The Impact of Leverage, Fixed Asset Intensity, and Multinationality on Tax Avoidance with Independent Commissioners as a Moderation Variable

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THE IMPACT OF LEVERAGE, FIXED ASSET INTENSITY, AND MULTI-NATIONALITY ON TAX AVOIDANCE WITH INDEPENDENT COMMISSIONERS AS A MODERATION VARIABLE

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ABSTRACT:

This study aims to examine and analyze the impact of leverage, fixed asset intensity, and multi-nationality on tax avoidance with an independent commissioners as a moderating variable. The population in this study are manufacturing companies and real estate, property and building construction companies listed on the Indonesia Stock Exchange (IDX) in 2021. The sample was determined using a purposive sampling method, so the total sample was 54 samples. Hypothesis testing with the help of SPSS 25 software with Multiple Regression Analysis (Multiple Linear Regression) and Moderated Regression Analysis (MRA) (interaction test). The results of the study prove that leverage and multinationality have a significant effect on tax avoidance. Fixed assets intensity has no significant impact on tax avoidance.

Keywords: leverage, fixed asset intensity, multinationality, tax avoidance, independent commissioner.

1 INTRODUCTION

Tax subjects are individuals or entities determined by the laws and regulations in force in Indonesia. As the main source of state revenue, the Government seeks to continue to optimize the potential for tax revenue. But on the other hand, this is the opposite when viewed from the tax subject side. For companies, tax is a burden that can reduce the company's net profit for the year(Aina and Rohman, 2016).

One of the tax avoidance cases was carried out by PT Bentoel Internasional Investama. Based on data from the Tax Justice Network Institute dated May 8 2019, the company committed tax evasion by making debt loans from 2013 to 2015 from Rothmans Far East BV, an affiliated company in the Netherlands, to finance bank loans and purchase machinery and equipment. Interest costs on these loans are tax deductible which can reduce tax costs by up to USD 14 million per year.

The emergence of the phenomenon above is one that proves that there are still companies that carry out tax avoidance actions in order to maximize their company's profits which have an impact on the state. Tax avoidance is an action to minimize the tax burden by not violating the law (Sinaga and Suardikha, 2019). Tax avoidance is an action that does not violate tax regulations because this practice takes advantage of the loopholes that exist in tax law regulations (Ayuningtyas and Sujana, 2018).

Many factors influence the implementation of tax avoidance by companies. There are several cost components owned by the company, including interest expense and depreciation expense. The interest expense is based on the loans owned by the company. Leverage shows the company's high debt. The higher the level of leverage will increase the interest expense that must be paid. Interest expense is a component that can be used as a deductible expense, so that the higher the interest expense, the smaller the tax paid (Adelina, 2012). Previous research conducted by Alam and Fidiana (2019) concluded that leverage has a positive effect on tax avoidance practices. The same results were also produced from research conducted by Ependi (2020) and Rahmadani et al. (2020) who concluded that leverage has a positive effect on tax evasion. Meanwhile, research conducted by Honggo and Marlinah (2019) Leverage has no effect on tax avoidance because not all companies use debt to finance their assets.

In carrying out its operational activities, the company has fixed assets which in its accounting records carry a depreciation expense. High intensity of fixed assets will drive high depreciation expense so that it can reduce profit before tax. This will encourage taxes to be paid smaller. Based on research conducted by Nasution and Mulyani (2020) and Noviyani and Mu'id (2019), it is stated that the higher intensity of fixed assets has a significant effect on tax avoidance. However, it is inversely proportional to research conducted by Asri and Mahfudin (2021) and Jamaludin (2020) which state that the intensity of fixed assets has no effect on tax avoidance.

The development of the era of globalization and free markets encourages multinational companies to operate in different countries from their home countries. Multinational companies can use transfer pricing schemes to carry out tax avoidance. Research conducted by Widodo et al. (2020a) and Pramudya et al. (2021) states that multinationality has a significant effect on tax avoidance practices. There are differences with the results of research conducted by Anggraini et al. (2020) which shows that multinationality has no effect on tax avoidance.

Independent commissioners as independent parties or not affiliated with other parties are responsible for overseeing the Company's Management in running the company so that the interests of all stakeholders can be treated fairly. Based on the regulations issued by the IDX, the minimum number of independent commissioners is 30%. Based on previous research conducted by Tamara et al. (2021) stated that the number of independent commissioners has a significant effect on tax avoidance practices. This means that the more the number of independent commissioners, the less tax avoidance practices. Research conducted by Supriyanto (2021) The moderating variable for the proportion of independent commissioners simultaneously moderates (weakens) the effect of profitability, solvency, activity, sales growth and fixed asset intensity,

This research was conducted to refine previous studies and to find out the factors that can influence tax avoidance in this research making companies in the manufacturing sector and property, real estate, and building construction companies listed on the Indonesia Stock Exchange as sample companies.

Manufacturing company as a company that has been a taxpayer several times which is focused on the inspection list of the Directorate General of Taxes (Mulyani et al., 2019). In addition, manufacturing companies also have a large influence on Indonesia's economic growth. The magnitude of this influence can be seen from the magnitude of the contribution of manufacturing companies to Indonesia's Gross Domestic Product (GDP). Basically, GDP is used to determine the economic condition of a country. In this case, manufacturing companies contribute the most to Indonesia's GDP compared to other sectors, which is above 20% annually (Zia et al., 2018).

Furthermore, the second sector which is the research sector in this study, namely property, real estate, and building construction companies is one of the sectors that provides a large number of workers and has a multiplier effect and a significant backward linkage to economic sectors. others (Setiawan et al., 2021). This is what makes property, real estate and building construction companies seen as one of the sectors that earn high profits from the operational activities they carry out. These developments will attract investors to invest in companies so that they can grow good economic growth and increase income for a country, especially through the property and real estate sector in tax revenues for the country.

The existence of inconsistencies in several previous studies prompted the authors to examine further the factors that encourage tax avoidance in Indonesia with the variables that have been described. In addition, the Independent Commissioner Variable as a Moderating Variable is deemed necessary because of the role and responsibility of the independent commissioner in overseeing the company's operations whether it can prevent tax avoidance practices within a company. Therefore, the authors are interested in conducting research entitled "The Influence of Leverage, Fixed Asset Intensity, and Multinationality on Tax Avoidance with Independent Commissioners as Moderating Variables (Empirical Studies on Manufacturing Companies and Property, Real Estate, and Building Construction Companies Registered in Bei Year 2021).

2 LITERATURE REVIEW

2.1 *Agency Theory*

According to Jensen and Meckling (1976), Agency theory is a relationship that occurs between two parties viz*principal with agent. The two parties have different interests or decisions that present a conflict. Each party has its own interest goals where the agent will* focus on interests that conflict with the interests of the principal. This causes the principal to monitor and control the agent by imposing several mechanisms with the aim of aligning the interests of both parties.

2.2 *Tax Avoidance*

According to Pohan (2013) Tax avoidance or tax avoidance is a form of effort by taxpayers to suppress and minimize the tax burden legally and safely because it takes advantage of loopholes or weaknesses in the tax law itself.

2.3 *The Impact of Leverage on Tax Avoidance*

There are indications that the company is doing tax evasion can be seen from the funding policy taken by the company. One of the funding policies is the leverage policy, namely the level of debt used by the company to finance its operating activities. The increase in the amount of debt will cause interest expenses to be paid by the company. The interest expense incurred on this debt will be a deduction from the company's net profit which will reduce tax payments so that maximum profits are achieved.
H1: Leverage has an impact on Tax Avoidance

2.4 *The Impact of Fixed Asset Intensity on Tax Avoidance*

The intensity of fixed assets owned by a company can affect a company's tax obligations. The relationship between the intensity of a company's fixed assets and taxation is related to the depreciation contained in the company's investment decisions on fixed assets. The depreciation expense attached to the ownership of fixed assets will affect the value of corporate tax payments, this is because the depreciation expense will act as a tax deduction.
H2: Fixed Asset Intensity has an impact on Tax Avoidance

2.5 *The Impact of Multinationality on Tax Avoidance*

These multinational companies have bigger opportunities to carry out tax avoidance compared to companies that only operate in one country. Multinational companies will take advantage of loopholes, namely weaknesses such as very low tariff differences or even not imposing taxes, which are known as tax haven countries.
H3: Multinationality has an impact on tax avoidance

2.6 *The Impact of Leverage on tax Avoidance with Independent Commisioner as a moderating variable*

Companies use debt to meet the company's operational and investment needs. The greater the debt, the smaller the taxable profit because the tax incentive on debt interest is greater. This has implications for increasing the use of debt by companies. The board of commissioners is in charge of and responsible for overseeing the quality of the information contained in the financial reports. To overcome this, the board of commissioners is allowed to have access to company information.

The board of commissioners does not have authority within the company, so the board of directors is responsible for conveying information related to the company to the board of commissioners (NCCG, 2001).
H4: Independent Commissioner moderates the impact of Leverage on Tax Avoidance.

2.7 *The Impact of Fixed Asset Intensity on Tax Avoidance with Independent Commissioner as Moderating Variable*

The practice of tax avoidance by companies by utilizing the depreciation expense of fixed assets can be minimized by having an independent board of commissioners in a company. In this case, the intermediary between company managers and company owners, namely independent commissioners, in making strategic or policy decisions can greatly influence so that there are no violations of applicable regulations, this is included in tax decisions.(Ardyansah and Zulaikha, 2014).
H5: Independent Commissioner moderates the impact of Fixed Asset Intensity on Tax Avoidance.-

2.8 *The Impact of Multinationality on Tax Avoidance with Independent Commissioners as a Moderating Variable*

In order to minimize aggressive tax avoidance, it is necessary to supervise the actions of managers in corporate activities, including one of the multinational actions. Where companies are suspected of transferring their income to subsidiaries that have lower tax rates. This is where it is hoped that independent commissioners can reduce aggressive tax avoidance by managers, one of which is an act allegedly committed by a multinational company.
H6 : Independent Commissioner moderates the impact of Multinationality on Tax Avoidance.

3 METHODS

This type of research is associative research. The population in this study uses manufacturing companies and real estate property companies, and building construction companies that are listed on the Indonesia Stock Exchange (IDX) in 2021. Determination of the sample uses a purposive sampling method with several criteria, namely 1) manufacturing companies and property real estate companies, and building construction listed on the Indonesia Stock Exchange (IDX) in 2021. 2) Manufacturing companies and real estate property companies, and building construction companies that implement and have financial reports for the 2021 period. 3) Manufacturing companies and real estate property companies, and construction buildings that have subsidiaries abroad because one of the research variables is multinationality. After the sampling process was carried out, there were 54 companies that met the sample selection criteria. The type of data is secondary data. Data obtained through the IDX website (https://www.idx.co.id/) and company websites. Data analysis techniques with Multiple Regression Analysis and Moderated Regression Analysis (MRA) with the help of SPSS software version 25.

4 RESULTS AND DISCUSSION

4.1 Description of Research Object

This research was conducted on all manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2021. Manufacturing companies are divided into three sectors, namely the various industrial sector, the basic and chemical industry sector, and the consumer goods sector. In addition, this research also examines real estate property companies and building construction.

The sample selection in this study used a purposive sampling technique, namely there were certain criteria. After the sampling process was carried out, there were 54 companies that met the sample selection criteria. The results of sample selection based on predetermined criteria can be seen in the following table:

Tabel 1. Research Sample Selection Criteria

Research Sample Selection Criteria	Number of company sales
Manufacturing companies and real estate property companies, and building construction on the Indonesia Stock Exchange (IDX) in 2021	293
Manufacturing companies and real estate property companies, and building construction companies that apply and have financial reports for the 2021 period	(23)
Manufacturing companies and real estate property companies, and building construction companies that do not have overseas subsidiaries	(216)
Number of companies that match the criteria	54

Source: Results of 2023 research data processing

4.2 Descriptive Statistical Analysis

Table 2. Descriptive Statistical Analysis

		N	Minimum	Maximum	Mean	Std. Deviation
LEV	(X1)	54	0.097	3.825	0.765	0.573
IAT	(X2)	54	0.020	0.908	0.315	0.185
MULTI	(X3)	54	0.011	1.000	0.293	0.229
TAX AVO	(Y)	54	0.002	0.674	0.184	0.152
KOMIND	(Z)	54	0.286	0.750	0.431	0.105
Valid N (listwise)		54				

Source: Results of 2023 research data processing

Based on table 2of the test results above, it can be seen that the results of descriptive statistics on all research variables indicate that the majority of the resulting mean values are greater than the standard deviation.

4.2 Normality test

The normality test uses the Kolmogorov Smirnov statistic by looking at the Komolgorov-Smirnov test, if the probability value is significant > 0.05 then the data is normally distributed and if < 0.05 then the data is not normally distributed. The test results can be seen as follows:

Table. 3 Normality Test

		Unstandardized residual
N		54
Normal parameters[a,b]	Mean	.0000000
	Std. Deviation	.13271556
Most Extreme Differences	Absolute	.101
	Positive	.101
	Negative	-.069
Test Statistic		.101
Asymp. Sig. (2-tailed)		.200[c,d]

a. Test distribution is Normal

Source: Results of 2023 research data processing

Asymp results. Sig. (2-tailed) of 0.200, which means that the result is greater than 0.05 (0.200 > 0.05) so that these results indicate that in the normality test the data is normally distributed.

4.3 Multicollinearity Test

The multicollinearity test is carried out by looking at the tolerance value and VIF value which can be seen from the SPSS output. The test results can be seen as follows:

Table 4. Multicollinearity Test

Coefficients[a]

		Collinearity Statistics	
Model		**Tolerance**	**VIF**
1	LEV	.955	1.047
	IAT	.862	1.160
	MULTI	.861	1.161
	KOMIND	0.954	1.048

Source: Results of 2023 research data processing

Based on table 3 above, it can be seen that there is no multicollinearity in the data, because the tolerance value of all independent variables is greater than 0.10 and the VIF value is not more than 10.

4.4 Heteroscedasticity Test

The heteroscedasticity test was carried out with the Glejser test, which is to find out whether a regression model has an indication of heteroscedasticity by means of absolute residual regression. Here are the results of the heteroscedasticity test:

Table 5 Heteroscedasticity Test

Coefficients[a]

		Unstandardized Cofficients		**Standardized Coefficients Beta**	**t**	**Sig**
	Model	B	Std. Error			
1	(constant)	.066	.056		1.176	.245
	LEV	-.0.06	.021	-.042	-.286	.776
	IAT	-.003	.069	-.007	-.044	.965
	MULTI	.010	.056	.028	.180	.858
	KOMIND	0.090	.115	.114	.784	.437

a. Dependent Variable : ABS_RES

Based on the results of the Glejser test, it can be seen that all research variables have no symptoms of heteroscedasticity because all sig values > 0.05.

4.5 Multiple Regression Analysis (Multiple Regression Analysis)

This study uses multiple linear regression to see the effect of leverage, fixed asset intensity, multinationality on tax avoidance. The following are the results of hypothesis testing on sample companies that have been carried out:

Table 6 Multiple Linear Regression Test

Coefficients[a]

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.132	.047		2.814	.0
	LEV	.080	.034	.301	2.324	.0
	IAT	.141	.113	.171	1.244	.2
	MULTI	-.184	.091	-.276	-2.029	.0

a. Dependent Variable : TAX AVO

Based on table 6 The multiple linear regression test above can be explained as follows:

a. $\alpha = 0.132$

The constant (α) is 0.132 which means that if leverage, fixed asset intensity, and multinationality are 0, then tax avoidance is 0.132

b. $\beta 1 = 0.080$

The regression coefficient ($\beta 1$) is 0.080 which means that if leverage increases by 1 then tax avoidance will increase by 0.080. Based on the test results table, the leverage variable has a t-count value of 2.324 and a significance of 0.024 which is smaller than the significance value used in this study, namely 0.05 (0.024 <0.05), the t-count value is also greater than the t-table (2.324> 2.008) this means that there is a significant partial effect of the leverage variable on tax avoidance. A positive coefficient means that there is a positive relationship between leverage and tax avoidance, the higher the leverage value, the higher the tax avoidance. So that H1 which reveals "Leverage affects tax avoidance" can be accepted.

c. $\beta 2 = 0.141$

The regression coefficient ($\beta 2$) is 0.141 which means that if the intensity of fixed assets increases by 1 then tax avoidance will increase by 0.141. Based on the test results table that the fixed asset intensity variable has a t value of 1.244 and a significance of 0.219. This indicates that there is no significant partial effect of the fixed asset intensity variable on tax avoidance. Because the calculated t value is smaller than t table (1.244 <2.008) and also the sig. the test result is greater than the sig value. used in research (0.219> 0.05). The results shown are the variable regression coefficients which are positive but have no significant effect. Thus, H2 which reveals "Fixed asset intensity affects tax avoidance" is not accepted because it is not supported statistically.

d. $\beta 3 = -0.184$

The regression coefficient ($\beta 3$) is -0.184, which means that if multinationality increases by 1, tax avoidance will decrease tax avoidance by 0.184. Based on the results of tests carried out by the multinationality variable, it has a t-value of -2.029 and a significance of 0.048. This shows that there is a significant partial effect of the multinationality variable on tax avoidance. Because the significant value of the test results is smaller than the significant value used in the study (0.048 <0.05). The coefficient is negative, meaning that there is a negative relationship between multinationality and tax avoidance. So that H3 which reveals multinationality has an effect on tax avoidance can be accepted.

4.6 Interaction Testing or Moderated Regression Analysis (MRA)

This test aims to determine whether the moderator variable strengthens or weakens the influence of the independent variables on the dependent variable. The test results for the interaction testing model or Moderated Regression Analysis (MRA) are as follows:

Table 7 Moderated Regression Analysis (MRA) Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.070	.237		.294	.77
	LEV	-.045	.140	-.168	-.319	.75
	IAT	.187	.494	.227	.379	.70
	MULTI	-.182	.397	-.274	-.459	.64
	KOMIND	.207	.504	.143	.411	.68
	X1M	.193	.229	.490	.842	.40
	X2M	-.135	1.166	-.080	-.116	.90
	X3M	.056	.848	.040	.066	.94

a. Dependent Variable: TAX AVO

Based on table 7 above it can be explained as follows:

a. $\alpha = 0.070$

   The constant (α) is 0.070, which means that if leverage, fixed asset intensity, and multinationality, and all variables each of which is moderated by an independent commissioner, the value is 0, then the tax avoidance value is 0.070.

b. $\beta 1 = -0.045$

   The regression coefficient is -0.045, which means that if the other independent variables have a fixed value and leverage increases by 1, it will reduce tax avoidance by 0.045.

c. $\beta 2 = 0.187$

   The regression coefficient is 0.187, which means that if the other independent variables have a fixed value and the intensity of fixed assets increases by 1, tax avoidance will increase by 0.187.

d. $\beta 3 = -0.182$

   The regression coefficient is -0.182, which means that if the other independent variables have a fixed value and multinationality increases by 1, then tax avoidance will decrease by 0.182.

e. $\beta 4 = 0.207$

   The regression coefficient of 0.207 indicates the effect of the independent commissioner variable on tax avoidance is positive, which means that if there is an increase in tax avoidance, it will be followed by an increase in the independent commissioner of 0.207 assuming the other variables have a fixed value.

f. $\beta 5 = 0.193$

   The regression coefficient of 0.193 shows that the influence of the leverage*independent commissioner variable on tax avoidance is positive, which means that if there is an increase in tax avoidance, it will be followed by an increase in leverage*independent commissioners of 0.193 assuming the other variables are of a fixed value.

g. $\beta 6 = -0.135$

   The regression coefficient of -0.135 shows the effect of the fixed asset intensity variable * independent commissioners on tax avoidance is negative, which means that if there is an increase in tax avoidance, it will be followed by a decrease in the intensity of fixed assets * independent commissioners of 0.135 assuming other variables have a fixed value.

h. $\beta 7 = 0.056$

   The regression coefficient of 0.056 indicates the effect of the multinationality*independent commissioner variable on tax avoidance is positive, which means that if there is an increase in tax avoidance, it will be followed by an increase in multinationality*independent commissioners of 0.056 assuming other variables have a fixed value.

4.7 Simultaneous Significance Test (F Test)

Simultaneous test or F test is conducted to test whether all independent variables namely leverage, fixed asset intensity, multinationality, and independent commissioners as moderators have a significant effect simultaneously (simultaneously) on the dependent variable of tax avoidance. The results of the F test are seen in the ANOVA table column sig. with a significance level of 0.05 or 5%. The following is a table of F test results from the SPSS output that has been carried out:

Table 8. Simultaneous Test (F Test) Multiple Linear Regression

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.227	3	.076	3.754	.017
	Residual	1.009	50	.020		
	Total	1.237	53			

a. Dependent Variable: TAX AVO

b. Predictors: (Constant), MULTI, LEV, IAT

Source: Results of 2023 research data processing

The significance value is 0.017 <0.05 so it can be concluded that there is a simultaneous or joint effect of the leverage variable, fixed asset intensity, and multinationality on the tax avoidance variable. Then proceed with the calculation of the simultaneous test with the addition of moderating variables:

Table 9. Simultaneous Test (F Test) MRA Regression

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.318	7	.045	2.278	.044[b]
	Residual	.918	46	.020		
	Total	1.237	53			

a. Dependent Variable: TAX AVO

b. Predictors: (Constant), X3M, LEV, KOMIND, IAT, X1M, MULTI, X2M

It can be concluded that there is a simultaneous influence or jointly from the variable leverage, fixed asset intensity, multinationality. Independent commissioners, moderation (leverage*independent commissioners), moderation (fixed asset intensity*independent commissioners), moderation (multinationality*independent commissioners) on tax avoidance variables.

4.8 Partial Significance Test (T Test)

The T or partial test aims to test how the influence of each independent variable partially or individually on the dependent variable. This test is carried out using a significance level of 0.05 or 5%. Following are the results of the t test for your berg linear regression model and also the results of the moderation regression test.

Table 10. Partial Test (T Test) Multiple Linear Regression

Coefficientsa

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	std. Error	Betas	Q	Sig.
1	(Constant)	.132	047		2,814	007
	Lev	080	.034	.301	2,324	024
	IAT	.141	.113	.171	1,244	.219
	MULTI	-.184	091	-.276	-2,029	048

a. Dependent Variable : TAX AVO

Source: data processed by researchers in 2023

Table 11. Partial Test (t test) MRA Regression

Coefficientsa

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	std. Error	Betas	Q	Sig.
1	(Constant)	.070	.237		.294	.770
	Lev	-.045	.140	-.168	-.319	.751
	IAT	.187	.494	.227	.379	.707
	MULTI	-.182	.397	-.274	-.459	.648
	KOMIND	.207	.504	.143	.411	.683
	X1M	.193	.229	.490	.842	.404
	X2M	-.135	1.166	-.080	-.116	.908
	X3M	056	.848	040	.066	.947

a. Dependent Variable: TAX AVO

Source: Data processed by researchers in 2023

Based on the results of the regression analysis performed, it can be concluded that the results of the hypothesis testing of the 6 hypotheses are as follows :

1. The impact of leverage on tax avoidance

The results of this study can provide support for agency theory which explains that the greater the debt owned by a company, the greater the interest costs that will arise and this will have an impact on reducing the tax burden that will be paid to the government. The results of this study support research conducted by (Pratiwi et al., 2021) which shows that leverage has a significant positive effect on tax avoidance. This shows that there is a unidirectional relationship between leverage and tax avoidance.

Increases or decreases in tax avoidance can be influenced by leverage, this is because the increase in debt made by companies to fund their companies will affect the increase in interest payments so that companies take advantage of this to minimize the tax burden or even have a tendency to lead to tax avoidance. If the company continues or gets higher, it will cause interest expenses. The interest expense which is then borne by the company is used to reduce the company's taxable income to reduce its tax burden. Thus, the higher the value of the leverage ratio, the higher the indication that the company is practicing tax avoidance.

2. The impact of fixed asset intensity on tax avoidance

In research conducted on the sample companies of this study, based on the data owned, it is suspected that the existence of fixed assets does not pose a risk to tax avoidance because the high availability of fixed assets is thought to have a large impact which is risky for the company, for example the emergence of maintenance expenses, required storage space and risks. obsolescence of fixed assets owned so that this causes the company not to use these fixed assets as a tendency to carry out tax avoidance. There is no influence from the intensity of fixed assets because the intensity of fixed assets is in fact a company asset that is needed for the company's operational interests only. . The company does not deliberately save large assets for taxes, but the goal is that these fixed assets are assets needed for the benefit of the company. So that the intensity of fixed assets does not affect tax avoidance or tax avoidance.

3. The impact of multinationality on tax avoidance

Multinational companies generally have good prestige and brand image in the countries where they operate (David, 2011). So that tax avoidance has the risk of damaging the company's reputation if the tax authorities find out. Companies that carry out tax avoidance will be considered unethical in carrying out their business so that it will reduce the trust of customers and other stakeholders. In addition, multinational companies often receive incentives from the government(Dewi and Jati, 2014). The incentive aims to encourage exports and the income is expected to return to the country. Matters regarding incentives are explained and regulated in the Regulation of the Minister of Finance Number 124/PMK.011/2013 concerning reduction of the amount of Income Tax article 25 and Postponement of payment of Income Tax article 29 of 2013 for Certain Industrial Taxpayers. Thus, multinational companies no longer need to avoid taxes because they have received various incentives and concessions from the government. So, this is in line with the test results where the higher the multinationality value will reduce the tax avoidance value.

4. The impact of leverage on tax avoidance is moderated by the independent commissioner variable.

The results of this study are not in line with agency theory which explains that independent commissioners in a company are able to exercise strict oversight in terms of decision making, including and related to tax payments. This shows that the company's aim to present independent commissioners is only limited to complying with applicable regulations, namely the implementation of the Republic of Indonesia Financial Services Authority Regulation Number 33/POJK. 04/2014 regarding the number of independent commissioners of at least 30% in one company (Yulyani et al., 2022).

5. The impact of fixed asset intensity on tax avoidance is moderated by the independent commissioner variable.

Ineffective oversight function carried out by independent commissioners on tax avoidance due to company management limiting and dominating so as to be able to control the company's independent commissioners(Mulyani et al., 2018). Independent commissioners are boards or members who come from outside management so that independent commissioners have a tendency not to be influenced by management's actions, independent commissioners can only encourage management to disclose broader information to shareholders and stakeholders. Thus, the ability of an independent commissioner to oversee the process of preparing financial statements will be limited if the parties concerned within the company have a higher level of domination in controlling the independent commissioner. Independent commissioners are suspected of only being able to supervise so that the company avoids unspecified provisions, not taking or replacing the rights or authority possessed by the company's management.

6. The impact of multinationality on tax avoidance is moderated by the independent commissioner variable.

The existence of an independent commissioner in a multinational company only fulfills the administrative requirements of the capital market supervisory authority in Indonesia(Kusuma and Firmansyah, 2018). Tax planning activities carried out by multinational companies in Indonesia are in accordance with the policies issued by the parent company. Independent commissioners do not have authority over the activities of multinational companies related to multinationality. Thus, the sixth hypothesis cannot be accepted because it is not supported statistically. Independent commissioners are also suspected of being less responsive in paying attention to the presence or absence of tax avoidance in the company or the ability of independent commissioners to monitor the process of disclosure and provision of information will be limited if affiliated parties in the company dominate and can control the independent commissioners as a whole.

4.9 Determination Coefficient Test (R2 Test)

The coefficient of determination test (R2 test) aims to measure how far the model's ability to explain the dependent variable is. The following are the results of the coefficient of determination test (R2 test) for the multiple linear regression model:

Table 12. Test of the Coefficient of Determination (R2 Test) Multiple Linear Regression

Summary models

Model	**R**	**R Square**	**Adjusted R Square**	**Std Error of the Estimate**
1	.429a	.184	.135	.142074

a. Predictors : (Constant), MULTI, LEV, IAT

Source: Data processed by researchers in 2023

The results of the coefficient of determination test show the adjusted R square value of multiple linear regression of 0.135 or 13.5%, which means that the moderate variable with tax avoidance is influenced by 13.5% of the variable leverage, fixed asset intensity, and multinationality. While 86.5% is influenced by variables outside of the variables used in this study.

Furthermore, the following are the results of the coefficient of determination test for the moderated regression analysis (MRA) equation:

Table 13. Test Results for the Coefficient of Determination (R2 Test) MRA Regression

Summary models

Model	R	R Square	Adjusted Square	Rstd. Error of the Estimate
1	.507a	.257	.144	.141288

a. Predictors: (Constant), X3M, LEV, KOMIND, IAT, X1M, MULTI, X2M

Source: Data processed by researchers in 2023

Test results the coefficient of determination shows the adjusted R Square value of moderation regression of 0.144 or 14.4%, meaning that the moderate variable with tax avoidance is influenced by 14.4% of all variables. Meanwhile, 85.6% is influenced by other variables outside of the variables used in this study.\

5 CONCLUSION

Based on the results of the research and analysis conducted, it can be concluded that leverage (X1) and multinationality (X3) have an impact on tax avoidance, while the intensity of fixed assets (X2) has no effect on tax avoidance. Meanwhile, the independent commissioner (X) was unable to moderate all variables on tax avoidance.

6 SUGGESTION

For future researchers, they can use the most recent year if companies have issued many recent annual reports. It is also hoped that researchers will be able to map companies that actually carry out transfer pricing, and related to measuring the intensity of fixed assets in order to eliminate components that cannot be depreciated.

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