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TAX AVOIDANCE AFFECTED BY AUDIT QUALITY AND COMPANY FACTORS

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Abstract: This study aims to obtain empirical evidence regarding the effect of the proportion of independent commissioners, audit committees, audit quality, profitability, company size, sales growth, institutional ownership, and leverage on tax avoidance. The sample used in this study were manufacturing companies listed on the Indonesia Stock Exchange from 2019 to 2021 with a purposive sampling method, resulting in 58 companies with 174 data. The data analysis method in this study used multiple regression analysis. The results of this study indicate that the proportion of independent commissioners, audit committees, audit quality, profitability, company size, sales growth, and institutional ownership do not affect tax avoidance. At the same time, leverage has a negative effect on tax avoidance.

Keywords: audit committee, audit quality, proportion of independent commissioners, tax avoidance

INTRODUCTION

Taxes are mandatory contributions to a country and are one of the highest sources of income (Mais & Patminingih, 2017). Laura and Akhadi (2021) said that tax revenue is the central pillar of revenue in the State Budget (APBN). Through taxes, a country can increase economic growth in various sectors. Not only that, taxes can build public facilities and infrastructure that aim to benefit the people (Anggreni & Febrianti, 2019). The one of the factors that influences companies to avoid taxes is the proportion of independent commissioners. One of the tasks of independent commissioners is to supervise the decisions of the board of directors, so that companies consider tax avoidance more. Another factor that can cause tax avoidance is audit quality. If a company's financial statements are audited by a KAP, tax avoidance practices can be reduced. That is because auditors are independent, so auditors can detect fraud in financial statements without being influenced by other parties (Yunietha & Palupi, 2017).

Based on the document of the Directorate General of Taxes (DGT), it is stated that the growth of tax revenue realization in Indonesia was consecutively in 2018 at 92.4%, in 2019 at 86.50%, and in 2020 at 85.65% (Kemenkeu RI, 2020). That shows that tax revenue in Indonesia has yet to reach the expected target. Therefore, the government and the community, including companies, must be able to work together in this matter so that Indonesian taxation will be better in the future. Cases of tax avoidance practices often occur in several companies in Indonesia, one of which is PT Garuda Metalindo. The company's balance sheet shows a significant increase in the amount of loans. In the financial

report, it is stated that the amount of short-term bank debt has reached IDR 200 billion in 6 months. The Director of Garuda Metalindo said the company has prepared around IDR 350 billion for capital expenditures until next year. That caused an increase in the value of the company's debt. In this case, PT Garuda Metalindo is suspected of making tax avoidance efforts by utilizing capital obtained from loans or debts. Companies that finance with debt will incur interest costs incurred by the company. In this case, PT Garuda Metalindo has a large debt, so the interest payments that will be borne will automatically be significant. Thus, enormous interest costs will reduce the tax burden borne by PT Garuda Metalindo (Sulhendri & Wulandari, 2020). Therefore, knowing immediately if something is a deviation is essential (Siahaan et al., 2023b, 2024).

Based on the description above, it is undeniable that many companies make efforts to avoid taxes. Therefore, this study was conducted to obtain empirical evidence regarding the influence of the proportion of independent commissioners, audit committees, audit quality, profitability, company size, sales growth, institutional ownership, and leverage on tax avoidance. This study develops previous research (Yuniarwati et al., 2017). The researcher intends to conduct a study entitled "The Influence of the Proportion of Independent Commissioners, Audit Quality and Other Influences on Tax Avoidance."

Literature Review and Hypothesis Development

Agency Theory

Agency theory can occur when there is a contractual relationship between one or more people (principals) who give their authority to make decisions to the party given trust (agent). This agency theory arises when there is a difference between the principal and the agent. *Agency theory* can motivate agents to prioritize the principal (Scott, 2015; Jensen & Meckling, 1976; Siahaan et al., 2023a). In this case, the company management acts as an agent, and the general public acts as the principal. The agent wants to carry out tax avoidance practices, while the principal wants something else. Company management avoids taxes because they want the taxes paid to be as minimal as possible. However, the general public wants tax payments made according to the provisions of applicable tax laws and to pay on time.

Tax Avoidance

Tax avoidance is an attempt to avoid paying taxes legally without violating regulations (Fauzan et al., 2019). Tax avoidance may be done in tax laws and regulations by changing each taxable transaction into a non-taxable object. So that taxpayers can be free from objects that can be taxed (Yohan & Pradipta, 2019). According to Handayani (2018), tax avoidance is carried out by exploiting weaknesses (loopholes) in a country's tax provisions. Generally, companies do various ways to keep the taxes imposed minimally. Either in line with tax regulations (lawful) or violating tax regulations (Puspita & Febrianti, 2017). This tax avoidance practice is a dilemma between tax evasion and tax compliance. Many companies take advantage of tax avoidance to reduce high tax payments. However, this negative effect on a country because it can reduce the amount of tax revenue received (Anggreni & Febrianti, 2019).

Proportion of Independent Commissioners and Tax Avoidance

Independent commissioners encourage management to provide honest financial report results to investors and stakeholders (Novita & Herliansyah, 2019). Members of the independent board of commissioners come from outside the company and do not have a special relationship with the company, so they are independent and not influenced to commit fraud.

The existence of an independent commissioner is expected to reduce tax avoidance practices by detecting fraud committed by the company. Independent commissioners are representatives of public shareholders or the community. The community wants companies to pay taxes on time and by tax laws and regulations, while companies want to avoid paying large amounts of tax. It can be concluded that the more independent commissioners there are, the tighter the supervision will be so that tax avoidance can be minimized (P. Fauzan et al., 2021).

Ha_1: The proportion of independent commissioners affects tax avoidance

Audit Committee and Tax Avoidance

The audit committee's role in a company is to provide control to managers so that they do not commit fraud in preparing financial reports. The audit committee is formed to assist commissioners in supervising management. In addition, the audit committee acts as the primary contact that bridges between the auditor and the company. The audit committee influences tax avoidance. When a company has many audit committee members, it is expected to reduce the risk of tax avoidance. The more audit committee members, the better the corporate governance, so tax avoidance activities can decrease (Wiratmoko, 2018).

Ha_2: The audit committee affects tax avoidance.

Audit Quality and Tax Avoidance

Companies use audit services to ensure that their activities are running well, transparently, and clearly, especially in the presentation of financial statements and internal control. Financial statements that have been audited by Big Four companies are of better quality than those of non-Big Four companies. Auditors who work in public accounting firms (KAP) are considered to be of high quality and reliable, so they are able to provide transparent financial statements regarding the actual conditions of the company. So, companies whose financial statements are audited by KAP have a low level of tax avoidance; big-four KAP will be more trusted because auditors who work in Big-Four KAP have high integrity by prioritizing transparency and independence to minimize tax avoidance (Yuniarwati et al., 2017).

Ha_3: Audit quality affects tax avoidance

Profitability and Tax Avoidance

Profitability is one of the indicators that can be used to measure company compliance with tax payments. When the company's profitability value is high, it is assumed that its performance is good and that it can use its assets to rate high profits. High income will cause the company to get a high tax bill. That can allow companies to avoid taxes because a company wants to avoid paying high taxes so that the profits obtained are (Pradipa et al., 2018).

Ha_4: Profitability affects tax avoidance

Company Size and Tax Avoidance

When a company is included in the large category, it automatically has many assets to support its operational activities. The number of transactions that occur within the company will generate large profits. Companies that are large have a high chance of avoiding taxes because the taxes that must be paid will be high, and they want to maximize the profits obtained (Sonia & Suparmun, 2019).

Ha_5: Company size affects tax avoidance

Sales Growth and Tax Avoidance

The success of a company's investment in the last period can be observed through sales growth. The number of transactions that occur in the company increases the company's income. Good sales growth will give the company high profits. That is in line with the increasing tax obligations the company must pay. However, on the company's side, it wants to avoid paying high

taxes so that profits are not significantly reduced. Companies with good growth tend to avoid paying taxes (Sonia & Suparmun, 2019).

Ha_6: Sales growth affects tax avoidance

Institutional Ownership and Tax Avoidance

The relationship between institutional ownership and tax avoidance is contained in the agency theory stated by Jensen & Meckling (1976). This theory explains that institutional ownership plays a vital role because it is included in the structure of good corporate governance, which can minimize problems between managers and shareholders. Institutional ownership is share ownership owned by various institutions, such as the government, companies engaged in banking, insurance, investment, foreign investors, and other institutions (Sari et al., 2020). The existence of institutional ownership in a company functions to monitor, provide advice, and influence the actions taken by managers. It can also encourage increased supervision of management so as not to commit fraud. Companies that have significant institutional ownership can affect tax avoidance. When the percentage of institutional ownership is large, the supervision that external parties can carry out will be stricter. That causes managers to be more careful when making decisions so that tax avoidance will be low (Novita & Herliansyah, 2019).

Ha_7: Institutional ownership affects tax avoidance

Leverage and Tax Avoidance

Leverage is one of the parameters used to see financing activities within a company. The high percentage of leverage proves that the company has borrowed a lot from outside the company to finance operational activities within the company. When a company has debt, an interest expense must be paid. Interest expense is part of the deductible expense, which can reduce taxable income. This results in the tax that the company must pay being low to maximize the company's operational activities and get high profits. Companies can utilize this situation to save money when paying taxes (Fauzan et al., 2019).

Ha_8: Leverage affects tax avoidance

METHOD

This study uses a form of causality. The subject is a manufacturing company consistently listed on the Indonesia Stock Exchange from 2019 to 2021. The sampling technique used is purposive sampling, which produces 174 data. The sampling procedure can be seen in Table 1.

Tax Avoidance

This study uses tax avoidance as its dependent variable. *Tax avoidance* is a way that can be done to minimize the tax burden borne by the company while still following the rules of tax laws and regulations by utilizing loopholes permitted in the regulations (Yuniarwati et al., 2017). The Cash Effective Tax Rate (CETR) proxy can measure this tax avoidance. CETR calculates cash payments against profits before taxation. CETR is measured using a ratio scale. The higher the CETR value, the higher the tax payments made, so tax avoidance is low. Conversely, the lower the CETR value, the higher the tax avoidance. Referring to the research of Yuniarwati et al. (2017), tax avoidance can be measured using a ratio scale expressed by the formula: Cash tax paid/Pre-tax income.

Proportion of Independent Commissioners

Independent commissioners are boards that do not have a special relationship with the company, shareholders, or other boards of directors. The presence of independent commissioners is expected to reduce tax avoidance practices carried out by the government. According to research (Yuniarwati et al., 2017), the proportion of independent commissioners can be calculated using a ratio scale and the formula: Number of independent commissioners/Total of commissioners.

Audit Committee

The board of commissioners forms the audit committee (AC) to assist in the company's internal supervision. The committee provides views and input on the company's financial, accounting, and internal control policies (Aisyah & Setiyawati, 2019). The audit committee's measurement is based on research conducted by Fauzan et al. (2021), using the formula: ∑ Audit Committee Members.

Audit Quality

Audit quality can be influenced by the services of auditors who audit a company's financial statements. Financial statements from Big Four Public Accounting Firms (KAP) are better quality than those from non-Big Four KAPs (Anjelica & Prasetyawan, 2014). Based on research by Yuniarwati et al. (2017), audit quality is measured on a nominal scale using dummy variables. The financial statements of companies audited by Big Four KAPs are scored 1, while the number 0 is given to financial statements audited by non-Big Four KAPs.

Profitability

Profitability reflects how effectively a company uses capital to profit from its operational activities (Ichsani & Susanti, 2019). Profitability can be measured using a ratio scale with a Return on Assets (ROA) proxy. The higher the ROA the company generates, the better its financial performance to generate high profits. The profitability measurement used in this study is the research conducted by Yuniarwati et al. (2017). ROA can be measured using a ratio scale with measurements, namely Net income/Total assets.

Table 1. Sample Selection Procedure

No.	Description	Description Number of Companies	Total Data
1.	Manufacturing companies were consistently listed on the Indonesia Stock Exchange (IDX) from 2018 to 2021.	167	501
2.	Manufacturing companies that do not consistently use annual financial statements ending December 31, 2018, to December 31, 2021.	-10	-30
3.	Manufacturing companies that do not use the Rupiah (Rp) currency unit in presenting financial statements from 2018 to 2021.	-29	-87
4.	Manufacturing companies that do not consistently earn positive profits from 2019 to 2021.	-52	-156
5	Manufacturing companies that do not consistently disclose institutional ownership information from 2019 to 2021.	-5	-15
6	Manufacturing companies that do not have a CETR value > 0 and < 1 from 2019 to 2021.	-13	-39
	Total samples	58	174

Source: Data Processing Results

Company Size

Company size can be seen through total assets to describe the size of a company. The more assets a company has, the more it proves it is growing well. *Company size* is a variable measured using total assets in the company that have been converted into natural logarithm form (Pradipa et al., 2018). This study refers to the research of Yuniarwati et al. (2017), so company size uses the formula: Natural Logarithm of Total Assets.

Sales Growth

Sales growth is an indicator that can show the development and stability of a company in its sales for each period (Wahyuni et al., 2017). Sales growth is one of the most important aspects because companies can predict the amount of profit they get, so it can be one aspect that can be seen in tax avoidance. Referring to the research of Fauzan et al. (2019), sales growth can be calculated using the ratio scale and its measurement as follows: (Pt-(pt-1))/(pt-1).

Institutional Ownership

Institutional ownership is the ownership of shares owned by various institutions, such as the government, companies engaged in banking, insurance, investment, foreign investors, and other institutions (Sari et al., 2020). Institutions usually trust certain divisions to manage the company's investments (Cahyono et al., 2016). The measurement of institutional ownership refers to the research of Oktaviyani and Munandar (2017) using a ratio scale with the formula: Total shares owned by the institution/Total outstanding shares.

Leverage

Leverage is an indicator that measures how much a company has assets to manage its operational activities financed by debt. Leverage can measure a company's ability to utilize its debt for both the long and short term. Referring to research conducted by Wahyuni et al. (2017), using a ratio scale formulated as Total liabilities/Total assets.

Data Analysis Method

Hypothesis testing used in this study is multiple regression analysis. The regression model used in this study is as follows:

$$CETR = 0.437 + 0.009\ CI + 0.020\ CA + 0.038\ AQ - 0.251\ ROA - 0.012\ SIZE - 0.087\ SG + 0.060\ INST + 0.190\ LEV + \varepsilon$$

Description:
CETR: Tax Avoidance (Cash Effective Tax Rate)
β0: Constant
β1 - β8: Variable regression coefficient
CI: Proportion of Independent Commissioners
CA: Audit Committee
AQ: Audit Quality
ROA: Profitability
SIZE: Company Size
SG: Sales Growth
INST: Institutional Ownership
LEV: Leverage
E: Error

RESULTS

This study uses a purposive sampling method, resulting in 174 data. The residual data normality test results before the outlier show that the data is not normally distributed. Therefore, an outlier test is carried out to cancel the z-score data above 3 or below -3 so that 171 data are obtained. The results after the outlier test show that the data normality test still needs to be distributed. Hence, the researcher uses the data before the outlier test, which is 174 data, for further testing.

Descriptive statistical analysis can explain the data used in this study between the dependent and independent variables containing each research variable's minimum, maximum, average (mean), and standard deviation values . The results of the descriptive statistics can be seen in Table 2.

The results of the classical assumption test provide results that there is no multicollinearity and no autocorrelation, and the variables of the proportion of independent commissioners and profitability have heteroscedasticity, while the variables of the audit committee, audit quality, company size, sales growth, institutional ownership, leverage do not have heteroscedasticity. The correlation coefficient test (R test) results provide a value of 0.298, which means there is a weak and positive relationship between the dependent variable and the independent variable. At the same time, the determination coefficient (Adjusted R2) provides a result of 0.045, which means that the variation of the independent variable can explain 4.5% of the dependent variable. The F test in this study provides a sig value. 0.048, meaning that this research model is fit or feasible to use. At the same time, the t-test can be seen in Table 3.

The Effect of the Proportion of Independent Commissioners on Tax Avoidance

The independent commissioners (CI) variable proportion has a coefficient value of 0.009, and a sig value of 0.945 is more significant than 0.05. That means that Ha1 cannot be accepted, and it can be concluded that the variable proportion of independent commissioners does not affect tax avoidance. The results of this study are in line with the research of Yuniarwati et al. (2017), Sonia and Suparmun (2019), Asri and Suardana (2016); Mahanani et al. (2017); Tebiono and Sukadana, (2019), which provide results that the proportion of independent commissioners does not affect tax avoidance. That is because independent commissioners only focus on their duties, namely supervising management performance. However, the decision-makers are still the management, so they cannot guarantee that tax avoidance can be avoided (Yuniarwati et al., 2017). However, this is not in line with research conducted by Ariawan and Setiawan (2017); Diantari and Ulupui (2016); Pratomo and Rana, (2021), and Wiratmoko (2018), which provide results on the proportion of independent commissioners on tax avoidance. These results are also not in line with those of Putra (2016); Subagiastra et al. (2016); Sulhendri and Wulandari (2020), which provide results showing that the proportion of independent commissioners has a positive effect on tax avoidance.

Table 2. Descriptive Statistical Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
CETR	174	0,00167	0,87477	0,25747	0,14990
CI	174	0,25000	0,83333	0,41527	0,10422
CA	174	2	4	3,03	0,238
AQ	174	0	1	0,42	0,495
ROA	174	0,00191	0,41632	0,08970	0,07470
SIZE	174	25,97442	33,53723	29,08993	1,56282
SG	174	-0,96254	1,27302	0,07374	0,23810
INST	174	0,14019	0,99711	0,71613	0,19004
LEV	174	0,00345	0,79274	0,36675	0,17322

Source: Data Processing Results

Table 3. t-test Results

Model	B	Sig.	Description
CI	0,009	0,945	Not Affected
CA	0,020	0,692	Not Affected
AQ	0,038	0,199	Not Affected
ROA	-0,251	0,186	Not Affected
SIZE	-0,012	0,220	Not Affected
SG	-0,087	0,079	Not Affected
INST	0,060	0,326	Not Affected
LEV	0,190	0,008	Affected
Constant	0,437	0,127	

Source: Data Processing Results

The Influence of the Audit Committee on Tax Avoidance

The audit committee (AC) variable has a coefficient value of 0.020 and a sig value of 0.692, which is more significant than 0.05. That means that Ha2 cannot be accepted, and it is concluded that the audit committee variable does not influence tax avoidance. This is in line with research conducted by Honggo and Marlinah (2019); Khamisan and Christina (2020); Swingly and Sukartha (2015). That is because the audit committee is formed only to meet the requirements of a company, so it cannot influence a company's decision to avoid taxes (Yuniarwati et al., 2017). However, it is not in line with research conducted by Mahanani et al. (2017); Novita and Herliansya (2019); Siregar and Syafruddin (2020), which provides results that the audit committee has a positive effect on tax avoidance. In addition, the results are also different from the research conducted by Prihatono et al. (2019); Sulhendri and Wulandari (2020); Sunarsih and Oktavian (2016), who found that the audit committee has a negative effect on tax avoidance.

The Effect of Audit Quality on Tax Avoidance

The audit quality (AQ) variable has a coefficient value of 0.038 and a sig value of 0.199, more significant than 0.05. That means that Ha3 cannot be accepted, so it can be concluded that the audit quality variable does not affect tax avoidance. This study is in line with research conducted by Khamisan and Christina (2020); Monika and Noviari (2021); Subagiastra et al. (2016); Yuniarwati et al. (2017). Companies that use the services of Big Four and Non-Big Four KAPs do not have significant differences because the services provided by KAPs already refer to existing regulations based on the Public Accountant Professional Standards of the Indonesian Institute of Public Accountants (IAPI), so both still have the opportunity to avoid taxes (Yuniarwati et al., 2017). However, the results are different from the research conducted by Mais and Patminingi (2017); Sunarsih and Oktaviani (2016), which revealed that audit quality has a negative effect on tax avoidance. However, they are also different from the research results of Eksandy (2017); Sulhendri and Wulandari (2020), which stated that audit quality has a positive effect on tax avoidance.

The Effect of Profitability on Tax Avoidance

The profitability variable (ROA) has a coefficient value of -0.251 and a sig value of 0.186, which is more significant than 0.05. That means that Ha4 cannot be accepted, so it can be concluded that the profitability variable does

not affect tax avoidance. This study is in line with the research conducted by Cahyono et al. (2016), and Ryandono et al. (2020). The more efficient a company is, the more compliant it will be in paying taxes so that it does not engage in tax avoidance (Wahyuni et al., 2017). However, it is inconsistent with research conducted by Fauzan et al. (2019); Ichsani and Susanti (2019); Yuniarwati et al. (2017), which states that profitability has negative effect tax avoidance. It also needs to be more consistent with research by Anggreni and Febrianti (2019) which states that profitability has a positive effect on tax avoidance.

The Effect of Company Size on Tax Avoidance

The company size variable (SIZE) has a coefficient value of -0.012, and a sig value of 0.220 is more significant than 0.05. That means that Ha5 cannot be accepted, so it can be concluded that the company size variable does not affect tax avoidance. This study is in line with research conducted by Khamisan and Christina (2020); Mahanani et al (2017); Tebiono and Sukadana (2019); Yuniarwati et al. (2017). The size of a company cannot be used as a measure for tax avoidance because both have the same opportunity to avoid taxes (Tebiono & Sukadana, 2019). However, these results are inconsistent with research conducted by Ichsani and Susanti, (2019); Ryandono et al. (2020), which states that company size has a positive effect on tax avoidance. Moreover, it needs to be more consistent with research by Fauzan et al. (2019); Honggo and Marlinah (2019); Wiratmoko (2018), which states that company size has negative effect on tax avoidance.

The Effect of Sales Growth on Tax Avoidance

The sales growth (SG) variable has a coefficient value of -0.087 and a sig value of 0.079, greater than 0.05. That means that Ha6 cannot be accepted, so it can be concluded that the sales growth variable does not affect tax avoidance. The results of this study are in line with research conducted by Mahanani et al., (2017); Oktaviyani and Munanda (2017); Swingly and Sukartha (2015). High or low sales growth cannot affect tax avoidance because the company will still have the same opportunities. The company wants to lower the tax burden paid to increase the profit obtained. However, it is not in line with research conducted by (Wahyuni et al., 2017), which gave the results of sales growth having a positive effect on tax avoidance. This result is also inconsistent with Fauzan et al., (2019), and Tebiono and Sukadana (2019), which provide results that sales growth has a negative effect on tax avoidance.

The Effect of Institutional Ownership on Tax Avoidance

The institutional ownership variable (INST) has a coefficient value of 0.060 and a sig value of 0.326, more significant than 0.05. That means that Ha7 cannot be accepted, so it can be concluded that the institutional ownership variable does not affect tax avoidance. The results of this study are in line with research conducted by Khamisan and Christina (2020). That is because the role of institutional ownership is limited, and there is no substantial control over management decisions to avoid taxes. However, it is not in line with research conducted by Subagiastra et al. (2016), and Sulhendri and Wulandari (2020), which showed that institutional ownership has a negative effect on tax avoidance. In addition, it is also inconsistent with the results of research conducted by Ariawan and Setiawan (2017); Fauzan et al.(2021); Sonia and Suparmun (2019), which revealed that institutional ownership has a positive effect on tax avoidance.

The Effect of Leverage on Tax Avoidance

The t-test results in Table 4.12 show that the leverage variable (LEV) has a sig value of 0.008, which is smaller than 0.05, which means

that Ha8 can be accepted; in other words, leverage affects tax avoidance. The leverage coefficient value of 0.190 indicates that the leverage variable positively affects the Cash Effective Tax Rate (CETR), meaning that the higher the leverage, the higher the tax payments paid so that the level of tax avoidance carried out will decrease. That means the more significant the company's debt, the less likely it is to engage in tax avoidance because it wants to avoid taking high risks, and lenders will monitor it more closely (Dharma & Ardiana, 2016). It will be hazardous for the company if proven to be doing tax avoidance. Therefore, high leverage will reduce tax avoidance. The results of this study are in line with research conducted by Dharma and Ardiana (2016); Ichsani and Susanti (2019); Swingly and Sukartha (2015), which showed that leverage has a negative effect on tax avoidance. However, the results are different from the research conducted by Ariawan and Setiawan (2017); Wahyuni et al. (2017), which showed that leverage has a positive effect on tax avoidance. In addition, it is also different from the research of Honggo and Marlinah (2019); Ryandono et al. (2020), which showed that leverage did not affect on tax avoidance.

CONCLUSION

Based on the research conducted, the conclusion obtained is that the variables of the proportion of independent commissioners, audit committees, audit quality, profitability, company size, sales growth, and institutional ownership do not affect tax avoidance. At the same time, leverage has a negative effect on tax avoidance. The research conducted still needs to be improved in the compilation process. Hence, one limitation of this study is that the residual data normality test provides data that is not normally distributed. Then, this study needs help with the classical assumption test. Namely, heteroscedasticity exists in the independent commissioner proportion (CI) and profitability (ROA) variables. The coefficient of determination (adjusted R2) in this study is small, only 4.5%, which means there are still many other independent variables outside the independent variables carried out in this study. Regarding some of the limitations mentioned above, the following are recommendations that can be given for further research on tax avoidance, namely that further research is expected to add the amount of research data so that the residual data normality test can be normally distributed. Further research is expected to carry out transformation so that the research does not experience heteroscedasticity problems. Further research is expected to add other independent variables affecting tax avoidance, such as financial distress, business strategy, managerial ownership, board of directors size, and other variables.

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