The Effect of Profitability, Leverage, and Inventory Intensity on Tax Aggressiveness with Majority Ownership as Moderating Variables

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Abstract. The purpose of this research is to know and analyze the influence of profitability, leverage, and inventory intensity on tax aggressiveness with majority ownership as a moderating variable. The research method used is an associative quantitative approach. The object of this research is the mining sector companies listed on the Indonesia Stock Exchange in 2017-2019. The sample used is the annual report of 41 companies in the mining sector using the quota sampling method. The data collection technique used documentation technique and the data analysis technique used multiple linear regression and Moderated Regression Analysis (MRA). The results showed that profitability, leverage, and inventory intensity simultaneously have significant effect on tax aggressiveness. Profitability and inventory intensity have a positive effect on tax aggressiveness, leverage has a negative effect on tax aggressiveness. Majority ownership moderates the effect of profitability and leverage on tax aggressiveness, and majority ownership does not moderate the effect of inventory intensity on tax aggressiveness.

Keywords: Tax Aggressiveness; Profitability; Leverage; Inventory Intensity; Majority Ownership

1 Introduction

The most important source of funding for the Indonesian economy is taxes. In the Law on General Tax Provisions Number 16 of 2009 Article 1 Paragraph 1, tax is a mandatory contribution to the state that is owed by an individual or entity that is coercive under the law, with no direct compensation and is used for the state's purposes for as much as possible. the prosperity of the people. The problem that is often familiar with the development of people's lives is the existence of taxation. Tax has its own meaning for the government and taxpayers. For companies, as taxpayers, taxes can be interpreted as a burden that can reduce profits. The greater the tax paid by the company, the greater the state revenue from the tax sector. So do not be surprised if various phenomena related to taxes occur, one of which is tax aggressiveness (Margie & Habibah, 2021) It is known that of the 41 mining sector companies listed on the Indonesia Stock Exchange in 2017- 2019, there are 39 companies or around 95% of mining sector companies with an average of tax aggressiveness, while only 2 companies do not tax aggressiveness or around 5%. These results are adjusted to the ETR value, where the calculation results refer to the research conducted by Lanis &

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Richardson (2012). The ETR value that is close to zero indicates that the company has taken tax aggressiveness.

The purpose of this study is to find out, analyze, and provide empirical facts about the effect of profitability, leverage, and inventory intensity on tax aggressiveness and to obtain empirical evidence or facts about majority ownership can moderate the effect of profitability, leverage, and inventory intensity on tax aggressiveness.

2 Research Hypothesis:

H1: Profitability, leverage, inventory intensity have a simultaneous effect on tax aggressiveness.
H2: Profitability has a positive effect on tax aggressiveness.
H3 : Leverage has a negative effect on tax aggressiveness.
H4: Inventory Intensity has a positive effect on tax aggressiveness.
H5: Majority ownership moderates the effect of profitability on tax aggressiveness.
H6: Majority ownership moderates the effect of leverage on tax aggressiveness.
H7: Majority ownership moderates the effect of inventory intensity on tax aggressiveness.

3 Methodology

The population in this study are mining sector companies listed on the Indonesia Stock Exchange (IDX) for the 2017-2019 period taken from the official website www.idx.co.id. The sample taken must be representative, meaning that all population characteristics should be reflected in the selected sample. To determine the number of samples in this study, it was calculated using the Slovin formula with an error rate of 5%, then sampling was carried out using the quota sampling technique. The following are the results of selecting samples that have met the criteria in the study:

Table 1. Research Sample

C	Number of Company
Mining companies listed on the Indonesia Stock Exchange (IDX) in	51
Companies that do not publish complete financial reports and annual reports required during the research period	(6)
The company suffered losses during the research	(4)
Number of samples	**41**
Number of observations (41 x 3 Years)	**123**

The data collection technique in this study was carried out with documentation techniques. Documentation technique is data collection by processing pre-existing data.

3.1. Operational Variables

To make it easier to understand the operationalization of variables, it can be observed in the table below:

Table 2. Operational Variables

Variables	Variables definition	Indicator	Scale
Tax Aggressivenes s (Y)	Tax aggressiveness is the company's efforts to reduce the amount of tax burden that must be paid either legally (Tax Avoidance) or illegally (Tax Evasion) by taking advantage of loopholes in tax regulations. (Frank et al., 2009).	***Effective Tax Rate:*** *Beban Pajak* / *Laba Sebelum Pajak*	an
Profitability (X1)	Profitability ratio is a ratio to assess the company's ability to seek profit. (Kasmir, 2017)	***Return On Assets*:** *Laba Bersih* / *Total Aset*	Ratio
Leverage (X2)	The leverage ratio is the ratio used to regulate the extent to which the company's activities are financed with debt.(Kasmir, 2017)	***Debt to Asset Ratio*:** *Total Kewajiban* / *Total*	Ratio
Inventory Intensity (X3)	Inventory is a number of goods stored by the company in one place (warehouse). Inventory intensity describes how much the company invests in inventory. (Andhari & Sukartha, 2017).	***Inventory*** *Total Persediaan* / *Total Aset*	Ratio
Majority Ownership (Modation)	Majority ownership can be interpreted as share ownership by parties who have a large percentage of non-public or public companies (Sari, 2017).	Dummy variable, where the value is 1 if the share ownership is above 50% and the value is 0 if the share ownership is	Nomi a

3.2. Descriptive Analysis

Descriptive analysis is used to explain the data description of the overall profitability, leverage, inventory intensity, and majority ownership variables in the study as seen from the minimum value, maximum value, average (mean) and standard deviation.

3.3. Verification analysis

The verification analysis used in this study uses the classical assumption test, namely normality test, heteroscedasticity test, autocorrelation test, and multicollinearity test. The analytical method used is multiple regression analysis and *Moderate Regression Analysis* (MRA).

4 Results and Discussion

4.1. Results

Table 3. Descriptive Statistics Test Results

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
Profitability	123	-,579	,456	,04780	,128391
Leverage	123	,106	1,292	,52585	,227733
Inventory Intensity	123	,00002	,319	,06034	,056926
Tax Aggressiveness	123	-3,443	3,551	,20598	,695622
Majority Ownership	123	,000	1,000	,60163	,491566
Valid N (listwise)	123				

Source: *Output* IBM Statistic SPSS 25

Based on Table 3, it can be concluded that the profitability variable with a sample size (N) of 123 has a minimum value of -0.579 units and a maximum value of 0.456 units. The average value (mean) of profitability is 0.0478 units and the standard deviation is 0.128391 units which indicates that the data deviation from the standard deviation is relatively larger than the average value. The leverage variable with the number of samples (N) 123 has a minimum value of 0.106 units and maximum value of 1.292 units. The average value (mean) of leverage is 0.52585 units and the standard deviation is 0.227733 units which indicates that the data deviation from the standard deviation is relatively smaller than the average value. Inventory intensity variable with the number of samples (N) 123 has a minimum value of 0.000002 units and a maximum value of 0.319 units. The average value (mean) of inventory intensity is 0.06034 units and the standard deviation is 0.056926 units which indicates that the deviation of the data from the standard deviation is relatively smaller than the average value. The tax aggressiveness variable with a sample size (N) of 123 has a minimum value of -3.443 units and a maximum value of 3.551 units. The average value (mean) of tax aggressiveness is 0.20598 units and the standard deviation is 0.695622 units which indicates that the deviation of the data from the standard deviation is relatively larger than the average value. The majority ownership variable with a sample (N) of 123 has a minimum value of 0 and a maximum value of 1. The values of the minimum and maximum are obtained from the results of the dummy variable, where the value is 0 if it does not have a share ownership percentage above 50% and the value is 1 if have a share ownership percentage above 50%. The average value (mean) of majority ownership is 0.60163 and the standard deviation is 0.491566 which indicates that the deviation of the data from the standard deviation is relatively smaller than the average value.

4.2. Classic assumption test

Table 4. Recapitulation of Classical Assumption Test Results

Variables	Normality Asymp.Sig.	Heteroscedasticity (2-tailed)	Autocorrelation Sig.	Multicollinearity DW	VIF
ROA		,145		,198	5,059
LEV		,062		,406	2,462
INSITY		,195		,268	3,731
Moderasi	0,200	,870	2,204	,183	5,458
Moderasi		,465		,313	3,191
Moderasi KM_INSITY		,807		,191	5,248

Source: Output IBM Statistic SPSS 25

Based on Table 4, it shows a significant value of the normality test of 0.200 which indicates that Asymp. Sig (2 tailed) is greater than 0.05, this means that the residual data is normally distributed and the regression model meets the normality test. The results of the heteroscedasticity test through the glejser test can be seen that sig. on each variable is worth more than 0.05 or 5%. It can be concluded that in this regression model there are no symptoms of heteroscedasticity. The results of the autocorrelation test showed that the Durbin-Watson value was 2.204, this value was then compared with the table DW value using a significance value of 5%, the number of samples was 123 (N) and the number of independent variables was 3 (k=3). It is known that the DW value of 2.204 is greater than the upper limit (dU) 1.7536 and less than 4 – 1.7536 (4 – dU) (1.7536 < 2.204 < 2.2464), so it can be concluded that there is no autocorrelation. The results of the multicollinearity test for each variable indicate that the tolerance value is > 0.1 and VIF < 10. So it can be concluded that the independent variables in this study are not correlated with each other or it can be said that there are no symptoms of multicollinearity between variables. Based on the results of the four classical assumption tests, it can be concluded that this research is feasible to continue.

4.3. Multiple Regression Analysis

Table 5. Multiple Regression Analysis Results

Model		Unstandardized Coefficients		Coefficients Standardized
		B	Std. Error	Beta
1	(Constant)	,1250	,041	
	ROA	1,275	,188	,744
	LEV	-,143	,063	-,247
	INSITY	,6890	,213	,302

Based on Table 5 above, it can be developed using the multiple linear regression equation model as follows:

$$\mathbf{ETR = 0{,}1250 + 1{,}275ROA - 0{,}143LEV + 0{,}6890INSITY + \varepsilon}$$

The constant value in the above equation is 0.1250 which indicates that when the overall predictor variables (profitability, leverage, and inventory intensity) are equal to zero, the tax aggressiveness is 0.1250 units. The regression coefficient value of the profitability variable shows a positive result of 1.275, meaning that if the profitability increases by one unit while the leverage and inventory intensity variables remain, then the tax aggressiveness increases by 1.275 units. A positive coefficient means that there is a unidirectional relationship between profitability and tax aggressiveness. The regression coefficient value of the leverage variable shows a negative result of -0.143, meaning that if the leverage increases by one unit while the profitability and inventory intensity variables remain, the tax aggressiveness decreases by -0.143 units. A negative coefficient means that there is a unidirectional relationship between leverage and tax aggressiveness. The regression coefficient value of the inventory intensity variable shows a positive result of 0.6890, meaning that if the profitability has increased by one unit while the profitability and leverage variables remain, the tax aggressiveness has increased by 0.689 units. A positive coefficient means that there is a unidirectional relationship between inventory intensity and tax aggressiveness.

4.4. Moderated Regression Analysis – MRA

Table 6. Results of Moderated Regression Analysis – MRA

Model	Unstandardized Coefficients		Coefficients Standardized
	B	**Std. Error**	**Beta**
1 (Constant)	,083	,040	
ROA	2,030	,353	1,207
LEV	-,159	,078	-,299
INSITY	,709	,215	,310
Moderasi KM_ROA	-,769	,378	-,443
Moderasi KM_LEV	,227	,167	,312

Source: *Output* IBM Statistic SPSS 25

Based on Table 6 above, it can be developed using the equation model of moderated regression analysis as follows:

$$\mathbf{ETR = 0{,}083 + 2{,}030ROA - 0{,}159LEV + 0{,}709INSITY - 0{,}769KM\_ROA + 0{,}227KM\_LEV + 0{,}314KM\_INSITY + \varepsilon}$$

The moderated regression analysis equation shows that the direction of each independent variable on the dependent variable and also the moderating variable if the coefficient is positive, there is a unidirectional relationship between profitability and tax aggressiveness.

The constant value in the above equation is 0.083 which indicates that when the overall predictor variables (profitability, leverage, inventory intensity, majority ownership moderates profitability, majority ownership moderates leverage, and majority ownership moderates inventory intensity) is equal to zero, then tax aggressiveness is 0.083 unit. The regression coefficient value of the profitability variable shows a positive result of 2.030, meaning that if profitability has increased by one unit while the variable leverage, inventory intensity, majority ownership moderates profitability, majority ownership moderates leverage,

and majority ownership moderates inventory intensity remains, then tax aggressiveness increases by 2,030 units. . The regression coefficient value of the leverage variable shows a negative result of -0.159, meaning that if the leverage has increased by one unit while the profitability variable, inventory intensity, majority ownership moderates profitability, majority ownership moderates leverage, and majority ownership moderates inventory intensity remains, then tax aggressiveness decreases by - 0.159 units. The regression coefficient value of the inventory intensity variable shows a positive result of 0.709, meaning that if the inventory intensity increases by one unit while the profitability, leverage, majority ownership variables moderate profitability, majority ownership moderates leverage, and majority ownership moderates inventory intensity remains, then tax aggressiveness increases by 0.709 unit.

The regression coefficient value of the majority ownership variable moderating profitability shows a negative result of -0.769, meaning that if moderated profitability, majority ownership increases by one unit while the profitability, leverage, inventory intensity variables, majority ownership moderates leverage, and majority ownership moderates inventory intensity remains, then tax aggressiveness suffers. a decrease of -0.769 units. The regression coefficient value of the majority ownership variable moderating leverage shows a positive result of 0.227, meaning that if leverage is moderated, majority ownership increases by one unit while the profitability, leverage, inventory intensity variables, majority ownership moderates profitability, and majority ownership moderates inventory intensity remains, then tax aggressiveness increases. of 0.227 units. The regression coefficient value of the majority ownership variable moderating inventory intensity shows a positive result of 0.314, meaning that if the inventory intensity is moderated, the majority ownership increases by one unit while the profitability, leverage, inventory intensity variables, majority ownership moderates profitability, and majority ownership moderates fixed leverage, then tax aggressiveness suffers. an increase of 0.314 units.

4.5. Coefficient of Determination

Table 7. Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,746[a]	,556	,504	,093816

Source: *Output* IBM Statistic SPSS 25

Based on the results in Table 7, the Adjust R-square value is 0.504 or 50.4%. This amount means that the variables of profitability, leverage, and inventory intensity can explain 50.4% of the tax aggressiveness variable. While 49.6% is influenced by other variables such as liquidity, sales growth, corporate social responsibility, company size, capital intensity and other things.

4.6. Simultaneous Test (F Test)

Table 8. Simultaneous Test Results

Model		Sumof Squares	Df	Mean Square	F	Sig.
1	Regression	,563	6	,094	10,657	,000[b]
	Residual	,449	51	,009		
	Total	1,012	57			

Source: *Output* IBM Statistic SPSS 25

Based on Table 8 above, it can be seen that the calculated F value is 10,657 with a sig value of 0.000. By calculating the F table value at a significant level of 0.05 with df2 (nk-1) df2 = 123-3-1 = 119 the results are obtained for Fcount > Ftable (10,657 > 2.68) and a significance value < 0.05 means Ho is rejected and Ha accepted. So it can be concluded that hypothesis 1 is accepted and profitability, leverage, and inventory intensity have a simultaneous effect on tax aggressiveness.

4.7. Partial Test (t Test)

Table 9. Partial Test Results Without Moderating Variables

Model		t	Sig.
1	(Constant)	3,012	,004
	ROA	6,787	,000
	LEV	-2,257	,028
	INSITY	3,226	,002

Source: *Output* IBM Statistic SPSS 25

The Effect of Profitability on Tax Aggressiveness

Based on Table 9, testing the profitability variable on tax aggressiveness before the moderating variable resulted in a tcount statistic of 6.787. For the ttable value at significance = 0.05 with df (n- k) = 123 – 3 = 120, the ttable value is 1.658. If the tcount value is compared with the ttable value, then tcount > ttable (6.787 > 1.658) with a significance value of 0.000 < 0.005 meaning Ho is rejected and Ha is accepted. So it can be concluded that profitability has a positive and significant effect on tax aggressiveness.

The Effect of Leverage on Tax Aggressiveness

Based on Table 9, the test of the leverage variable on tax aggressiveness before the moderating variable resulted in the t-statistical value of -2.257. For the ttable value at significance = 0.05 with df (n-k) = 123 – 3 = 120, the ttable value is -1.658. If we compare the value of tcount with the value of ttable, then tcount < ttable (-2.257 <-1.658) with a significance value of 0.028 <0.005 meaning Ho is rejected and Ha is accepted. So it can be concluded that leverage has a negative and significant effect on tax aggressiveness.

Influence of Inventory Intensity on Tax Aggressiveness

Based on Table 9, testing the inventory intensity variable on tax aggressiveness before the moderating variable resulted in a tcount statistic of 3,226. For the ttable value at significance = 0.05 with df (n-k) = 123 – 3 = 120, the ttable value is 1.658. When compared with the tcount value with the ttable value, tcount > ttable (3.226 > 1.658) with a significance value of 0.002 < 0.005 meaning Ho is rejected and Ha is accepted. So it can be concluded that inventory intensity has a positive and significant effect on tax aggressiveness.

Table 10. Partial Test Results with Moderating ~~Variable~~s

Model		T	Sig
1	(Constant)	2,063	,044
	ROA	5,753	,000
	LEV	-2,042	,046
	INSITY	3,304	,002
	Moderasi KM_ROA	-2,033	,047
	Moderasi KM_LEV	2,354	,034
	Moderasi KM_INSITY	,590	,558

Source: *Output* IBM Statistic SPSS 25

The Effect of Profitability on Tax Aggressiveness with Majority Ownership as Moderating

Based on Table 10, the majority ownership variable in moderating profitability has a significance value of 0.047. This shows that the level of significance is smaller than the standard error (0.047 < 0.05). It can be concluded that majority ownership is able to moderate the effect of profitability on tax aggressiveness, thus hypothesis 5 is accepted.

The Effect of Leverage on Tax Aggressiveness with Majority Ownership as Moderating

Based on Table 10, the majority ownership variable in moderating leverage has a significance value of 0.034. This indicates that the level of significance is smaller than the standard error (0.034 < 0.05). It can be concluded that majority ownership is able to moderate the effect of leverage on tax aggressiveness, thus hypothesis 6 is accepted.

Influence of Inventory Intensity on Tax Aggressiveness with Majority Ownership as Moderato

Based on Table 10, the majority ownership variable in moderating inventory intensity has asignificance value of 0.558. This indicates that the level of significance is greater than the standard error (0.558 > 0.05). It can be concluded that majority ownership is not able to moderate the effect of inventory intensity on tax aggressiveness, thus hypothesis 7 is rejected.

5 Discussion

The Effect of Profitability, Leverage, and Inventory Intensity on Tax Aggressiveness

Based on the results of the F (simultaneous) test, it shows that profitability, leverage, and inventory intensity simultaneously have a significant effect on tax aggressiveness.

Simultaneously, profitability, leverage, and inventory intensity can be used to plan companies to take tax aggressive actions to reduce deferred tax costs.

Based on the results of the analysis obtained from the determination test, it shows that profitability, leverage, and inventory intensity contribute or influence 50.4% to tax aggressiveness, while 49.6% is influenced by other variables such as liquidity, sales growth, corporate social responsibility, size company, capital intensity and other things.

This is supported by the results of research by Luke & Zulaikha (2016); Windaswari & Merkusiwati (2018); Ayem & Setyadi (2019); and Maulana (2020) which states that profitability, leverage, and inventory intensity simultaneously have a significant effect on tax aggressiveness.

The Effect of Profitability on Tax Aggressiveness

The results of the t test show that profitability has a positive and significant effect on tax aggressiveness. Companies that have high profitability will reduce the total burden of tax obligations as a result have the opportunity to carry out tax planning. When the profit earned by the company is higher, the income tax payable and tax aggressiveness also increases, as a result the company will be more aggressive in conducting tax avoidance practices on its tax obligations. When the company receives high profits in the current period, the amount of tax paid will be higher. This condition can increase the tendency of companies to carry out tax aggressiveness

The results of this study are supported by Napitu & Kurniawan (2016); Luke & Zulaikha (2016); Andhari & Sukartha (2017); and Dewi & Yasa (2020) which shows that profitability has a positive effect on tax aggressiveness.

The Effect of Leverage on Tax Aggressiveness

The results of the t test show that leverage has a negative and significant effect on tax aggressiveness. Companies that rely on debt to finance their operations have a high interest expense as well. This high interest expense can be used to deduct taxable income. The greater the company's debt, the smaller the taxable profit because the tax incentives on debt interest are getting bigger. The increased interest costs will have the effect of reducing the company's tax burden, as a result the tax imposed on the company will be low, so the company does not need to do earnings management for tax purposes.\ The results of this study support research conducted by Andhari & Sukartha (2017); Savitri & Rahmawati (2017); and Wulansari et al., (2020) who explained in their research that leverage has a negative effect on tax aggressiveness.

Influence of Inventory Intensity on Tax Aggressiveness

The results of the t-test indicate that inventory intensity has a positive and significant effect on tax aggressiveness. Inventory intensity describes how a company invests its wealth in inventory. Companies that have a high level of inventory will cause a waste of costs. These costs include storage costs and maintenance costs. Costs caused by high inventory levels will reduce profits, thereby reducing the tax burden. The high profit earned by the company will result in a high tax burden that must be borne in a period, resulting in the company increasingly taking tax aggressive actions as an effort to reduce the amount of the tax burden in that period.

This explanation is supported by research by Adisamartha & Noviari (2015); Luke & Zulaikha (2016); Yuliana & Wahyudi (2018); and Maulana (2020) who explained in their research that inventory intensity has a positive effect on tax aggressiveness.

The Effect of Profitability on Tax Aggressiveness with Majority Ownership as Moderating

The results of the interaction test show that the interaction variable between profitability and majority ownership has a significant effect on tax aggressiveness, thus majority ownership is able to moderate the effect of profitability on tax aggressiveness. Companies with high profitability have the opportunity to position themselves in tax planning, so they can reduce the tax burden that must be paid. When the condition of the company earns high profits, the higher the company's tendency to lower current profits into the future to reduce the high political costs. The greater the profit earned by the company, the higher the amount of income tax payable.

The existence of majority ownership causes disparities between management and shareholders. Managers as opportunistic agents will try to maintain company profits, so they tend to minimize the tax burden. Meanwhile, shareholders tend to avoid the detection risk of tax evasion activities and do not want to take risks that can destroy the company's reputation. Investors with large shareholdings can force managers to focus on the company's performance and avoid opportunities to prioritize their personal interests. This explanation is supported by research by Olivia & Dwimulyani (2019) which shows that majority ownership weakens the effect of profitability on tax aggressiveness.

The Effect of Leverage on Tax Aggressiveness with Majority Ownership as Moderating

The results of the interaction test show that the interaction variable of leverage with majority ownership has a significant effect on tax aggressiveness, thus majority ownership is able to moderate the effect of leverage on tax aggressiveness. The more loans the company has, the more funding that comes from third parties, resulting in an increase in interest costs that must be borne by the company and a decrease in company profits that should be distributed to shareholders. The existence of majority ownership as one of the shareholders expects the highest level of return on the funds they invest. In this case, it becomes a contradiction with the majority ownership as investors who want the maximum rate of return on the investment they provide in the form of dividends.

These results are in line with the underlying agency theory, where companies in managing their leverage and taxes also consider the interests of the parties concerned, such as the majority shareholder and the government. The majority shareholder is generally more in favor of management and leads to personal interests and focuses on company profits. If the company's debt to third parties is managed properly, it can provide greater profits so that the returns to investors are even greater.

With a high majority ownership, it indicates that the level of tax aggressiveness is low. Because the majority shareholder does not want to take the risk of tax aggressiveness and shareholders expect the maximum return on their investment. This research is in line with research conducted by Aprianto

& Dwimulyani (2019) which shows the results that majority ownership can moderate the effect of leverage on tax aggressiveness.

Influence of Inventory Intensity on Tax Aggressiveness with Majority Ownership as Moderator

The results of the interaction test show that the interaction variable of inventory intensity with majority ownership has no significant effect on tax aggressiveness, thus majority

ownership is not able to moderate the effect of inventory intensity on tax aggressiveness. In agency theory there is a separation between principals and agents, but the results of the study show that majority ownership cannot actually influence management actions. The majority ownership which acts as the party that monitors the company is not necessarily able to provide good control over the management's opportunistic actions in carrying out tax aggressiveness practices. This could be due to the lack of quality resources from the majority owner.

Shareholders do not exercise their authority properly in supervising and controlling the decisions made by managers so that tax aggressiveness still occurs (Arianandini & Ramantha, 2018). Majority ownership cannot minimize tax aggressiveness because the shareholders are not actively involved in the company's operations, especially in increasing inventory intensity.

6 Conclusion

This study discusses the effect of Profitability, Leverage, and Inventory Intensity on Tax Aggressiveness with Majority Ownership as moderating variables in mining companies listed on the Indonesia Stock

Exchange (IDX) during the 2017-2019 period. Based on the test results, this study produces findings that can be concluded as follows:

1. Profitability, leverage, and inventory intensity have a simultaneous effect on tax aggressiveness. This means that the use of predictors of profitability, leverage, and inventory intensity together can explain tax aggressiveness.
2. Profitability has a positive and significant effect on tax aggressiveness. Thus, the higher the profitability, the more aggressive the company will be in avoiding its tax obligations.
3. Leverage has a negative and significant effect on tax aggressiveness. Thus, the higher the company's leverage level, the lower the company's indication for tax aggressiveness.
4. Inventory intensity has a positive and significant effect on tax aggressiveness. Thus, companies with a high level of inventory intensity will be more aggressive towards taxes.
5. Majority ownership weakens the effect of profitability on tax aggressiveness. The higher the majority ownership owned by the company, the weaker the management in carrying out the company's performance, especially in taxation actions, because it will feel supervised by investors.
6. Majority ownership weakens the effect of leverage on tax aggressiveness. The higher the majority ownership owned by the company, it is expected that management can control the level of debt owned by the company.
7. Majority ownership is not able to moderate the effect of inventory intensity on tax aggressiveness. The higher the majority ownership owned by the company will help management in increasing its inventory.

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