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The effect of accounting conservatism, capital intensity and leverage on tax avoidance

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ABSTRACT

Taxes are a very important source of state revenue besides revenue from natural resources and income from other non-tax sectors. However, the revenue received from the tax sector is not in accordance with what is desired by the state. This happens because there are still interests that encourage individual and corporate taxpayers to minimize their taxes by means of tax avoidance. This study aims to determine and analyze the effect of accounting conservatism, capital intensity and leverage on tax avoidance in food and beverage sub-sector companies listed on the IDX for the 2019-2021 period. The independent variables used in this study are accounting conservatism, capital intensity and leverage, while Tax Avoidance is the dependent variable. The sample used in this study was obtained using a purposive sampling method, so that a total of 12 companies were obtained as a sample of 39 companies as a population with 36 observational data for 3 years. The analysis technique used in this study is multiple linear regression analysis and hypothesis testing using SPSS 25 software. The results of this study indicate that the accounting conservatism variable partially influences tax avoidance, this results from a coefficient value of 6.965 and a significance value of 0.017 <0.05, causing H1 to be accepted. The capital intensity variable partially influences tax avoidance, this results from a coefficient value of 1.363 and a significance value of 0.011 <0.05, causing H2 to be accepted. Meanwhile, the leverage variable partially has no effect on tax avoidance, this is also obtained from a coefficient value of -0.061 and a significance value of 0.721 > 0.05, causing H3 to be rejected. Meanwhile, the simultaneous results of accounting conservatism, capital intensity and leverage affect tax avoidance.

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1. INTRODUCTION

According to Law Number 16 of 2009 concerning General Provisions and Tax Procedures (KUP), tax is a mandatory contribution to the state owed by individuals or entities that are compelling based on the law, by not getting a direct reward and being used for the benefit of the greatest prosperity of the people (Sarra, 2017). The tax collection system in Indonesia refers to self-assessment (Waluyo: 2017). With this system, taxpayers have the rights and obligations to calculate, pay and report their own tax obligations. In the implementation of taxation, there are differences in interests between taxpayers and the government. For taxpayers or entrepreneurs, taxes are one of the cost components that reduce company profits. According to Hidayat and Fitria (2018), the higher the value of the amount of tax burden to be paid, the smaller the profit earned.

Tax planning is an effort to reduce or minimize the tax burden that must be paid to the state so that the tax paid does not exceed the actual amount, the tax burden can be reduced in several ways, namely by using tax evasion (tax evasion) and by using tax avoidance (tax avoidance). Tax avoidance is a tax avoidance effort that is carried out legally and safely for taxpayers because it does not conflict with tax provisions, with the methods and techniques used tending to take advantage of the weaknesses (gray areas) contained in the tax law itself to minimize the amount of tax payable (Safitri et al., 2019). In Hoque's research, et al (2011) in Subarkti (2012) revealed several ways companies do tax avoidance, one of which is showing profits from operational activities as profits from capital so as to reduce the company's net income and tax debt. There are several ways to measure tax avoidance, there are twelve ways that can be used according to Hanlon and Hatzman (2010), including; 1) GAAP ETR, 2) Current ETR, 3) Cash ETR, 4) Long-run cash ETR, 5) Differential ETR, 6) DTAX, 7) Total BTD, 8) Temporary BTD, 9) Abnormal total BTD, 10) Unrecognized tax benefits, 11) Tax shelter and Marginal tax rate. Tax avoidance can be measured using the Cash Effective Tax Rate (CETR) which is the ratio of cash tax payments divided by profit before tax (Ni Putu and Naniek, 2020). Measurement using CETR shows effective planning, where the lower the CETR, the higher the level of tax avoidance by the company (Muadz and Darsono, 2015).

Glossary of Concept Statement No. 2 FASB (Financial Accounting Statement Board) which defines conservatism as a prudent reaction in dealing with the inherent uncertainty of the company. Policies related to the company in this case certainly include taxation, especially related to tax avoidance because tax avoidance by companies is usually done through policies taken by company leaders and not accidentally (Sari, et al., 2015). Three models that can be used as a conservatism measurement tool according to Watts (2003), including; 1) Givolyn and Hayn Model (Earning/Accrual Measure), Givoly and Hayn focus the effect of conservatism on the income statement for several years; 2) Beaver and Ryan Model (Net Asset Measure), Beaver and Ryan (2000) measure the conservatism of financial statements using the value of understatement of assets and overstatement of liabilities; and 3) Basu Model (Earning/Stock Relation Measure), Basu (1997) states that there is asymmetry in the timing of recognition between events that are bad news or good news in earnings. According to the results of research by Dian Puspitasari, Anissa Hakim, and Betari Maharani (2022), accounting conservatism has a positive effect on tax avoidance. These results are supported by other research that has been conducted by Hustna Dara Sarra (2017). There are different results from research conducted (Elgariyana Putri, 2021) which states that accounting conservatism has no significant effect on tax avoidance. The results of previous research were also negative.

The other factors that become tax avoidance are capital intensity and leverage. Capital intensity is the amount of investment in the company's fixed assets. The fixed assets owned by the company cut taxes due to depreciation which will become depreciation costs in the company's financial statements (Dwi Sandra and Anwar, 2018). Research conducted by Novia Dwi Wulandari, Lita Permata Sari and Ida Subaida (2022) suggests that, the results of this study indicate that capital intensity has a significant positive effect on taxavoidance. According to Nikita Artinasari and Titik Mildawati (2018) in their research stated that, capital intensity affects tax avoidance. Ahmad Rifai and Suci Atiningsih's research (2019) gave negative results. Different results are stated by (Novi Tri, Fadjar Harimurti, and Djoko Kristianto, 2019) that capital intensity has no effect on tax avoidance.

Leverage is a source of corporate funding from external companies (long-term debt), long-term interest expense will reduce the existing tax burden (Budiman and Setiyono, 2012). If the company has high borrowed funds, the debt obligations that the company must pay to creditors are getting bigger, and vice versa, the smaller the debt, the smaller the interest costs will be. In research conducted (Dian Puspitasari, Annisa Hakim, Betari Maharani, 2022) and (Nanda Septy, 2019) said that Leverage affects tax avoidance.

Based on the identification and background of the problems above, the formulation of this research problem can be drawn; 1) Does accounting conservatism affect tax avoidance in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2021 period? 2) Does capital intensity affect tax avoidance in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2021 period? 3) Does leverage affect tax avoidance in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2021 period? and 4) Do accounting conservatism, capital intensity, and leverage together affect tax avoidance in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2021 period? The research objectives are; 1) Knowing whether accounting conservatism affects tax avoidance in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2021 period? 2) Knowing whether capital intensity affects tax avoidance in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2021 period? 3) Find out whether leverage affects tax avoidance in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2021 period? and 4) Find out whether accounting conservatism, capital intensity, and leverage together affect tax avoidance in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2021 period?

Maria Qibti Mahdiana, Muhammad Nuryatno Amin (2020). The results of his research suggest that profitability and leverage have a positive effect on tax avoidance. Meanwhile, company size and sales growth have no significant effect on tax avoidance. Novi Tri Mulyani, Fadjar Harimurti, Djoko Kristianto (2019). The results of this study indicate that partially accounting conservatism has no effect on tax avoidance. Capital intensity has no effect on tax avoidance. Company size has a significant effect on tax avoidance. Simultaneously shows that accounting conservatism, capital intensity, and company size affect tax avoidance. Sri Hardiyati Pangestu, Dudi Pratomo (2018). The results of his research indicate that simultaneously accounting conservatism, capital intensity, profitability and size affect tax avoidance. Partially, capital intensity has a negative effect on tax avoidance. Accounting conservatism, profitability, size and leverage have no effect on tax avoidance. Deanna Puspita, Meiriska Febrianti (2017), the results of the study state that, the variables of company size, ROA and sales growth affect tax avoidance. While the variables of leverage, capital intensity and composition of independent commissioners have no effect on tax avoidance.

2. RESEARCH METHOD

Research Framework

This research is a type of quantitative research. This quantitative method is referred to as a scientific method because it fulfills scientific principles, namely concrete, objective, measurable, systematic rational and repeatable (Sugiyono, 2013). Quantitative data is data collected in the form of absolute numbers from audited financial reports and annual reports on food and beverage sub-sector companies listed on the IDX during the 2019-2021 period. This research data was obtained from the site www.idx.co.id and each related company site. The research variable used is the dependent variable is tax avoidance (Y), while the independent variable consists of three variables, namely; Accounting conservatism (X1), capital intensity (X2), and Leverage (X3). The research model and hypothesis used in this study can be seen in Figure 1.

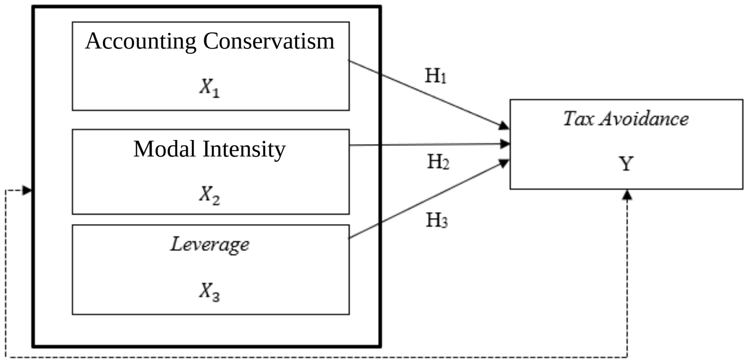

Figure 1. Research model

Based on the hypothesis model in Figure 1, the following hypotheses can be determined:
H1: Accounting Conservatism partially affects Tax Avoidance.
H2: Capital Intensity partially affects Tax Avoidance.
H3: Leverage partially affects Tax Avoidance.
H4: Accounting Conservatism, Capital Intensity, and Leverage simultaneously affect Tax Avoidance.
H0: Accounting Conservatism, Capital Intensity, and Leverage simultaneously have no effect on Tax Avoidance.

Population and Samples

The population in this study are food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period. The technique used in sampling in this study was purposive sampling. Purposive sampling is a sampling technique with certain criteria where the sample is deliberately chosen to represent the population.

The criteria used to select research samples are food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2019-2021 period, totaling 39 companies. Food and beverage sub-sector companies that do not publish annual reports and financial reports that have complete data during the 2019-2021 period, totaling (15) companies and food and beverage sub-sector companies during the 2019-2021 period experienced losses, (12) companies. Thus, the total sample used in this study was 12 companies with an observation year of 3 (three) years.

Data Collection Techniques

The data used in this research is secondary data obtained from various sources, namely; Literature study is a data collection technique by collecting data from theories sourced from various references that support this research, including journals, theses, articles, literature, books and so on related to this research. Internet research is a way of collecting data by accessing data via the internet. This method is used to search for journals and other references related to research online to support this research. In addition, the financial statements of food and beverage sub-sector companies that have gone public and published can be accessed via the internet by entering the website of the IDX, namely www.idx.co.id.

Operational Definition and Variable Measurement

Tax Avoidance

Tax avoidance is an action to reduce the tax burden borne by the company in a legal way because it does not violate tax provisions (Andri and Adi, 2017). Measurement of tax avoidance using CETR (Cash Effective Tax Rate). CETR can be measured directly by the cash outflow used for taxes divided by profit before tax. According to Hanlon and Haitzman (2010) and Ni Putu and Naniek (2020) CETR is formulated as follows:

$$CETR = \frac{\text{Cash Tax Paid}}{\text{Pretax Income}} \tag{1}$$

Description:
CETR: Tax Avoidance
Cash Tax Paid : Tax Payment
Pretax Income : Profit Before Tax

Accounting Conservatism

Accounting conservatism is one of the principles used in accounting. Glossary of Concept Statement No. 2 FASB (Financial Accounting Statement Board) which defines conservatism as a prudent reaction in the face of inherent uncertainty there is a company to try to ensure that uncertainties and risks in the business environment have been adequately considered (Emi Savitri, 2016). In this study, accounting conservatism is used as an independent variable. To measure accounting conservatism in this study using the measurement model adaptation of Givoly and Hayn (2000). The following is the calculation formula of accounting conservatism:

$$\text{CONACC} = \frac{\text{(NIO+DEP-CFO) x (-1)}}{\text{Total Aset}} \tag{2}$$

Description:
CONACC: Accounting Conservatism
NIO : Net Income
DEP : Depreciation
CFO : Cash Flow from Operating Activities

Capital Intensity

Capital intensity is the company's activities related to investment in fixed assets (Hidayat and Fitria, 2018). Capital intensity is defined as the ratio between fixed assets such as equipment, machinery, and various properties to total assets (Noor and Matsuki, 2010). To measure capital intensity in this study using the Lanis and Richardson (2011) measurement model. The following is the calculation formula of capital intensity:

$$\text{Capital Intensity} = \frac{\text{Total Aset Tetap Bersih}}{\text{Total Aset}} \tag{3}$$

Leverage

Leverage is a source of corporate funding from external companies (long-term debt), long-term interest expense will reduce the existing tax burden (Budiman and Setiyono, 2012). Sawir (2015) explains that the leverage ratio measures the level of solvency of a company. The type of leverage chosen in this study uses the Debt to Equity Ratio (DER), which is a ratio used to assess debt with equity. The following is the calculation formula for leverage:

$$\text{DER} = \frac{\text{Total Hutang}}{\text{Total Ekuitas}} \tag{4}$$

Data Analysis Techniques

The data analysis techniques used are Validity Test, Reliability Test, Classical Assumption Test consisting of Normality Test, Multicollinearity Test and Heteroscedasticity Test, then Multiple Linear Regression Analysis consisting of Regression Equation, Correlation Coefficient and Coefficient of Determination and Hypothesis Test consisting of t test and F test using the analysis tool SPSS Version 25.

3. RESULTS AND DISCUSSIONS

Research Results

The research data used is a type of secondary data derived from the annual reports of the Food and Beverage Sub-sector Companies listed on the Indonesia Stock Exchange during the 2019-2021 period. The variables used in this research data are Accounting Conservatism, Capital Intensity, and Leverage as independent variables and Tax Avoidance as the dependent variable. The following is an example of the calculation of the variables used:

Table 1. Research result data

Company	Year	CONACC	CI	DER	CETR
ADES	2019	0.060413583	0.493020824	0.448003916	0.14417448
	2020	0.062911689	0.366738945	0.368708138	0.113703631
	2021	0.002880896	0.386155134	0.344694927	0.171282428
BUDI	2019	0.012678651	0.603036169	1.333871462	0.184112985
	2020	-0.017747849	0.57343334	1.241041904	0.065731764
	2021	-0.014650787	0.555594013	1.156967984	0.112973281
CAMP	2019	0.008241001	0.196843508	0.069314584	0.215291189
	2020	0.07393887	0.218711176	0.07122369	0.298665264
	2021	0.03803649	0.172733802	0.05877272	0.144934427
CLEO	2019	0.018004501	0.744461314	0.0624879577	0.15666934
	2020	0.010025784	0.757589589	0.465153194	0.171295348
	2021	0.025879704	0.762246964	0.346054954	0.173226478
DLTA	2019	-0.042495963	0.059772433	0.17503857	1.739575751
	2020	0.09094648	0.064554921	0.201668947	2.728009408
	2021	0.097868239	0.064300135	0.295541207	2.37934307
GOOD	2019	-0.033835492	0.536308591	0.830782736	0.218021017
	2020	0.044398639	0.509317888	1.25601373	0.287451327
	2021	-0.008086367	0.47202815	1.23271719	0.251043191
ICBP	2019	0.034426133	0.293015061	0.451357769	0.217283862
	2020	0.015807583	0.128888038	1.058671169	0.169162337
	2021	0.00279128	0.120066383	1.157498055	0.28356439
INDF	2019	0.056362902	0.447745834	0.774799692	0.269914718
	2020	0.026114466	0.281132147	1.061417085	0.224089824
	2021	0.021192087	0.26066466	1.070320011	0.247457662
MYOR	2019	0.038497897	0.245560655	0.923967024	0.201907747
	2020	0.019353227	0.305559439	0.754651695	0.228415573
	2021	-0.049640852	0.320157623	0.753309702	0.262471018
PANI	2019	0.101072236	0.221202632	1.995389807	2.6040029
	2020	0.022235255	0.253240506	1.456936899	0.586609975
	2021	0.076973395	0.137510301	2.904480206	0.231839545
ROTI	2019	0.004188216	0.542581884	0.513964888	0.158977701
	2020	0.0226889492	0.546809285	0.379374356	0.201927139
	2021	0.046451467	0.594773196	0.470925702	0.135009918
ULTJ	2019	-0.012136483	0.235557899	0.168569331	0.202817592
	2020	-0.004100357	0.195953652	0.83073975	0.228577707
	2021	-0.002463393	0.292344417	0.441548144	0.215117139

Source: Data processed by the author, 2022

Based on table 1, the calculation output results of the accounting conservatism variable, capital intensity and leverage as independent variables and tax avoidance as the dependent variable are processed using a data processing application, namely Microsoft Excel.

Discussion

Descriptive Statistical Analysis

Descriptive statistical analysis can be used to show how much data is used in the study and shows what the maximum value, minimum value, average value, and standard deviation of each variable are. The following are the results of descriptive statistical analysis processed using SPSS version 25 software:

Table 2. Descriptive statistical analysis test results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Accounting Conservatism	36	-,05	,10	,0236	,03732
Capital Intensity	36	,06	,76	,3600	,20346
Leverage	36	,06	2,90	,7691	,58833
Tax Avoidance	36	,07	2,73	,4569	,70163
Valid N (listwise)	36				

Source: Data processed by the author, 2022

Based on table 2, it can be described that, the accounting conservatism variable contained in table 2, the amount of accounting conservatism in 36 samples has a minimum value of -0.05 while the maximum value is 0.10. The average value (mean) is smaller than the standard deviation, namely 0.0236 <0.03732 which indicates that the distribution of accounting conservatism values is not good. The capital intensity variable contained in table 3.2, the amount of capital intensity in 36 samples has a minimum value of 0.06 while the maximum value is 0.76. The average value (mean) is greater than the standard deviation, namely 0.3600> 0.20436 which indicates the distribution of good capital intensity values. The leverage variable contained in table 2, the amount of leverage in 36 samples has a minimum value of 0.06 while the maximum value is 2.90. The average value (mean) is greater than the standard deviation, namely 0.7691> 0.58833 which indicates a good distribution of leverage values. The tax avoidance variable contained in table 2, the amount of tax avoidance in 36 samples has a minimum value of 0.07 while the maximum value is 2.73. The average value (mean) is greater than the standard deviation, namely 0.4569> 0.70163 which indicates a good distribution of tax avoidance values.

Classic Assumption Test

The classic assumption test is used to determine whether or not a data is suitable for further testing. The classic assumption test consists of normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

Normality Test

The normality test aims to test whether the regression model, confounding or residual variables have a normal distribution (Imam Ghozali, 2011). The normality test was carried out using Kolmogorov - Smirnov with a significance level of 5% looking at the Asymp.Sig (2-tailed) value and Normal Probability Plot. Calculations were carried out using SPSS 25 software. The test results on the data obtained are as follows:

Table 3. Normality test results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		36
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,56278020
Most Extreme Differences	Absolute	,139
	Positive	,139
	Negative	-,086
Test Statistic		,139
Asymp. Sig. (2-tailed)		,077[c]

Source: Data processed by the author, 2022

Based on table 3., it can be seen that the results of the normality test in 36 research samples show that the Asymp.sig (2-tailed) result is 0.077. So it can be concluded that the results are normally distributed because 0.077> 0.05.

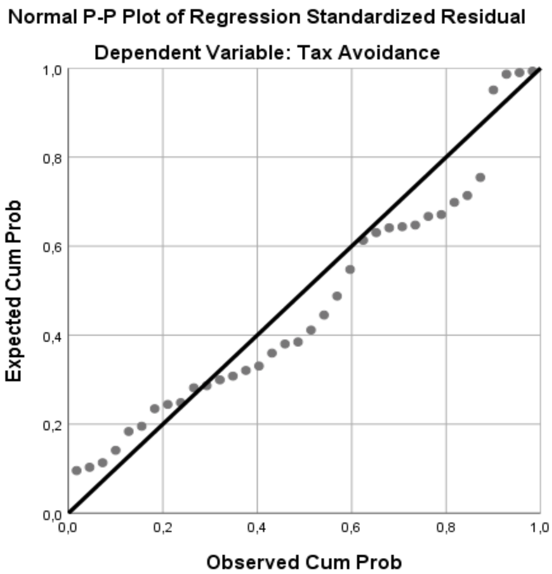

Figure 2. Normal probability plot graph

Based on Figure 2, it can be seen that the distribution of points is not far from the data line and follows the direction of the diagonal line, so this capital has fulfilled the normality test using the normal probability plot graph because it is normally distributed.

Multicollinearity Test

The multicollinearity test aims to determine whether there is a strong correlation between the independent variables (free) included in the formation of capital (Arfan Ikhsan, 2014). Multicollinearity can be seen from the Variance Inflation Factor (VIF) and Tolerance values. If the Tolerance value> 0.1 and VIF < 10.00 then there is no multicollinearity. The multicollinearity test results can be seen in table 4 as follows:

Table 4. Multicollinearity test results
Coefficients[a]

Model	Collinearity Statistics

		Tolerance	VIF
1	Accounting Conservatism	,936	1,069
	Capital Intensity	,948	1,055
	Leverage	,985	1,015

Source: Data processed by the author, 2022

Based on the results in table 3.4, it shows that all independent variables have a Tolerance value of> 0.1 and VIF < 10.00 respectively, so it can be concluded that in this study there is no multicollinearity.

Autocorrelation Test

The autocorrelation test is used with the aim of knowing whether in a linear regression model there is a correlation between confounding errors in period t and errors in period t-1 (Arfan Ikhsan, 2014). One measure in detecting the presence or absence of autocorrelation problems is the Durbin-Watson (DW) test. The results of the autocorrelation test with the DW method are as follows:

Table 5. Autocorrelation test results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,597[a]	,357	,296	,58857	,833

Source: Data processed by the author, 2022

Based on the test results in table 3.5, it shows that the results of the autocorrelation test obtained a Durbin-Watson value of 0.833. These results when compared with the table value using a 5% confidence degree, the number of samples is 36, variable (k) = 3, the Durbin - Watson table value du = 1.653, then the result is 1.653 < 0.833 < 2.347 it can be concluded that there is no autocorrelation.

Heteroscedasticity Test

The heteroscedasticity test is used to test whether the variance of the residuals is not equal for all observations in the multiple linear regression model. Based on the results of the Glejser test and Park test, the regression model still has symptoms of heteroscedasticity. Therefore, researchers use another method, namely the spearman's rho test. This test uses a significance level of 0.05 with a 2-sided test. If the correlation between the independent variable and the residual gets a significance value> 0.05, it can be said that there are no symptoms of heteroscedasticity.

Table 6. Heteroscedasticity test results

Correlations

			Konservatisme Akuntansi	Intensitas Modal	Leverage	Unstandardized Residual
Spearman 's rho	Accounting Conservatism	Correlation Coefficient	1,000	-,189	-,063	-,278
		Sig. (2-tailed)	.	,268	,717	,101
		N	36	36	36	36
	Capital Intensity	Correlation Coefficient	-,189	1,000	,177	,247
		Sig. (2-tailed)	,268	.	,302	,147
		N	36	36	36	36
	Leverage	Correlation Coefficient	-,063	,177	1,000	,093
		Sig. (2-tailed)	,717	,302	.	,588

	N	36	36	36	36
Unstandardized Residual	Correlation Coefficient	-,278	,247	,093	1,000
	Sig. (2-tailed)	,101	,147	,588	.
	N	36	36	36	36

Source: Data processed by the author, 2022

Based on the test results in table 6, it shows that the Sig. value on the accounting conservatism, capital intensity and leverage variables has a significance value> 0.05, it can be concluded that in research using the Spearman's rho test method there is no heteroscedasticity.

Multiple Linear Regression Analysis

In this study, multiple linear regression testing was carried out with the aim of knowing how much influence the independent variables (accounting conservatism, capital intensity, and leverage) have on the dependent variable (tax avoidance). The results of multiple linear regression analysis are as follows:

Table 7.Multiple linear regression analysis results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	,830	,260		3,197	,003
	Accounting Conservatism	6,965	2,756	,370	2,527	,017
	Capital Intensity	-1,363	,502	-,395	-2,713	,011
	Leverage	-,061	,170	-,051	-,360	,721

Source: Data processed by the author, 2022

Based on table 7 results in multiple linear regression equations as follows:

Y = 0,830 + 6,965 CONACC – 1,363 CI - 0,061 DER + e (5)

Description:

CONACC = Accounting Conservatism

CI = Capital Intensity

DER = Leverage

From the multiple regression model equation, it can be concluded as follows:

1. The constant value (α) in the multiple linear regression equation shows a value of 0.830, which means that if the accounting conservatism variable (X1), capital intensity (X2), and leverage (X3) are 0 (zero) or constant, then tax avoidance (Y) has a value of 0.830 assuming other independent variables are constant.
2. The coefficient of the accounting conservatism variable (X1) is positive at 6.965, which means that if accounting conservatism (X1) increases by one unit, the tax avoidance variable (Y) will increase by 6.965, assuming other independent variables are constant.
3. The coefficient of the capital intensity variable (X2) has a negative sign of 1.363, which means that if the capital intensity (X2) increases by one unit, the tax avoidance variable (Y) will decrease by 1.363, assuming other variables are constant.

4. The coefficient of the leverage variable (X3) has a negative sign of 0.061, which means that if the leverage (X3) increases by one unit, the tax avoidance variable (Y) will decrease by 0.061, assuming other independent variables are constant.

Hypothesis Test

Partial Test (t Test)

The t test is basically carried out with the aim of testing whether the independent variable (X) individually has a significant relationship or not to the dependent variable (Y). The results of this test are as follows:

Table 8. Partial test results (t-test)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,830	,260		3,197	,003
	Accounting Conservatism	6,965	2,756	,370	2,527	,017
	Capital Intensity	-1,363	,502	-,395	-2,713	,011
	Leverage	-,061	,170	-,051	-,360	,721

Source: Data processed by the author, 2022

Based on table 8, it can be concluded as follows:

a. H1: Accounting Conservatism partially affects Tax Avoidance.
   Accounting conservatism has a significance value of 0.017 smaller than 0.05. This shows that accounting conservatism has a significant effect on tax avoidance, so the first hypothesis which states that accounting conservatism partially affects tax avoidance can be accepted.
b. H2: Capital Intensity partially affects Tax Avoidance.
   Capital intensity has a significance value of 0.011 smaller than 0.05. This shows that capital intensity has a significant effect on tax avoidance, so the second hypothesis which states that capital intensity partially affects tax avoidance can be accepted.
c. H3: Leverage partially affects tax avoidance.
   Leverage has a significance value of 0.721 greater than 0.05. This shows that leverage has no significant effect on tax avoidance, so the third hypothesis which states that leverage partially affects tax avoidance is rejected.

F Test (Simultaneous Test)

The f test is basically carried out to test whether all independent variables have a joint or simultaneous influence on the dependent variable. The simultaneous test results can be seen in table 4.10 as follows:

Table 9. F Test results

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6,145	3	2,048	5,913	,002[b]
	Residual	11,085	32	,346		
	Total	17,230	35			

Source: Data processed by the author, 2022

Based on the f test in table 9, it can be seen that the significant value obtained is 0.002. This shows that the sig F value <0.05 then H_0 is rejected and H_1 is accepted. It can be concluded that Accounting Conservatism, Capital Intensity, and Leverage simultaneously affect Tax Avoidance.

Determination Coefficient Test (R^2)

The coefficient of determination essentially measures how far the model's ability to explain variations in the independent variable (Imam Ghozali, 2011). The results of the coefficient of determination test are as follows:

Table 10. Test results of the coefficient of determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,597[a]	,357	,296	,58857

Source: Data processed by the author, 2022

Based on table 10 shows that the test results of the coefficient of determination are indicated by the Adjusted R Square value of 0.296 or 29.6%. This shows that accounting conservatism, capital intensity, and leverage have an effect on tax avoidance of 29.6%, while the remaining 70.4% is influenced by other variables that are not included in the research model conducted here.

4. CONCLUSION

Based on testing and discussion of research on the effect of Accounting Conservatism, Capital Intensity and Leverage on Tax Avoidance both partially and simultaneously in food and beverage sub-sector companies listed on the IDX for the 2019-2021 period, it can be concluded that: (a). Accounting Conservatism affects Tax Avoidance. This shows that the use of conservative accounting methods can increase the company's tendency to conduct Tax Avoidance. This is based on principles that lead to deviant behavior, but are still within an acceptable approach. (b). Capital Intensity affects Tax Avoidance. This shows that the higher the capital intensity in a company, the higher the company's tax avoidance. This is because companies tend to choose to invest more capital in fixed assets which will cause the depreciation expense of these assets to be greater, causing the company's expenses to be large, with a large company expense, the profit earned by the company is smaller so that the company's taxable income is smaller. (c). Leverage has no effect on Tax Avoidance. This shows that a high leverage value means that the higher the amount of third party debt financing arising from the debt financing, the higher the interest expense will have the effect of reducing the company's tax burden. So, with a reduced tax burden the company will not take tax avoidance action. (d). Accounting Conservatism, Capital Intensity and Leverage affect Tax Avoidance in Food and Beverage Sub-Sector Companies listed on the IDX for the 2019-2021 period. This shows that the three independent variables can affect CETR, so that companies can take tax avoidance actions by reducing the level of tax payments or reducing their tax burden in order to maximize company profits when done together. An area for future research is to explore the role of other factors, such as firm size or management characteristics, that may moderate the relationship. Investigate how a firm's fixed asset composition and cost of capital structure affect tax avoidance strategies. Focusing on the influence of sector-specific fixed assets or specific asset types could provide greater insight into the mechanisms behind the relationship between capital intensity and tax avoidance. Involve more detailed aspects of capital structure, such as the type of debt or the relationship with dividend policy, to understand whether there are leverage-related variables that might affect tax avoidance. Involve further analysis of the impact of tax avoidance on financial performance and firm value. By considering this aspect, the research will be more holistic in describing the consequences of tax avoidance practices on companies. Involving cross-sector analysis to compare the results between the food and beverage subsector and other sectors. This can provide a more comprehensive picture of the influence of the variables studied on tax avoidance in the context of different industries. Consider aspects of regulation and tax policy that may moderate the relationship between these variables. Looking at how the regulatory environment affects corporate tax avoidance strategies can provide valuable insights for practitioners and policy makers.

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