables. Thus, the dependent variable applied in this research is fiscal aggressiveness. In line with (Zata, 2021), the Effective Tax Rate (ETR) serves as the principal proxy for identifying fiscal avoidance tendencies in manufacturing enterprises recorded on the Indonesia Stock Exchange. The advantage of using ETR in this context lies in its quantitative measurability and the availability of transparent data in financial statements, making it widely applicable in empirical research . ETR can be formulated as follows:

$$\text{Effective Tax Rate (ETR)} = \frac{\text{Tax Expense}}{\text{Profit Before Tax}}$$

An autonomous variable signifies a factor that affects or brings modifications to the subordinate variable. Three autonomous factors were applied in this research: earnings capability, capital structure, and organizational scale.

Numerous dimensions are frequently employed to evaluate an enterprise's fiscal achievement, one being Return on Assets (ROA). ROA assesses an enterprise's efficiency in producing earnings through the utilization of its resources (Khairi Ummah & Suprapto, 2015). The greater the ROA, the superior the enterprise's fiscal achievement. ROA constitutes a proportion that indicates the yield on the aggregate resources employed by the enterprise. ROA is expressed as follows:

$$\text{ROA} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}}$$

Leverage is the comparison between funds obtained from external sources and funds owned by the company. Debt levels measure the amount of debt relative to the balance sheet total, with two popular measures being the debt ratio and the debt-to-equity ratio (Elyzabet, 2019). The formula for calculating the Debt to Asset ratio (DAR) is as follows:

$$\text{DAR} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

Organizational scale is regarded to affect organizational worth, since the greater the enterprise, the simpler it becomes for it to secure financing sources to accomplish its commercial objectives. Because larger businesses often have better access to markets, technology, and skilled human resources, company size also influences business strategy. This allows businesses to innovate and compete more successfully in the market, ultimately increasing the company's total value.

$$\text{Company Size} = \text{In (Total Assets)}$$

RESULTS AND DISCUSSION

Outcomes of descriptive statistical examinations of earnings capability, capital structure, and organizational scale on fiscal aggressiveness are observable in the subsequent table:

Table 2.
Results of Descriptive Statistical Analysis

Variable	Max	Min	Mean	Std. Dev.
Tax aggressiveness	30.00	-40.00	13.8994	14.00518
Profitability	31.00	-94.89	4.7387	15.92022
Leverage	85.00	11.50	50.7912	16.07169
Firm size	10.24	6.62	8.3879	0.94000

Source: Data processed using Eviews 13 (2025)

The results of descriptive statistical analysis show that related to the dependent variable, namely tax aggressiveness has an average value of 13.8994 with a standard deviation value of 14.00518 . The average result which is almost the same as the standard deviation value indicates that the distribution of tax aggressiveness data is quite varied, or the level of deviation between companies is relatively high. This indicates that there are differences in the level of tax aggressiveness between one company and another in the health sub-sector. With the highest value of 30.00 and the lowest of -40.00 , it can be concluded that there are companies that implement a very high tax saving strategy to a negative level, which indicates the possibility of aggressive tax avoidance.

In the profitability variable, the average value is recorded at 4.7387 with a dispersion index of 15.92022. Since the dispersion index greatly exceeds the mean figure, the earnings capability exhibits an extremely elevated degree of variability, signifying that certain enterprises that earn quite large profits but there are also companies that experience significant losses. This is indicated by the maximum value of 31.00 and the minimum value of -94.89 which illustrates that not all companies in the health sub-sector are in a stable financial condition, some of which experience a fairly sharp decline in performance.

The capital structure factor possesses a mean figure of 50.7912 and a dispersion index of 16.07169. The reduced dispersion index relative to the preceding factor signifies that the

distribution of leverage values tends to be stable, although variations are still visible. The maximum leverage value reaches 85.00 , while the minimum value is 11.50 , which means that some companies have a funding structure with a very high debt portion, while others are at a low debt level. In general, companies in the healthcare sub-sector have a tendency to use debt-based funding in quite large amounts.

The mean figure of the organizational scale factor equals 8.3879, with a dispersion index of 0.94000. Since the dispersion index is lesser than the mean figure, the distribution of business size data is considered minimal, or in other words, company size in the health sub-sector is largely homogeneous and stable. The utmost figure of 10.24 and the least figure of 6.62 indicate that the size differences between companies are not too large, so the scale of operation of these companies is at a level that is not very different.

Heteroscedasticity Test aims to assess whether there are deviations from the classical assumptions in the regression model **,** especially regarding the equality of residual variances. This test can be performed using the Glejser method. The decision-making criteria are: Heteroscedasticity does not exist if the probability figure exceeds 0.05, conversely, indications of heteroscedasticity emerge when the probability figure falls below 0.05. Presented next is Table 3.2, which displays the outcomes of the heteroscedasticity examination.

Table 3.
Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	17.19977	12.12964	1.417995	0.1601
X1	-0.089257	0.058990	-1.513096	0.1342
X2	-0.097685	0.073803	-1.323588	0.1894
X3	-0.633306	1.208397	-0.524088	0.6017

Source: Data processed using Eviews 13 (2025)

Grounded on Table 3, it may be inferred that the dataset does not show signs of heteroscedasticity and is suitable for use in predicting tax aggressiveness based on the factors of earnings capability, capital structure, and organizational scale since Table 3 demonstrates that the probability figure for each autonomous factor surpasses 0.05.

To ascertain that no notable association exists among the autonomous factors in the estimation framework, a collinearity assessment was executed. Aditya Wadhana (2024) stated that the collinearity assessment was undertaken to ascertain that no intense linkage occurs among autonomous factors in the estimation framework. Grounded on the Eviews output findings, all autonomous factors possess a Tolerance figure above 0.10 and a VIF figure below 10. Hence, it may be declared that the estimation framework in this research does not exhibit indications of collinearity, thereby appropriate for subsequent estimation evaluation. Presented next is Table 4, which portrays the outcomes of the collinearity assessment.

Table 4.
Multicollinearity Test Results

	Y	X1	X2	X3
Y	1.000000	0.706599	-0.438278	0.038959
X1	0.706599	1.000000	-0.618794	0.340156
X2	-0.438278	-0.618794	1.000000	-0.536617
X3	0.038959	0.340156	-0.536617	1.000000

Source: Data processed using Eviews 13 (2025)

Based on Table 4, the regression model does not exhibit multicollinearity, as the relationships among the autonomous factors do not reveal unduly elevated associations. Therefore, the model is suitable for further regression analysis.

Grounded on the panel data estimation outcomes applied in this research, the suitable assessments are the Chow assessment, the Hausman assessment, and the Lagrange multiplier assessment. The Chow assessment was undertaken to identify the most suitable framework between the Common Effect Framework and the Fixed Effect Framework to fulfill the research aims. Table 5 portrays the outcomes of the Chow assessment:

Table 5.
Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	4.214219	(11,69)	0.0001
Cross-section Chi-square	43.169283	11	0.0000

Source: Data processed using Eviews 13 (2025)

Based on Table 5 the outcomes of the Chow assessment reveal that the probability figure for the Cross-section F equals 0.0001 and the Cross-section Chi-square equals 0.0000, both situated below 0.05 (5%). Hence, H0 is declined, making the suitable framework to apply the Fixed Effect Framework. Subsequent to identifying the framework through the Chow assessment, the following stage is executing the Hausman assessment .

The Hausman test was conducted to select the most appropriate model between the Fixed Effect Model and the Random Effect Model to meet the research needs. Table 6 shows the findings of the Hausman test:

Table 6.
Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.578461	3	0.0866

Source: Data processed using Eviews 13 (2025)

The outcomes of the Hausman assessment indicate that the probability figure (random cross-section) equals 0.0866. This figure surpasses 0.05. Grounded on these findings, it may

be inferred that the suitable framework to employ in this research is the Random Effect Framework. This chosen framework was subsequently utilized to evaluate the impact of earnings capability, capital structure, and organizational scale on fiscal aggressiveness in medical sub-sector enterprises recorded on the Indonesia Stock Exchange (IDX) in 2018. – 2024. The following is a statistical calculation using the Random Effect model processed through the EViews 13 application, presented as follows:

Table 7.
Results of the Random Effect Significance Test

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 11/19/25 Time: 13:22
Sample: 2018 2024
Periods included: 7
Cross-sections included: 12
Total panel (balanced) observations: 84
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	36.80811	19.95005	1.845013	0.0687
X1	0.723481	0.084654	8.546274	0.0000
X2	-0.019969	0.113164	-0.176461	0.8604
X3	-3.019360	2.059176	-1.466296	0.1465

Effects Specification	S.D.	Rho
Cross-section random	5.370744	0.3155
Idiosyncratic random	7.910812	0.6845

Weighted Statistics

R-squared	0.540981	Mean dependent var	6.760960
Adjusted R-squared	0.523768	S.D. dependent var	11.71693
S.E. of regression	8.085805	Sum squared resid	5230.419
F-statistic	31.42825	Durbin-Watson stat	1.407432
Prob(F-statistic)	0.000000		

Unweighted Statistics

R-squared	0.543602	Mean dependent var	13.89940
Sum squared resid	7430.170	Durbin-Watson stat	0.990753

Source: Data processed using Eviews 13 (2025)

Grounded on Table 7, the outcomes of data computation employing the Random Effect Framework approach, the subsequent estimation equation may be constructed:

$Y = 36.80811 + 0.723481\ X1 - 0.019969\ X2 - 3.019360\ X3 + \varepsilon$

Y = Tax Aggressiveness
X_1 = Profitability
X_2 = Leverage
X_3 = Company Size
E = Error Term

The joint assessment (F-assessment) was employed to ascertain whether the autonomous factors collectively affect the dependent factor. Grounded on Table 7, the probability figure (F-statistic) equaled 0.000000, which lies beneath the 0.05 (5%) significance threshold. Hence, H_a was acknowledged. This denotes that earnings capability, capital structure, and organizational scale altogether exert a notable influence on fiscal aggressiveness in medical sub-sector enterprises documented on the Indonesia Stock Exchange (IDX) during 2018–2024.

The determination coefficient (R^2) assessment was undertaken to ascertain the degree to which the autonomous factors clarify the dependent factor within the estimation framework. Grounded on Table 7, the outcomes of the determination coefficient assessment reveal an R-squared figure of 0.540981. This signifies that the autonomous factors, comprising earnings capability, capital structure, and organizational scale, succeed in clarifying the dependent factor, namely fiscal aggressiveness, by 54.09% in medical sub-sector enterprises documented on the Indonesia Stock Exchange (IDX) during 2018–2024. The residual 45.91% is clarified by supplementary elements excluded from the framework that were not investigated in this research.

Partially, the outcomes of the investigation reveal that the probability figure of the earnings capability factor equals 0.0000, which lies beneath the significance threshold of 0.05. This denotes that earnings capability exerts a substantial partial effect on fiscal aggression. The estimation coefficient figure of 0.723481 denotes a positive orientation of effect, implying that a rise in earnings capability will elevate the degree of fiscal aggression. A rise in earnings capability will elevate the degree of fiscal aggressiveness, consistent with the estimation coefficient figure of 0.723481, which denotes a positive linkage. The probability figure of the capital structure factor, 0.8604, surpasses 0.05. Hence, fiscal aggressiveness is not notably affected by the debt level. The estimation coefficient of -0.019969 denotes a negative orientation, yet since it lacks significance, this impact bears no statistical importance. The probability figure of the organizational scale factor is 0.1465, which surpasses 0.05, signifying that fiscal aggressiveness is not notably affected by organizational scale. The estimation coefficient of -3.019360 denotes a negative orientation, though the assessment outcomes do not validate the significance of this impact.

The findings from this study indicate that companies in the healthcare sub-sector exhibit low levels of tax aggressiveness. Of the 84 observations, 81 companies (96.4%) had tax aggressiveness below 25%, while only 3 companies (3.6%) had tax aggressiveness above 25%. Company Companies with profitability above or below average are in the tax aggressiveness category below 25%. Of the 84 observations, 81 companies exhibited low tax aggressiveness, so profitability does not reflect the company's tax aggressiveness tendency. Enterprises possessing both elevated and diminished capital structure are also dominated by low tax aggressiveness. Companies with above-average leverage are mostly tax aggressive below 25%, and only a few are above 25%, so leverage does not show any descriptive differences in tax aggressiveness. All large companies and the majority of small companies fall into the low tax aggressiveness category. This indicates that company size does not differentiate the level of tax aggressiveness based on descriptive data.

CONCLUSION

Based on the results of data processing and data analysis carried out, it can be concluded that p , leverage, and company size simultaneously influence tax aggressiveness, which means that these three variables together have the ability to explain variations in tax aggressiveness, although they are not strong when tested individually.

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