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Research.

Capital Intensity, Financial Performance on Tax Avoidance During Non COVID-19 and COVID-19 Period

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Abstract. The purpose of this study is to examine whether capital intensity and financial performance can affect tax avoidance during the non-COVID-19 and COVID-19 periods with profitability as a control variable. This study uses secondary data focusing on Consumer Non-Cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) from 2017 to 2022. The sampling technique used in this study is purposive sampling by utilizing data sourced from annual financial reports available at www.idx.co.id and the respective company websites. The number of companies used is 30 companies as the population, with a total of 180 sample data for observation. The results of the study indicate that capital intensity and financial performance have a significant positive effect on tax avoidance, in the non-COVID-19 and COVID-19 periods.

Key words : Capital Intensity, Financial Performance, Non COVID-19 and COVID-19 Periods, Tax Avoidance

INTRODUCTION

The role of tax is one of the most important aspects in national life, because tax is a source of state revenue used to finance all expenditures, especially in the development sector. The state needs funds to be able to carry out routine state tasks and carry out development. Not only does it act as a source of revenue in the APBN, taxation also plays an important role in efforts to maintain and restore the economy (Directorate General of Taxes). Tax according to article 1 number 1 of Law No. 28 of 2007 is a mandatory contribution to the state owed by individuals or bodies that is coercive based on the Law, without receiving direct compensation and is used for state needs for the greatest prosperity of the people.

Table 1 Realization of State Revenue 2017-2022

Source of Income	2017	2018	2019	2020	2021	2022
Tax Revenue	1.343.529,80	1.518.789,80	1.536.141,90	1.285.136,32	1.547.841,10	2.034.552,50
Non-Tax Revenue	311.216,30	409.320,20	408.994,30	343.814,21	458,493,00	595.594,50
Grant	11.629,80	15.564,90	5.497,30	18.832,82	5.013,00	5.696,10

Source of Income	2017	2018	2019	2020	2021	2022
Total	1.666.375,90	1.943.674,90	1.960.633,60	1.647.783,34	2.011.347,10	2.635.843,10

Source : Badan Pusat Statistik

It can be seen in table 1 above that tax revenues have increased every year, but decreased in 2020. The government through the Ministry of Finance implemented the National Economic Recovery program by providing tax incentives for Taxpayers Affected by the Corona Virus Disease Pandemic, because the COVID-19 pandemic first occurred in Indonesia in early March 2020 which put pressure on economic and social conditions. The Indonesian government imposed large-scale social restrictions with the approval of the Ministry of Finance with a work from home system, online teaching and learning activities, and restrictions on activities in public places or facilities (Kementrian Keuangan).

Tax avoidance practices are quite common among companies in Indonesia. Many of them do this by not reporting income that should be taxed. On the other hand, there are a number of companies that, although they report income, the report does not reflect the actual condition of the income they earn. Finance Minister Sri Mulyani said that the realization of tax revenue in 2019 only reached 84.4% of the APBN target of Rp1,577.56 trillion. This achievement effect on 2019 with a greater shortfall compared to the previous year (DDTCNews, 2020).

The Tax Justice Network reported that there was evidence of a tax avoidance case in 2019 from the British American Tobacco (BAT) company which utilized PT Bentoel Internasional Investama by taking out a large loan through a Dutch affiliate. The loan funds were used to finance debts at the bank and payments for equipment and machinery. Meanwhile, interest payments were made by reducing taxable income in Indonesia. The tax avoidance case from PT Bentoel Internasional Investama was proven to have been carried out from 2013 to 2015 which caused losses in Indonesia of US$14 per year during that period. (Kontan.co.id, 2019).

In a fact-based investigation report compiled by PT Ernst & Young Indonesia (EY) for the new management of PT. Tiga Pilar Sejahtera Food Tbk. (AISA) or TPS Food, dated March 12, 2019, there were findings of alleged inflation of funds of IDR 4 trillion which allegedly occurred in accounts receivable, inventory, and fixed assets in the AISA Group. It was also found that a flow of funds of IDR 1.78 trillion was allegedly sent by the TPS Food group to parties who were possibly related to the previous management. In this practice, various schemes were revealed, including the withdrawal of loans from several banks by the TPS Food group, the disbursement of time deposits, fund transfers through bank accounts, and financing of expenses from affiliated parties by TPS Food (CNBC Indonesia, 2019).

Several factors that influence tax avoidance are capital intensity, financial performance, non-COVID-19 and COVID-19 periods. The results of previous studies by (Sulistyawati et al., 2024); (Khoirunnisa Heriana et al., 2023) showed that capital intensity has a positive effect on tax avoidance. However, this result is inversely proportional to the results of research by (Sinaga & Suardikha, 2019); (Budianti & Curry, 2018) which stated that capital intensity has a negative effect on tax avoidance.

Previous research results by (Galatio & Trisnawati, 2024) states that financial performance has a positive influence on tax avoidance. In line with research by (Aryatama & Raharja, 2021) which states that financial performance has a positive influence on tax avoidance. This is different from the results of research by (Imas PrasTika & Syamsul Mu arif, 2024) which states that financial performance has a negative effect on tax avoidance. The results of this study are also supported by (Hasanah & Wardatul Afiqoh, 2023) which states that financial performance has a negative effect on tax avoidance.

Previous research by (Wicaksono & Adi, 2023) explains that the non-COVID-19 and COVID-19 periods have an influence on tax avoidance practices. The results of this

study are in line with research (Barid & Wulandari, 2021) which states that the non-COVID-19 and COVID-19 periods have an influence on tax avoidance practices. The results of this study are inversely proportional to the results of the study (Maitriyadewi & Yadnyana, 2022); (Ardiany et al., 2022) which states that the non-COVID-19 and COVID-19 periods have no effect on tax avoidance.

Based on the background that has been described and previous research showing varying or inconsistent results, re-research will be carried out regarding the phenomena related to the title "Capital Intensity, Financial Performance On Tax Avoidance During Non COVID-19 And COVID-19 Period (Empirical Study On Consumers Non-Cyclicals in 2017-2022)".

Formulation of the problem

The formulation of the main problems related to this study on tax avoidance can be described in more detail as follows:

1. Does capital intensity have an effect on tax avoidance?
2. Does financial performance have an effect on tax avoidance?
3. Do the non-COVID-19 and COVID-19 periods have an effect on tax avoidance?

LITERATURE REVIEW

Agency Theory

Agency theory is a theory that was first coined by Jensen et al., (1976). This theory provides a deep understanding and explains the relationship between the owner (principal) and the manager (agency) in an organization or company that is responsible for managing the day-to-day operations of an organization or company. In this context, the principal is usually a shareholder or investor who has an interest in maximizing the value of the company, while the agency is an individual or team that is employed to make strategic and operational decisions in order to achieve the goals that have been set.

In agency theory, agents can pose a risk that managers take actions that are detrimental to owners, often referred to as moral hazard. This difference in interest can lead to a conflict of interest that leads to information asymmetry, where management generally has more information than the principal about the actual financial position and position of the owner's entity. This separation of ownership aims to allow the company owner to obtain maximum profit at a low cost (Galatio & Trisnawati, 2024).

Tax Avoidance

Tax Avoidance is an effort to avoid paying the tax burden that has been calculated and imposed in the articles contained in the laws and regulations by using loopholes or weaknesses of the government in its regulations so that it is considered legal and safe for taxpayers. So that tax avoidance cannot be given sanctions or warnings because it is not included in the deviation of taxpayers in violating tax laws. Tax avoidance is carried out to maximize profits after tax deductions by avoiding or minimizing the amount of tax burden owed (Hasanah & Wardatul Afiqoh, 2023).

Tax avoidance can be done by exploiting loopholes in tax regulations, such as tax loopholes and grey areas. Tax loopholes are a legitimate way to reduce or avoid paying taxes due to gaps in tax regulations. Grey areas arise due to the ambiguity in tax regulations, which are then exploited by taxpayers to carry out tax avoidance (Sudibyo, H., H., 2022).

The problem of tax avoidance is a complex problem. On the one hand, tax avoidance is allowed. But on the other hand, it is undesirable. Tax avoidance is said not to be contrary to tax laws because it is considered a practice related to exploiting loopholes in the tax laws that will affect state revenues from the tax sector. In recent years, the government, in this case the tax authorities (tax officers), has made maximum

efforts to enforce definite boundaries between tax avoidance and tax evasion or better known as tax evasion (Dewi, 2023).

Capital Intensity

Capital intensity refers to the financial decisions taken by a company's management to determine the extent to which the company invests in fixed assets, such as property, plant, machinery, and equipment. These fixed assets form an integral part of the company's wealth, serving as resources to support the company's operations and growth in the long term. Decisions regarding capital intensity are critical in planning a company's finances and influence tax decisions. Fixed assets often account for a significant portion of a company's total assets, so their management can have a significant impact on the company's financial structure and tax policies (Sulistyawati et al., 2024).

Capital Intensity reflects how much capital a company needs to generate revenue. Capital intensity refers to the extent to which a company is able to use fixed assets to generate sales (Jusman & Nosita, 2020). In corporate management, capital intensity is very important because this ratio can show how efficiently the company uses its assets to generate maximum income. Capital intensity shows the comparison of the company's fixed assets with the assets it owns (Fatimah et al., 2021).

According to (Gayatri & Damayanthi, 2024), the higher the intensity of fixed assets in a company, the greater the possibility of the company to avoid taxes. This is because companies tend to try to minimize their tax liabilities. On the other hand, if the depreciation costs charged are smaller, the amount of tax to be paid by the company will also be lower. Smaller depreciation reduces the burden of costs that can reduce taxable profit, so that it has a direct impact on reducing the tax liabilities that must be paid. Based on the explanation that has been described, the following hypothesis is formed:

H_1: Capital intensity has a significant positive effect on tax avoidance.

Financial Performance

Financial performance focuses on how a company can manage and generate profits from its activities. Tax avoidance refers to a strategy used by companies to reduce the tax burden that must be paid, by exploiting existing loopholes in tax laws and regulations. Thus, good financial performance can provide companies with greater capacity to carry out complex tax planning and can affect their level of tax avoidance (Hasanah & Wardatul Afiqoh, 2023).

Financial performance describes the financial condition of the company and can be interpreted as how the company manages and uses financial resources, and the extent to which the company complies with accounting standards, applicable financial policies, and good governance principles to achieve long-term goals. In this study, financial performance focuses on measurements that affect tax avoidance, namely Return on Equity (ROE) (Galatio & Trisnawati, 2024).

Return on Equity (ROE) which shows how effectively a company utilizes equity to generate profits, can affect tax avoidance strategies. Companies with high Return on Equity (ROE) may have greater incentives to engage in tax avoidance by utilizing aggressive tax planning or complex tax structuring, in order to maximize net income and shareholder value. Based on the explanation that has been described, the following hypothesis is formed:

H_2: Financial Performance has a significant positive effect on tax avoidance.

Non COVID-19 and COVID-19 Periods

COVID-19 is an infectious virus caused by a newly discovered type of coronavirus. Every country affected by COVID-19 is taking swift action to contain COVID-19 and mitigate the socio-economic impacts. The Indonesian government has launched tax incentives to help companies survive the COVID-19 pandemic. It is hoped that

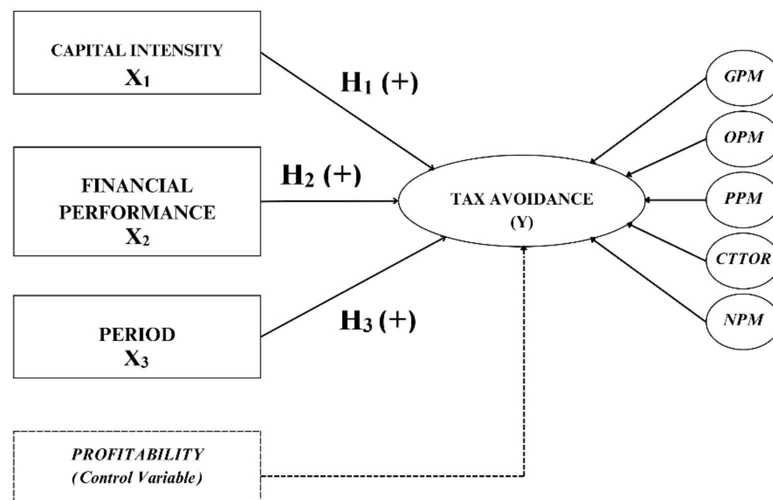
companies will be able to pay their tax obligations more strongly once the economy returns to normal levels (Kementrian Keuangan, 2021).

In addition to internal motivation from within the company in carrying out tax avoidance actions, the control and supervision process has decreased due to the work from home system during the COVID-19 pandemic (OECD, 2020). Therefore, the government has implemented tax relaxation in the form of tax incentives by transferring tax payments for 6 months starting from April-September 2020 which are charged to the government. However, the tax incentives provided by the government are considered a loophole by companies to carry out tax avoidance practices in order to maintain the company's economic conditions and value. (Barid & Wulandari, 2021). Based on the explanation that has been outlined, the following hypothesis was formed:

H_3: Non-Covid and Covid periods have a significant positive effect on tax avoidance.

Conceptual Framework

Figure 1 Conceptual Framework



As shown in Figure 1 above, it is expected that all variables, namely capital intensity, financial performance, and non-COVID-19 and COVID-19 periods can have a positive influence on tax avoidance.

RESEARCH METHODS

The research design used in this study uses secondary data from the company's annual financial report available on the Indonesia Stock Exchange website (www.idx.co.id) and the respective company's website using a purposive sampling technique. The subjects for this study were companies in the Consumer Non-Cyclicals sector during the 2017-2022 period and 113 companies were collected that had met the criteria for companies in the Consumer Non-Cyclicals sector.

Table 2 Sample Selection Criteria

Number	Sample Criteria	Total Sample
1	Consumer Non-Cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) in the period 2017-2022 (data collection basis 2022).	113
2	Consumer Non-Cyclicals sector companies conducting Initial Public Offerings (IPO) during the	(50)

Number	Sample Criteria	Total Sample
	2017-2022 period.	
3	Consumer Non-Cyclicals sector companies that carried out Delisting during the 2017-2022 period.	(3)
4	Consumer Non-Cyclicals sector companies that did not present financial reports as of December 31 during the 2017-2022 period.	(1)
	Number of Companies Meeting the Criteria	59
	Number of Years of Research	6
	Amount of Data	354
	Outlier Data	(174)
	Number of Companies After Outliers	30
	Number of Data After Outliers	180

Source : (www.idx.co.id) Data Processing Results

Of the 113 companies in the Consumer Non-Cyclicals sector, only 59 companies met the criteria as samples with a 6-year research period and several outliers, so that the companies used in the research sample were 30 companies with a total of usable data of 180 financial reports of Consumer Non-Cyclicals companies listed on the Indonesia Stock Exchange in 2017-2022.

This study consists of 1 (one) dependent variable, 3 (three) independent variables and 1 (one) control variable. The dependent variable in this study is tax avoidance (Y). The independent variables in this study are capital intensity (X1), financial performance (X2), and the Non COVID-19 and COVID-19 Periods (X3). The control variable in this study is profitability.

Dependent Variable

The dependent variable in this study is tax avoidance. Tax Avoidance is defined as a legal strategy to reduce tax obligations by exploiting loopholes or provisions in tax regulations. According to (Galatio & Trisnawati, 2024), tax avoidance can be measured using the following 5 (five) ratios:

a. *Gross Profit Margin (GPM)*

$$\text{Gross Profit Margin (GPM)} = \frac{\text{Gross Profit}}{\text{Revenue}}$$

b. *Operating Profit Margin (OPM)*

$$\text{Operating Profit Margin (OPM)} = \frac{\text{Net Operating Profit}}{\text{Revenue}}$$

c. *Pretax Profit Margin (PPM)*

$$\text{Pretax Profit Margin (PPM)} = \frac{\text{Pre-tax Profit}}{\text{Revenue}}$$

d. *Corporate Tax to Turn Over Ratio (CTTOR)*

$$\text{Corporate Tax to Turn Over Ratio (CTTOR)} = \frac{\text{Corporate Income Tax Payable}}{\text{Revenue}}$$

e. *Net Profit Margin (NPM)*

$$\text{Net Profit Margin (NPM)} = \frac{\text{Net Profit After Tax}}{\text{Revenue}}$$

Independent Variable

1. Capital Intensity

Capital intensity is a measure of how much capital or investment in the form of fixed assets is required to produce a product or service. Capital intensity can be measured using the measurement ratio (Gayatri & Damayanthi, 2024) as follows:

$$CI = \frac{\text{Total Fixed Assets}}{\text{Total Assets}}$$

2. Financial Performance

Financial performance is a measure of the extent to which a company can manage and use financial resources, and succeed in achieving its goals financially. According to (Galatio & Trisnawati, 2024), financial performance can be measured using the following ratios:

$$\text{Return On Equity (ROE)} = \frac{\text{Net Income}}{\text{Total Equity}}$$

3. Non COVID-19 and COVID-19 Periods

The Non COVID-19 period is the period before the outbreak occurred in Indonesia, namely in 2017-2019. Meanwhile, the COVID-19 period is when the outbreak is occurring, namely in 2020-2022. The Non COVID-19 and COVID-19 periods will be symbolized as follows:

Periode Non Covid-19 = 0 (2017 - 2019)

Periode Covid-19 = 1 (2020 - 2022)

Control Variable

The control variable used in this study is profitability. Profitability is a ratio used to assess the extent to which a company can generate profits and measure efficiency in managing the company's operations. Profitability can be measured using the measurement ratio (Magdalena & Trisnawati, 2020) as follows:

$$\text{Return On Assets (ROA)} = \frac{\text{Net Income}}{\text{Total Assets}}$$

Thus, hypothesis testing in this study uses the following:

$$TAvoid_{it} = \alpha + \beta 1CI_{it} + \beta 2FP_{it} + \beta 3Period_{it} + \beta 4Profitability_{it} + \varepsilon_{it}$$

Description:
TAvoid : Tax avoidance
α : Constants
β1- β4 : Regression Coefficient
CI : Capital Intensity
FP : Financial Performance
Period : Non COVID-19 and COVID-19 Periods

Profitability : Profitability
ε : Error Term
$_{it}$: Amounts of observations and time

RESULT AND DISCUSSION

Classical Assumption Test

The classical assumption tests used in this study are normality test, autocorrelation test, multicollinearity test and heteroscedasticity test. The results of the normality test with Kolmogorov-Smirnov showed a significance value above 0.05, which is 0.073. This indicates that the data used in this study has a normal distribution and can be used for further analysis without causing bias caused by violation of the normality assumption. The results of the autocorrelation test with Durbin Watson showed a figure of 0.817, it can be said that the linear regression model does not have symptoms of autocorrelation because this figure is smaller than 2 and greater than 0. All variables in this study are also free from symptoms of multicollinearity, because the Variance Inflation Factor (VIF) value is smaller than 10 and the tolerance value is greater than 0.1. From the results of the heteroscedasticity test, the significance value of all variables shows a figure above 0.05. With this, it can be concluded that the classical assumption test has been successful.

Data Analysis

The multiple linear regression analysis model in this study is used to explain the relationship and influence of capital intensity, financial performance, non-COVID-19 and COVID-19 periods, and profitability on tax avoidance. The following are the results of the multiple linear regression analysis:

Table 3 Results of Multiple Linear Regression Analysis with CTTOR indicator

Model	Unstandarized B	Coefficients Std. Error	Standarized Coefficients Beta	t	Sig.
(Constant)	.004	.002		2.505	.013
Capital Intensity	.057	.019	.209	2.975	.003
Financial Performance	-.057	.023	-.348	-2.422	.016
Periods	.005	.002	.200	2.858	.005
Profitability	.125	.037	.483	3.357	<.001

Source : Test output results using the IBM SPSS 29.0 program

Based on table 3 above, the multiple linear regression equation used in this study can be formulated as follows:

TAvoid (CTTOR) = 0.004 + 0.057CI - 0.057FP + 0.005Period + 0.125Profitability + 0.002ε

Keterangan:
TAvoid : Tax avoidance
CI : Capital Intensity
FP : Financial Performance
Period : Non COVID-19 and COVID-19 Periods
Profitability : Profitability
ε : Error Term

The multiple linear regression equation above shows that the dependent variable in this study, namely tax avoidance, has a constant of 0.004. This means that if the

independent variables in this study, namely capital intensity, financial performance, non-COVID-19 period and COVID-19 period and the control variable, namely profitability, are 0, then tax avoidance is 0.004 units. This illustrates the basic condition or starting point of tax avoidance before the influence of the independent variables is taken into account.

The regression coefficient value of capital intensity is 0.057. This value means that every 1 (one) unit increase in capital intensity will increase the tax avoidance value by 0.057 units assuming the value of other independent variables is constant or has a value of 0. Conversely, every 1 unit decrease in capital intensity will decrease tax avoidance by 0.057 units. This shows that changes in capital intensity have a direct impact on the level of tax avoidance that occurs, with a consistent effect as long as other variables do not change.

The regression coefficient value of financial performance is -0.057. This value means that every financial performance value increases by 1 (one) unit will increase tax avoidance by -0.057 units assuming the value of other independent variables is constant or has a value of 0. Conversely, every financial performance value decreases by 1 unit will decrease tax avoidance by -0.057 units. This shows a negative relationship between financial performance and tax avoidance, which means that the better the company's financial performance, the lower the level of tax avoidance.

The regression coefficient value of the non-COVID-19 period and the COVID-19 period is 0.005. This value means that every value of the non-COVID-19 period and the COVID-19 period increases by 1 unit will increase tax avoidance by 0.005 units assuming the value of other independent variables is constant or has a value of 0. Conversely, every value of the non-COVID-19 period and the COVID-19 period decreases by 1 unit will decrease tax avoidance by 0.005 units. This value shows that along with the increase in the time period, the tax avoidance value with the CTTOR indicator will increase slightly, although the effect is very small.

The regression coefficient value of profitability is 0.125. This value means that every 1 (one) unit increase in capital intensity will increase the tax avoidance value by 0.125 units assuming the value of other independent variables is constant or has a value of 0. Conversely, every 1 unit decrease in capital intensity will decrease tax avoidance by 0.125 units. This shows that an increase in profitability tends to encourage companies to carry out higher tax avoidance.

Coefficient of Determination Test (Adjusted R^2)

Table 4 Results of the Determination Coefficient Test (Adjusted R^2) with CTTOR indicator

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.388[a]	.150	.131	.01201	.817

Source : Test output results using the IBM SPSS 29.0 program

From the test results carried out in table 6 above, the coefficient of determination value is 0.131 which is greater than 0 and less than 1 with the formula $0 < 0.131 < 1$. The value obtained from the test results shows that the regression model is able to explain variations in the data. With this, it can be concluded that 13.1% of the variation in the independent variables consisting of capital intensity, financial performance, non-COVID-19 period and COVID-19 period, and profitability are able to explain the variation in the dependent variable tax avoidance even though the contribution is not too large.

The remaining percentage value of the coefficient of determination is 86.9% of the variation in tax avoidance that cannot be explained by this model. In the results of this test, it can be seen that although the model used already includes several important factors that influence tax avoidance, there are still many other variables that have the potential and play an important role in this phenomenon. This indicates that there are other factors outside the variables tested in this study that also influence the level of tax avoidance, but are not included in the regression model used. Other variables not covered in this study include leverage, company size, sales growth and so on.

F Test

Table 5 F Test Results with CTTOR Indicator

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	.004	4	.001	7.741	<.001[b]
Residual	.025	175	.000		
Total	.030	179			

Source : Test output results using the IBM SPSS 29.0 program

From the results of the F test in table 5 above, it can be seen that the calculated F has a value of 7.741. In the comparison of the calculated F value of 7.741 with the F table of 2.60, it shows that the calculated F has a greater value than the F table value. This shows that the regression model used in this study has a good fit and the independent variables tested simultaneously provide a significant contribution to tax avoidance. In other words, the regression model can be explained statistically well by the variables involved in this study.

The significance value shows a figure of 0.000 (<0.001), where the significance value obtained is less than 0.05. Thus, it can be concluded that simultaneously, independent variables consisting of capital intensity, financial performance, non-COVID-19 period and COVID-19 period, and profitability have a significant influence on the dependent variable, namely tax avoidance in companies included in the Consumer Non-Cyclicals sector listed on the Indonesia Stock Exchange (IDX) during the period 2017 to 2022.

The influence in this F test is important because it shows that these variables can explain variations in tax avoidance practices carried out by companies in the sector. This study also illustrates changes in external conditions, such as the COVID-19 pandemic can affect the tax policies taken by companies. Companies may change their tax strategies based on the current economic situation, such as the economic crisis due to the pandemic.

t Test

The value of the independent variable proxy capital intensity in table 3 above shows a calculated t of 2.975 and a table t of 2.34760. The calculated t value gives a larger number compared to the table t, so it can be said that the capital intensity proxy has a positive effect on the dependent variable tax avoidance.

The significance value obtained for the capital intensity proxy is 0.03, where this value is smaller than 0.05. In other words, the independent variable proxy capital intensity has a significant effect on the dependent variable tax avoidance in this study. So H1 which states that capital intensity has a significant positive effect on tax avoidance is accepted.

The independent variable proxy financial performance has a calculated t value of -2.422 with a table t value of 2.34760. The value of the calculated t shows a smaller number compared to the table t, so it can be said that the financial performance proxy has a negative effect on the dependent variable tax avoidance.

The significance value obtained by the financial performance proxy is 0.16, which is greater than 0.05. In other words, the independent variable of the financial performance proxy does not have a significant effect on the dependent variable of tax avoidance in this study. So that H2 which states that financial performance has a significant positive effect on tax avoidance is not accepted or rejected.

The value of the independent variable of the non-COVID-19 period and COVID-19 period proxy shows a calculated t value of 2.858 with a t table value of 2.34760. The value of the calculated t shows a larger number than the t table value, so it can be said

that the non-COVID-19 period and COVID-19 period proxy have a positive effect on the dependent variable of tax avoidance.

The significance value by the non-COVID-19 period and COVID-19 period proxy is 0.005, which is the same as 0.05. In other words, the independent variable of the non-COVID-19 period and COVID-19 period proxy has a significant effect on the dependent variable of tax avoidance in this study. So H3 which states that the non-COVID-19 period and the COVID-19 period have a significant positive effect on tax avoidance is accepted.

CONCLUSION AND SUGGESTIONS

This study was conducted to test the effect of capital intensity, financial performance, and non-COVID-19 and COVID-19 periods on tax avoidance. The subjects in this study were Consumer Non-Cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) in the period 2017 to 2022.

Based on the results of the tests that have been carried out, the following conclusions can be drawn:

1. Capital intensity has a significant positive effect on tax avoidance.
2. Financial performance has an insignificant negative effect on tax avoidance.
3. Non-COVID-19 and COVID-19 periods have a significant positive effect on tax avoidance.

Limitations and Suggestions

Based on the results of the research that has been conducted, this study has several limitations, including the companies used in this study only come from the Consumer Non-Cyclicals sector. This causes the results obtained to be less representative and potentially varied. The period used in this study is limited only to the comparison between the years before and during the COVID-19 pandemic, without considering the economic and social conditions that occurred outside that period.

Including additional independent variables that have the potential to influence the dependent variable, namely tax avoidance outside the three variables that have been used. By adding new variables such as leverage, company size, sales growth and so on, so that the study can provide deeper insight into the factors that contribute to tax avoidance. It is hoped that further research can produce findings that are more useful for understanding tax avoidance in a broader context.

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