Does Executive Character, Independent Commissioner, and Fixed Assets Intensity Effected Tax Aggressiveness With Earnings Management as Role Moderated: Panel Data Regression Analysis

Imam Hidayat[1*], Tubagus Ismail[2], Muhamad Taqi[3], Agus Solikhan Yulianto[4]
{imam_accounting@yahoo.com[1*], adeismail73@gmail.com[2], muhamad.taqi@untirta.ac.id[3], agusresearch@untirta.ac.id[4] }

Phd Scholar, Sultan Ageng Tirtayasa University/ Universitas Muhammadiyah Tangerang[1], Sultan Ageng Tirtayasa University[234]

Abstract. This research has been conducted by means of determining the Effect of Executive Character, Independent Commissioner, and Fixed Assets. In this case of the research, the aggressive speed of Tax Intensity and Earning Management have been taken part as variables that have moderating role in several pharmaceutical business companies that officially listed along the last 5 years periode of time-it is 2016-2020-on official Stocl Exchange of Indonesia website (IDX). The reasearcher has applied purposive sampling technique to opt the 8 pharmaceutical business companies to represent the existed total population by means of obtaining secondary data. Besides, the data panel regression has been avail oneself of conducting the process of data analysis. As the results, there have been found that The Character of the Executive and Independent Commissioner has shown negative and not noteworthy effect towards the term of Aggressiveness of Tax. However, another finding that can be explained is, The Fixed Assets Intensity provides a definite and noteworthy effect towards the Tax Aggressiveness Move. Furthermore, as the results that have been showed, through Moderation Test, it can be explained that the Earnings Management is unable to opt its position as an encourage variable that probably uplift or enfeeble the existing both relationship between Executive Character,and the Intensity of Fixed Assets towards the move of Tax Aggressiveness.

Keywords: Executive Character, Independent Commissioner, Fixed Asset Intensity, Tax Aggressiveness, Earnings Management.

1 Introduction

As has been mentioned in 2020, there have been clearly stated thing in relation to Tax Justice which reported that, During the period of global pandemic of COVID-19, tax losses suffered in Indonesia due to corporate tax evasion in 2020 were recovered in the amount of $4,785,952,836 while tax losses suffered by other countries as a result of corporate tax avoidance were allowed back in the amount of $1,412,289,678. In terms of company and individual tax evasion, Indonesia ranks fourth in Asia, below China, India, and Japan. [1].

According to [2], there are various variables that encourage taxpayers to engage in tax evasion. First, the higher the tax that the taxpayer must pay, the more likely the taxpayer is to violate the law. Second, the lower the penalty for bribing tax officials, the greater the

ICOSTELM 2022, November 04-05, Bandar Lampung, Indonesia
Copyright © 2023 EAI
DOI 10.4108/eai.4-11-2022.2328762

taxpayer's incentive to violate the law. Third, the less probable a violation is caught, the more likely taxpayers are to commit violations. Fourth, the softer the penalties for infractions, the more likely taxpayers are to commit violations.

According to the description above, tax evasion can occur as a result of numerous circumstances, including the size of the Board of Commissioners. According to [3], organizations with a big board of commissioners are considered to have a good reputation. According to studies done by [4] and [5], the bulk of the Board of Commissioners itself, actually has detrimental influence towards the move of tax aggressiveness. This condition demonstrates that company's movement on tax aggression is completely not value to encourage the board of commissioners. The situation can probably be contradicted with research conducted by [6] that shows the bulk of the Board of Commissioners has not given any influence towards tax aggressiveness movement.

Another aspect suggested to impact tax aggression is the executive's personality. Tax evasion by corporations must be extremely harmful to the state. Leaders that serve as decision makers in a firm have a significant impact on this issue. Because one leader has a different personality than another. According to [7], the Executive Character has a beneficial influence on tax aggression. This demonstrates that the board of commissioners' diverse personalities support severe taxation. This contradicts studies by [8] and [9] that suggests that the Executive Character has a detrimental influence on tax aggression. This shows that the different character of the board commissioners cannot support the augment of corporate aggressiveness of tax movement.

The Independent Commissioner is the next aspect that might determine tax aggression. According to [10], to corporations that have greater numbers of independent commissioners, it would be uplift to have greater opportunity to employ aggressive tax-evasion measures. The inclusion of more independent commissioners will increase oversight of the company's performance. As has been known that, the role of appropriate management in an organisation will be more cautious in giving the variety designs of judgments and, can be value to uplift the honesty level in how company movements are operated. As a result, the potential to take active action against taxes may be reduced. According to [11], it is clearly argues that Independent Commissioner provides detrimental impact towards tax evasion itself. This situation can be demonstrated in an interpretation that independent commissioners position can be highly value to prevent tax evasion against the corporation. However, the previous finding does not in a file with research that has been conducted by [12] which proves that the position of Independent Commissioner shows positive value towards the move of tax aggressiveness. In addition, the research tells that the greater number of people existed in the position of independent commissioners are able to uplift an aggressive action against taxes on the company.

Fixed Asset Intensity is another characteristic that is hypothesized to impact tax aggression. The intensity of fixed assets, according to [13], argues that is part of segment which fixed assets can probably provide an upright for enterprises to build up expenditures, giving value to depreciation expense borne caused by the existed fixed assets that can be trickle in the upcoming gaining income. The profit earned will be lower as fixed assets grow in size. This is related to the depreciation expenditure incurred as a result of the depreciation of fixed assets in order to diminish earnings. The lowered earnings will lower the company's tax bill. According to [11], Fixed Asset Intensity provides detrimental impact towards the move of tax aggressiveness. This condition can possibly be formed in words that the total number of the exisisted fixed assets which belongs to the company does not lead to aggressive action against corporate taxes. This case is completely different with previous research that conducted by [14] which explains that Fixed Asset Intensity does not give any effect towards the move of tax aggressiveness.

The author's motivation for conducting this research is to determine whether the measurement of bulk of board commissioners, characteristics of subsist executives, independent commissioners, and the intensity of existing fixed assets influence pharmaceutical companies to take aggressive tax actions in this pandemic era, despite the fact that pharmaceutical companies experienced an increase in net sales and net profit. Furthermore, there are still differences in previous studies' findings in relation to factors that probably provides influence towards tax aggressiveness movement, particularly the measurement of bulk of board commissioners, characteristics of subsist executives, independent commissioners, and intensity of existing fixed assets, which motivates the authors to conduct this research.

2 Literature Review and Hypotheses Development

2.1 Agency Theory

According to [15], agency theory is basically can be stated as an agreement between principle and agent. In this case, the principal can be opt position as person who conduct recruitment process to the agent by means of completing beneficial duties. Beside, the agent itself takes its role as the outside part which does not officially role in the company who has specific responsibility in the way of achieving value for the company. When it comes to paying third-party vendors to manage their businesses, agency theory or agency theory comes into play. As has been argued by[16], the relationship conducted with agent arises value of in term of agreement between the principle and the agent, who takes specific choices on behalf of the principal. According to the link between agency theory in this study, the number of commissioners who support tax aggression will give tax management for taxes. Executives with a risk-taking personality (willingness to accept risks) will go to any length to increase profits, even if the cost is substantial. In this case, the executive dares to tax aggressively in order to appease the commissioner, resulting in a favorable balance for the executive board. This study's trade-off thesis is that huge amounts of debt entail costs such as interest on debt, supervision fees, and so on, which may subsequently be deducted from earnings after tax. Excessive debt, on the other hand, puts firms at risk of default; also, there will be an agency conflict between managers and debt holders, where managers want dividends withheld. Dividends are mostly used for corporate expansion, whereas earnings are primarily used to pay off debts

2.2 Positive Accounting Theory

[17] established a positive accounting theory with the goal of describing and explaining the accounting process from its inception to the present, as well as how accounting information is communicated to other stakeholders in the firm. The accounting rules used by managers of management accounting elections to compute profits by identifying fixed assets are where the link between positive accounting theory and this research is found. Because of the low expenses, the company's profit will be lowered, and the income tax on earnings will become.

2.3 Executive Character and Tax Aggressiveness

Agency theory proves that Executive Character is one of the factors that influence tax aggressiveness, because if a company has executives (managers) who have the nature of risk takers (dare to take risks) in leading or managing their company, managers who have a tendency to achieve profits as large as possible allowing them to take aggressive action against taxes in order to pay less taxes. Based on the theory of variable linkage is lifted, raised the formulation of the following hypotheses:

H1: The Effect between of Executive Character Towards Tax Aggressiveness Movement

2.4 The Existing Independent Commissioner and Tax Aggressiveness Moves

Increasing number of independent directors are expected to add oversight of managers in managing the company. Managers who have a risk taker character tend to be opportunistic, they dare to take risks to increase net income to get big rewards from the principal. This is related to agency theory which shows the relationship between both; principal and agent. One of the efforts can be conducted to increase net income is to reduce costs, including reducing tax expenses. Based on the linkage of theory with variable raised, raised the formulation of the following hypotheses:

H2 : The Influence of Independent Commissioner Towards Tax Aggressiveness Moves

2.5 Intensity of Fixed Assets and Tax Aggressiveness

The term of Intensity regarding fixed assets can be defined as ratio of intensity with regard to fixed assets which belongs to certain company with total assets held by a company. The written number over fixed assets itself will probably affect the company's taxable profit. The more fixed assets the company has, the greater the depreciation expense and amortization of the company will be. There are several methods that can be chosen and applied to calculate the company's depreciation expense. This is related to positive accounting theory which suggests that executives can choose the policies contained in the three positive accounting theory hypotheses by choosing their company's accounting methods. Based on the relationship between the theory and the variables raised, the following hypothesis is formulated:

H3 : The Effect of Intensity of Fixed Assets Towards Tax Aggressiveness Moves

2.6 Earnings Management Variable and Tax Aggressiveness Moves

Discussing thing in relation to taxes that must be completed by companies can be interpreted as an obstacle that may disarrange gaining net income. Profit has been used as the main indicator of management's success in managing the company. Therefore, management will report earnings adjusted to its objective to minimize the company's taxable income. With the positive accounting theory, would allow companies to avail oneself of accounting opts that completely value to reduce the profit (disarrange income) reported by means of efforting decreasing taxable income. In it to say that, the company can probably lessen tax burden. In fact, in accordance with the relationship between both, theory and the variables raised, the following hypothesis is formulated:

H4 : The Influence of Management of Earnings Towards Tax Aggressiveness Moves

2.7 The Existing Management of Earnings, Executive Character and Tax Aggressiveness Moves

Companies that have executives who are more daring in taking risks (risk takers) tend to be brave in managing company profits. Thus, the taxable profit will be minimal and the tax burden will also be smaller. With the positive accounting theory, executives can decide to choose the method in the financial statements so as to minimize the company's taxable profit. Based on the theory linkage with the variables raised, the following hypothesis is formulated:

H5 : Earnings Management Encourages the Effect of Executive Characters Towards Tax Aggressiveness Moves.

2.8 Earnings Management Existed, Independent Commissioners and Tax Aggressiveness Moves

The condition of companies that have independent commissioners can be value to provide kinds of control to supervise the running of the company especially in corporate financial reporting. However, a company that has a few independent commissioners can also weaken the overseeing condition of financial statements provided. It goes without saying, fraud in providing financial statment can be occured with taxable income management, which leads lessen the tax paid than it should be.

H6 : Earnings Management Encourages the Effect of Independent Commissioners Towards Tax Aggressiveness Moves.

2.9 Earnings Management Existed, Fixed Assets Intensity and Tax Aggressiveness Moves

The situation that probably may be occured where companies with greater amount of fixed assets, allow the company‘s depreciation expense to be high. Companies can use positive accounting theory to choose the method of depreciation of existing fixed assets, which may be value to lead well-managed taxable income. The more appreciable fixed assets intensity existed leads the greater the depreciation expense that can minimize the company‘s taxable profit. Thus, the tax paid becomes smaller.

H7 : Earnings Management Existed Encourages the effect of Fixed Assets Intensity Towards Tax Aggressiveness Moves.

3. Research Methodology

3.1 Population

Secondary data has been taken by researcher to gain final results of this research from companies‘ financial statements which officially listed on the common table of Stock Exchange of Indonesia during the last 5 years period, 2016-2020. Furthermore, in gaining the sample out of population existed, researcher has applied purpossive technique in sampling population. The following is kind of display in relation to definition and measurement for each existed variable:

Table 1. Variables Definition and Way of Measurements

No	Lists of Variables	Definition of Each Variable	Indicator
1	Tax Aggressivenes s	The Moves of Tax Aggresiveness can be defined as a set of practical acts which conducted by means of reducing both, legal taxable income and non-legal one conducted to avoid tax burden condition.	Earning Rate of Tax Existed= $\frac{Total\ tax\ expense}{earning\ before\ tax}$
2	Executive Character	Executive is an individual who is in a very important position in a company because the executive has the highest authority and power to regulate the company's operations..	$RISK_{it}$ = $\sqrt{\sum_{T-1}^{T} \quad (E - 1/}$ ^{2}/(T-1)
3	Independent Commissioner s	Independent commissioners are commissioners from outside parties who are appointed based on the decisions of the General Meeting of Shareholders.	INDK = $\frac{JDKI}{JDK}$
4	Intensity of Fixed Assets	Fixed Assets Intensity can be interpreted by other words as the way in designing proportion of amount related to fixed assets can propped by means of providing add of expenses, such as; depreciation expense which probably occured by the condition where fixed assets roles as a deduction from the gaining income.	IAT = $\frac{Total\ Aset\ Tetap}{Total\ Aset}$
5	Management of Earnings	It is can be defined that the Management of Earnings as one of acts created and conducted by management to manage the amount of gains or earnings to achieve certain goals	DA = DAit = (TACit /Ait -1) - NDAit

3.2 The sampling techniques

In conducting the opt of the total population existed, the researcher applied purpossive sampling technique. There have been written several criterias or requirements for companies that opted as samples in this research as considerations. They are; (1) Names of Pharmaceutical Business which officially listed on Stock Exchange of Indonesia in the last 5 years period, 206-2020; (2) The company earns profit consistently during the last 5 years period of 2016-2020. (3) The opted companies use the rupiah currency unit. From the sampling method, 8 companies which run the business on pharmaceutical which officially listed on Stock Exchange of Indonesia. Furthermore, there have been obtained 40 research samples according to the sample criteria. The following is a list of companies that are sampled in this study:

Table 2. List Of Companies Pharmaceutical Industry In Indonesia

No.	ID Code Compan y	Company
1	DVLA	Darya-Varia Laboratoria Tbk. PT

2	KAEF	Kimia Farma (Persero) Tbk. [S]. PT
3	KLBF	Kalbe Farma Tbk. [S]. PT
4	MERK	Merck Tbk. PT
5	PYFA	Pyridam Farma Tbk. PT
6	SCPI	Merck Sharp Dohme Pharma Tbk. PT
7	SIDO	Industri Jamu dan Farmasi Sido Muncul Tbk. PT
8	TSPC	Tempo Scan Pacific Tbk. PT

After knowing the sample and the variables and their measurements, data processing will be carried out. The next stage of data testing is aimed at finding the appropriate analysis model, which can be value to encourage the next step ahead of the research, it is conducting the the regression analysis. Furthermore, in figuring out level of efficacy related to the wayin conducting regression analysis that probably appropriate to be applied, the following are several stages in conducting research analysis by means of gaining results:

Table 3. The result of best model test

Effect Model Test	**Model of Analysis**		
	Determining Test	**(Prob>F) / (Prob>Chibar^2) / (Prob>Chi^2)**	**Description**
Common Effect Model (CEM)	Chow test (CEM vs FEM)	0.0000	Fixed Effect Model
Fixed Effect Model (FEM)	Hausman Test (FE vs REM)	0.0000	Fixed Effect Model
Random Effect Model (REM)	LM test (CEM vs REM)	0.3790	Common Effect Model

In table 3, as can be viewed clearly that gaining value from calculation related to adjusted R-squared has reached 0.849628, this indicates that with the moderating variable earnings management, variations in the fluctuations in the tax aggressiveness variable Tax Aggressiveness Move could probably be spelled out by the Executive Character, Independent Commissioner, and Fixed Asset Intensity of 84.9%, while the rest 15.1% is explained by unlisted variables in this research.

As the table said that F-statistic has reached value 16.73974, while the F-table has achieved 2.6415 with a level of = 5%. It means that F-statistic > F table. Needless to say, the independent variables-Executive Character, Independent Commissioner, Fixed Asset Intensity, and Management of Earnings have simultaniously give effect towards dependent variable, it is Tax Agresiveness Moves. In addition, this research model may be allowed to be declared as feasible.

4. Results and Discussion

As has been viewed in data analysis result through data panel regression, , the opted regression model is the Fixed Effect Model (FEM). These results can also be seen clearly in accordance with calculation of Chow-Test, Hausman-Test, Lagrange Multiplier Test which clearly showed that more appropriate with the use of FEM. It is reasonable, because the applied-model which practically used in conducting results of the research is the Model of Fixed Effect (FEM), where it is necessary to figure out the Classic Assumptions Test.

Table 4. Blue Test Result

	ETR	KE	INDK	IAT	DA
ETR	1.000000				
EC	-0.284686	1.000000			
INDK	-0.426056	0.037462	1.000000		
IAT	0.202346	-0.259200	0.085592	1.000000	
DA	-0.095473	-0.216663	0.056191	0.157045	1.000000
Breusch-Pagan LM	0.0877				
F-Statistic	16.73974				
Probability(F-statistic)	0.000000				

As has been written on results table 4, , it is clearly seen that, none independent variables has reached gaining value up to or more than 0.8, which leads term of saying that the independent variable provide no multicollinearity in the existing regression model. Beside, in accordance with table 5, Breusch-pagan LM value has reached 0.0877 where it is higher than (0.05), which means the status of H_0 could be completely accepted, where we can apply in words that there is not any heteroscedasticity found in the existing model regression applied.

Table 5. Research Findings of Hypothesis Through Tests Conducted

No.	Statements	Coeffiecient Value	P >|z|	Sig	Model
1.	Does executive character affect negatively to tax aggressiveness	-1.198417	**Hypothesis denied**	**-**	**ETR =** 0.094673 - 0.244261 **EC -** 0.222572 **IC +** 1.003336 **FI -** 48.35164 **EM -** 96.35821 **EC*EM** +148.2227 **IC*EM -** 16.25652 **FI*EM +** **εit**
2.	Does independent commissioner affect negatively to tax aggressiveness	-1.781935	**Hypothesis denied**	**-**	
3.	Does intensity of fixed assets gievs effect positively to tax aggressiveness moves.	8.434923	**Hypothesis accepted**	√	
4.	Does Management of Earnings provide negative effect towards tax aggressiveness moves.	-3.363157	**Hypothesis accepted**	√	
5.	Management of Earnings encourages the effect of Characters of Executives towards tax aggressiveness moves.	-1.525001	**Hypothesis denied**	**-**	

6.	Management of Earnings encourage the effect of independent commissioners towards tax aggressiveness moves.	4.100148	**Hypothesis accepted**	√
7.	Management of Earnings provide the effect of fixed assets intensity towards tax aggressiveness moves.	-0.631042	**Hypothesis denied**	-

The previous table 5 explains that the value of t-table with a level of = 5% and df (nk) = 35, obtained t table of 2.030108. Needless to say, the researcher views the hypothesis as follows:

4.1 Executive character not increasing negatively to tax aggressiveness

As has been written on the above table which demonstartes result in relation Executive Characters and Tax Agressiveness Moves, provides information that the Executive Characters has -1.198417 t-statistic value, where it roles > t table value of -2.030108. Beside, value of Probability has reached 0.2420 > 0.05, it can be concluded that the Executive Character variable in this study provides negative effect, but not significant effect towards tax aggressiveness moves. It is to say that the proposed H_1 may declared as rejected. The results of the first test has found that, partially, Executive Characters gives no noteworthy effect towards Tax Aggressiveness Moves. Essentially, the company's tax aggressiveness must go via the decisions made by the company's leadership, but this research demonstrates that the character of the executive cannot be a determinant of the deciding element in tax aggressiveness activities. This is not in a file as research that previously has been conducted by [7], [18], [19] which has argued that the Executive Characters its own noteworthy effect towards Tax Aggressiveness Moves.

4.2 Independent commissioner not increasing negatively to tax aggressiveness

In accordance with the above table, it has been clearly written that Independent Commissioners variable has reached t-statistic value in -1.781935 where it is > t table value of -2.030108 and the value of Prob. 0.0869 > 0.05, it is to say that the Independent Commissioners variable in this study has a negative, but it does not have any noteworthy effect towards Tax Aggressiveness Moves. It goes without saying, the proposed H_2 might be interpreted as rejected. The gained results from the calculation using Chow-Test has found that Independent Commissioners, partially, does not provide any significant effect towards Tax Aggressiveness Moves. An independent commissioner's principal role is to supervise the corporation without taking sides with management, investors, or shareholders. The more independent commissioners there are in a company, the greater the level of oversight on management for probable fraudulent activities. However, the lack of an independent commissioner, according to the study's findings, cannot be a deciding factor in supervising tax cheating. This is not in a file with research conducted by [11], [20], [21] which typically state the Independent Commissioner has provided significant effect towards Tax Aggressiveness moves.

4.3 Intensity of fixed assets increasing positively to tax aggressiveness

As has been clearly written on previous table above, it is clearly seen that the Fixed Asset Intensity (FI) variable has a t-statistic value of 8.434923 > the t-table value of 2.030108 and the value of Prob. 0.0000 < 0.05, where it is clearly written as, that Fixed Asset Intensity (FI) proves positive and significant effect towards tax aggressiveness moves. It is saying that the proposed H_3 which tells, "Independent Commissioner Affects Tax Aggressiveness" is not rejected. The results of the third test show that the Intensity of Fixed Assets, partially, gives noteworthy effect towards tax aggressiveness moves. This is in a file with with previous research which has been conducted by [11], [20], [22] which states that Fixed Asset Intensity has a significant effect on tax aggressiveness. Essentially, the more the company's ownership of fixed assets, the higher the organization's issues. Depreciation spending will have an impact on the company's profit drop; that is, the bigger the growth in fixed assets, the lower the company's profit, limiting the company's capacity to be tax aggressive. However, this test is not in a file with previous research that has been conducted by (Savitri & Rahmawati, 2017b) which states that Fixed Asset Intensity has provided no significant effect towards tax aggressiveness moves.

4.4 Management of Earnings Increasing negatively Towards Tax Aggressiveness Moves.

As the above results has been viewed, it is completely clear that Management of Earnings has reached t-statistic value at -3.363157 where it is < t table value, -2.030108. Beside, the value of Prob. 0.0025 < 0.05, it can be concluded that the Earnings Management variable in this study provides negative and noteworthy effect towards Tax Aggressiveness Moves. Needless to say, the proposed H_4 previously, which tells, "Independent Commissioner Affects Tax Aggressiveness" is completely proved. The results of the fourth test show that Management of Earnings, partially, provides a significant effect Towards Tax Aggresiveness Moves. This research is not in a file with previous research that has been conducted by [23]–[25] which states that Management of Earnings provides a significant effect towards Tax Aggresiveness Moves. Management of Earnings can be defined essentially as a control that a manager has over financial data within the constraints set by the appropriate accounting laws. It aims to give information that corresponds to the preferences of financial statement users for the benefit of managers' responsibilities. Because the tax burden is lowering, the more aggressive a corporation is in controlling its profits, the greater the degree of corporate tax aggressiveness. However, this test is not in line with research conducted by (Putri & Yolanda, 2014) which describes that Management of Earnings provides no significant effect towards Tax Aggressiveness Moves.

4.5 Earnings management not increasing moderates the effect between of executive character on Tax Aggressiveness Moves.

In accordance with the previous table above, it is viewed that the EC*EM variable provides t-statistic value at -1.525001 > t-table value -2.030108 and the value of Prob. 0.1398 > 0.05, it can be concluded that Earnings Management is not significant to encourage the effect of Executive Characters towards Tax Aggressiveness Moves. It is to say that, the proposed H_5 previously, which tells, "Earning Management Moderates the Effect of Executive Character Towards Tax Aggressiveness Moves" is rejected or not proven. The results of the fifth test show that Management of Earnings might have 2 opts, lessen or strenghten the relationship between Executive Characters and Tax Aggressiveness Moves.

4.6 Earnings management increasing moderates the effect between of independent commissioners on tax aggressiveness.

Based on the above test, it can be seen that the IC*EM variable has a t-statistic value of 4.100148 > the t-table value of 2.030108 and the value of Prob. 0.0004 < 0.05, it can be concluded that Earnings Management has a significant effect in moderating the influence of the Independent Commissioner on Tax Aggressiveness. So that the H6 proposed in this study "Earning Management moderates the influence of the Independent Commissioner on Tax Aggressiveness" is accepted or proven. The results of the sixth test show that Earnings Management is able to moderate and strengthen the relationship between Independent Commissioners and Tax Aggressiveness. This is a novelty for the author because there has been no research that states that earnings management moderates and strengthens the relationship of the Independent Commissioner to Tax Aggressiveness.

4.7 Earnings management not increasing moderates the effect between of fixed assets intensity on tax aggressiveness.

Based on the above test, it can be seen that the FI*EM variable has a t-statistic value of -0.631042 > the t-table value of -2.030108 and the value of Prob. 0.5337 > 0.05, it can be concluded that Earnings Management is not significant as the encouragement to the effect of Fixed Asset Intensity on Tax Aggressiveness Moves. It is to say, the proposed H_7 previously, which tells, "Earning Management moderates the effect of Fixed Asset Intensity on Tax Aggressiveness" is rejected or not proven. The seventh test results show that Earnings Management is unable to role as moderating variable in relation to the relationship between Fixed Asset Intensity and Tax Aggressiveness Moves.

5. Conclusions

Based on testing the results of panel data analysis and hypothesis testing that has been done, it can be concluded as follows. The results of partially showed that is, Executive character and Independent commissioner with partially has no significant negatively effect on tax aggressiveness. Another side, Earnings management with partially has significant negatively effect on tax aggressiveness, This is not in line with result Intensity of fixed assets there is, with partially increasing positively to tax aggressiveness. Another result about moderation showed that is, Earnings Management is unable to moderate and unable to strengthen or weaken the relationship between the Executive Character and tax aggressiveness. That is, in line with result of the seventh test. The results show that Earnings Management is unable to moderate and unable to strengthen or weaken the relationship between Fixed Asset Intensity and tax aggressiveness. And in another side, The next results showed, if Earnings Management is able to moderate and strengthen the relationship between Independent Commissioners and Tax Aggressiveness. This is a novelty for the author because there has been no research that states that earnings management moderates and strengthens the relationship of the Independent Commissioner to Tax Aggressiveness

References

[1] A. Cobham, J. G. Bernardo, M. Palansky, and M. B. Mansour, "The State of Tax Justice 2020 : Tax Justice in the time of COVID-19," *Tax Justice Netw.*, no. November, 2020.

[2] E. Suandy, *Perencanaan Pajak*. 2011.

[3] L. A. Orozco, J. Vargas, and R. Galindo-Dorado, "Trends on the relationship between board size and financial and reputational corporate performance: The Colombian case," *Eur. J. Manag. Bus. Econ.*, vol. 27, no. 2, 2018.

[4] Y. Rinanda and Yuli Ardiany, "Pengaruh Usia, Ukuran, Dan Independen Dewan Komisaris Terhadap Agresivensi Pajak," *Ekasakti J. Penelit. Pengabdi.*, vol. 1, no. 1, 2020.

[5] V. Ratnawati, N. Wahyunir, and A. Abduh, "the Effect of Institutional Ownership, Board of Commissioners, Audit Committee on Tax Aggressiveness; Firm Size As a Moderating Variable," *Int. J. Bus. Econ.*, vol. 1, no. 2, 2019.

[6] D. Ambarsari, D. Pratomo, and Kurnia, "Pengaruh Ukuran Dewan Komisaris , Gender Diversity Pada Dewan , Dan Kualitas Auditor Eksternal Terhadap Agresivitas Pajak," *J. Asset (Akuntansi Riset)*, vol. 10, 2018.

[7] K. K. S. Dewi and G. W. Yasa, "The Effects of Executive and Company Characteristics on Tax Aggressiveness," *J. Ilm. Akunt. dan Bisnis*, vol. 15, no. 2, p. 280, 2020.

[8] I. Irmawati, F. Nasaruddin, and A. Junaid, "Pengaruh Pengungkapan Corporate Social Responsibility, Karakter Eksekutif, Profitabilitas Dan Corporate Governance Terhadap Agresivitas Pajak Pada Perusahaan Manufaktur," *J. Account. Financ.*, vol. 1, no. 1, 2020.

[9] Hellen Widya Putri, Desi Handayani, and Dedy Djefris, "Analisis Pengaruh Ukuran Perusahaan, Karakter Eksekutif, dan Kepemilikan Manajerial Terhadap Agresivitas Pajak (Studi Pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia Tahun 2014-2017)," *Akunt. dan Manaj.*, vol. 13, no. 1, pp. 17–33, Jan. 2018.

[10] Q. Zhou, "Analyzing the Key Drivers of Contractors' Temporary Competitive Advantage in the Competition of International High-speed Rail Projects," *KSCE J. Civ. Eng.*, vol. 23, no. 11, pp. 4579–4591, 2019.

[11] T. Avrinia Wulansari, K. H. Titisari, and S. Nurlaela, "Pengaruh Leverage, Intensitas Persediaan, Aset Tetap, Ukuran Perusahaan, Komisaris Independen Terhadap Agresivitas Pajak," *Jae (Jurnal Akunt. Dan Ekon.*, vol. 5, no. 1, pp. 69–76, 2020.

[12] R. Nugroho and D. Rosidy, "Pengaruh Komisaris Independen dan Kompensasi Eksekutif terhadap Agresivitas Pajak," *info artha*, vol. 3, no. 1, 2019.

[13] a. K. Jama and h. Harnovinsah, "Pengaruh Faktor Keuangan dan Intensitas Aset Tetap terhadap Keputusan Pelaporan Keuangan dan paJak," *tekun j. Telaah Akunt. dan Bisnis*, vol. 9, no. 1, 2018.

[14] D. A. M. Savitri and I. N. Rahmawati, "Pengaruh Leverage, Intensitas Persediaan, Intensitas Aset Tetap, Dan Profitabilitas Terhadap Agresivitas Pajak," *J. Ilmu Manaj. dan Akunt. Terap.*, vol. 8, no. November, pp. 19–32, 2017.

[15] K. M. Eisenhardt, "Agency theory: An assessment and review," *Acad. Manag. Rev.*, vol. 14, no. 1, pp. 57–74, 1989.

[16] M. C. Jensen and W. H. Meckling, "Theory of the firm: Managerial behavior, agency costs and ownership structure," *J. financ. econ.*, vol. 3, no. 4, pp. 305–360, Oct. 1976.

[17] R. L. Watts *et al.*, "Accounting Horizons," vol. 17, no. 3, pp. 207–221, 2003.

[18] D. S. Abbas and A. Eksandy, "The Effect Of Effective Tax Rate, Tunneling Incentive, And Exchange Rate On Company Decisions To Transfer Pricing : Food And Consumption Sub-Sector Companies Listed On The Indonesia Evidence," *PalArch's J. Archaeol. egypt/ Egyptol.*, vol. 17, no. 7, pp. 14430–14442, 2020.

[19] S. D. Dyreng, M. Hanlon, and E. L. Maydew, "Long-run corporate tax avoidance," *Account. Rev.*, vol. 83, no. 1, pp. 61–82, 2008.

[20] D. S. Abbas and I. Hidayat, "Enterprise Risk Management, Inventory Intensity, Pre-Tax Foreign Income and Economic Performance: Competitive Advantage as Moderator," *Linguist. Antverp.*, pp. 3518–3529, 2021.

[21] D. S. Abbas, T. Ismail, M. Taqi, and H. Yazid, "The Influence of Independent Commissioners ,

Audit Committee and Company Size on the Integrity of Financial Statements La Influencia De Los Comisarios Independientes , El Comité De Auditoría Y El Tamaño De La Empresa En La Integridad De," vol. 39, 2021.
[22] I. Hidayat, P. A. Sari, M. Z. Hakim, and D. S. Abbas, "Pengaruh Total Asset Turnover, Leverage Dan Profitabilitas Terhadap Financial Distress," *Compet. J. Akunt. dan Keuang.*, vol. 5, no. 2, pp. 180–187, 2021.
[23] R. A. Arief, D. Pratomo, and V. J. Dillak, "Pengaruh Manajemen Laba Terhadap Agresivitas Pajak (studi Pada Perusahaan Batubara Yang Terdaftar Di Bursa Efek Indonesia (bei) Periode 2011-2014)," *eProceedings Manag.*, vol. 3, no. 3, 2016.
[24] S. Novitasari, V. Ratnawati, and A. Silfi, "Pengaruh Manajemen Laba, Corporate Governance dan Intensitas Modal terhadap Agresivitas Pajak Perusahaan," *J. Online Mhs. Fak. Ekon. Univ. Riau*, vol. 4, no. 1, pp. 1901–1914, 2017.
[25] R. D. Putra and E. Suryani, "The Influence Of Earning Management, Leverage, And Liquidity Of Tax Aggressiveness," *e-Proceeding Manag.*, vol. 5, no. 3, p. 3491, 2018.