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Tax Agresivity in Sub-Sector Food Companies & Beverages Listed in Indonesia Stock Exchange

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Abstract: This paper aims to measure of tax agresivity and what factors might influence it. Aggressive tax avoidance (tax aggressiveness) carried out with various schemes of financial transactions, both legal and illegal, have an impact on the decline in state revenues used for the purpose of increasing public welfare. From several studies stated that Liquidity and Leverage can reduce tax aggressiveness or in other words if Liquidity and Leverage increases, the ETR (Effective Tax Rate) will also increase, but in reality the current assets of food and beverage companies have increased but ETR has decreased and company leverage has decreased but ETR has increased. The method used is verivikatif with explanatory survey. The results show that in liquidity has a positive and significant effect on tax aggressiveness with a significance of 0.978, leverage has a positive and significant effect on tax aggressiveness, because leverage which is proxied by DAR has a significance of 0.008 and simultaneously affects the aggressiveness of taxes with a significance value of 0.004. The limitations in this study only use Food & Beverages sector companies so that the results cannot be used as a basis for generalization in all sectors and only use five research periods, namely 2013 to 2017.
Keywords: Tax Aggresiveness, Liquidity, Leverage.

Introduction

State Revenues are income earned by the State to finance and run every government program. Sources of state revenues include taxes, levies, loans, profits from BUMN / BUMD. The biggest state revenue is from tax revenue. The government always strives to increase state revenues from year to year by improving and improving tax regulations in Indonesia, with the hope that taxpayers' awareness to participate in the country's development process through tax payments can increase. However, many taxpayers consider taxes to be a burden, especially for companies. Taxes for companies are a burden that can reduce the amount of company profits, a condition that causes many companies to try to find ways to reduce tax costs paid.

The amount of tax that must be paid by the company depends on the amount of profit the company has for one year. Payment of taxes in accordance with the provisions of course will conflict with the main purpose of the company, namely maximizing profits or profits, so the company strives to minimize the tax costs borne. Therefore, each company must have their own policies in determining and regulating their tax obligations. There are several ways that companies do to maximize their profits either by increasing revenues or reducing costs. One of the costs that can be suppressed by the company is tax costs by conducting aggressive tax planning. In general, companies always want to get large profits without deducting the tax burden owed.

In its implementation a lot of what is done by companies to reduce the tax burden owed include tax planning (tax planning), tax avoidance (tax avoidance), and tax evasion (tax evasion). Tax planning and tax avoidance are legal ways while tax evasion is an illegal method. Tax planning (tax planning) is an action that manipulates a taxpayer transaction business so that tax debt is in a minimal amount but still within the framework of tax regulations. Tax avoidance is an aggressive tax strategy that is legal by utilizing imperfections in the Tax Law. Tax evasion manipulates illegally on income to minimize the amount of tax owed. Taxpayers conduct tax or tax violations that are not permitted by the state. Although basically tax avoidance and tax evasion have the same goal of reducing the tax burden, tax evasion is illegal in an effort to reduce the tax burden. Companies prefer tax avoidance because it is legal that does not violate tax regulations by reducing the amount of tax owed by looking for weaknesses in the Taxation Law. On the other hand, companies view that tax avoidance provides large economic benefits and inexpensive sources of financing according Armstrong, 2012 in [1]

According to Frank, Lynch and Rego (2009) in [2] corporate tax aggressiveness is an act of engineering taxable income designed through tax planning actions using either legal means or tax avoidance or illegal with do tax evasion. Although not all actions violate the rules, but the more loopholes used or the greater the tax savings made, the company is considered to be increasingly aggressive towards taxes.

Tax is one of the company's short-term obligations. The company's ability to carry out short-term obligations can be seen from the liquidity ratio. [3] in a journal entitled "The Effect of Liquidity, Leverage, Independent Commissioner, and Profit Management on Corporate Tax Aggressiveness" states that a company's liquidity is predicted to affect the company's tax aggressiveness. Companies that have high liquidity have good cash flow so that the company is not reluctant to pay all of its obligations including paying taxes in accordance with applicable regulations. Conversely, Bradley (1994) and Siahaan (2005) in [3] state that companies that have low liquidity will disobey taxes in order to maintain the company's cash flow rather than having to pay taxes.

Leverage is a ratio that indicates the amount of external capital used by the company to carry out its operations. The results of the calculation of the leverage ratio indicate how much assets the company has come from the company's loan capital. If the company has a high source of loan funds then having an interest expense will reduce profits, so that with reduced profits it reduces the tax burden in one current period (Brigham and Houston, 2010, in [4]. The corporate income tax regulation (PPh) stipulates that loan interest can be deducted as a cost (tax deductible) according to article 6 paragraph (1) letter a of Law Number 36 of 2008. The results of research conducted by [3] prove that Leverage manufacturing companies have a positive and significant effect on corporate tax aggressiveness, or in other words there is a strong influence between company leverage on the level of tax aggressiveness company, where the higher the leverage, the higher the company's tax aggressiveness. In contrast to the research made by [4] which states that leverage factors have no significant effect on the level of aggression of corporate taxpayers.

The phenomenon that occurs regarding tax avoidance occurs in a food and beverage company that conducts tax avoidance, one of which is PT Coca Cola Indonesia. The Directorate General of Taxes (DGT) has investigated cases of tax evasion by the CCI. DGT stated that the total CCI taxable income in that period was valued at IDR 603.48 billion, while the CCI claimed taxable income of IDR 492.59 billion. As a result, the Directorate General of Taxes calculates a shortage of income tax and the CCI is indicated to be detrimental to the country's foreign exchange worth IDR 49.24 billion. DGT's search results show that the company has carried out tax avoidance actions which have caused tax deposits to decrease with the discovery of cost overruns for the 2002-2006 period with a total of Rp.566.84 billion. As a result there is a decrease in taxable income. [5]

Aggressive tax avoidance (tax aggressiveness) carried out with various schemes of financial transactions, both legal and illegal, have an impact on the decline in state revenues used for the purpose of increasing public welfare. With the tax collection system in Indonesia based on self assessment (taxpayers calculate, deposit and self-report tax payable) with the backbone of voluntary compliance (voluntary compliance), the taxpayer should carry out the obligation to pay taxes properly. However, from the point of view of business logic, they assume that tax is a cost of doing business. This thinking model will cause the company to try to issue a tax burden as efficiently as possible, the company will carry out tax planning (tax planning) which aims to minimize tax payable to maximize optimal pre-tax profit. [6]

From several studies stated that Liquidity and Leverage can reduce tax aggressiveness or in other words if Liquidity and Leverage increases, the ETR (Effective Tax Rate) will increase as well. With the increase in ETR reflects that the tax aggressiveness of a company decreases because the higher the ETR the lower the tax aggressiveness.

Food & beverages companies in 2013-2017, researchers saw a gap that occurred as in 2013 - 2014 current company assets have increased but ETR has decreased and in 2014 - 2015 company leverage has decreased but ETR has increased, while in 2017 Leverage has decreased but ETR has decreased.

This study aims to test and obtain empirical evidence of the effect of Liquidity and Leverage either partially or simultaneously on Tax Aggressiveness.

Review of Literature

Liquidity is defined as the ownership of an adequate source of funds to meet the needs and obligations that will be due and the ability to buy and sell assets quickly [4]. Companies with high liquidity ratios indicate the company's ability to meet its short-term obligations, which indicates the company is in sound financial condition and easily sells its assets if needed [3]. Companies that have high liquidity ratios are called liquid companies. Liquidity problems are one of the important problems in a company that are relatively difficult to solve [3], a company's liquidity is predicted to affect the level of corporate tax aggressiveness. Where if a company has a high level of liquidity, then it can be drawn that the company's cash flow is going well. With the existence of a good cash turnover, the company is not reluctant to pay all its obligations including paying taxes in accordance with the rules or applicable law. The study also provides evidence that companies experiencing liquidity difficulties are likely not to comply with tax regulations and tend to avoid tax evasion. This action is carried out by the company to reduce.

Spending on taxes and utilizing the savings made to maintain cash flow. Therefore, companies that have a low liquidity ratio will tend to have a high level of corporate tax aggressiveness. Liquidity indicates the company's ability to fulfill short-term obligations. In this study liquidity is calculated using current ratios, the reason being that the current ratio is a ratio that measures the company's ability in the short term by looking at the company's current assets against its current debt.[7]

According to [8] leverage is the amount of debt the company has for financing and can measure the amount of debt-financed assets. Companies with high leverage indicate that the company relies on external loans or debt, while companies with low leverage can finance their assets with their own capital. Socio and Nigro (2012) in [9] mention company-level characteristics and relationships with leverage vary according to different views of financial theory.

According to Haing (2012) in [1] tax aggressiveness is defined as tax planning activities of all companies involved in efforts to reduce effective tax rates. While Hanlon and Heitzman (2010) in [1] define tax aggressiveness as the last level of the spectrum of a series of tax planning behaviors. The benefits of corporate tax aggressiveness are savings in spending on taxes so that the profits obtained by the owner become increasingly large to fund the company's investment that can increase the company's profits in the future [3]. While the loss from corporate tax aggressiveness is the possibility of companies getting sanctions from the tax office in the form of fines, as well as a decrease in the company's stock price due to other shareholders knowing the actions of corporate tax aggressiveness. For the government, the act of corporate tax aggressiveness will reduce State revenues in the tax sector [3].

Tax aggressiveness is a more specific activity which includes transactions whose main purpose is to reduce corporate tax obligations. Companies that are aggressive towards taxes are characterized by lower transparency. The purpose of reducing corporate tax liabilities to be paid is one of the things that must be understood and involves several community ethics or the consideration of corporate stakeholders. However, on the other hand tax payments made by companies have important implications for the community in terms of funding public goods such as education, national defense, public health, and law [10].

[11] defines that tax aggressiveness as a tax planning company through tax avoidance or tax sheltering activities. Tax aggressiveness can be seen in two ways. First is the legal method permitted by applicable law, which is called legaltax avoidance. This is one of the legal services provided by accountants. Second, tax sheltering, which is an effort to design transactions that aim to reduce corporate tax obligations.

Tax aggressiveness is carried out with various schemes of financial transactions, both legal and illegal, affecting the decline in state revenues. The implementation of the Self Assessment System (taxpayers calculate, deposit and self-report the tax payable) with the backbone of voluntary compliance (voluntary compliance), causing the correct payment of taxes depending on the honesty of the taxpayers themselves in reporting their tax obligations. However, from the point of view of business logic, they assume that taxes are cost of doing business. This thinking model will cause companies to try to incur a tax burden as efficiently as possible. The company will carry out tax planning (tax planning) which aims to minimize profit before tax [6]. Managerial strategies to minimize taxes through acts of tax aggressiveness are a common feature of corporate landscapes around the world.

Hyphotesis

Companies with high liquidity ratios show the company's high ability to meet short-term debt. This shows that the company's finances are in a healthy condition and have no cash flow problems. With good financial conditions and cash flow, the company will be able to bear the costs that arise such as taxes. Companies are not reluctant to pay taxes in accordance with applicable tax rules and do not need to be aggressive towards taxes.

Research conducted by Bradley (1994) and Siahaan (2005) in [3] states that companies that experience liquidity difficulties are likely not to comply with tax regulations and tend to take tax avoidance measures. This action is carried out by companies to reduce spending on taxes and utilize savings made to maintain cash flow. Where if a company has a high level of liquidity, it can be described that the company's cash flow is running well. And with a good cash turnover, the company will not be reluctant to pay all its obligations including paying taxes in accordance with the rules or applicable law. So it can be predicted that if the liquidity in the company is high, then the level of tax avoidance at the company is low. In line with the results of the study by [3] are [2], [4], [12]. Whereeas the opposite result that authors want to prove of the research from [12] and [13] that liquidity, leverage, and proportion of independent commissioner show no significant effect on the level of corporate tax aggressiveness, so [14] and [15] show that liquidity does not partially effect on tax aggressiveness.
H_1 : liquidity affects tax aggressiveness

Companies may use debt to meet their operational and investment needs. However, debt will cause a fixed rate of return for a company called interest. Article 6 paragraph (1) letter a of Law Number 36 of 2008 states that interest as part of business costs can be deducted as a cost (tax deductible) in the process of calculating income tax (PPh) of the body. The greater the company's debt, the tax burden will be smaller because the tax incentives for debt interest will increase. Therefore, the higher the interest rate, the greater the profit the company will get from using the debt.

The study about leverage by [1]–[3] leverage have a significant effect on tax aggressiveness, but another result diffenrent from before shows company leverage does not have a significant effect on tax aggressiveness [12], [16], [17].

Richardson and Lanis (2007) which states that the higher the value of the leverge ratio, means the higher the amount of funding from the third party debt used by the company and the higher the interest cost arising from the debt. Higher interest costs will have the effect of reducing the company's tax burden. The higher the value of the company's debt, the lower the ETR value of the company.

H_2 : leverage affects tax aggressiveness

Methodology

The method used is verivikatif with explanatory survey, which is a statistical technique used to summarize the data included in it is the amount of data, average, and standard deviation. The type of research used is comparative research that uses a quantitative approach. To obtain the data and information needed in the study, the authors chose the location of the research, namely food & beverages sector companies listed on the Indonesia Stock Exchange. In this study the determination of samples was carried out using a nonprobability sampling technique. The type of data studied is quantitative data which is secondary data. Data sources are obtained directly from the Indonesia Stock Exchange through its official website, www.idx.co.id.

To facilitate the analysis process, the writer first classifies the research variables into two groups, namely the Independent variable (independent variable / unbound) is a variable that affects the dependent variable. Every time there is a change in the independent variable, the dependent variable is affected by the change. In the research that we will do, which is an independent variable is Liquidity with current ratio measurement and Leverage by measuring the debt ratio. Dependent variable (dependent variable / not free) is a variable whose existence is influenced by independent variables. In this study is Tax Aggressiveness. Astuti and Aryani (2016) state that ETR (Effective Tax Rate) is calculated by dividing the income tax burden with profit before tax. The use of ETR (Effective Tax Rate) is expected to be able to provide a comprehensive picture of the tax burden that will have an impact on accounting profits that can be seen in the notes to the company's financial statements.

Data analysis method is a method used to process research results in order to obtain a conclusion in this study. The analysis used in this study is quantitative descriptive analysis that is used to explore the behavior of the causal factors, then the data collected on all research variables is then processed or analyzed by multiple linear analysis with the help of SPSS (Statistical Package for Social Science). classic assumptions and hypothesis testing.

The data analysis model used in testing the research hypothesis is a multiple linear regression model. Tax aggressiveness as the dependent variable is proxied by effective tax rate (ETR), while the independent variable consists of while the independent variable consists of liquidity and leverage. The multiple linear regression equation used in this study is formulated as follows :

$$Y = a + b_1 X1 + b_2 X2$$

Y = Tax Aggressiveness
a = constant
b1,2 = Regression Coefficient
X1 = Liquidity
X2 = leverage
e = error

Results Dan Discussion

The data needed to support this research is secondary data, namely research data sources obtained by researchers indirectly or through intermediary media. The author gets data and information through the Indonesia Stock Exchange (IDX) website and the websites of companies that are used as research samples. Data regarding liquidity, leverage, and effective tax rate are data from the financial statements of each company in the 2013-2017 period obtained from the Indonesia Stock Exchange website, www.idx.co.id. The objects of this study are food and beverages companies listed on the Indonesia Stock Exchange from 2013 to 2017. The food and beverages companies amounted to 14 companies in 2015. In this study the population was 14 shares of the food sector issuers and beverages listed on the Indonesia Stock Exchange (IDX). The sampling method used is the census method, all members of the population are used as research samples.

Descriptive statistics of each variable used in all research models can be seen in the table as follows :

Table 1
Descriptive Statistics Results
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CA	70	.51	8.64	2.1454	1.49013
LV	70	.00	1.98	.5014	.27671
ETR	70	.00	2.62	.2993	.29901
Valid N (listwise)	70				

(Source: Data Processing Results with SPSS 22, Year 2019)

Based on our analysis, it is known that the number of samples used in this study were 14 samples and the period of sampling for 5 years then N = 70. In addition, it is known that the Effective Tax Rate (Y) is between 0.00 and 2.62 with an average of 0.2993 and a standard deviation of 0.29901. Liquidity value (X1) is between 0.51 to 8.64 with an average of 2.1454 and standard deviation of 1.49013. Leverage value (X2) is 0.00 to 1.98 with an average of 0.5014 and standard 0.27671.

Based on the normality test shows that the significance value obtained is 0.200. Because the significance value generated is above 0.05, the residual value is normal. Based on the multicollinearity test shows that all variables both the Likeness and Leverage variables have a tolerance value greater than 0.10 and the VIF value is less than 10, it can be concluded that in the regression model there is no problem with multicollinearity. Liquidity and leverage which are the independent variables in this study have no deviations or there is a linear relationship between Liquidity and Leverage. Based on the scatterplot graph, it can be seen that there are no specific patterns on the chart. The point on the spread chart means that there is no interference with heteroscedasticity in the model in this study.

Based on the Durbin-Watson Table (k, n) so (2, 70), where k is the number of independent variables and n is the observation data. Then the values of du and dl are obtained at 1.6715 and 1.5542, while the 4-du value is 2.3285. The test results using Durbin-Watson (DW) showed a calculated DW of 1.925. Then 1.925> 1.5542 <2.3285, so it can be concluded that there is no autocorrelation.

Based on test data above, the data used in the regression model fulfills the requirements in the feasibility of testing the data, it can be concluded that the results of the regression model estimation of independent variables (Liquidity and Leverage) to dependent (effective tax rate) can be considered as having described which are actually.

In this study to measure the effect of the dependent variable Tax Aggressiveness which is influenced by independent variables or independent variables namely Liquidity and Leverage. The following are the results of the analysis carried out with SPSS Version 22 with Tax Aggressiveness as the dependent variable:

Table 2
Multiple Linear Regression Analysis Test Results
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	.852	.304		2.806	.007		
	CA	.751	.103	.659	7.298	.000	.988	1.012
	LV	.255	.093	.247	2.738	.008	.988	1.012

a. Dependent Variable: ETR

Based on the results of table analysis, we can make the following multiple linear regression equation models:

Y $= a + b_1X_1 + b_2X_2 + \mu$

Y $= 0,852 + 0,751\ CA + 0,255\ LV + \mu$

The interpretation of the equation of multiple linear regression models shows that the value of the constants (a) is 0.852. That is, if the independent variable namely Liquidity and Leverage value is 0, then the value of the dependent variable is Tax Aggressiveness, the value is positive which is equal to 0.852. Regression Coefficient of Liquidity Variable (b1) is positive, which is equal to 0.751. This shows that liquidity has a relationship that is in line with the direction of tax aggressiveness. Every increase in liquidity is one unit, then the tax aggressiveness will increase by 0.751 assuming that the other independent variables in this regression model are fixed. Regression Coefficient Leverage variable (b2) is positive, which is equal to 0.255. This shows that leverage has a one-way relationship with the direction of tax aggressiveness. Each increase in leverage by one unit, then the tax aggressiveness will also increase by 0.255 assuming that the other independent variables in this regression model are fixed.

Test of determination or accuracy of the model estimates (goodness of fit) aims to measure how far the ability of the model to explain the dependent variable. The coefficient of determination is between zero and one. The small value of R2 means that the ability of independent variables to explain variations in the dependent variable is very limited. The following is the result of calculating the value of R2 and the coefficient of determination in this study related to tax aggressiveness as the dependent variable:

The Coefficient of Determination Test results explain the summary of the model, which consists of the results of multiple correlation values (R) indicating the value of multiple correlation, namely the correlation between two or more independent variables on the dependent variable. The value of R ranges from 0 to 1, if it detects 1 then the relationship gets weaker. The number of R obtained is 0.678, meaning that the correlation between the Liquidity and Leverage variables on Tax Aggressiveness is 0.678. This means that there is a close relationship because if it approaches 1, the relationship is weaker, the coefficient of determination (R Square) R, which shows the coefficient of determination. This number will be changed to percent, which means the contribution percentage of the independent variable on the dependent variable, R2 value of 0.460 means that the contribution percentage of the effect of Liquidity and Leverage variables on Tax Aggressiveness is 46% while the remaining 54% is influenced by other variables not included in this research model, the adjusted coefficient of determination (Adjusted R Square) is the adjusted R Square, the value of 0.444 shows the influence of the independent variables on the dependent variable, Adjusted R Square usually to measure the contribution of influence if the regression uses more than two variables independent. and the size of the prediction error (Std. Error of the Estimate) the size of the prediction error, the value of 1.26631 means that an error can occur in predicting Tax Aggressiveness.

Based on the ANOVA Table it can be seen that simultaneously the independent variable F count is 28,545. By using a 95% confidence level, $\alpha = 5\%$, df 1 (number of variables-1) = 2, and df 2 (nk-1) or 70-2-1 = 42 (n is the number of cases and k is the number of independent variables), the results obtained for F table are 2.74. If the significance is <0.05, H1 is rejected, and if the significance is> 0.05, H1 is accepted. The above ANOVA table shows that together or simultaneously the independent variable has a significance value of 0,000 which means it is smaller than 0.05 and Fcount is 28,545 where the value (Fcount> Ftable) (28,545> 2.74), which means that H1 is accepted Liquidity and leverage simultaneously or jointly influence the tax aggressiveness.

T test analysis shows that the significance value of liquidity is equal to 0,000, which means <0.05 and t count of 7.298. Then tcount> t table is 7.298> 0.678 which means H1. So that it can be concluded that Liquidity has a positive and significant effect on Tax Aggressiveness. Leverage significance value that is equal to 0.008, which means <0.05 and tcount of 2.738. Then tcount> t table is 2.738> 0.678 which means H2 is accepted. So that it can be concluded that Leverage has a positive and significant effect on the Effective Tax Rate.

Based on the results of the discussion show that liquidity has a positive and significant effect on tax aggressiveness. The magnitude of the influence of liquidity in contributing to tax aggressiveness. Companies that have a high level of liquidity indicate the company's ability to meet short-term debt. This shows that the company's finances are healthy and there are no problems regarding cash flow so that it can bear the costs that arise such as taxes.

The results of this study are also supported by the previous discussion which stated that liquidity is the ability of companies to generate cash in the short term to fulfill their obligations and depend on cash flows in the short term for their assets and current liabilities (subramanyam 2013). Based on research conducted by Bradley (1994) and Siahaan (2005), it provides evidence that companies that experience liquidity difficulties are likely not to comply with tax regulations and tend to avoid tax evasion.

Based on the results of the discussion show that leverage has a positive and significant effect on tax aggressiveness. In carrying out operations the company definitely needs funds so the company can run as it should. Funds are always needed to cover all or part of the costs needed, both short and long term funds. Even in expanding or expanding its business, companies also need funds in a certain amount. In practice to cover the lack of funding needs, the company has several choices of funding sources used. The choice of source of funds depends on the goals, terms, benefits, and capabilities of the company, of course. Broadly speaking, sources of funds can be obtained from own capital and loans (banks or other financial institutions).

From the various choices of funding sources, they have their advantages and disadvantages. For example the use of own capital has advantages, namely easy to obtain, and there is no burden in paying installments including interest and other fees. However, the disadvantages of using their own capital are the relatively limited amount, especially when they require relatively large funds. If you choose loan capital, the advantages are the relatively unlimited amount. However, the drawback is the requirement to obtain it is relatively difficult and is burdened with installments or installments (loan principal + interest) and other administrative costs, provision fees, and commissions. (Kieso et al, 2009 in Kasmir, 2012). [3] state that companies that have high tax obligations will also have high debt. In relation to taxes, this behavior is caused because interest is a fixed burden that can reduce taxable income. The corporate income tax regulation (PPh) stipulates that loan interest can be reduced as a cost (tax deductible) in accordance with Article 6 paragraph (1) letter a of Law Number 36 of 2008. So that the greater the company's debt to save tax burden, the company is considered more aggressive towards taxes.

The results of this study are in line with the results of research by Suyanto and Supramono in 2012, namely leverage has a positive and significant effect on corporate tax aggressiveness. These results indicate that during the observation period, manufacturing companies used debt to minimize the tax burden. However, this result is not in line with the 2015 tiaras and wijaya research that Leverage does not have a significant effect on tax aggressiveness from these results, it can be seen that the company does not use debt to avoid tax evasion.

Based on the test results of the F test described above shows that the significance value of the F test is smaller than the significance value of 0.05 and the calculated F value shows a value of 28,545, the results show that simultaneously both the liquidity and leverage variables have a positive and significant effect on tax aggressiveness variable.

Often times tax aggressiveness is also called tax sheltering (tax protection) or tax avoidance. However, with the use of Leverage can reduce the level of tax aggressiveness because with the utilization of these costs, the taxable income decreases and the tax paid by the company becomes smaller, so as to reduce the level of aggressiveness tax perushaaan. The results showed that liquidity and leverage had a simultaneous effect on corporate tax aggressiveness. This is in line with Tiaras and Wijaya's 2015 study that independent variables simultaneously influence tax aggressiveness, but the independent variables used in Tiaras and Wijaya's research are liquidity, leverage, earnings management, the proportion of independent commissioners and company size, because previous research was not use two independent variables that are the same as those studied by the author. However, this result is reinforced by the regulation that the costs incurred for Leverage can be used as a reduction in gross profit as explained in the Tax Law No. 36 of 2008. In other words manufacturing companies tend to use these regulations to minimize the burden of taxes paid without having to do tax actions aggressively.

Conclusion

The results show that in liquidity has a positive and significant effect on tax aggressiveness with a significance of 0.978, leverage has a positive and significant effect on tax aggressiveness, because leverage which is proxied by DAR has a significance of 0.008 and simultaneously affects the aggressiveness of taxes with a significance value of 0.004.

Limitation

The limitations in this study only use Food & Beverages sector companies so that the results cannot be used as a basis for generalization in all sectors and only use five research periods, namely 2013 to 2017.

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