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TAX AVOIDANCE IN NON-CYCLICAL CONSUMER COMPANIES REGISTERED ON THE IDX DURING 2020 - 2022

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ABSTRACT

This research aims to obtain empirical evidence regarding the influence of company size, leverage and profitability on tax avoidance in non-cyclical consumer companies listed on the Indonesia Stock Exchange in 2020-2022. The total sample for this research was 48 non-cyclical companies selected using a purposive sampling method. This research uses the classic assumption test before testing the hypothesis and the multiple linear regression method. Random Effect Model is a panel data regression method that is suitable for this research. The dependent variable in this research is tax avoidance where the results obtained are that company size has no effect on tax avoidance, while leverage and profitability have a positive effect on tax avoidance. The higher the company's leverage and profitability, the higher the tax avoidance it incurs. Apart from that, this research also shows that simultaneously the independent variables, namely company size, leverage and profitability, have an effect on tax avoidance in non-cyclical consumer companies listed on the IDX during the 2020 - 2022 period.

Keywords: *Tax Avoidance, firm size, leverage, profitability*

1. INTRODUCTION

Tax is a mandatory contribution from individuals or bodies given to the state, which is coercive in accordance with the law without any direct compensation. Tax avoidance can be interpreted as an action carried out legally and safely by companies without violating applicable tax provisions because they use techniques and methods that exploit weaknesses contained in applicable laws and regulations [1].

Company size is one factor that can encourage action tax avoidance carried out by a company. Large companies usually tend to operate on a large scale so that they are able to generate large revenues and profits. These large profits will then become the basis for taxation by the government, resulting in a large tax avoidance. In this case, companies that tend to want to increase their profits will look for ways or loopholes to lighten their tax avoidance.

The use of debt to fund the costs of business activities tends to be carried out by both small and large companies. With financing from debt, the company will get additional capital to carry out its business activities. Debt can also give rise to interest expenses which can later be used as a tax deduction. Therefore, the use of debt can create an opening for companies to reduce the tax burden that should be paid. Even though this does not violate applicable regulations, using debt to deliberately avoid taxes is not an ethical action for a company to take so it needs to be taken into consideration.

Since Covid-19 was declared as a pandemic, there have been changes in Indonesia's economic conditions which have experienced a decline. Data from the Badan Pusat Statistik (BPS) shows that there was a contraction in economic growth in Indonesia in 2020 of -2.07

percent, resulting in deflation due to unstable movements in economic development in Indonesia. Therefore, the government is trying to find ways to reduce the negative impact of the pandemic by adopting fiscal policy in the form of tax relaxation. In 2020, central government financial report data shows that the realization of total tax revenue in Indonesia was IDR 1,285 trillion or equivalent to 91.5% of the target that had been set in the amount of IDR 1,404.5 trillion (https://djpb.kemenkeu.go.id). There is a difference of 8.5% between the actual tax revenue and the target. Several things that cause non-realization of tax revenues are decreasing tax rates, tax evasion, tax intensive policies that are not on target, global economic pressures and tax avoidance by taxpayers (www.dpr.go.id). Tax evasion that occurred during the Covid-19 pandemic is an interesting thing to research because of global economic pressure due to the rapid spread of the virus, resulting in policies by the Indonesian and world governments that limit all economic activities at home and abroad to prevent the spread of Covid-19.

The non-cyclical consumer sector is a sector that has a relatively small correlation with the economic cycle. In the non-cyclical consumer sector, its performance does not depend on the economic cycle because whatever happens to economic conditions, whether in the form of a recession or boom, this mandatory need will still be sought after by the public and cannot be eliminated in everyday use. Therefore, it is hoped that using this sector as a research subject will be able to describe current conditions and represent most of the sectors listed on the IDX. The non-cyclical consumer sector which has growth in line with occupation and increasing population income tends to have stable profits despite uncertain economic conditions, because this sector produces primary consumption goods. For non-cyclical consumer companies which tend to be able to generate stable results in the long term, this will of course be able to create a desire to take tax avoidance actions

This research refers to previous research conducted by [2]. Based on the background description above, researchers are interested and wish to conduct an analysis related to the influence of company size, leverage, and profitability against tax avoidance in the non-cyclical companies sector.

Based on the problem formulation described above, the objectives of the research carried out are:

a. To analyze how company size affects tax avoidance.
b. To analyze how leverage affects tax avoidance.
c. To analyze how profitability affects tax avoidance.

The results of this research are expected to provide benefits either directly or indirectly to:

a. Investor

It is hoped that this research will be able to provide an overview or consideration for investors in determining the right investment decision for the Consumer non-cyclical sectors during the COVID-19 pandemic, in order to get results or return which is in line with what is expected from the investment activities carried out.

b. Company

It is hoped that this research can provide information and provide consideration to Consumer non-cyclical companies in Indonesia regarding tax policies or decisions that will be implemented.

c. Government

This research is expected to provide information for the government regarding to Consumer non-cyclical company conditions and is a reference consideration for tax deductions in Indonesia.

d. Public

It is hoped that this research can provide information for the community regarding on tax avoidance action on Consumer non-cyclical sector listed on the IDX during the period 2020 to 2022.

e. Further research

It is hoped that this research will provide additional information and reference for further research on similar topics

As agent, managers are morally responsible for optimizing the profits of owners, increasing company value, and in return will receive compensation in accordance with the contracts they agree to. Tax avoidance is one of the actions that can ultimately increase company value [3]. Tax avoidance in this case it will be able to reduce the taxes that the company should pay and increase the profits obtained by the company so that it can increase the value of the company itself. In this case, shareholders have a supervisory role so that managers are not motivated to hide transactions or take actions that could increase the possibility of conflicts of interest and information asymmetry regarding tax elements [4], [5].

Trade off theory explains that the optimal capital structure can be based on a balance of benefits from financing with loans. Companies that choose to obtain financing through debt will gain more profits than financing through shares, because dividend payments paid after tax cannot be used as a tax deduction. However, the use of debt that exceeds a certain point (optimal) can also lead to negative things such as bankruptcy because the bankruptcy costs incurred are greater than the tax benefits of the debt. Thus, companies also need to determine the right strategy in determining the financing they need, either through shares or debt.

The large size of the company will be an additional consideration for investors. This is related to the reputation that must be maintained and the trust of the government and society in the sustainability of the company's business. Large companies will receive attention from the government regarding generating profits so that they can become the center of attention of the tax authorities regarding the imposition of taxes so that they comply with applicable government regulations [12]. Large companies primarily tend to have sales and purchase transactions in quite large quantities. This will of course create opportunities for companies to take tax avoidance actions. So it can be seen that increasing the size of the company will result in greater possibilities for action tax avoidance carried out by its management.

Several previous studies that discussing company size include research conducted by [2] and [7] revealed tax avoidance not influenced by company size. [11] and [8] which states that company size has a positive influence on tax avoidance. [6] states that company size has a negative influence on tax avoidance.

Leverage is defined as the ability of a company to full fill its financial obligations. Leverage management is very important for a company to explain that if the debt is correctly use, then the debt will be able to provide benefits to the company, both in the form of tax benefits and as a signal to investors that shows a company still has the ability to make debt payments and is still trusted to receive funding from third parties to support their business activities.

The use of debt in business activities is a common and normal thing for small and large companies. The use of debt within reasonable limits can still give rise to tax benefits because interest costs on the use of debt can reduce fiscal profits so that the tax burden transferred to the government will also be smaller. This action certainly does not violate existing tax regulations in Indonesia, so the use of debt to avoid tax is often used as a strategy by company management to reduce the tax that must be paid by the company. This shows that the greater the use of debt by a company, the greater the possibility of the company doing so tax avoidance. However, using excessive debt simply to avoid taxes is also not the right action because this will only cause new problems, namely that the company will not have the ability to pay its debts. Therefore, management needs to determine the right strategy regarding the use of debt as a tax deduction.

Several previous studies have discussed leverage including research conducted by [7] Where leverage has a positive effect on tax avoidance. [8] found leverage negatively influence on tax avoidance. [2], [10], [13], [14] and [16] stated leverage has no influence on tax avoidance.

Profitability can be interpreted as the ability of a company to make a profit using the assets it owns. Profitability has a fundamental meaning in a company's business activities to maintain the sustainability of its business. Profitability is related to profit, where this profit is one of the bases for the taxation that will be paid by the company. Companies that are able to generate large profits certainly have a large tax base, thereby increasing the nominal tax that must be remitted to the government. This shows that there is a parallel relationship between profitability and tax avoidance where the greater the profitability of a company, the greater the probability that the company will choose to take action tax avoidance. Of course there is a conflict of interest between management and the government. Company management will of course try to maximize profits, while the government will try to receive maximum taxes from the company.

Several previous studies discussing profitability include, [2], [6] [7], [8], [9] and [10], states that profitability has a positive effect on tax avoidance. The greater the company's profitability, the greater the possibility of management doing tax avoidance. Based on research by 'and [11], profitability has a negative influence ontax avoidance. As well as research [13], [16] stated that profitability was not significant tax avoidance.

The dependent variable used in this research is tax avoidance, where the measurement uses the Effective Tax Rate (ETR) to proxy tax avoidance by comparing tax expenses and profit before tax. The proxies used in this research are similar to the proxies in the research of [11], [13] and [15]

Company size is a scale that classifies the size of a company which can be seen from measuring the company's total assets for the business operations it carries out. Company size is proxied by ln total assets. The proxies in this research are similar to the proxies in research carried out by [2], [7], [11], [13] and [15]. The relationship between company size and tax avoidance is related to agency theory. The agent is the company management while the principal is the shareholder or owner. In this case, agents from large and small companies certainly want maximum profits for their principals. The bigger the company, the greater the agent's interest in fulfilling his responsibilities to the principal. The agent will try to maximize the profits that must be distributed to the principal so that it will give them the courage to take steps to avoid taxes. Having high total assets can also attract investors to invest their capital in the company. Apart from that, the large size of the company can also

attract the attention of the government to impose taxes on the company in accordance with applicable regulations. The larger the company, the more assets it has so that it can be used to generate greater profits. This ability to generate large profits will certainly be able to encourage companies to practice tax avoidance. Based on this explanation, the first hypothesis of this research is that company size has a positive effect on tax avoidance.
H1: Company size has a positive effect on Tax avoidance

Leverage is a ratio that describes how far the company's assets are financed with debt for the sake of the company's business continuity. The proxy used in this research is the same as the proxy in research conducted by [2], namely the Debt to Assets Ratio (DAR), which is a ratio that compares debt to assets owned by the company. The relationship between leverage and tax avoidance is related to trade-off theory. where this theory looks at the capital structure, namely how much debt and equity the company has so that it will be able to create a balance between the costs the company will incur and the profits it will get. Financing obtained through large amounts of debt will result in large nominal interest. This interest then becomes a tax deduction factor for the company so that they will receive tax benefits as a result of using debt. As a result, this will attract companies to use debt as a way to avoid taxes. Company management uses leverage to obtain greater profits in terms of asset costs and funding sources so that it will increase profits for its stakeholders. On the other hand, if the company actually gets a profit that is lower than the costs incurred, it will experience a loss. When a company decides to use external financing with debt, the company must be able to pay attention to its financial performance so that the use of debt will actually help the company generate profits. External financing with debt will of course give rise to interest expenses, where these interest expenses will reduce the company's fiscal income. The higher the leverage, the higher the interest expense that must be paid by the company, thereby increasing the risk of tax avoidance. Based on the explanation above, the research hypotheses is:
H2: Leverage has a positive effect on Tax avoidance

Profitability is a ratio that describes a company's performance to generate profits in a certain period from business activities carried out by a company. The proxy used in this research is in accordance with research conducted by [2], [11], [9], and [16] is Return on Assets (ROA), namely by comparing net income and company’s total assets. Profitability has a positive influence on tax avoidance. The relationship between profitability and tax avoidance is related to agency theory where agency conflicts will arise due to unequal interests between the government and company management. The higher the profit, the greater the tax that must be paid to the government. So the government will definitely ensure that companies pay their taxes in accordance with the provisions, while companies want to increase their profits. The higher the profitability of a company, the higher the tax a company must pay, which can increase tax avoidance. With high profitability, it can be said that the company is able to finance its business activities to the maximum level. High profitability also shows that the company's prospects are good in the future because it has high profits, but this also shows that the basic tax value that must be paid to the government is also getting higher. Most companies certainly have their own economic goals where they want to maximize profits for their stakeholders so that, with the high taxes that must be paid as a result of high profits, there will be a risk for the company to make tax savings. One way is to carry out tax avoidance actions.
H3: Profitability has a positive effect on tax avoidance

This research uses independent variables and dependent variables. The independent variables used in this research are Company Size (X1), Leverage (X2), and Profitability (X3). The dependent variable used in this research is Tax avoidance (Y). The relationship between the independent variable and the dependent variable in this research can be described in Figure 2.1, namely as follows:

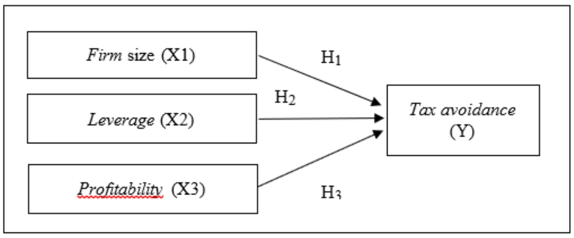

Figure 1 Research Model

2. RESEARCH METHOD

The research design used in this research is descriptive research with quantitative research methods. This research uses panel data consisting of time series data and cross section data obtained from data from non-cyclical consumer companies listed on the Indonesia Stock Exchange from 2020 to 2022. This research uses secondary data obtained from company financial statements on the official website of the Indonesia Stock Exchange which can be accessed via www.idx.co.id or the company's official website.

There are two types of variables used in this research, namely dependent variables and independent variables. The dependent variable tested in this research is tax avoidance. Furthermore, the independent variables tested in this research consist of company size, leverage, and profitability.

Table 1. Operationalization of Research Variables

Variablel	*Proxy*	Scale	*Sources*
Tax avoidance	$ETR = \frac{Tax\ expense}{profit\ before\ tax}$	Rasio	Sari, Wardani dan Lestari (2021)
Firm size	SIZE = *Ln* (Total Aset)	Nominal	Gunaasih (2021)
Leverage	$DAR = \frac{Total\ liabiltiy}{Total\ assets}$	Rasio	Gunaasih (2021)
Profitability	$ROA = \frac{Net\ Income}{Total\ assets}$	Rasio	Gunaasih (2021)

The population used in this research is 122 non-cyclical consumer companies listed on the Indonesian Stock Exchange from 2020 to 2022. Purposive sampling technique is a sample selection technique with certain considerations. This technique is used to obtain a representative sample. The criteria for sample selection are as follows:

a. The company presents financial reports ending December 31.
b. The company did not experience any losses before tax in 2020 – 2022.
c. The company makes tax payments during 2020-2022.
d. Companies that disclose their financial reports in rupiah currency

3. RESULTS AND DISSCUSIONS

The research design used in this research is descriptive research with quantitative research methods. Descriptive statistical testing is shown by the average value (mean), maximum value, minimum value and standard deviation value. The average value (mean) is a value that describes the average of all research data. The maximum value is the largest value from the research data. The minimum value is the smallest value from the research data. The standard deviation value is a value that describes the distribution of research data. The purpose of this analysis is to describe each variable that is used as the object of research, making it easier for researchers to interpret existing data. The results of descriptive statistical analysis data processing for each variable used in the research are presented in table 2 as follows:

Table 2. Result of Descriptive Statistic
Source: Data Processing using E-views 12

	ETR	SIZE	DAR	ROA
Mean	0,227131	8,632256	0,412180	0,095648
Maximum	0,320996	12,10311	0,964334	0,348874
Minimum	0,169087	4,980107	0,097788	0,000126
Std. Dev.	0,030361	1,641825	0,196140	0,064636
Observations	116	116	116	116

Based on table 2 above, it can be seen that the number of data observed was 116 data, which is data from companies in the non-cyclical consumer sector over a three-year period. From the results of this data processing, it can be concluded that the results of descriptive statistical tests are:

The dependent variable in this research is tax avoidance (ETR) which has an average value of 0.227131 from a total of 116 data observed. The maximum value of this variable is 0.320996 which is PT Sampoerna Agro Tbk in 2021. The minimum value of this variable is 0.169087 which is PT Sekar Laut Tbk in 2021. Then the standard deviation value of tax avoidance is 0.030361 which means smaller than the average value (mean). This shows that the distribution of data from tax avoidance is small.

The first independent variable in this research is company size which is proxied by SIZE. Based on the results of the descriptive statistical analysis test, it was found that the average value (mean) was 8.632256 from a total of 116 data observed. The maximum value of this variable is 12.10311 which is PT Indofood Sukses Makmur Tbk in 2022. The minimum value of this variable is 4.980107 which is PT Kurniamitra Duta Sentosa Tbk in 2020. Then the standard deviation value of company size is 1.641825 which meaning it is smaller than the average value (mean). This indicates that the data distribution for this company size is small.

The second independent variable in this research is leverage which is proxied by the Debt to Asset Ratio (DAR). Based on the results of descriptive statistical analysis tests, it was found that the average value (mean) was 0.412180 from a total of 116 data observed. The maximum value of this variable is 0.964334 which is PT Pantai Indah Kapuk Dua Tbk in 2021. The minimum value of this variable is 0.097788 which is PT Wilmar Cahaya Indonesia Tbk in 2022. Then the standard deviation value of leverage is 0.196140 which means it is smaller than the average value (mean). This indicates that the spread of data from this leverage is small.

The third independent variable in this research is profitability which is proxied by the Return on Assets Ratio (ROA). Based on the results of the descriptive statistical analysis test, it was found that the average value (mean) was 0.095648 from a total of 116 data observed. The maximum value of this variable is 0.348874 which is PT Unilever Indonesia Tbk in 2020. The minimum value of this variable is 0.000126 which is PT Pantai Indah Kapuk Dua Tbk in 2021. Then the standard deviation value of profitability is 0.064636 which is meaning it is smaller than the average value (mean). This indicates that the distribution of data on profitability is small.

This research has passed the classical-assumption test and found no problems in the trial. The results of the normality test are as follows:

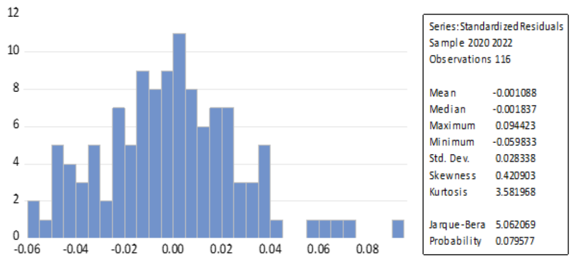

Figure 2. Result of Normality Test
Source: Data Processing using E-views 12

Based on the normality test results shown in table 3 above, it can be seen that the value Jarque - Bera Probability is 0.079577 which means it is greater than 0.05. So, it can be concluded that the residual data is normally distributed.

Table 4. Result of Multicollinearity Test
Source: Data Processing using E-views 12

	SIZE	DAR	ROA
SIZE	1	0,374578	-0,092479
DAR	0,374578	1	-0,102748
ROA	-0,092479	-0,102748	1

Source: Data Processing using E-views 12

Based on the results of the multicollinearity test shown in table 4.5 above, it can be seen that the correlation value between the independent variables consisting of company size (SIZE), leverage (DAR), profitability (ROA), none of which exceeds 0.85. This means H0 failed to be rejected so it can be said that there are no symptoms of multicollinearity in the regression model used in the research. It can be concluded that there is not a high correlation between one independent variable and another.

Table 5 Result of Autocorellation Test
Source: Data Processing using E-views 12

Equation	Durbin – Watson stat
1	1,957681

Based on the results of the autocorrelation test shown in table 4.6 above, it can be seen that the DW test value is 1.957681, with n = 116 and k = 3, so based on the Durbin Watson table with an alpha of 5% the following results are obtained:
dL value = 1.6445

Value 4 – dL = 2.3555
Nilai dU =1,7504
Nilai 4 – dU = 2,2496
DW value = 1.957681
dU < DW < 4 – dU = 1.7504 < 1.957681< 2.2496

This shows that there are no symptoms of autocorrelation in the regression model used in the research.

Table 6. Result of Heteroscedasticity Test
Source: Data Processing using E-views 12

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	0,017075	0,010570	1,615492	0,1090
SIZE	0,000132	0,001217	0,108247	0,9140
LEV	0,018158	0,010023	1,811664	0,0727
ROA	-0,038422	0,028145	-1,365141	0,1749

Based on the results of the heteroscedasticity test shown in table 4.7 above, it can be seen that the value probability from the size of the company (SIZE), leverage (DAR), profitability (ROA) has a value exceeding 0.05. This means that Ho is accepted so it can be concluded that there are no symptoms of heteroscedasticity. in the regression model used in the research.

After ensuring that there are no problems with the classic-assumptions test in the study, a number of other tests were carried out to determine the most accurate regression model. Based on the results of the Chow Hausman tests, and the most suitable regression model for this study is the Random Effect Model (REM).

Table 7. Result of Multiple Regression Analysis
Source: Data Processing using E-views 12

Dependent Variable: ETR
Method: Panel EGLS (Cross-section random effects)
Date: 10/04/23 Time: 05:27
Sample: 2020 2022
Periods included: 3
Cross-sections included: 47
Total panel (unbalanced) observations: 116
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.227019	0.019585	11.59164	0.0000
SIZE	-0.000597	0.002263	-0.263574	0.7926
LEV	0.047704	0.018089	2.637189	0.0095
ROA	-0.139195	0.049501	-2.811998	0.0058

Effects Specification	S.D.	Rho
Cross-section random	0.019240	0.4437
Idiosyncratic random	0.021544	0.5563

ETR = 0,227019 - 0,000597 SIZE + 0,047704 DAR - 0,139195 ROA + e

Information:
ETR : Tax avoidance
SIZE : Company size
DAR : Leverage
ROA : Profitability
e : Error

The results for all hypothesis were summarized in **Table 8.**

Table 8. Results of Hypothesis

Independent Variable	Dependent Variable	Coefficient	Prob.	Result
Company Size	Tax Avoidance	-0,000597	0,7926	H1 Rejected
Leverage		0,047704	0,0095	H2 Rejected
Profitability		-0,139195	0,0058	H3 Accepted

Based on the results in **Tabel 7 and 8**, it was found that the regression coefficient of company size (SIZE) is negative at -0.000597. This shows an inverse relationship between company size and tax avoidance. If the value of company size increases by one unit assuming the other independent variables are constant, then the value of tax avoidance will decrease by 0.000597. This research shows that company size has no influence on tax avoidance. This means H1 is not accepted so it can be interpreted that company size has no influence on tax avoidance. Neither large nor small company size influences action tax avoidance what will be done.

Company management, both large and small companies, will try to maintain and pay attention to every action and strategy they will carry out in order to maintain the company's good reputation and prevent the company from a bad reputation that can be caused by their actions tax avoidance. Large companies tend to have more mature tax planning compared to small companies because they will really pay attention to their image and reputation in society [6]. This shows that a big well-established and small companies also have the same tax obligations so that the size of the company does not determine the tax avoidance actions they will take. The results of this research are related to theory agency. In this case, management in both large and small companies will try to maintain their stakeholder trust's both shareholders and the government. Stakeholder has a role as a supervisor so that managers are not motivated to hide transactions or take actions that can increase the possibility of conflicts of interest and information asymmetry regarding tax elements so that both large and small company size does not influence tax avoidance which will be taken by management. The results of this research are consistent with research by [2] and [7] where company size has no effect on tax avoidance.

Meanwhile, the regression coefficient of the leverage variable (DAR) has a positive value of 0.047704. This shows an un-directional relationship between leverage and tax avoidance. If the value of the leverage variable increases by one unit assuming the other independent variables are constant, then the value of tax avoidance will increase by 0.047704. The opposite also applies, if the leverage value decreases by one unit assuming the other independent variables are constant, then the value of tax avoidance will decrease by 0.047704.

The results this research state that leverage have a negative influence on tax avoidance. This means H2 is not accepted so it can be interpreted that leverage does not have a positive influence on tax avoidance. By issuing debt, the company's capital needs are met and it is able to reduce the company's tax expenditure because the interest expense incurred due to the use of debt is allowed to be a deduction from fiscal profit. However, it should be noted that excessive use of debt can also make the company's financial condition unhealthy. Therefore, company management needs to regulate how much debt is used to finance the company's capital. This will of course be a consideration for management to manage company’s leverage so it doesn't harm the company. The excessive of leverage without good company management will cause new problems to emerge, such as the company's inability to pay its current debts and interest, leading to bankruptcy. Which is not appropriate will only increase the interest burden for the company and will not allow the company to get optimal tax reduction benefits so that companies will tend to consider other tax avoidance efforts other than using leverage as a way to avoid taxes. This research is consistent with research conducted by [8]. The research states leverage negative effect on tax avoidance. The higher company’s leverage, the smaller the risk of action tax avoidance carried out by company management.

The regression coefficient of profitability (ROA) is negative 0.139195. This shows the opposite relationship between profitability and tax avoidance. If the profitability value increases by one unit assuming the other independent variables are constant, then the value of tax avoidance will decrease by 0.139195. The opposite also applies, namely if the profitability value decreases by one unit assuming the other independent variables are constant, then the value of tax avoidance will increase by 0.139195.

This research results in profitability has positive influence on tax avoidance. This means H3 accepted so it can be interpreted that profitability has an influence on tax avoidance. The higher the ROA the company, the lower the company's ETR value. This shows that the risk of tax avoidance actions carried out by companies will also be higher. Company profits are one of the bases for tax expense. Therefore, of course, higher profits will raise the risk of action tax avoidance which is getting higher. Companies with a high level of profitability will tend to plan their taxes carefully in order to produce an optimal tax burden [2]. In practice, company management will try to get large net profits, so that as company management, they can look for ways to avoid their tax obligations by exploiting loopholes in existing tax regulations.

The results of this research relate to agency theory where agency conflicts will arise due to different interests between company management and the government. The greater the profit earned, the greater the tax that must be paid to the government. So the government will definitely ensure that companies pay their taxes in accordance with the provisions. However, management certainly wants to satisfy its shareholders so that company management will also determine strategies that can be used to reduce the tax burden they have to pay to the government. In this case, this will cause management to tend to take tax avoidance actions. This research is consistent with several previous studies conducted by [2], [9], [8], [10], [7]. This research states that profitability has a positive influence on tax avoidance.

4. CONCLUSIONS AND SUGGESTIONS

Based on the tests that have been carried out and the discussions explained in the previous chapter, the conclusions that can be drawn from this research are as follows:

a. Simultaneously the independent variables are company size, leverage, and profitability influence the tax avoidance in non-cyclical consumer companies listed on the IDX during the 2020 – 2022 period.
b. Partially, the independent variable, company size, has no effect on the dependent variable, tax avoidance in the non-cyclical consumer companies listed on the IDX during the 2020 –

2022 period. Both large companies already well-established and small companies also have the same tax obligations so that the size of the company does not determine the tax avoidance actions they will take.
c. Partially, the independent variable, leverage, has a negative and significant effect on the dependent variable, tax avoidance in non-cyclical consumer companies listed on the IDX during the 2020 - 2022 period. The higher the leverage, the lower the risk of the company taking tax avoidance actions because the company tend to think that additional debt will only result in additional interest charges that they have to pay.
d. Partially, the independent variable, profitability, has a positive and significant effect on the dependent variable, tax avoidance in non-cyclical consumer companies listed on the IDX during the 2020 – 2022 period. The higher the company's profitability, the higher the risk of tax avoidance being carried out by a company.

From the results of this research, it can be used as a reference for further research to explain the relationship between the independent variables used in this research and the possibility of companies taking action on tax avoidance. Apart from that, it is hoped that this research will also be able to give some information and as a consideration for the consumer non-cyclical companies contained in Indonesia in the tax policies or decisions that will be implemented and provide information to the government regarding the condition of the company consumer non-cyclical and becomes a reference consideration for tax cuts for consumer non-cyclical companies in Indonesia.
This research is not free from the limitations on preparing this research. It is hoped that this limitation can be taken into consideration in subsequent research. Limitations in this research are as follows:
a. Independent variables that explain the influences on tax avoidance only limited to three variables, namely company size, leverage, and profitability.
b. The research period used is limited, namely 2020 to 2022 so it only reflects conditions during the research period.
c. The research sample used is limited, namely only using listed companies in the consumer non-cyclical sector on the Indonesian Stock Exchange.

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