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Abstract: This study aims to empirically examine the influence of corporate governance and corporate characteristics on tax evasion. This analysis uses the independent variable is institutional ownership, independent directors, audit committee, profitability (ROA) and leverage (DER). The dependent variable is tax evasion. Examples of food and beverage research company listed on the Indonesia Stock Exchange in 2012-2015. The research method using purposive sampling method and statistical using multiple linear regression analysis. Samples were obtained from 11 companies with a term of 4 years resulted in 44 samples. The results of this study indicate institutional ownership, independent directors and audit committee did not significantly affect the tax evasion,

Keywords: institutional ownership, independent directors, audit committee profitability (ROA), leverage

1. PRELIMINARY

Taxes that are the source of income of most major countries, has become a major element in moving the wheels of the economy and public facilities for community providers. Even occupied sector with the highest percentage of income compared to other income sector.

The importance of taxes for the government to want a tax as high as possible but not to the company. For companies tax will impact on revenue or earnings. Company to reduce the amount of taxes to be paid by means of pressing the company’s costs, including tax expense (Astuti & Aryani, 2016).

Tax evasion could be important for the company considering the taxes can save substantial cash outlay. Tax evasion done is said to not conflict with the rules of tax laws because they are practices associated with tax avoidance. Tax evasion or tax avoidance can be affected by several things such as that carried out in the research Armstrong et al, (2015) expands prior research around the distribution of tax evasion that the incentive of equity to risk positively related to tax evasion and that this relationship is stronger than the distribution of tax evasion, These results are consistent with the notion that a relatively high level of equity incentives to take risks have the potential to motivate managers to invest
in tax evasion risk beyond the level desired by the shareholders.

Characteristics of corporate governance determines how companies implement the tax. Characteristics of the question is the institutional ownership, the number of board of directors and audit committee. Many say the length of the repair process in Indonesia because of weak corporate governance. Since then, both the government and investors began to pay attention to significant improvements in corporate governance practices. To fix this, since 1999 has formed the National Committee on Governance and issued a revised Code that has experienced improvements in subsequent years (Melinda and Nur, 2013). Upon the success of corporate governance, both the government and companies in Asia have to do their part. As argued by Barton (2004) the company must make the foundation stronger and more focused; improve coverage, accuracy, and timeliness of financial reporting; and pay more attention to the rights and interests of minority shareholders.

Above background exposure to the above, it can be a problem that will be answered in this study is how to influence corporate governance and company performance against tax avoidance activity. Based on the formula above, the purpose of this study was to determine and analyze the impact of corporate governance and corporate performance terhadapa activity on corporate tax avoidance and baverage food company listed on the Stock Exchange from 2012 to 2015.

2. LITERATURE AND DEVELOPMENT

2.1 Tax Avoidance

Tax avoidance or tax evasion is an effort for a company to meminalisasikan tax burden. Legal tax avoidance when dilalsanakan according to regulations. And the illegal nature of tax evasion if done solely used to minimize tax obligations and do not have a business that is not good.

Tax evasion is considered a dilemma when disguised taxpayer does not do it, but sometimes clearly interpret your invitation is not in accordance with the legislation in question and the purpose of the legislation. Disimpulakan that tax evasion is done to minimize the burden of the tax liability that must be paid.

2.2 Institutional Ownership

Institutional ownership is an institution that has a great importance to the investment made, including a stock investment. So that institutions usually turn over responsibility to a specific division to manage investments perushaaan (Deddy Dyas et al, 2016).

This variable is given the symbol (INST), ie the proportion of institutional shares held at the end of the year. This variable will describe the level of institutional ownership in the company. A high level of institutional ownership will lead to greater scrutiny by the institutional investors that can deter opportunistic behavior of managers.
2.3 Independent Commissioner

Task commissioners oversee and give the advice to the directors. Supervision is done either on the liability of directors and the general management of the course. The number of commissioners or directors, consisting of more than one person even more (council). Each board member is not carrying out his duties independently but perform the task of keputuasn commissioners.

The existence of the Independent Board of Commissioners is expected to increase pengawasaan so as to prevent aggressive tax performed by the management company.

2.4 The Audit Committee

In the Decree of the Minister of State-Owned Enterprises No. KEP-103 / MBU / 2002, the understanding of the Audit Committee is not described explicitly, but in essence that the audit committee is a body under the Commissioner that at least at least one of the Commissioners, and two experts who are not an SOE employee is concerned that is independent both in the execution of their duties as well as reporting and directly accountable to the Commissioner or the Supervisory Board.

1.1.6 Profitability (ROE)

The main objective of the company is the result of operations or profits. The advantage is the end result of policy and management decisions. The ratio of profits will be used to measure the effectiveness of the company's operations resulting in a profit to the company.

It is important for all users of the annual report, especially those of the investors and creditors. Mengggap equity investors, profit is the sole determinants of changes in the value of securities or securities. So much also with creditors, income and operating cash flows are generally a source of interest and principal payments.

1.1.5 Laverage (DER)

According Sartono, (2008) the use of assets and sources of funding (source of funds) by companies that have a fixed cost with the intention of increasing the potential profits of shareholders. A level of a company's ability to use the assets or funds that have in realizing the company's debt burden.

Companies that have operating costs or capital costs fixed, then the company is using leverage. The use of leverage to pose a burden and a risk for the company, especially if the state of the company was deteriorating. Besides, the company must pay interest expense grew larger, the company received a penalty of kemungkinan The third party may occur.

Based on the review literature above exposure can be formulated hypotheses of this study are:
H1 : Influential Institutional Ownership significantly to the Tax Avoidance.
H2 : Number of BOC significant effect on Tax Avoidance.
H3: The Audit Committee significant effect on Tax Avoidance.
H4 : Profitability significant effect on Tax Avoidance.
H5 : Leverage significant effect on Tax Avoidance.

3. RESEARCH METHODOLOGY

2.1 Population and Sample

The population used in this study are all asuransiyang sector financial companies listed on the Indonesia Stock Exchange 2013-2015 period sebanyak98 company. Sampling technique used using purposive sampling with the provisions of the criteria. Samples diperleh as many as 44 samples.

2.2 variable

2.2.1 Dependent Variables

In this research, tax avoidance is a dependent variable. Measurement of tax avoidance using CETR (Cash Effectif Tax Rates), which formulated the income tax expense to be paid from the total income before tax or income tax expense divided by income before taxes.

\[
\text{CETR}_{it} = \frac{\text{Cash Tax Paid}_{it}}{\text{Pre-tax income}_{it}}
\]

Information:

- \(\text{CETR}_{it}\): the amount of corporate income tax paid by the company as treasury in the current year.
- \(\text{Cash Tax Paid}_{it}\): the amount of corporate income tax paid by the company i in year t based on the financial statements.
- \(\text{Pre-tax income}_{it}\): earnings before for firm i in year t based on the company's financial statements.

Independent Variables 2.2.2

The size of institutional ownership will affect the aggressive policies carried out by the company (Fadhilah, 2014). Institutional ownership (INST) is measured using the ratio of the proportion of shares granted divided by the number of shares outstanding.

The board of the independent commissioner who has no affiliation with the other commissioners, members of the board of directors and controlling shareholders. The proportion of commissioners (INDP) is measured using the ratio of the number of independent kmisaris divided by the total number of commissioners.

The audit committee is an effective tool to perform supervisory mechanisms, so as to reduce agency costs and improve the quality of corporate disclosures Said et al, (2009) in (Deddy Dyas et al, 2016). Measuring tool uses the number of audit committee within the company.

ROA measures the overall effectiveness in generating income through available assets, the power to generate a return of invested capital. ROA is measured by net profit after tax divided by total assets.

The leverage ratio is a certain level of ability of companies to use the assets or funds that have in realizing the company's debt burden. The leverage ratio describes the source of funds used by the company's operations (Deddy
Dyas et al, 2016). DER measured total debt divided by equity.

2.3 Hypothesis Testing Methods

Analysis of the data used in this research is the analysis of regersi linearberganda by the following equation:

\[ TAV = \alpha + \beta_1 \text{INST} + \beta_2 \text{INDP} + \beta_3 \text{KA} + \beta_4 \text{ROA} + \beta_5 \text{DER} + e \]

4. RESULTS AND DISCUSSION

3.1 General Data Descriptive Research

The study was conducted at the company's food and beverage listed on the Stock Exchange from 2012 to 2015. Sampling using purposive sampling to obtain the financial statements of 44 companies from 11 companies. Data obtained through www.idx.co.id.

3.2 Classical Assumption Test

3.2.1 Normality Test

Normality test is useful for determining the data that has been collected is distributed to normal or taken out of the normal population. If sig (2-tailed) > 0.05; data distribution to normal then the sig (2-tailed) > 0.05; then the data distribution is not normal. The results of Kolmogorov-Smirnov test output that significance (Sig Asymp) is 0.613. Because of the significance of > 0.05 then Ho

3.2.2 Multicollinearity Test

Dilakukan research testing of the data that the data must be free of symptoms multikolinearitas. Menurut Santoso (2001) in (Yuli Chomsatu S, 2015): 1) if the value of tolerance > 0.05 and VIF < 5, it means that not happen multicolinearity tested against the data. 2) if the value of tolerance < 0.05 and VIF > 5, it means that there is multicolinearity tested against the data. In this study, no symptoms of multikolinearitas between each variable.

3.2.3 Autocorrelation Test

Research conducted tests on the data that the data should be no autocorrelation in the regression model. Autocorrelation test test Test Run with the provisions of (1) if the value Asymp. Sig. (2-tailed) < 0.05 then there are symptoms of autocorrelation, (2) If the value Asymp. Sig. (2-tailed) > 0.05, there are no symptoms of autocorrelation. The calculation result there are no symptoms or problems autocorrelation. Because it is known Asymp value. Sig. (2-tailed) of 1.000 greater than 0.05.

3.2.4 Heteroskedastity Test

Dilakukan research testing of the data that is there inequality variants of residuals for all observations in a linear regression model. Heteroskedistisitas If the assumptions are not met, then the regression model declared invalid as a forecasting tool. If the significance value > 0.05, no symptoms of Heteroskedastity. In this study, the five variables Heteroskedastity no symptoms because the Sig. > 0.05.
3.3 Test Regression Analysis

3.3.1 Multiple Linear Regression Model

Analysis of the data used in this research is the analysis of multiple linear regression by the following equation:

\[ TAV = \alpha + \beta_1 \text{INST} + \beta_2 \text{INDP} + \beta_3 \text{KA} + \beta_4 \text{ROA} + \beta_5 \text{DER} + e \]

Information:
- \( TAV \): tax Avoidance
- \( \alpha \): Constants
- \( \text{INST} \): Institutional Ownership
- \( \text{INDP} \): Proportion of Independent Commissioner
- \( \text{KA} \): Audit Committee
- \( \text{ROA} \): Return On Asset
- \( \text{DER} \): leverage
- \( e \): error

### Table 1 Results of Linear Regression Test

Source: Appendix 1

<table>
<thead>
<tr>
<th>Fhitung</th>
<th>F tabel</th>
<th>Sig</th>
<th>Std</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,339</td>
<td>2,59</td>
<td>0,013</td>
<td>0,05</td>
<td>The model used is</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>worthy or fit</td>
</tr>
</tbody>
</table>

3.3.2 Feasibility Model (F)

F test conducted to examine the effect of all independent variables simulants or simultaneously. This test is viewed from the direction and significance of impact by:

- Institutional ownership, independent national commissioner, audit committee, profitability (ROA) and leverage (DER) a positive or negative effect on views from its Beta coefficient.
- The significance of the effect will be seen from the p-value at a significance level (\( \alpha \)) = 0.05 with the following criteria:
  a. If the p-value < 0.05 then a significant effect on tax avoidance.
  b. If the p-value > 0.05 then no significant effect on tax avoidance.

The F-test was processed using SPSS as follows:

<table>
<thead>
<tr>
<th>variables</th>
<th>B</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.229</td>
<td>0.258</td>
</tr>
<tr>
<td>Institutional ownership</td>
<td>-1.103</td>
<td>0.359</td>
</tr>
<tr>
<td>Independent Commissioner</td>
<td>-0.024</td>
<td>0.665</td>
</tr>
<tr>
<td>The Audit Committee</td>
<td>0.139</td>
<td>0.521</td>
</tr>
<tr>
<td>Profitability (ROA)</td>
<td>0.154</td>
<td>0.024</td>
</tr>
<tr>
<td>Leverage (DER)</td>
<td>0.252</td>
<td>0.03</td>
</tr>
</tbody>
</table>

### Table 2. Results of Feasibility Model

Source: Appendix 2

From the table above can be seen the value of F is 3,339, while the value of F table of 2.59 with significance level of 0.05. Because of F larger than F table then Ho is rejected and Ha accepted. Reinforced with the value \( \rho = 0.013 \) which is smaller than 0.05 criticism. It
can be concluded that the model meets the eligibility test.

### 3.3.3 Hypothesis test (t test)

The t-test is used to determine the influence of the independent variable on the dependent variable partially.

<table>
<thead>
<tr>
<th>Var</th>
<th>t</th>
<th>t_{tab}</th>
<th>Sig</th>
<th>Std</th>
<th>Ket</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>-0.929</td>
<td>2.024</td>
<td>0.359</td>
<td>&lt;0.05</td>
<td>Ho rejected</td>
</tr>
<tr>
<td>H2</td>
<td>-0.436</td>
<td>2.024</td>
<td>0.665</td>
<td>&lt;0.05</td>
<td>Ho rejected</td>
</tr>
<tr>
<td>H3</td>
<td>0.648</td>
<td>2.024</td>
<td>0.521</td>
<td>&lt;0.05</td>
<td>Ho rejected</td>
</tr>
<tr>
<td>H4</td>
<td>2.347</td>
<td>2.024</td>
<td>0.024</td>
<td>&lt;0.05</td>
<td>Ho accepted</td>
</tr>
<tr>
<td>H5</td>
<td>2.257</td>
<td>2.024</td>
<td>0.030</td>
<td>&lt;0.05</td>
<td>Ho accepted</td>
</tr>
</tbody>
</table>

Table 3 Test Results Hypothesis (t)  
Source: Appendix 3

From the above table it is known that institutional ownership variable, independent directors and audit committee has no effect on tax avoidance, profitability and leverage effect on tax avoidance.

### 3.3.4 Test of determination (R2)

Determination test is done to explain variations in the effects of independent variables on the dependent variable. Value contribution coefficient determination between 0> R2> 1. If there is a value drink (-) in R2 then said there is no effect between the independent variables and the dependent variable.

- The greater the value of R2, the influence of the independent variable on the dependent variable is getting stronger.
- The smaller the value of R2, the influence of the independent variable on the dependent variable is getting weaker.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R^2</th>
<th>adj R^2</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.512</td>
<td>0.262</td>
<td>0.165</td>
<td>The independent variables can explain the dependent variable variation</td>
</tr>
</tbody>
</table>

Table 4 Test Results of determination (R2)  
Source: Appendix 4

Seen from the table R-square value of magnitude 0.262 indicates that the proportion of the influence of all independent variables on the dependent variable of 26.2%. This means that all independent variables affect the dependent variable terhada. The remaining 73.8% is influenced by external variables that are not included in this regression model.

### 3.4 In conclusion, the study limitations, and Suggestions

This study aims to find out to examine whether the corporate governance (proxy for institutional ownership, independent directors and audit committer) and the characteristics of the company (proxied by profitability (ROE) and leverage (DER)) has an influence on tax avoidance. The sample in this study as many as 44 companies engaged in the field of food and beverage the period 2012-2015. Based on data analysis and discussion, we can conclude that institutional ownership, independent directors and audit committer no effect on tax avoidance
and profitability (ROE) and leverage (DER) berpengaruh against tax avoidance.

The test results of determination R Square is only 26.2%, the rest of 26.2% is expressed by variables outside. Data from the corporate governance report illustrates the fact kueangan less or rill, because data on the hard earned taxes. This study only refers to a sample of companies amounted to little food and baverage ie companies listed in Indonesia Stock Exchange so it can not generalize the results of his research.

The study used three corporate governance variables and two characteristics of the company, research selanjudknya expected to use more of this study or use other variables that may affect the tax avoidance outside of this study. This study conducted an analysis of tax avoidance, to the government should make laws firmly and clearly what is allowed and which ones should not be, so that taxpayers can make tax avoidance in accordance with applicable regulations. This research was conducted on a relatively small company with a number and a four-year period, so that the next dipenelitian in order to choose the company that much more,

5. BIBLIOGRAPHY


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