

The Effect Of The Implementation Of Corporate Social Responsibility, Profitability And Corporate Value On Tax Aggressiveness At Pt Younexa Inti Material Cikarang

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Abstract

Keywords:

Corporate social responsibility;
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This research was conducted to test and analyze the influence of the implementation of corporate social responsibility, profitability and corporate value on tax aggressiveness. The population in this study is PT. Younexa Inti Material Cikarang. The sampling method used was snowball sampling, so that 129 samples were obtained. This research uses a quantitative approach with the type of associative research. This research also uses secondary data obtained from the website of PT. Younexa Material Core Cikarang. The statistical method used to test the research hypothesis was multiple linear regression analysis with the help of SPSS 23.0 software. The results of this study prove that the implementation of corporate social responsibility has no effect on tax aggressiveness. Then the results of the T test and the F test prove that the application of profitability has an effect on tax aggressiveness, and the application of company values has no effect on tax aggressiveness.

INTRODUCTION

Taxes are the largest source of income for a country, especially Indonesia, where taxes play an important role in the country's economy. Therefore, taxes require special attention in the implementation, collection, and applicable laws and regulations (Kusumawati and Hardingsih, 2016). In Indonesia, tax targets are often not achieved. The tax target was achieved in 2022 at 114% or 2,034.5 trillion from the target of 1,784.0 trillion. In 2023, the revenue target is 1,818.24 Trillion while the relay was reached at 1,739.84 Trillion and only reached a maximum of 95.7% percent in 2023 (LKPP, Ministry of Finance). The source of tax in Indonesia is individual and corporate taxpayers. Based on data compiled by the Directorate General of Taxes (DGT), the number of taxpayers in Indonesia currently amounts to 60 million individuals and 5 million companies. However, of this number, only 23 million individual taxpayers and 550 thousand million corporate taxpayers are tax-compliant. This is a tax injustice (CNN Indonesia, 2014). Moreover, tax arrears in the mining sector amounted to Rp 23 trillion. This is an impressive number (Kontan Daily, 2016).

Based on the above phenomenon, the tax evasion rate in Indonesia is still quite high to date. According to Landry et al. (2018), taxes that are considered as costs can be used as a loophole for companies to arise tax aggressiveness. Managerial actions, which are designed solely to minimize the corporate tax burden through tax aggressiveness activities, are common in the corporate world around the world (Lanis and Richardson, 2022). According to Hlaing (2022), tax aggressiveness is the tax planning activity of all companies involved in efforts to reduce effective tax rates.

According to Timothy (2020), tax aggressiveness is seen in two ways, namely legal tax avoidance and tax sheltering. This method is believed to reduce the company's tax burden. According to Lanis and Richardson (2021), the public's view of companies that carry out aggressive actions is considered to have formed a socially irresponsible and illegitimate activity. Basically, the concept of social responsibility or better known as CSR originates from the theory of legitimacy and stakeholder theory. These two theories can support the current implementation of CSR. In addition, the Government of Indonesia has also regulated social responsibility activities listed in Law Number 40 of 2007 concerning Limited Liability Companies and Law Number 25 of 2007 concerning Investment.

According to Bowen (1953), Qiu (2022) defines corporate social responsibility as a social obligation, which is an obligation to fulfill the goals and values of society. CSR has become commonplace in the business world (Lindgreen et al., 2019). The way companies communicate CSR is through the disclosure of social responsibility. This disclosure can be in the form of an annual report or a sustainability report.

One of the factors that can affect CSR is taxation. As seen in Table 1, both domestic and foreign tax revenues reach 80 percent of the state budget and tax revenues (APBN). This shows that taxes are the largest source of revenue for the Indonesian government that supports economic operations.

Table 1.

Tax Revenue Contribution for 2022-2024

(In Trillions of Rupiah)

Year	State Revenue	State Revenue from Taxes	Percentage
2022	2.630.147	2.034.533	77%
2023	2.634.149	2.118.348	80%
2024	2.801.863	2.309.860	82%

(Source: Ministry of Finance, Notes for 2010-2022: LKPP for 2023: Outlook for 2024: State Budget)

State revenue from taxes is increasing every year. State revenue sourced from taxes amounted to Rp 2,034 trillion rupiah in 2022 increased to Rp 2,118 trillion rupiah in 2023 and increased to Rp.2,309 trillion rupiah in 2024, even though tax revenues continued to increase every year and the achievement of the state budget target was not achieved.

According to the 2022 Tax Press Release of the Center of Indonesia Taxation Analysis (CITA), Indonesia's tax ratio in 2023 is relatively low and still lags behind other countries. This is addressed in Figure 1. Tax ratios show how the government is able to collect revenue from taxes paid by the public. If the tax ratio is high in a country, then the tax collection will also perform better.

Globally developed countries typically have the highest tax rates above 40%. For example, France has a tax rate of 46.1%, Norway 44.3%, Italy 42.9%, Sweden 41.3%, and Greece 41%. Meanwhile, the countries with the highest taxes in Asia Pacific are New Zealand at 33.8%, Japan at 33.2%, South Korea at 29.9%, Australia at 28.6%, and China at 21%. There are many reasons why tax rates in Indonesia are generally low. One of them is the public income tax rate (PPh)

which is still quite high, which is 22%. Other countries already charge lower prices, so from an investor's point of view, Indonesia

The relationship between CSR disclosure and tax aggressiveness or active taxation lies in the company's main goal to obtain maximum profits without eliminating social and environmental responsibility, so that the higher the profit of a company, the lower the taxable income and the more expensive it will be. When companies actively collect taxes or carry out tax aggressiveness, they are considered not to pay the actual tax burden for the development of the country (Freeman, 2013; Freise et al., 2018).

The introduction of the concept of Corporate Social Responsibility (CSR) is no longer an option, but it is now an obligation for companies to disclose it in their annual reports. One of these incentives is contained in Article 6 paragraph (1) of Law of the Republic of Indonesia Number 36 of 2008 concerning Income Tax.

This law is a response from the Indonesian government and is an effort to support the business world in Indonesia. Many case studies, literature, and research have discussed and analyzed the relationship between CSR and taxation. Among them is a paper titled "Corporate Social Responsibility and Tax Aggressiveness: An Empirical Analysis" published in 2012 by Lanis and Richardson, which found that the higher the level of corporate CSR disclosure, the more we provide empirical evidence that the lower the level of corporate aggressiveness. ETR (Effective Tax Rate) is one of the indicators used as a tool to measure tax aggressiveness

However, there is a difference in the research of Jessica and Toly (2014) which examined the impact of CSR disclosure on tax aggressiveness. The results of the study showed that CSR disclosure had no effect on tax aggressiveness. This can be interpreted that CSR disclosures carried out by companies in Indonesia are still general and have not been given details.

Looking at the results of previous studies, the author realizes that there is a gap between the results of one research and the results of another, therefore it is recommended to conduct further research on the impact of corporate social responsibility disclosure on tax aggressiveness.

Based on the background of the research, the effect of the implementation of CSR and Corporate Administration on Tax aggressiveness is so interesting for researchers to conduct a study entitled "The Effect Of The Implementation Of Corporate Social Responsibility, Profitability And Corporate Value On Tax Aggressiveness At Pt Younexa Inti Material Cikarang".

METHODS

This study uses a quantitative approach. As the name implies, quantitative research is a type of research whose results are obtained through quantification procedures, statistical calculations, or other methods that use numerical measures. "Quantitative" also means something related to the numerical aspect, value, or meaning that exists behind a fact, number, value, or meaning that can only be expressed and explained using statistics.

Quantitative approaches usually concentrate more on generalizations through statistical testing and eliminate the subjective influence of researchers. Therefore, the data used can be numbers, numbers, scores or grades, rankings, or frequencies, which are usually processed through mathematical or statistical calculations. Quantitative research must consider whether facts can be classified, concretized, observed, and measured. The relationship of the variables is causal, with the data source in the form of numbers and statistical analysis. The data sources include primary

data that usually comes from the researcher's own research and secondary data that usually comes from other research conducted by an institution or organization.

RESULTS AND DISCUSSION

1. Analyze and evaluate the Research on the Effect of the Implementation of Corporate Social Responsibility on Tax Aggressiveness.

The results of the study from the calculation of the effective contribution (SE) of each variable show the magnitude of the influence of the Implementation of Corporate Social Responsibility on tax aggressiveness. So it can be said that the implementation of Corporate Social Responsibility has a positive and significant effect on tax aggressiveness. This shows that the better the implementation of Corporate Social Responsibility, the more aggressive taxes will be. And conversely, the poor implementation of Corporate Social Responsibility will further reduce the level of tax aggressiveness. In this case, it means that the Implementation of Corporate Social Responsibility means that the Implementation of Corporate Social Responsibility understands the functions and benefits of taxes, both for the community and the company. So that it will increase the aggressiveness of the tax tax. The results of this study are consistent with research conducted by Ariyati, Ferdiansyah (2023) which shows the results that the Implementation of Corporate Social Responsibility has a positive and significant effect on tax aggressiveness.

2. Analyze and evaluate Research on the Influence of Profitability on Tax Aggressiveness.

The results of the study from the calculation of the effective contribution (SE) of each variable show the magnitude of the influence of profitability on tax aggressiveness. Therefore, it can be said that rejected and accepted, it can be concluded that profitability has a positive and significant effect on tax aggressiveness. This shows that the better the profitability, the more aggressive the tax. Because profitability is an important factor that needs to be considered in tax aggressiveness. The more profitability increases, the more aggressive taxes will be. This is different from the results of research conducted by AY Sima, LP Tangdialla, C Askikarno JeJAK: Accounting Student Journal - 2023 which states that profitability does not have a significant effect on tax aggressiveness. $H_0 H_{a2}$

3. Analyze and evaluate Research on the Influence of Company Value on Tax Aggressiveness

The results of the study from the calculation of the effective contribution (SE) of each variable show the magnitude of the influence of the Company Value on tax aggressiveness. Therefore, it can be said that rejected and accepted, it can be concluded that the Company's Value has a positive and significant effect on tax aggressiveness. This shows that the better the Company's Value, the more aggressive the tax will be. Because profitability is an important factor that needs to be considered in tax aggressiveness. The higher the Company's Value, the more aggressive taxes will be. Because the average company with an increased company value tends to be more careful in managing taxes by implementing tax planning and taking advantage of tax incentives provided by the government so that tax aggressiveness is carried out, this is different from the results of research conducted by Dian Khairannisa, Charoline Cheisviyanny, 2019 which stated that Company Value does not have a significant effect on tax aggressiveness. $H_0 H_{a2}$

4. Analyze and evaluate the Research on the Influence of the Implementation of Corporate Social Responsibility, Profitability and Corporate Value on Tax Aggressiveness

The results of the study from the calculation of the total effective contribution (SE) of

all variables show the magnitude of the influence of the Implementation of Corporate Social Responsibility, Profitability and Corporate Value on tax aggressiveness can be said to be rejected and accepted, this means that the independent variables of the Implementation of Corporate Social Responsibility, Profitability and Corporate Value have a positive and significant influence on tax aggressiveness. Thus, the increase in Corporate Social Responsibility, Profitability and Company Value will also increase the aggressiveness of taxation. The results of this study are consistent with the results of Yuliantoputri's research, Suhaeli 2022 which concluded that Corporate Social Responsibility, Profitability and Corporate Value simultaneously have a significant influence on tax aggressiveness. The form of influence of the variables of Corporate Social Responsibility, Profitability and Company Value together on tax aggressiveness is positive. $H_0 H_{a3}$

5. Analyze and evaluate the results of research on financial statements on various types of companies in the Jababeka Cikarang industrial area

The results of the study from the calculation of the total effective contribution (SE) of all variables show the magnitude of the influence of the Implementation of Corporate Social Responsibility, Profitability and Corporate Value on the aggressiveness of taxes presented in the financial statements of each company can be said that H_0 rejected and H_{a3} accepted, this means that the independent variables of the Implementation of Corporate Social Responsibility, Profitability and Corporate Value presented in the financial statements Each company has a positive and significant influence on tax aggressiveness. Thus, the increase in Corporate Social Responsibility, Profitability and Corporate Value will also increase the aggressiveness of the taxes carried out.

CONCLUSION

Based on the results of hypothesis testing and the discussion that has been explained in the previous chapter, the author concludes as follows:

The test results showed that the Implementation of Corporate Social Responsibility had no effect on tax aggressiveness, the magnitude of the effect of the Implementation of Corporate Social Responsibility had no effect on tax aggressiveness of 3.93%

The test results show the Effect of Profitability on Tax Aggressiveness, the Magnitude of the Influence of Profitability on Tax Aggressiveness is 3.84%.

The test results showed the Influence of Company Value on Tax Aggressiveness, the magnitude of the influence of Company Value on Tax Aggressiveness was 0.836%.

The test results show the influence of Corporate Social Responsibility (CRS), Profitability and Company Value together on Tax Aggressiveness, in multiple regression analysis a determination coefficient or R Square of 0.407 is obtained, this means that 40.7% of the tax aggressiveness variable can be explained by independent variables, namely the Application of Corporate Social Responsibility and Profitability. Meanwhile, 24.1% were influenced by other variables other than the variables used in this study.

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