Tax Avoidance : Does Fixed Asset Intensity and Company Size Make a Different ?

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ABSTRAK*: Latar belakang penelitian ini adalah adanya perbedaan kepentingan dalam hal perpajakan. Terutama badan usaha sebagai wajib pajak menjadikan perpajakan sebagai beban yang mengurangi laba perusahaan. Sedangkan pemerintah menjadikan pajak sebagai sumber pendapatan terbesar bagi negar. Akan tetapi kebanyakan dari badan usaha berupaya untuk menghindari pembayaran pajak yang disebut sebagai praktik tax avoidance. Munculnya bank syariah akan membuat persaingan semakin ketat. Bank syariah akan bersaing untuk menghasilkan uang sebanyak mungkin. Meskipun demikian, jumlah keuntungan yang diperoleh oleh bank syariah tentunya akan mengakibatkan peningkatan jumlah pajak yang harus dibayarkan, sehingga bank syariah berupaya untuk melakukan tax avoidance. Bank syariah dengan intensitas aset tetap yang tinggi mencerminkan bahwa bank syariah melakukan investasi yang besar terhadap aset tetap. Ukuran perusahaan menunjukkan seberapa besar atau kecil suatu perusahaan berdasarkan total asetnya. Tujuan penelitian ini adalah untuk menguji seberapa besar pengaruh intensitas aset tetap dan ukuran perusahaan terhadap tax avoidance pada Bank Umum Syariah yang terdaftar di OJK selama periode 2018-2022. Jenis penelitian ini adalah penelitian kuantitatif dengan menggunakan data sekunder yang berasal dari annual report Bank Umum Syariah. Dalam pemilihan sampelnya menggunakan teknik purposive sampling dan diperoleh 7 Bank Umum Syariah dengan total 35 sampel. Metode yang digunakan dalam penelitian ini adalah metode analisis regresi data panel dengan model Common Effect. Hasil penelitian menunjukan bahwa secara parsial (uji t) intensitas aset tetap tidak berpengaruh terhadap tax avoidance,sedangkan ukuran perusahaan berpengaruh positif signifikan terhadap tax avoidance. Dan hasil penelitian menunjukan bahwa secara simultan (uji f) intensitas aset tetap dan ukuran perusahaan tidak berpengaruh terhadap tax avoidance.*

Kata kunci*: Intensitas Aset Tetap, Ukuran Perusahaan, Tax Avoidance.*

ABSTRACT*: The background of this study is the existence of different interests in terms of taxation. Especially business entities as taxpayers make taxation a burden that reduces company profits. While the government makes tax the largest source of income for the country. However, most business entities try to avoid paying taxes which is called tax avoidance practices. The emergence of Islamic banks will make competition even tighter. Islamic banks will compete to make as much money as possible. However, the amount of profit obtained by Islamic banks will certainly result in an increase in the amount of tax that must be paid, so Islamic banks try to do tax avoidance. Islamic banks with high fixed asset intensity reflect that Islamic banks make large investments in fixed assets. Company size shows how big or small a company is based on its total assets. The purpose of this study is to test how much influence the intensity of fixed assets and company size have on tax avoidance at Islamic Commercial Banks registered with the OJK during the 2018-2022 period. This type of research is quantitative research using secondary data from the annual report of Islamic Commercial Banks. In selecting the sample using purposive sampling technique and obtained 7 Islamic Commercial Banks with a total of 35 samples. The method used in this study is the panel data regression analysis method with the Common Effect model. The results of the study indicate that partially (t-test) fixed asset intensity does not affect tax avoidance, while company size has a significant positive effect on tax avoidance. And the results of the study indicate that simultaneously (f-test) fixed asset intensity and company size do not affect tax avoidance.*

Keywords*: Fixed Asset Intensity, Company Size, Tax Avoidance.*

1. INTRODUCTION

Currently, the Islamic industry has developed and experienced a significant increase in Indonesia(Setiawan et al., 2019). ue to the large number of Islamic banks in Indonesia today, Indonesians are starting to see Islamic banks as a new alternative financial system that is very reliable (Wahab, 2011). In the current era of globalisation, the role and function of banks have become very dominant, are part of the country's financial system and are part of the world monetary and installment framework. Currently maintaining the image of the bank is very important (Sakinah & Ponirah, 2019). The emergence of Islamic banks will make competition tighter. Islamic banks will compete to make as much money as possible. However, the amount of profit earned by an Islamic bank will certainly result in an increase in the amount of tax that must be paid (Khasanah & Indriyani, 2021).

One of the main sources of income for the developing country of Indonesia is tax. Tax itself is a mandatory contribution that must be paid by all Indonesian people in accordance with applicable regulations. As the main source of state revenue, taxes play an important role in government finances, almost 70% of state revenue comes from taxes(Fitasari, 2020). Taxes are very important for the country's economy, so the government must maximise tax revenue (Devi & Arinta, 2021). The spectrum of tax avoidance problems is very broad. In general, taxpayers can perform tax avoidance in three ways: they refrain from purchasing goods subject to tax; perform transfer pricing, also known as transfer pricing; and perform juridical tax avoidance, also known as tax planning. Transfer pricing is the transfer of prices by setting a price or return(Soeradji et al., 2017).

As said by Yustinus Prastowo as Executive Directur Center for Indonesia Taxation Analysis (CITA) at the Indonesian Accountants Association seminar 'Transfer Pricing In The Era Of Tranparency' in Jakarta held in 2015, that from CITA data it is estimated that there is around Rp 100 trillion of potential loss of tax revenue from the practice of tax violations in the form of transfer pricing and tax planning every year (Suwiknyo, 2019). Apart from Indonesia, a tax avoidance case also involved one of the Swiss banking sectors, Migros Bank AG. Migros Bank AG was proven to have offered tax avoidance facilities to its German clients, helping German taxpayers hide their financial assets from tax authorities. As a result, Migros Bank AG had to pay a fine to the German tax authorities worth IDR 41 billion (DDTCNews, 2021).

The factors based on the company's financial reporting, one of which is fixed asset intensity and company size, are the variables in this study. Islamic banks with high fixed asset intensity reflect that Islamic banks make large investments in fixed assets. Previous research has been conducted on the effect of fixed asset intensity on tax avoidance, conducted by Rizky & Puspitasri (2020) with the research title 'The Effect of Company Risk, Fixed Asset Intensity, and Company Size on Tax Avoidance', the results showed that fixed asset intensity has a positive effect on tax avoidance. Meanwhile, research conducted by Nursida & Pratami (2023) with the research title 'The Effect of Ceo Tenure, Mutinational Company, Fixed Asset Intensity and Company Size on Tax Avoidance' The results showed that fixed asset intensity had no effect on tax avoidance.

The second factor is company size, the size of a company shows how big or small a company is based on its total assets. This can be calculated by converting the company's total assets into natural logarithm (Ln) form (Murhadi, 2013). The greater the natural logarithm value of a company's total assets, the greater the wealth of a company. Previous research has been conducted on the effect of company size on tax avoidance by Devi Dwi Sulastri (2022) with the title 'The Effect of Profitability, Solvency, Company Size, and Islamic Social Respontibilty on tax avoidance at Indonesian Islamic

Commercial Banks' the results of this study concluded that company size has a significant effect on tax avoidance. Meanwhile, research by Gerika Uli Sinaga et al (2023) entitled 'The Effect of Company Size, Fixed Asset Intensity, Profitability and Thin Cipatilazation on Tax Avoidance' the results of this study concluded that fixed asset intensity has a positive effect on tax avoidance while company size has no effect on tax avoidance.

In this study, researchers used an indicator to measure the amount of tax avoidance. The indicator is called Effective Tax Rate (ETR). ETR is the company's effective tax rate calculated by dividing income tax liability (tax expense) by profit before tax (Syaiyuli, 2018). A small ETR value tells you that tax avoidance in the company is high and vice versa a large ETR value tells you that tax avoidance in the company is low (Astuti & Aryan, 2016).

The following is a table regarding data on fixed Asset Intensity Company Size, and ETR (Effective Tax Rate) owned by Islamic Commercial Banks in Indonesia for the period 2018-2022, namely

Table 1. Fixed Asset Intensity, Company Size, and ETR Data

No	Code	Years	Fixed Asset Intensity (X_1)	Ket	Company Size (X_2)	Ket	ETR	Ket
1	BCAS	2018	0,018		29,586		0,194	
		2019	0,017	↓	29,787	↑	0,193	↓
		2020	0,015	↓	29,905	↑	0,211	↑
		2021	0,014	↓	29,996	↑	0,187	↓
		2022	0,012	↓	30,170	↑	0,196	↑
2	BNTBS	2018	0,014		29,582		0,286	
		2019	0,013	↓	29,787	↑	0,272	↓
		2020	0,012	↓	29,975	↑	0,261	↓
		2021	0,013	↑	30,048	↑	0,267	↑
		2022	0,024	↑	30,196	↑	0,273	↑
3	BMS	2018	0,046		29,624		0,233	
		2019	0,040	↓	29,711	↑	0,239	↑
		2020	0,025	↓	30,411	↓	0,221	↓
		2021	0,028	↑	30,273	↓	0,219	↓
		2022	0,028	=	30,408	↑	0,323	↑

Source: Processed by Researchers (2024)

By looking at the data above, it can be seen that from 2018-2022 the intensity of fixed assets and company size in several Islamic banks tends to increase significantly each year. Previously, in theory, it was explained about the intensity of fixed assets, if the ownership of fixed assets increases, tax avoidance will increase (decrease in ETR) (Miftahul, 2021), can be concluded that if fixed asset intensity (↑) then ETR (↓), and regarding company size, the size of a company will increase the desire to do tax avoidance (decrease in ETR) because the size of the company will make the company bear a large tax burden. So according to the theory if the company size is (↑) then ETR becomes (↓) (Novia, 2023). However, this does not apply to several periods of Islamic banks in the table above.

Seeing that there are differences in theory and practice, as well as differences in the results of researchers in previous studies, the authors are interested in examining the increase in tax avoidance which can be influenced by the intensity of fixed assets and company size in Islamic commercial banks, so the authors intend to re-examine with

the object of Islamic banking, Islamic banking is chosen because there is still a lack of research on tax avoidance in Islamic banking. So based on this background, the authors are interested in taking the title 'The Effect of Fixed Asset Intensity and Company Size on Tax Avoidance at Islamic Commercial Banks listed on the Financial Services Authority for the 2018-2022 Period'.

Based on the background of the problem above, the researcher determines the purpose of this study is to determine the effect of asset intensity and company size simultaneously on tax avoidance in sharia commercial banks for the period 2018-2022. In this study, researchers intend to prove the relationship between fixed asset intensity and company size on tax avoidance behaviour.

2. METHOD

The research method used by researchers is descriptive method, with the approach used in this research is quantitative approach. The subjects and objects in this study are fixed asset intensity, company size, and tax avoidance at Islamic Commercial Banks listed on the Financial Services Authority. This research was conducted at Islamic Commercial Banks registered with the OJK in the 2018-2022 period. The data sources used in this study are secondary data derived from the financial statements of the corporate entities studied through Idx.com, kemenkeu.co.id and also from financial statement documents that have been published by each Islamic Commercial Bank registered with the OJK for the period 2018-2022, other supporting guidelines from books and journals, as well as Bank Indonesia Islamic banking statistics from the official website of Bank Indonesia OJK.

The population referred to in this study is all Islamic Commercial Banks registered with the Financial Services Authority during the 2018-2022 period. The sample was selected first using purposive sampling technique, so that the sample obtained was PT Bank BCA Syariah, PT Bank NTB Syariah, PT Bank Mega Syariah, PT Bank Tabungan Pensiunan Nasional Syariah Tbk, PT BPD Riau Kepri Syariah, PT Bank Muamalat Indonesia Tbk, and PT Bank Syariah Indonesia Tbk.

The independent variables in this study are fixed asset intensity and company size. The dependent variable in this study is Tax avoidance. The data collection techniques used in this research are documentation and literature. The analysis method used in this research is implemented using Eviews-12 statistical software. These methods include descriptive statistics, classic assumption tests, panel data regression models, panel data model selection, panel data regression analysis, and hypothesis testing.

3. RESULT AND DISCUSSION

3.1 Descriptive Analysis Test

Table 2. Descriptive Test Results

	X1	X2	Y
Mean	0.039143	30.86371	0.257429
Median	0.020000	30.43000	0.260000
Maximum	0.180000	33.35000	0.490000
Minimum	0.010000	29.58000	0.040000
Std. Dev	0.042104	1.118542	0.070266
Skewness	2.013366	1.118542	0.337749
Kurtosis	6.411489	2.811712	6.899054
Jarque-Bera	40.61861	5.229745	22.83593

Probability	0.000000	0.073177	0.000011
Sum	1.370000	1080.230	9.010000
Sum Sq. Dev	0.060274	42.53862	0.167869
Observation	35	35	35

Source: Data processed by researchers using Eviews 12 (2024)

Descriptive analysis of the fixed asset intensity variable (X1) shows the average (mean) value of 0.039143, with a standard deviation value of 0.042104. The highest value (maximum) of fixed asset intensity of 0.180000 which occurred at BSI tahum 2022, and the lowest value of fixed asset intensity (minimum) of 0.009000 which occurred at BTPNS Bank in 2018.

Descriptive analysis of the company size variable (X2) shows an average (mean) value of 30.862371 with a standard deviation of 1.118542. The highest (maximum) company size value is 33.35000 which occurred in BSI in 2022, and the lowest company size value that occurred in BNTBS in 2018 was 29.58000.

Descriptive analysis of the tax avoidance variable (Y) shows an average (mean) value of 0.257429 with a standard deviation of 0.070266. The highest value (maximum) of tax avoidance is 0.49000 which occurs at BMI in 2022, and the lowest value (minimum) is 0.04000 which occurs at BMI in 2018.

3.2 Regression Model Estimation Test Results

3.2.1 Model *Common Effect*

Table 3. Common effect model test results Table

Dependent Variable: Y Method: Panel Least Squares Date: 04/01/24 Time: 15:23
Sample: 2018 2022
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.913006	0.569749	1.602471	0.1189
X1	-0.970569	0.504435	1.924072	0.0633
X2	0.039154	0.018988	2.062018	0.0474

R-squared	0.120510	Mean dependent var	0.257429
Adjusted R-squared	0.065542	S.D. dependent var	0.070266
S.E. of regression	0.067924	Akaike info criterion	-2.459029
Sum squared resid	0.147639	Schwarz criterion	-2.325714
Log likelihood	46.03302	Hannan-Quinn criter.	-2.413009
F-statistic	2.192362	Durbin-Watson stat	1.503072
Prob(F-statistic)	0.128143		

Source: Data processed by researchers using Eviews 12 (2024)

3.2.2 Model *Fixed Effect*

Table 4. Fixed Effect model test results

Dependent Variable: Y

Method: Panel Least Squares Date: 03/30/24
Time: 15:53
Sample: 2018 2022
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.357133	1.761856	0.202702	0.8409
X1	-0.720931	0.716112	-1.006729	0.3233
X2	-0.002316	0.057238	-0.040465	0.9680

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.292409	Mean dependent var	0.257429
Adjusted R-squared	0.074689	S.D. dependent var	0.070266
S.E. of regression	0.067591	Akaike info criterion	-2.333649
Sum squared resid	0.118782	Schwarz criterion	-1.933702
Log likelihood	49.83885	Hannan-Quinn criter.	-2.195587
F-statistic	1.343050	Durbin-Watson stat	
Prob (F-Statistic)			

Source: Data processed by researchers using Eviews 12 (2024)

3.2.3 Model *Random Effect*

Table 5. Random Effect Model Test Results

Dependent Variable: Y
Method: Panel EGLS (Cross-section random effects)
Date: 03/30/24
Time: 16:17
Sample: 2018 2022
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.848830	0.621858	-1.364991	0.1818
X1	-0.916786	0.538299	-1.703116	0.0982
X2	0.037006	0.020695	1.788156	0.0832

Cross-section random		0.018328	0.0685
Idiosyncratic random		0.067591	0.9315
Weighted Statistics			
R-squared	0.099015	Mean dependent var	0.220126
Adjusted R-squared	0.042703	S.D. dependent var	0.067732
S.E. of regression	0.066270	Sum squared resid	0.140535
F-statistic	1.758338	Durbin-Watson stat	
Unweighted Statistics			
R-squared	0.120145	Mean dependent var	0.257429
Sum squared resid	0.147700	Durbin-Watson stat	1.497062

Source: Data processed by researchers using Eviews 12 (2024)

3.3 Regression Model Selection Test Results

3.3.1 Uji Chow

Table 6. Chow Test esult

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.052722	(6,26)	0.4153
Cross-section Chi-square	7.611666	6	0.2680

Source: Data processed by researchers using Eviews 12 (2024)

From table 6 of the chow test results above, it shows the Chi-square probability result of 0.2680> 0,.05 then H0 is accepted, meaning that the right model to use is namely ***Common Effect Model.***

3.3.2 Hausman Test

Table 7. Hausman Test Result

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.761457	2	0.6834

Source: Data processed by researchers using Eviews 12 (2024)

Table 7 shows that the Prob. Cross-section random is 0.6834 whose value is> 0.05. Thus it can be concluded that the right model to use is ***random effect*** **model**.

3.3.3 Lagrange Multiplier Test (LM)

Table 8. Lagrange Multiplier (LM) Results

Lagrange Multiplier Tests for Random Effects Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.054547	0.228110	0.282658
	(0.8153)	(0.6329)	(0.5950)

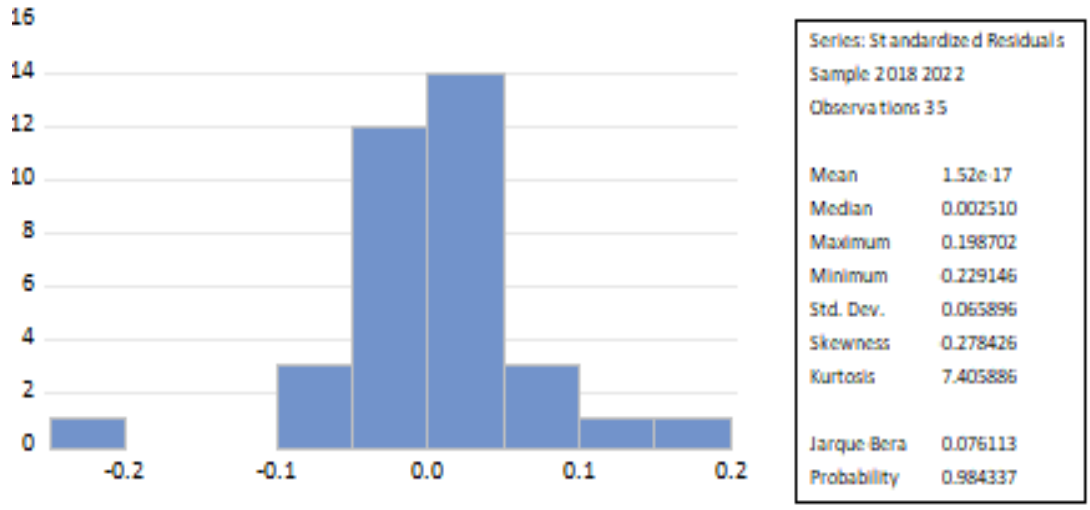
Source: Data processed by researchers using Eviews 12 (2024)

In the table above, it can be seen that the Prob. Cross-section value of 0.8153> 0.05 so it can be concluded that the estimation model used is the common effect model.

3.4 Classical Assumption Test

3.4.1 Normality Test

Figure 1. JB Test Normality Test Results



Source: Data processed by researchers using Eviews 12 (2024)

The results of the figure above show the Jarque-Bera value from the table is 0.076113 < 2, so it can be said that the data is normally distributed, with a probability value of 0.984377> 0.05, thus H0 is rejected, H1 is accepted, it can be concluded that the data is normally distributed.

3.4.2 Multicollinearity Test

Table 9. Multicollinearity Test Results

	X1	X2
X1	1.000000	0.836169
X2	0.836169	1.000000

Source: Data processed by researchers using Eviews 12 (2024)

Looking at the results of the outlier test in Table 9, it can be seen that all correlations are proven to have a value smaller than 0.9, namely 0.836169 So it can be concluded that the intensity of fixed assets and size to ETR does not occur multicollinearity problems or this model has no correlation between independent variables.

3.4.3 Heteroscedasticity Test

Table 10. Heteroscedasticity test results

Panel Cross-section Heteroskedasticity LR Test
Equation: UNTITLED
Specification: Y C X1 X2
Null hypothesis: Residuals are homoskedastic

	Value	df	Probability
Likelihood ratio	48.27717	7	0.0000

LR test summary:

	Value	df
Restricted LogL	46.03302	32
Unrestricted LogL	70.17160	32

Unrestricted Test Equation:
Dependent Variable: Y
Method: Panel EGLS (Cross-section weights)
Date: 03/30/24 Time: 16:40
Sample: 2018 2022
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35
Iterate weights to convergence
Convergence achieved after 13 weight iterations

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.079642	0.113048	0.704494	0.4862
X1	-0.402879	0.085926	-4.688663	0.0605
X2	0.006500	0.003729	1.743267	0.0909

Source: Data processed by researchers using Eviews 12 (2024)

Seen in Table 10 the test results among the independent variables show the profitability value of each independent variable is not significant (significance level> 0.05). Shows the probability value (X1) Fixed asset intensity of 0.0605 > 0.05, then the variable (X1) fixed asset intensity is free from heteroscedasticity problems. Shows the probability value (X2) Company size of 0.0909> 0.05. then the variable (X1) company size is free from heteroscedasticity problems.

3.5 Panel linear regression analysis

Table 11. Panel linear regression test results

Dependent Variable: Y Method: Panel
Least Squares Date: 04/01/24 Time:
15:23 Sample: 2018 2022
Periods included: 5
Cross-sections included: 7
Total panel (balanced) observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.913006	0.569749	1.602471	0.1189
X1	-0.970569	0.504435	1.924072	0.0633
X2				

Source: Data processed by researchers using Eviews 12 (2024)

The constant obtained value of 0.913006 with a positive value indicates that the value of the above equation if the independent variable, namely fixed asset intensity (X1) and company size (X2), is zero (0). Then the tax avoidance variable is at 0.931006, thus it explains that if the independent variable is not included in this study, the tax avoidance is worth 0.931006.

The coefficient value (b1) of the fixed asset intensity variable is -0.970568 with a negative value, meaning that if the value of other variables is constant and the variable (X1) fixed asset intensity increases by 1 unit, the variable (Y) tax avoidance will increase by 0.970568. Vice versa, if the value of other variables is constant and the variable (X1) fixed asset intensity decreases by 1 unit, the variable (Y) tax avoidance will decrease by 0.970568.

The value of the coefficient coefficient (b2) of the company size variable is 0.039154 with a positive value. This means that if the value of other variables is constant and the variable (X2) company size continues to increase by 1 unit, the variable (Y) tax avoidance will increase by 0.039154. Likewise, on the contrary, if the value of other variables is constant and the variable (X2) company size decreases by 1 unit, the variable (Y) tax avoidance will decrease by 0.039154.

3.6 Hypothesis testing

3.6.1 Test t (Partial)

Table 12. t test results using the Common Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.913006	0.569749	1.602471	0.1189
X1	-0.970569	0.504435	1.924072	0.0633
X2				

R-squared	0.120510	Mean dependent var	0.257429
Adjusted R-squared	0.065542	S.D. dependent var	0.070266
S.E. of regression	0.067924	Akaike info criterion	-2.459029
Sum squared resid	0.147639	Schwarz criterion	-2.325714
Log likelihood	46.03302	Hannan-Quinn criter.	
F-statistic	2.192362	Durbin-Watson stat	
Prob(F-statistic)			

Source: Data processed by researchers using Eviews 12 (2024)

The first hypothesis proposed in this study is to test how much influence fixed asset intensity (X1) has on tax avoidance (Y). Based on the results of statistical analysis shows that in this study there is no influence between fixed asset intensity (X1) on tax avoidance (Y). It can be seen that fixed asset intensity (X1) has tcount. Amounted to 1.924072 with a significance level of 0.0633, because tcount < ttable, namely 1.924072 < 2.036933. so it can be concluded that fixed asset intensity (X1) has no effect on tax avoidance (Y), which causes H0 to be accepted, and H1 is rejected.

The second hypothesis proposed in this study is to examine how the effect of company size (X2) on tax avoidance (Y). Based on the results of statistical analysis, it shows that in this study there is a significant influence between company size (X2) on tax avoidance (Y). It can be seen that company size has a tcount of 2.062018 with a significance level of 0.0474, because tcount> ttable, namely 2.062018> 2.036933. so it can be concluded that company size (X2) has a significant positive effect on tax avoidance (Y), which causes H0 to be rejected and H2 is accepted.

3.6.2 Test f (Simultan)

Table 13. Test f using the Common Effect Model

R-squared	0.120510	Mean dependent var	0.257429
Adjusted R-squared	0.065542	S.D. dependent var	0.070266
S.E. of regression	0.067924	Akaike info criterion	-2.459029
Sum squared resid	0.147639	Schwarz criterion	-2.325714
Log likelihood	46.03302	Hannan-Quinn criter.	-2.413009
F-statistic	2.192362	Durbin-Watson stat	1.503072
Prob(F-statistic)	0.128143		

Source: Data processed by researchers using Eviews 12 (2024)

Based on the test results of the Simultaneous Significance Test (Test f) above, testing the independent variables with a significance level of 5% and with a degree of freedom or degree of freedom df1 = k-1 = 2-1 = 1 and df2 = n-k-1 = 35-2-1 = 32, the ftabel value is 3.295437. That way, the comparison between the value of fcount and ftabel is 2.192362 < 3.295437. it can be concluded that simultaneously fixed asset

intensity and company size have no effect on tax avoidance, which causes H0 to be accepted and H3 to be rejected.

3.6.3 Determinant Coefficient Test (R-Squre)

Table 14. Determinant Coefficient Test Results (R-Squre)

R-squared	0.120510
Adjusted R-squared	0.065542
S.E. of regression	0.067924
Sum squared resid	0.147639
Log likelihood	46.03302
F-statistic	2.192362
Prob(F-statistic)	0.128143

Source: Data processed by researchers using Eviews 12 (2024)

Based on table 14, the results of the coefficient of determination (R^2) test show that the R square value is 0.120510 or 12.05%. So it indicates that the tax avoidance variable in this study can be explained through 2 variables in this study, namely fixed asset intensity and company size of 12.05% while the rest (100% -6.5% = 87.5%) is influenced by other variables not used or outside this study.

3.7 Analysis of the effect of fixed asset intensity on tax avoidance in Islamic Commercial Banks for the 2018-2022 Period

Based on partial testing, it can be stated that the intensity of fixed assets has no effect on tax avoidance. This is evidenced by the value of tcount < ttable, namely 1.924072 < 2.036933 so it can be concluded that the intensity of fixed assets (X1) has no effect on tax avoidance (Y). Therefore, the hypothesis of previous researchers which states that the intensity of fixed assets partially affects tax avoidance is not supported (H1 is rejected).

However, this contradicts research conducted by Gerika Uli Sinaga et al (2023) which states that fixed asset intensity has a negative effect on detecting tax avoidance.This shows that if fixed assets increase, the depreciation expense will increase, and the profit earned will decrease so that it will reduce the tax burden which will affect tax avoidance (Sinaga et al., 2023).

In the test results the author states that the intensity of fixed assets owned by Islamic commercial banks allows to reduce the tax burden due to depreciation of fixed assets owned by Islamic commercial banks each year. Depreciation of fixed assets at Islamic commercial banks can be charged as a deduction from profits that can reduce the tax burden of Islamic commercial banks so that it does not cause Islamic commercial banks to avoid taxes. The greater the ownership of fixed assets by Islamic commercial banks can cause ineffective use of fixed assets for the operational activities of Islamic banks to generate profits so that fixed assets are not the cause for companies to practice tax avoidance. In addition, large fixed asset holdings do not have a significant effect in terms of reducing tax payments paid by the company. The storage of large fixed assets by a company is not solely to avoid taxes but aims to run the company's operations.

The results of this study are reinforced by previous research conducted by Nina Nursida & Yolanda Pratami (2023) which states that fixed asset intensity has no significant effect on tax avoidance. The results of the study explained show that large fixed asset holdings do not have a considerable effect in terms of reducing tax payments paid by the company. Large fixed asset storage by a company is not solely to avoid taxes but aims to run company operations (Nursida & Pratami, 2023).

3.8 Analysis of the effect of company size on tax avoidance in Islamic Commercial Banks for the 2018-2022 Period

Based on partial testing, it can be stated that company size has a significant positive effect on tax avoidance. This is evidenced by the value of tcount> ttable, namely

2.062018> 2.036933, so it can be concluded that company size has a significant positive effect on tax avoidance. Therefore, the previous researcher's hypothesis which states that company size partially has a significant positive effect on tax avoidance is supported (H2 accepted).

However, this contradicts the research conducted by Novia Aisah Asriati et al, in their research stating that company size has no effect on tax avoidance. This explains that the large size of the company will make the greater the supervision provided by the government. Large company sizes also tend to have high effective tax rates on the profits they make, which often attract the attention of the tax authorities to be taxed in accordance with applicable regulations. From this it is known that large companies generally avoid tax avoidance. And of course the size of the company cannot influence tax avoidance, because tax payment is an obligation for all companies. Therefore, large or small company sizes will still pay taxes, and the amount of tax paid by the company is usually reported in the financial statements (Asriati et al., 2020).

In the results of this test the authors state that company size is a measurement that is grouped based on the size of the company. The larger the size of the company, the greater the total assets owned by the company, so that it is followed by an increase in the company's profit. With increasing profits, the tax burden borne is also getting bigger. This indicates that large companies practice tax avoidance, so in agency theory, the agent will try to reduce the company's tax burden so that the tax burden borne by the company becomes low. That way the company's goal which focuses on profit oriented can be fulfilled.

The results of this study are reinforced by the research of Devi Dwi Sulastri et al (2022) which explains that company size has a significant effect on tax avoidance. The results of this study explain that large companies tend to be able to make the most of their resources. One of them is by suppressing the tax burden borne by the company to maximise the company's performance (Risqiyah & Pramuka, 2021).

Setianingrum & Asyik (2019) also explained that large companies will have better management than small companies. In addition, large companies are considered capable of managing capital well so that investors have more confidence in investing their capital in the company. Therefore, company size affects tax avoidance. Research by Rahayu (2021), Nina Nursida & Yolanda Pratami (2023), Irianto et al (2017) also say that company size affects tax avoidance.

3.9 Analysis of the effect of fixed asset intensity and company size on tax avoidance in Islamic Commercial Banks for the 2018-2022 Period

Based on simultaneous testing, it can be seen that fhitung < ftabel, namely 2.192362 < 3.295437. it can be concluded that simultaneously fixed asset intensity and company size have no significant positive effect on tax avoidance, which causes H0 to be accepted and H3 to be rejected.

It can be concluded that simultaneously the fixed asset intensity variable and company size have no significant effect on tax avoidance at Islamic Commercial Banks in Indonesia. Therefore, the previous researcher's hypothesis which states that fixed asset intensity and company size simultaneously have a significant effect on tax avoidance is not supported (H3 is rejected).

With the test results of the coefficient of determination (R^2) shows the Adjusted R square value of 0.120510 or 12.05%. This shows that 12.05% of the variance in the tax avoidance variable can be described by variables related to fixed asset intensity and company size. This explains that the independent variable only has an effect of 12.05% on the dependent variable, the remaining 87.5% is explained by other variables not used in this study.

The results of this study are strengthened by research conducted by Krisna Teguh Anggar & Dudi Pratomo (2021) which states that fixed asset intensity and company size

simultaneously have no effect on tax avoidance. The results of this study explain that tax avoidance can be explained by independent variables, fixed asset intensity and company size by 19.3%. While the remaining 80.6% can be explained by other variables not examined in this study.

Based on the results of this study, it is known that of the 2 independent variables there is 1 independent variable that has significant results, namely company size. So overall/simultaneously the independent variables in this study have no effect on tax avoidance in Islamic commercial banks in Indonesia. In this study, it is known that the effect of fixed asset intensity and company size on Tax avoidance (ETR) in Islamic commercial banks is 12.05% and the remaining 87.5% is influenced by other factors examined in this study. According to Dowling (2014) there are several common practices for tax avoidance, namely foreign tax protection, accounting manipulation, and legal confusion. This is what causes the effect of the independent variables in this study on tax avoidance to only be 87.5%, because there are so many ways to carry out several tax avoidance practices.

4. CONCLUSION

Based on the results of this study, the authors conclude that large fixed asset holdings do not have a significant impact in reducing corporate tax payments because the fixed assets owned by the company are more intended to help the company's operations not to avoid taxes. In addition, the author emphasises that the larger the size of the company, the more assets and profits the company earns, so that the tax burden to be paid is also greater. This shows that large companies have a greater possibility of tax avoidance. However, the increase in fixed asset intensity and company size does not necessarily make companies practice tax avoidance.

This study opens up opportunities for academics to further explore the relationship between fixed asset structure, tax policy, and corporate operational strategy. Academics are expected to examine other factors, such as tax regulations and management policies, that influence the company's decision to manage its assets and tax liabilities. For practitioners, especially corporate management, it is important to consider that large fixed asset holdings should be focused on operational efficiency rather than used as a means to minimise taxes. In addition, companies need to maintain transparency in tax reporting and comply with existing regulations to avoid long-term legal risks related to tax avoidance.

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