

# Understanding Tax Avoidance on Bank Debts Reviewed from the Letter An Nisa 29

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## **Keywords:**

*Tax Avoidance, Bank Debt, Surah An-Nisa verse 29*

## **Abstract**

*Purpose:* This study aims to analyze tax avoidance on bank debts reviewed from the letter An Nisa verse 29 by paying attention to Islamic business ethics and the perspective of the letter An-Nisa verse 29.

*Method:* This study uses a qualitative approach with the type of library research. The data collection techniques used in this study are non-participant observation, interviews, and libraries. Data are analyzed using data reduction, data presentation, and drawing conclusions.

*Results:* The main principles in Islamic business ethics that are contrary to tax avoidance include the principle of honesty, the principle of awareness of social significance in business activities, the principle of justice, the principle of good intentions, and the principle of trust. Thus it is clear that tax avoidance which is part of a vicious circle is prohibited in Islam. Based on Surah An-Nisa verse 29 there are four main points of discussion that can be developed to see tax avoidance activities on bank debt. The four points are wealth, false path, mutual consent, and don't kill yourselves.

*Implications:* This research provides implications for accounting science, especially regarding the analysis of tax avoidance on bank debt as reviewed from the letter An Nisa 29.

*Novelty:* This study focuses on the analysis of tax avoidance on bank debt reviewed from the letter An Nisa 29 with indicators of Islamic business ethics, namely the principle of honesty, the principle of awareness of social significance in business activities, the principle of justice, the principle of good intentions, and the principle of trust. Then integrated into the review of the letter An-Nisa verse 29 there are four main points of discussion, namely wealth, the wrong path, mutual consent, and don't kill yourselves.

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## **INTRODUCTION**

The taxation implementation system in Indonesia requires provisions and procedures that are in accordance with the standard of living of the people in Indonesia, both in terms of national mutual cooperation and the rate of national development that has been achieved. Indonesia is a developing country that is implementing development. This development is a series of sustainable development efforts that cover the entire life of the people, nation and state. (Sulaeman, 2021). This is to realize the development goals as stated in the opening of the 1945 Constitution which reads to protect all the people and all of Indonesia's territory and to advance general welfare, educate the nation's life and

participate in implementing world order based on independence, eternal peace and social justice.

Tax is a very familiar thing for some people, especially in Indonesia. Tax is a very important source of income for the state and has a fairly high contribution in terms of state revenue, namely revenue in the State Budget (APBN)(Putri et al., 2024). Taxes collected by the government must be based on the 1945 Constitution, taxes collected from the people will be used to achieve economic and development goals. Taxes are part of the tax subject and tax object. Tax subjects are bodies or people whose provisions have been determined by the Constitution, while what is meant by tax objects are people who have the ability to be taxed. Taxpayers are bodies or people who have met subjective requirements and have also met objective requirements.(Hidayat, 2018).

Companies can do many strategies to minimize taxes. The purpose of companies in carrying out tax management is to reduce the tax burden borne by the company and try to optimize profits in accordance with shareholder expectations. Efforts to minimize taxes are often called tax planning. Tax planning is a means carried out by taxpayers to minimize taxes owed through schemes that have been regulated in tax laws. Companies can do many strategies in carrying out tax planning. One of the tax planning strategies is tax avoidance. Tax avoidance is a way to reduce taxes legally in accordance with tax laws.(Katz et al., 2013). Tax avoidance practices are carried out by exploiting weaknesses in tax law and not violating tax regulations, in addition to exploiting loopholes in tax regulations, tax avoidance can also be carried out by exploiting deductible expenses. One way to exploit deductible expenses is by using debt costs/interest costs(Fawzi Shubita, 2024).

One of the company's actions to avoid taxes is by taking on debt. According to Setiawan (2006), Septiani (2012), and Wisnanda (2015) in(Inanda et al., 2018)stated that one of the elements of a company's capital structure is debt. The large use of debt as a source of company capital is a phenomenon that is quite worthy of research. One of the reasons for choosing debt as one of the elements of funding composition is tax benefits. The use of debt will create debt costs. The cost of debt itself can be interpreted as the rate of return required by creditors and paid periodically(Midiastuti & Suranta, 2016).

In Indonesian tax regulations, the amount of interest expense can be categorized as a taxable income reduction (deductible expenses) so that it will reduce the amount of the company's tax burden. Many companies use this regulation as a way to carry out tax

management. Shuetrin, et.al (1993) in Midiastuty and Suranta(2016)explains that as an implication, the company will continue to increase the amount of debt costs in order to create tax efficiency. In the trade of theory explains that the use of high debt will also have a negative impact on the company, the use of high debt will eliminate the benefits of debt as a tax shield for the company, this is because when the use of debt is too high, the cost of debt incurred is also higher, so it will increase agency costs and bankruptcy costs(Midiastuti & Suranta, 2016). Tax regulations in Indonesia, recognizing interest expense as a deductible expense is regulated by KMK No. 1002/KMK.04/1984. This regulation stipulates that the interest on debt that can be recognized as an expense is the interest on debt in the ratio to capital, which is a maximum of three to one (3:1).

Debt is divided into two, namely short-term debt and long-term debt. Debt with a repayment period of less than 12 months is short-term debt, while debt with a repayment period of more than 12 months is long-term debt. Long-term debt payments can be made in installments or all at once(Nursopyan & Gunardi, 2022). One of the debt components that can affect net profit is bank debt. Bank debt is debt issued by a bank in providing loans to companies based on applications from the companies concerned.(Wijaya & Fikri, 2020). Bank debt usually includes payment terms, loan terms, and interest charged on the loan. Bank loans are often used by companies for strategic purposes, such as expansion or merger of other entities or companies. In addition to bank debt, income can also affect net income. To see whether there is an influence or not between income and profit, it can be seen from the components in the income statement of a company that are interrelated which can indicate a close relationship between the two.(Inten, 2020). Because if the income value is greater than the expenses incurred, it will generate profit or gain. Income is an inflow or other increase in the assets of a business entity or the fulfillment of obligations (or a combination of both), during a period of time arising from the provision of services, the manufacture of goods, or other activities from the main activities of a company.(Safitri & Barli, 2024).

Surah An-Nisa verse 29 is the verse that provides the first and most comprehensive explanation of the concept of business or muamalah, and if studied in depth this verse is the main point that also underlies the rules of muamalah, namely "Basically all forms of muamalah are permissible, unless there is an argument that forbids it."

تَجْرَةً عَنْ تَرَاضٍ مِنْكُمْ ۖ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا God willing يٰۤاَيُّهَا الَّذِيْنَ ءَامَنُوا لَا تَأْكُلُوْا

In addition, although it is not explained in detail and specifically about business ethics, this verse provides an explanation of what is allowed and what is prohibited in business, so that if studied in depth, the verse becomes the basis for understanding ethical values in business. The complexity of this verse is the basis for this research. Based on Surah An-Nisa verse 29, there are several important points that can be the basis for applying the principles of business ethics, especially regarding tax avoidance on bank debt. Based on this verse, four main points have been presented that describe business activities in Islam, namely; 1) Straightening the perception of wealth, 2) Not committing falsehood, The falsehood in question is anything that is done in a way that violates religious provisions and agreed requirements/aqad, 3) Achieving willingness, The principle of willingness demands that business actors can reach an agreement between all parties and strive to be mutually beneficial to each other, 4) Not committing injustice, business actors in Islam should be able to establish harmonious partnerships and not harm other business actors, so as not to be included in the group of hypocrites.

Tax avoidance has benefits for creditors because it can save money that is used for debt service. Companies that are experiencing financial difficulties, they will decide whether the funds will be paid to pay taxes or will be used to pay interest on their debts so that a question arises whether tax avoidance has a positive or negative effect on the cost of debt.(Mahendra, 2015). Trade of theory is a theory that explains the relationship between losses and profits caused by the use of corporate debt and also taxes that are calculated. Companies that use debt quite high can cause risks that will be calculated(Safitri & Barli, 2024).

This study discusses the importance of a business being able to integrate the principles of Islamic business ethics, namely tax avoidance on bank debt as a basis for managing a business venture. Therefore, this study will explore the concept of Islamic business to provide a standard understanding, and provide an overview of the model of Islamic business ethics principles regarding tax avoidance on bank debt. In addition, the direction of this study is based on the Al-Qur'an, Surah An-Nisa verse 29 as a holistic approach that explains business activities in Islam and the basis of values regarding tax avoidance on bank debt.

## METHODS

This research uses a qualitative approach, namely research that is used to describe and analyze phenomena, social activities, attitudes, beliefs, perceptions, and ways of thinking of society, both individuals and groups.(Moleong, 2016). In terms of its type, this research is

literature, including in the type of library research. Library research is research whose data collection is carried out by collecting data from various literatures. The literature studied is not limited to books but can also be in the form of documentation materials, magazines, journals, and newspapers. This research uses the postmodernist interpretivist paradigm where the research tries to combine meaning and construct tax avoidance on bank debts reviewed from the letter An-Nisa verse 29.

The data collected is primary data obtained directly from the source, namely through direct interviews and documentation. Key informants are Business Owners and Banks to strengthen the data by providing several questions related to Tax Avoidance through Bank Debt. Data triangulation was conducted by interviewing business owners and banks to strengthen the statements of key informants. Informants were chosen because the informants knew and were indeed directly involved in interpreting tax avoidance on Bank debt as reviewed from the letter An-Nisa verse 29 so that they were believed to be able to answer the formulation of the research problem. Table 1 presents the positions of the informants.

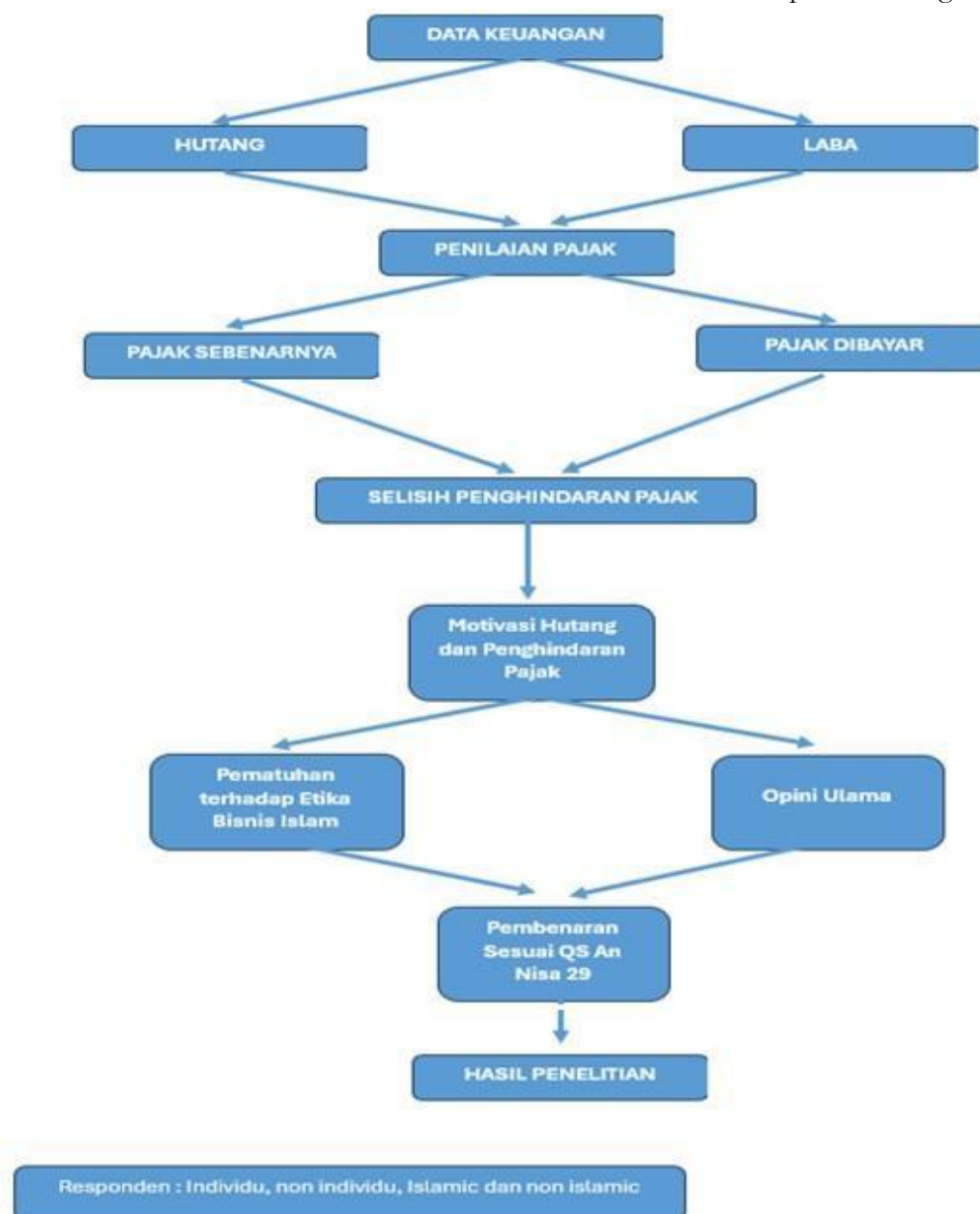
Table 1. Informant Data

No	Position/Name	Information
1	Hotel Entrepreneur (SPM)	Owner
2	Car Dealer Entrepreneur (EPR)	Owner
3	Ornamental Plant Entrepreneurs (YIM)	Owner
4	Islamic Education Institution (IW)	Treasurer
5	Islamic Education Institute (DPU)	Chairman
6	Relationship Manager Head Office (MF)	Banking
7	Relationship Manager Coordinator (SF)	Banking
8	Relationship Manager Consumer (DF)	Banking
9	Scholar (BE)	Scholar
10	Ulama (MZ)	Scholar
11	Account Representative (WB)	KPP

The data collection techniques used in this research are 1) Observation using the non-participant observation method, namely the researcher is only an observer. (Moleong, 2016). The things observed in this study are interpreting tax avoidance on bank debts reviewed from the letter An-Nisa verse 29, 2) Interviews, where researchers conduct direct interviews with informants who are considered to be able to provide the information needed. Key informants are business owners and banks to strengthen the data by providing several questions related to interpreting tax avoidance on bank debts reviewed from the letter An-Nisa verse 29, 3) documentation, where researchers obtain data by recording or copying the contents of supporting documentation related to interpreting tax avoidance on bank debts reviewed from the letter An-Nisa verse 29.

Data were analyzed using the following steps (Ahyar et al., 2020); 1) Data Reduction where data is obtained by summarizing, selecting the important, focusing on the important, identifying themes and patterns, and discarding the unnecessary. 2) Data Presentation, namely analyzing the data that has been provided by business owners and banks and using the letter An-Nisa verse 29 as an analysis tool. This can facilitate and help researchers in compiling data and finding patterns and relationships in the data and making it easier to draw conclusions, 3) drawing conclusions,

namely drawing conclusions about interpreting tax avoidance on bank debt reviewed from the letter An-Nisa verse 29. The conclusion is the stage where researchers consider the explanation of the patterns and relationships studied or make contrasts and comparisons in order to answer the formulation of the problem in the study. The framework for thinking about interpreting tax avoidance on bank debt reviewed from the letter An-Nisa verse 29 is explained in Figure 1.



## RESULTS AND DISCUSSION

In determining Tax Avoidance, the OECD (Organization for Economic Cooperation and Development) fiscal affairs committee mentions several characteristics of Tax Avoidance, namely: First, the presence of artificial elements, where various regulations seem to exist in it even though they do not, and this is done because of the absence of tax factors. Second, exploiting weaknesses in the law to apply legal provisions for various purposes, even though that

is not what the lawmakers actually intended. And Third, in general, consultants show taxpayers tools or methods to carry out Tax Avoidance on the condition that taxpayers maintain confidentiality (Katz et al., 2013).

Basically there are 3 motivations for respondents why they carry out Tax Avoidance, especially through Bank Loans:

1. Material factors, where most people want to get the greatest possible benefit or profit.

Mr. SPM said,

*"Yes, to be honest, everyone in business definitely thinks about making as much profit as possible. Taxes cut into profits, so whether we like it or not, it becomes a burden. If there is a loophole to reduce tax payments, many will take that opportunity. It doesn't mean we hate the country, it's just that logically, businesses seek efficiency and profit."*

2. Psychological factors, where some respondents consider that there are still many irregularities in tax management, so they think that rather than paying taxes, it is better to transfer the payments personally.

Mr. YIM said,

*"Honestly, I feel there are many irregularities in the existing tax administration. The process is often complicated, and I often encounter corruption among tax officers who should be trusted. Sometimes, I feel safer paying directly to those in need, rather than through a tax system that is not transparent and full of problems. It is better for the funds to be received directly by those who are entitled, such as the poor, in the form of zakat or shodaqoh, so that it will also increase my reward."*

3. Religious Factors. All transactions must be based on the principle of honesty and consent. In paying taxes it is considered a forced payment so that its halalness is doubtful.

Mr. TW said,

*"As a Muslim, I hold the belief that in Islamic teachings, taxes in the form as they are currently applied are forbidden. Islam has regulated the obligation of zakat as a form of contribution to society, and that is enough. Therefore, I feel uncomfortable, and even refuse to pay taxes, because it is contrary to the principles of the religion that I believe in. I remember the hadith of the prophet, "A Muslim's wealth is not lawful except with the willingness of its owner. Another argument regarding taxes that I know is "Indeed, the perpetrator/ collector of taxes (will be punished) in hell". The same thing was also conveyed by the DPU as follows "For me, this is not just a matter of administration or state regulations. This is a matter of belief that I have held fast to my entire life. In Islam, the obligation is clear: we are required to pay zakat, not taxes as they are currently applied. When I am forced to pay something that is considered forbidden in my religious teachings, it feels like I am betraying my own faith. It does not mean that I do not want to contribute to the common good - I still pay zakat, infak, and sedekah. I want to help, but in a lawful way, which is pleasing to Allah."*

#### **A. Compliance with Islamic Business Ethics**

According to the theory of Islamic business ethics, tax is an obligation that must be fulfilled by every taxpayer without exception. Tax avoidance in Islam is a prohibited activity. This is reinforced by the opinion of Ibn Taymiah who stated that tax avoidance is prohibited based on the consideration that not paying taxes by those who are obliged will result in a greater burden for other groups (Chapra, 2000). This can be seen from the Tax

Avoidance carried out by business owners whose names are recorded in Bank debt. Business owners no longer pay attention to the values and principles of business ethics that they must follow. Business owners only care about the profits they want to achieve. So that without realizing it, so many parties are harmed by the Tax Avoidance activity, including the state.

The following is an excerpt from an interview with Ustadz MZ regarding taxes.

*"In Islamic principles, Muslims are basically required to obey the leaders and regulations of the state as long as they do not order sin. Paying taxes, in the context of a modern state, is seen as part of a citizen's obligation to support the public interest - building roads, education, health, and so on. As long as the taxes are used for halal and beneficial purposes, then paying taxes becomes a social obligation that does not conflict with sharia. Refusing to pay taxes without sharia reasons is not justified. If there are deviations, then it is the responsibility of the government and law enforcement officers to fix them. The people are still required to fulfill their obligations. In Islam, we are asked to carry out our own mandate. As for mistakes in management, that will be the responsibility of those who betray the mandate before Allah. So it does not mean that because there is corruption then we are free from the obligation to pay taxes."*

This statement emphasizes the position that in Islam, the obligation to obey the government is part of obedience that is conditional on the common good and welfare. The resource person realizes that in the structure of a modern state, taxes are an important instrument in development and the fulfillment of public needs such as education, health, and infrastructure. Therefore, as long as the tax is used for things that are lawful and beneficial, paying it is considered not only legitimate, but also a social and moral obligation. Interestingly, the resource person also emphasized that the existence of irregularities in tax management — such as corruption or inefficiency — does not necessarily exempt individuals from the obligation to pay taxes. Responsibility for misappropriation of public funds is assigned to the government and law enforcement officers, while individuals are still required to fulfill their mandate as citizens.

Based on the theory and facts, it can be seen that bank debt is clearly one of the Tax Avoidance activities. Business actors should pay attention to the ethics that have been regulated in the Al-Quran and the hadith of the Prophet Muhammad SAW in running their business. Allah says in QS. An-Nisa (4) 29:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بَاطِلًا ۖ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

Meaning: "O you who believe, do not consume each other's wealth in a false way, except by means of commerce which is valid between you and your mutual consent."

In this verse it is explained that Islam teaches not to eat other people's property in a false way. Tax Avoidance is the act of eating other people's property in a false way because it intentionally does not pay taxes properly. By doing Tax Avoidance, business actors no longer pay attention to ethics in carrying out their business activities. So that business activities that are in accordance with Islamic business ethics are not achieved.

In addition to paying attention to ethics in business, zakat can be a solution for companies. This is because zakat is the main source of income in Islam. Even though



companies do Tax Avoidance, companies can increase the amount of zakat paid. By paying zakat, companies still pay attention to the welfare of the country and its citizens. Because state revenues obtained from zakat can be used for the development of the country and its citizens efficiently.

*Tax Avoidance*(tax avoidance) that occurs in Bank debt is carried out with various schemes such as Control Foreign Country (CFC), Transfer Pricing, Creating Offshore Companies, and Backdated Documents are activities that are contrary to the basic principles of Islamic business ethics. The basic principles in Islamic business ethics that are contrary to Tax Avoidance include (Idri, 2010):

1. Principle of Honesty. In Islamic teachings, honesty is the most basic requirement in business activities, the Prophet highly recommends honesty in all forms of business activities. The Prophet forbade all forms of business activities carried out by fraud because fraud can harm others and violate the requirements in business, namely mutual consent. Business owners whose names are recorded in Bank debt certainly violate and contradict this principle. This is because these entrepreneurs do not honestly disclose the business profits they obtain through legal schemes according to the Law.
2. The principle of awareness of social significance in business activities. In Islam, business activities are not only about how to seek maximum profit, but are more oriented towards the attitude of *Ta'awun* (mutual assistance) in order to create common welfare (Idri, 2010). Tax Avoidance is an effort made by companies so that the tax debt that must be paid becomes less. This is certainly contrary to the principle of social awareness in Islamic Business Ethics. The amount of tax that if paid properly can be used for the benefit of building the country and its citizens, becomes less because of Tax Avoidance carried out by companies. So it can be concluded that business owners do not pay attention to social interests as citizens.
3. Principle of Justice. Justice is the awareness and implementation to give another party something that should be received by the other party, so that each party has the same opportunity to exercise their rights and obligations without experiencing obstacles and coercion, giving and receiving in accordance with their rights and obligations (Idri, 2010). Justice includes equality in paying taxes. Every business actor is required to pay taxes according to the rates that have been determined based on their business and income. Tax Avoidance is contrary to this principle because by carrying out Tax Avoidance, entrepreneurs have acted unfairly to entrepreneurs who are engaged in the same field and are unfair to the state because the taxes paid do not correspond to the actual profits.
4. Principle of Good Intention. Since the beginning of the establishment of the business, it was intended to have good intentions and not the slightest hidden evil intentions towards all parties. This intention can be seen from the transparency of the vision and mission and the goals to be achieved by the business. By carrying out Tax Avoidance, the company clearly does not have good intentions in running its business. This can be seen how business owners ignore the welfare of a country by deliberately carrying out Tax Avoidance.
5. Principle of Trust. In addition to being honest, a trustworthy attitude is highly recommended in business, because both have a very close relationship in the business activity itself. Trustworthiness in business is how a company is able to maintain the country's trust in a company as one of the supporters of a country's welfare. By

deliberately carrying out Tax Avoidance, the company clearly denies its responsibility in building the country's welfare.

Based on the explanation above, Tax Avoidance is a prohibited act. This is because tax avoidance by those who are able to pay is very large, even though their number is actually small, while the poor are very many. Therefore, the attempt to avoid taxes in Muslim society is not only a criminal offense, but also a moral violation that will be sanctioned on the Day of Judgment. Moreover, if the behavior of these taxpayers reduces the government's financial ability to carry out its role effectively, then it has failed the realization of maqashid.

Thus it is clear that tax avoidance which is part of a vicious circle is prohibited in Islam. This is reinforced by the opinion of Ibn Taimiyyah who stated that, tax base, tax rate, tax avoidance, and black money are part of a vicious circle. The narrower the tax base, the higher the tax rate. The higher the tax rate, the greater the desire to avoid it and the greater the volume of black money. This vicious circle will not only cause a decline in productive investment and reduce economic growth, but also cause greater reliance on indirect regressive taxation. It is now common knowledge that tax avoidance by those who can afford to pay is very large, even though their number is actually small, while the poor are very large (Qordowi, 1997).

This is in accordance with the following quote from Ustadz BE's interview:

*"In Islam, in principle we are taught to fulfill the rights that are our obligations, including obedience to the government in matters that do not conflict with sharia. Paying taxes, as long as it is for the public interest, is part of our contribution to maintaining the welfare. Indeed, if there is embezzlement and corruption, it is a major sin for which the perpetrators will be held accountable before Allah. However, their fraud does not negate our obligations as citizens. Our duty is to fulfill our obligations sincerely, while mismanagement is their business with Allah and the law of the state. We must not mix our obligations with the mistakes of others. The Prophet himself, in many narrations, continued to pay jizyah or comply with the rules even though he lived in the midst of an oppressive government. Our attitude is to carry out our mandate, while continuing to demand justice, transparency, and fight for change through legitimate channels."*

## B. QS perspective. An-Nisa verse 29

In the context of Islam, a Muslim is not enough to just carry out the pillars of Islam, but a Muslim is also obliged to obey Islamic ethics. Therefore, business decisions are guided by faith, which in practice means submitting to sharia law, and practicing everything that is permitted, and avoiding everything that is considered haram and prohibited or not in accordance with religion (Antonio, 2023). This has been emphasized in Surah An-Nisa verse 29:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبُطْءِ ۚ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

Meaning: "O you who believe, do not consume each other's wealth in a false way, except by means of commerce which is valid between you and your mutual consent."

In some literature, Ibn Jarir has narrated about the asbabunnuzul of this verse that Surah An-Nisa verse 29 was revealed at a time when many people were carrying out

muamalah activities among the Arabs by taking property in the wrong way, which was not in accordance with Islamic guidance. Many Arabs at that time, they were only looking for profit by violating legitimate rules, and also carrying out fraudulent activities and assuming all of that was in accordance with the rules of sharia (Munandar & Ridwan, 2023).

Another view from Sayyid Qutb regarding this asbabunnuzul verse is that the revelation of this verse cannot be ascertained, whether this verse was revealed before or after the prohibition of usury, so that if this verse was revealed before the prohibition of usury, then this verse is a warning about the prohibition of usury. However, if this verse came down after the prohibition of usury, then this verse provides information regarding the impermissibility of taking other people's property in ways that are not justified or in a false way (Masrur, 2018).

Tax Avoidance is an effort by taxpayers to minimize their tax burden by using alternatives and carrying out tax engineering that remains within the scope of tax regulations. Tax avoidance practices have a very broad and complex scope of problems, but in general such practices are carried out by taxpayers in three ways, namely: consuming tax-free goods, carrying out transfer pricing, and carrying out tax planning. The impact caused by tax avoidance practices is direct, namely low state revenues which disrupt the wheels of government and the economy, while the indirect impact is a reduction in social and public facility services as well as funds/subsidies from the government.

Based on the interpretation of the mufassirs about the An-Nisa verse 29, it has provided a complete understanding of how the concept of business in Islam. This verse is the foundation for business actors that must be understood clearly. Based on the An-Nisa verse 29, there are four main points of discussion that can be developed to see business activities in Islam. Four points namely, "wealth, falsehood, mutual consent, and do not kill yourselves."

#### 1. Treasure

In Arabic, the word wealth is called al-mal, which means "leaning, inclined, or slanted" (Masrur, 2018). The terminology of wealth is all material ownership that can also be used to support various life activities, ranging from primary, secondary, and tertiary needs such as consumption needs, housing, vehicles, land, animals, gold, silver, or in the form of money, or something that in the eyes of humans has value (Department of Religion of the Republic of Indonesia, 2009a). The concept of "wealth" in question is "shared" property, which means that the wealth must circulate and also produce shared benefits, because wealth is essentially "Qiyaman" namely as the main supporter of human life. Likewise, personal wealth must function as public ownership, which is set aside for use in social activities.

Joint ownership can also be interpreted as "cooperation" and not to harm each other, and assets should be illustrated as being "in the middle" or "bainakum" (between you). The position of assets "in the middle" indicates that assets are a balancer of the "balance" so that each party can obtain justice and the expected benefits. In addition, ownership emphasizes that there is a prohibition on consuming the assets in a false manner that is contrary to the provisions of sharia and religion (Shihab, 2005). Taxpayers have committed acts of injustice and dishonesty, to themselves, society and the state. Taxpayers have bad intentions in their tax reporting system, whereas in Islam something depends on their intentions (itikad). So that tax avoidance on Bank debt can

cause a decline in morals due to the rampant various frauds due to damaged souls, loss of honesty and weak bonds of solidarity between individuals and society.

## 2. The Invalid Path

Quraish Shihab said that "batil" (al-bathil) is a deviation from the provisions of religion and applicable regulations. This shows the need to obey the applicable norms and not do anything that is a matter or act of batil (Shihab, 2005). The word batil has the basic word batil which means facade or damaged, useless, useless, and a lie. Al-Bathil itself means something that is false, wrong, fake, worthless, useless and satanic (Taufiq, 2018). Al-Maragi's interpretation of Surah An-Nisa verse 29 states that the words al-batil and al-butlan (falsehood and falsehood) etymologically mean ad-daya' which means "futility" and al-khasar which means loss. Meanwhile, based on sharia terminology, the meaning of al-batil is taking property and not replacing it with something equivalent to the property, and without the willingness of the owner of the property, and channeling the property for something that is not useful (Department of Religion of the Republic of Indonesia, 2009). Regarding tax avoidance on bank debt, it will certainly have an impact on reducing state revenues from the tax sector, thus endangering state finances, besides that there is also injustice in tax payments, because taxpayers who pay taxes bear the burden of taxpayers who practice tax avoidance.

## 3. Like for like

The phrase "like and like" is taken from the word "Taradhi". In Arabic, Taradhi means pleasure (willing). Based on the word of Allah SWT, "With mutual consent between you" namely an agreement without coercion or willingness between the two parties. "Willingness" or 'an taradhi minkum is something abstract, but its indicators and signs can be seen and known through a contract, or everything known in customs and habits as a handover. The contract will be an instrument that describes and is used by law to show willingness (Shihab, 2005). Tax avoidance on bank debt will also cause an increase in tax rates, in the current period and future periods, to replace the shortfall in tax revenue due to tax avoidance practices. This also means that it is contrary to the principles of Islamic business ethics according to the letter An-Nisa, namely like and like.

## 4. Don't kill yourself

Based on the interpretation of Al-Qurthubi that the meaning of the verse "do not kill yourselves" is a prohibition for some people not to kill others. Then the wording of this verse includes people who kill because of their love only for the world and their goal is only to seek wealth so that it can lead them to danger that destroys (Al Hifnawi, 2007). Tax avoidance also has an impact that endangers the interests of society, where the reduction in state finances causes the abandonment of beneficial plans, so that they will kill themselves slowly.

Tax is a practice that has long been applied in world history, even in the practice of the Islamic Caliphate government, the concept of tax already exists. The Mufasssir provide general provisions in the implementation of taxes by the ruler must be based on the benefit and justice. In accordance with the original rule that human property is forbidden to be

taken without a justified reason, only a legitimate ruler can set rules for the sake of the public benefit. If taken or distributed in a false manner, the practice of collecting other people's property is included in the category that is strictly prohibited in the hadith. Avoiding participation in the submission of taxes or making arrangements to avoid the obligation to pay taxes and their reductions (tax avoidance), is part of the behavior of betraying the mutual agreement (syirkah) which is highly reprehensible by the sharia because it is part of the signs of hypocrisy. And Allah SWT has conveyed a threat about the unblessed life of a hypocrite.

BE clerics convey

*"Islam does not forbid seeking relief in financial transactions, but if the motive is to avoid social obligations such as taxes, then it falls into the category of deception. Bank debt used only for tax manipulation is an act that is contrary to the maqashid of sharia, namely maintaining justice and public welfare."*

*This statement shows that in Islamic principles there is room for financial optimization or transaction efficiency (tabqīq al-maslahah), but it is still limited by the norms of honesty and social responsibility. In this case, efforts to regulate or engineer bank debt transactions solely to obtain tax reductions are seen as deviating from sharia ethics.*

The source added that such actions:

*"...contrary to the maqashid sharia, namely maintaining justice and public welfare."*

This means that tax avoidance strategies, although formally legal, can be considered unethical in the maqashid sharia framework if their impact is detrimental to distributive justice and public welfare. Taxes are seen as a form of social contribution that is needed to realize public goods, such as education, health services, and infrastructure. Manipulations that reduce these contributions would be contrary to the basic Islamic values of social justice ('adl), collective responsibility (mas'uliyah ijtimaiyyah), and amanah.

## CONCLUSION

Tax avoidance (tax avoidance) that occurs in bank debt is done with various schemes such as control foreign country (cfc), transfer pricing, creating offshore companies, and backdated documents are activities that are contrary to the basic principles of Islamic business ethics. The basic principles in Islamic business ethics that are contrary to tax avoidance include the principle of honesty, the principle of awareness of social significance in business activities, the principle of justice, the principle of good intentions, and the principle of trust. Thus it is clear that tax avoidance which is part of a vicious circle is prohibited in Islam.

The perspective of QS. An-Nisa verse 29, the mufasssirs have provided a complete understanding of how the concept of business in Islam. Based on the Surah An-Nisa verse 29, there are four main points of discussion that can be developed to see tax avoidance activities on bank debt. The four points are assets, false paths, mutual consent, and do not kill yourselves. The practice of tax avoidance also has the following impacts: Reduced state revenue from the tax sector, Injustice in tax payments, Increased tax rates in the current period and future periods, Endangering the interests of society, loss of honesty and weak bonds of solidarity between individuals and society.

Referring to the hadith "Innamal A'malu bin Niyat" (Indeed, deeds depend on intentions), tax avoidance through debt to banks is permitted as long as it is intended or aimed at efficiency, good business management and transparency of financial data, but if it is intended to avoid taxes and is followed by manipulation of financial data, then it is not permitted.

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