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TAX AVOIDANCE: AN AGENCY THEORY PERSPECTIVE

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Abstract
Tax Avoidance, or often known as tax avoidance, is an obstacle that has the potential to affect state cash revenue. This arises from the irresponsible behavior of corporate taxpayers who do not fulfill their obligations in paying their taxes, in practice often taking advantage of weaknesses or loopholes in tax regulations. The purpose of this research is to test the impact of transfer pricing, sales growth, capital intensity, and debt to equity ratio on tax avoidance in the oil, gas and coal mining industry listed on the IDX in 2019 – 2022. The method used in sampling is the purposive sampling method through a sample that has a total of 8 out of 19 oil, gas and coal mining industries in the IDX in 2019 – 2022. The variables used in this research are dependent (y) and independent (x) variables. The data analysis used in this research is multiple linear regression using the SPSS version 18 test tool. Based on the results of the analysis carried out, the researchers were able to draw conclusions that the variables transfer pricing, sales growth, capital intensity, and debt to equity ratio had a significant positive effect on tax avoidance, on the significance value of each independent variable (x), namely 0.001, 0.003, 0.042, and 0.010 where the value was smaller than 0.05.

Keywords: Tax Avoidance, Transfer Pricing, Sales Growth, Capital Intensity, Debt to Equity Ratio

1. Introduction

In the business world in this modern era, the trend of globalization is an important issue in practice, because the effect of globalization allows companies to operate businesses and expand their existence by presenting their competitive advantages in one place or country (Hendriarto, 2021). Taxes are highlighted as a global issue because taxes are an important source of state revenue contribution to the State Revenue and Expenditure Budget (APBN), which is considered more substantial than other sectors (Chairunesia, 2023). The tax system in Indonesia applies the self-assessment, where taxpayers are given the trust and responsibility to calculate, deposit, and report taxes owed to the state in accordance with the applicable tax regulations (Rizal et al., 2012). Nonetheless, the system self-assessment Often misinterpreted by taxpayers as a loophole to avoid tax obligations (Prastiawati & Tumirin, 2022). Tax avoidance visualized as an explicit tax reduction action (Posts et al., 2018). According to (Oktaviani et al., 2023) Tax avoidance refers to strategies implemented by taxpayers to reduce the tax burden without involving violations of legitimate tax policies. However, such an approach is not recommended by the government.

Tax avoidance is usually carried out by companies to minimize the taxes they pay. This is not only done by several sectors, but many sectors that commit this fraud. One of them is the mining sector. The mining sector is one of the sectors that is prone to corruption, reporting from www.ddtc.co.id (2022), the Corruption Eradication Commission (KPK) has at least Rp 15.9 trillion in tax evasion carried out by this sector.

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An example of the tax avoidance phenomenon in Indonesia occurred in 2019, reporting from www.cnbcindonesia.com (2019), www.liputan6.com (2019) and www.tirto.id (2019) Minister of Finance Sri Mulyani and the Directorate General of Taxes (DGT) investigated indications of tax avoidance practices carried out by the coal mining industry, namely PT. Adaro Energy Tbk. Adaro is allegedly involved in a strategy to reduce reported revenue and reduce the tax liability that should be paid to the Indonesian government. Global Witnes noted that the company was involved in the sale of bricks at low prices to its subsidiary in Singapore, Coaltrade Services International, which subsequently resold them at a higher price. Through this transaction, Global Witnes identified a potential reduction in tax payments of US$125,000,000 against the Indonesian government. In addition, Global Witnes also highlighted the role of tax haven countries that allow Adaro to reduce its tax burden by 14,000,000 US dollars annually.

Previous research that has been carried out (Hasibuan & Gultom, 2021) and (Pratama & Larasati, 2021) case study conducted in the Mining Sector Manufacturing Company of the Coal Subsector listed on the IDX from 2015 to 2019) shows that Transfer Pricing does not affect in a significant way the treatment Tax avoidance. However, the research carried out (Zahra & Hamdi, 2019) in the manufacturing industry listed on the IDX in 2015-2019 explained that Transfer Pricing influencing in a significant positive way to treatment Tax avoidance. Sales Growth influence in a positive way on Tax Avoidance revealed in the research carried out (Nugraha & Mulyani, 2019) which was carried out in the manufacturing industry listed on the IDX throughout the period 2014 to 2017 and research (Prastiawati & Tumirin, 2022) also revealed that if Sales Growth Affect Tax Avoidance which has been carried out research in the industry consumer goods industry sector found in the IDX for the period 2018 to 2020. Meanwhile, previous research that has been conducted by (Norisa et al., 2022) in the coal sub-sector mining industry listed on the IDX for the period 2016 to 2020 stated that Sales Growth does not affect tax avoidance.

Capital Intensity affect in a significant negative way the treatment Tax avoidance, this statement was made by (Chairunesia, 2023) who conducted research in the energy industry found in the IDX from 2017 to 2021. Research from (Dewi & Oktaviani, 2021) in the manufacturing industry found in the Indonesia Stock Exchange for the period 2016 to 2020 also stated that Capital Intensity There is a significant influence on Tax avoidance. The research statement is refuted by the research conducted (Nugraha & Mulyani, 2019) in the manufacturing industry found in the IDX throughout the period 2014 to 2017 which shows the results of Capital Intensity have a positive effect on Tax Avoidance. Research that has been carried out (Ramadan) et al., 2023) in the manufacturing industry found in the IDX for the period 2018-2021 which proves that DER affects in a significant way Tax Avoidance. (Miftahu, 2021) who conducted research on PT. Bank Syariah Mandiri revealed that Debt to Equity Ratio affect in a significant way Tax Avoidance. Other researchers (Sari, 2019) on manufacturing companies on the IDX for the period 2012 to 2017 revealed that DER did not affect in a significant way Tax Avoidance.

The differences in the results of previous researchers regarding the impact of transfer pricing, sales growth, capital intensity, and debt to equity ratio on tax avoidance make this issue worthy of re-examination. The researcher chose this title because there are several cases related to tax evasion that have occurred. The problem related to tax avoidance is a complex and interesting aspect, considering that on the one hand the action does not violate the law (legal), but on the other hand the government does not want the practice of tax avoidance because it can have a detrimental impact on the country. The

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purpose of this research is to explain the impact of transfer pricing, sales growth, capital intensity, and debt to equity ratio on tax avoidance in industries found in the IDX Mining Sector of the oil, gas and coal sub-sectors. The results of this research are expected to be able to add knowledge and insights related to tax avoidance, as well as the impact of transfer pricing, sales growth, capital intensity and debt to equity ratio on tax avoidance, especially for the mining industry, as well as a reference and comparison point to be used in the next research, it is intended to expand understanding for practitioners and academics, especially private researchers, when developing the realm of insight, especially in the context of tax avoidance.

2. Theoretical Background

2.1 Agency Theory

Agency theory explains the existence of an information asymmetric correlation, namely the difference in information between agents (company managers or management) and principals (business owners/shareholders) which results in an imbalance between the two (Ustadza & Firmansyah, 2023). The Agency Theory assumes that there is a difference in interests between the principal and the agent (Rahmayani et al., 2021), which can cause various problems and gaps where the agent or company manager tends to meet his personal interests. Agency conflicts, if left and not carried out intensive supervision by the principal on the performance of agents or management, will be even greater and able to threaten the sustainability of the industry (Nugraha & Mulyani, 2019). The involvement of agency theory in this study is to explain that the practice of tax avoidance (Tax avoidance) in an industry can be associated with the management. Effective steps that can be taken in tax avoidance practices are to reduce the tax burden borne by the industry through a reduction in taxable income (Ardillah et al., 2022). On the other hand, this is carried out so that management performance can be seen to improve every year as a result of being able to realize the expected targets.

2.2 Tax Avoidance

Tax avoidance (Tax avoidance) is the result of decisions taken by a company that maximizes utility which will have an impact on the estimated costs and expected benefits of the practice (Arias, 2011). The practice of tax avoidance is a strategy implemented by companies to legally reduce tax liabilities without involving violations of tax regulations (Maharani and Suardana, 2014). Meanwhile, according to (Basri et al., 2014) Tax Avoidance is an effort that is carried out in a legal and safe way by taxpayers to avoid taxes because they do not act against tax regulations, which is a practice that is used tends to use weaknesses (grey area) contained in the Tax Law to reduce the total tax payable. Tax avoidance in accordance with tax provisions, it is not prohibited even though it often receives unfavorable criticism because it is considered to have a negative connotation or is considered less nationalist. Tax evaders (tax avoidance) in practice, it uses loopholes and aspects that have not been contained in tax regulations, so that the Directorate General of Taxes (DGT) does not have the authority to carry out legal prosecutions, even though this practice can cause losses to the state (Pratiwi & Sudiartana, 2021).

2.3 Transfer Pricing

Companies seek to reduce their tax liabilities by taking advantage of ambiguities in tax laws and regulations. Transfer pricing is one of the methods applied by companies as a component of the strategy to reduce tax liabilities (Mukhtar, 2021). Transfer pricing is

a pricing policy for the sale of goods/services in the internal environment of a company or group of companies, the main purpose of which is to evaluate the performance of the division and determine the optimal tax burden (Rahmat, 2021). Based on the Regulation of the Directorate General of Taxes Number PER – 32/PJ/2011, it is revealed that transfer pricing is the termination of prices in transactions between parties who have a special relationship or relationship. While based on the top (Lingga, 2012) Transfer Pricing is the determination of a certain selling value that is carried out in transactions between divisions to record revenue, namely from the seller division (Selling Division) and costs incurred by the buyer's division (Buying Division). The practice of transfer pricing in multinationals occurs in determining the cost of their goods, services, or technology to their relationships, such as parent companies to subsidiaries, and between individual subsidiaries, the goal is to coordinate effectively among their internal companies to take advantage of the differences in tax rates between different countries or regions (Niu, 2023). Referring to this explanation, the first hypothesis proposed is:
H1: Transfer Pricing has a significant positive effect on Tax Avoidance.

2.4 Sales Growth

Sales growth/Sales Growth has significant strategic implications for the company, because increased sales require greater asset support, in line with sales growth, the company's assets will also increase (Pradipta & Yohan Arya, 2019). Sales growth indicates the extent to which a company's sales increase compared to overall total sales, this information can be revealed through a comparison of the company's growth ratio from one year to the next (Widiayani et al., 2017). Companies that experience rapid sales growth certainly need adequate financial support to fund the expansion, this phenomenon tends to encourage the industry to implement tax avoidance practices aimed at reducing the tax burden that must be handed over to the government, while increasing profits that can be allocated to strengthen corporate investment (Suteja, 2020). Sales growth depends on consumer decisions (Abdel & Aly, 2022) and can be seen from the potential business opportunities in the market that should be accessed by the company (Mahdianan & Amin, 2020). Based on this description, the second hypothesis is:
H2: Sales Growth has a significant positive effect on Tax Avoidance.

2.5 Capital Intensity

Capital intensity (Capital intensity) is something that describes the extent of a company's capital as an asset, whether current or non-current (Sari, 2022). According to (Khamisan & Astuti, 2023) Capital intensity refers to investment activities in the form of fixed assets. The ownership of fixed assets is intended to result in a decrease in the tax burden of the industry because there is a depreciation or depreciation budget that is recognized every year for fixed assets owned by an industry (Utami & Mahpudin, 2021). The existence of a depreciation expense related to fixed assets can be considered an advantage for corporate entities, which are able to use it as a strategy to reduce the tax burden. A large proportion of depreciation costs have a reduced impact on the company's tax burden, which is sourced from a decrease in taxable income due to the high depreciation expense (Pratiwi et al., 2020). The relationship of agency theory with Capital Intensity is that the management has the authority to set the investment policies implemented by the company. This phenomenon illustrates that corporate entities will strive to achieve profit stability, and as a strategy, companies will adopt tax management practices by increasing asset investment, with the aim of minimizing the tax burden borne

to increase the company's net profit margin (Lestari & Maryanti, 2022). Based on this description, the third hypothesis is:
H3: Capital Intensity has a significant positive effect on Tax Avoidance.

2.6 Debt to Equity Ratio

Debt to Equity Ratio (DER) is one of the indicators in the ratio category Leverage (Zulkarnain et al., 2022). Leverage is a ratio used to evaluate how far the industry pays its assets through the use of funds in the form of debt, namely how much debt obligations the company uses to support its operations in comparison to the capital used (Vita et al., 2022). According to (Alpi, 2018) Ratio debt to equity ratio (DER) is a comparison used to illustrate the extent to which the industry is obliged to bear the burden of debt to meet its capital needs. Meanwhile, according to (Ono Tarsono, 2021) and (Khairudin & Wandita, 2017) Ratio DER Suati is an indicator used to measure the ratio between the total amount of debt and equity of a company. This scale is generally used by analysts and investors with the aim of evaluating the extent of a company's debt liability, when compared to the equity owned by an industry or shareholder entity (Zamiarto et al., 2019). When DER Increase wants to cause an increase in the interest expense that must be paid, which in the end can lead to a decrease in profit due to a larger interest expense, this is where the tax burden is reduced and tax avoidance is implemented. As described in the provisions of Article 6 paragraph (1) a of Law No. 36 of 2008, interest costs have the potential to play a role as a factor in decreasing taxable income (Nindita et al., 2021). From the disclosure, the fourth hypothesis proposed is:
H4: Debt to Equity Ratio has a significant positive effect on Tax Avoidance.

3. Methods

This research method is quantitative research. The type of data used in this research is secondary data, namely information data obtained indirectly through intermediaries of other parties or intermediaries in the form of reports disclosed to external entities (Aminah & Use, 2015). The data sources in this research are taken through the IDX's official website: www.idx.co.id and the company's web. The population in this research includes all industrial entities found in the IDX in the mining sector that have disclosed their annual financial statements to the public, making it easier for researchers to identify. Mining sector companies were selected as the object of this research because in addition to indications of tax evasion in this sector, as well as several cases have occurred such as actions taken by PT. Adaro, the mining sector itself is part of the eight main sectors that contribute to tax revenue, so the potential for tax avoidance in this sector is a deep concern. Based on data from the Ministry of Finance (Kemenkeu), the realization of tax revenue reached IDR 830.29 trillion in January-May 2023. The Mining sector contributed up to 62.9% of total tax revenue until May 2023 (source: www.dataindonesia.id, 2023). The sample in this research was selected using the Purposive Sampling, a technique to determine samples that are tailored to the type and criteria needed (Putri, 2022). The criteria used in determining the sample are:

Table 1. Sample Determination Criteria

No.	Criterion	Data
1	Companies listed on the Indonesia Stock Exchange for the mining sector in 2019–2022	46
2	Companies not included in the mining sector of the oil, gas & coal subsector on the Indonesia Stock Exchange in 2019–2022	(27)

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3	Companies that lost money during the study period	(11)
Total Samples		8
Total Research Data in 2019-2022		32

3.1 Research Variables

This research utilizes 2 variables, namely dependent and independent variables. The dependent variable in this research is Tax Avoidance which is symbolized by the variable Y. While the independent variable symbolized by the variable X in this study is transfer pricing (x1). Sales growth (x2), capital intensity (x3), and debt to equity ratio (x4).

3.1.1 Tax Avoidance (Y)

Tax avoidance in this context, refers to carefully structuring an event to consider the potential tax impact that may arise or not, the goal is to reduce or even eliminate the tax burden (Sitanggang & Leusiana, 2023). The measurement model applied is the Cash Effective Tax Rate (CETR) chosen as the measurement method because of its effective ability to explain the phenomenon of tax avoidance. The increase in the percentage of CETR indicates a lower level of corporate tax avoidance, with an approach to the corporate tax rate of 25% (Napitulu & Situngkir, 2020). This measurement method was used in previous researchers (Pramiana, 2022) and (Moeljono, 2020). Tax avoidance is formulated as follows:

$$\text{CETR} = \frac{\text{Beban Pajak}}{\text{Laba Sebelum Pajak}}$$

3.1.2 Transfer Pricing (X1)

According to (Lin et al., 2016) A company has the ability to reduce its tax burden through the application of a variety of interrelated methods, a company may be able to reduce its tax liability through the use of unequal tax rates that apply in various regions. Practice Transfer Pricing Referring to the transaction of goods or services between a number of entities in a business group using unreasonable prices, it can be done by increasing or decreasing prices. Refer to research by (Napitulu & Situngkir, 2020) and (Pramita & Susanti, 2023), in his research using the formula:

$$\text{TP}= \frac{\text{Piutang Usaha pihak berelasi}}{\text{Total Piutang}}$$

3.1.3 Sales Growth (X2)

Sales growth in a company indicates that along with increasing turnover, the profits generated will also increase accordingly. Progressive growth provides an opportunity for companies to expand their operational capacity, because with increasing sales volumes, the industry wants to access higher profits as well (Dewinta & Setiawan, 2016). In its implementation, when there is increased sales growth, the company usually wants to get a satisfactory profit. Therefore, companies tend to carry out tax avoidance strategies, considering that the amount of profit will result in a large tax burden that must be paid. According to (Mahanani et al., 2017) and (Astuti et al., 2020) Sales Growth It can be formulated as follows:

$$\text{SG=U} \frac{\text{Penjualan (t)}-\text{Penjualan (t}-1)}{\text{Penjualan (t}-1)}$$

3.1.4 Capital Intensity (X3)

Capital intensity reflects the company's investment actions related to investment in the form of fixed assets. Ratio Capital Intensity can be used as an indicator of industrial

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efficiency when allocating investment resources to generate optimal sales volume (Putri & Setiawan, 2022). Capital intensity It is measured by dividing the ratio of fixed assets to total assets. This statement is in accordance with previous researchers (Putri, 2022) which is formulated into:

$$\text{CAPIN} = \frac{\text{Total Aset Tetap}}{\text{Total Aset}}$$

3.1.5 Debt to Equity Ratio (DER) (X4)

Debt to equity ratio (DER) is a scale that depicts the proportion of the amount of debt owned by the company, including long-term debt and short-term debt compared to the equity owned by the company (Chaidir & Yulia, 2022). The debt obligations owned by the industry want to generate interest expenses that must be borne by the company (Nindita et al., 2021). Formulation of DER in research (Aldi, 2021) and (Sanjaya & Yuliastanty, 2018) mention:

$$\text{DER} = \frac{\text{Total Hutang}}{\text{Total Modal}}$$

In this study, the analysis methods used are in the form of descriptive statistical tests, classical assumption tests, coupled linear regression model tests and determination coefficients. The regression equation model used to test the influence of transfer pricing, sales growth, capital intensity and debt to equity ratio on tax avoidance is as follows:

$$\mathbf{Y = \alpha + \beta 1\, X1 + \beta 2\, X2 + \beta 3\, X3 + \beta 3\, X4 + e}$$

The symbol Y is the definition of tax avoidance, α as a symbol of constants, β1X1 as a symbol of the transfer pricing regression coefficient, β2X2 as a symbol of the sales growth regression coefficient, β3X3 as a symbol of the capital intensity regression coefficient, β4X4 as a symbol of the debt to equity ratio regression coefficient and while e is an error symbol that cannot be explained by statistics.

4. Results and Discussion

Table 2. Descriptive Test Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
TP	32	,0000	1,1906	,206148	,2834366
SG	32	-,3594	1,1101	,249304	,4359681
CAPIN	32	,0263	,3269	,144126	,0814638
DER	32	,0644	1,6533	,612497	,3814320
CETR	32	,1492	,4786	,257634	,0622321
Valid N (listwise)	32				

Source: Secondary data processed with SPSS 18 (2023)

The Transfer Pricing (TP) variable shows a maximum value (max) of 1.1906 found in PT. Indo Tambangraya Megah Tbk in 2020, this value indicates that the company in that year made transactions with related parties that were quite significant. The lowest value (min) is 0.0000 in PT. TBS Energi Utama Tbk in 2019, which means that the company in that year carried out transaction prices on related companies. The mean value is 0.206148, which reflects that the average transfer pricing value in the industry sampled is 20.61 percent. The standard deviation value is 0.2834366, which proves that there is a dissimilarity in the value of the transfer pricing variable in the research to the average of 28.34 percent. The Sales Growth (SG) variable shows the largest value (max) of 1.1101 which is located in PT. Baramulti Suksessarana Tbk in 2021, which means that the

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company in that year experienced a significant increase in sales, resulting in optimal profits. The minimum value (min) is -0.3594 in PT. TBS Energi Utama Tbk in 2020, which means that the company's sales revenue in that year decreased relatively which resulted in a plummeting of the company's profit. The mean value is 0.249304, which gives an average description of the sales growth value in the industry used as an example is 24.93%. The standard deviation value is 0.4359681, which reflects the dissimilarity in the value of the sales growth variable in the research to an average of 43.59%.

The Capital Intensity (CAPIN) variable proves the maximum value (max) with a total of 0.3269 in PT. Bukit Asam Tbk in 2020, which means that the company's assets on capital in that year tend to increase, resulting in an increase in depreciation expenses. The minimum value (min) is 0.0263 which is found in PT. Adaro Energy Tbk in 2021, which indicates that companies in that year tended to have few assets on capital, so the depreciation burden was not too much. The mean value is 0.144126, which indicates that the average capital intensity value in the companies used as a sample is 14.41 percent. The standard deviation value is 0.0814638, which explains if there is a dissimilarity in the value of the capital intensity variable in the research to the average value of 08.14%.

The Debt to Equity Ratio (DER) variable shows the largest value (max) of 1.6533 in PT. TBS Energi Utama Tbk in 2020, which means that this figure shows that the company has a relatively high dependence on debt in operating its company. This is due to the very small profit, while the value of the company's liabilities is much greater than the value of the equity owned in that year. The lowest value (min) is 0.0644 in PT. Bayan Resources Tbk in 2019 which means that in its operation the company does not depend on debt because the total equity owned by the company in that year is much larger. The mean value is 0.612497, which reflects that the value of the debt to equity ratio in the industry that serves as a sample is 61.24 percent. The standard deviation value is 0.3814320, which indicates that there is a variation in the value of the debt to equity ratio variable in this research to the average of 38.14%.

The CETR value as a measurement of tax avoidance in the research object shows a value (max) with a total of 0.4786 in PT. Indo Tambangraya Megah Tbk in 2020, which means that the company in that year tended to carry out tax avoidance through revenue and expense engineering. The lowest value (min) was 0.1492 in PT. TBS Energi Utama Tbk in 2020. The mean value is 0.257634, which means that the average value of tax avoidance in the industry used as a sample is only 25.76. The standard deviation value is 0.0622321, which proves that there is a dissimilarity in the value of the variable that takes place in tax avoidance in the research to the average value of 06.22%.

A series of tests such as multiple linear regression has been carried out in this research.

Table 3. Multiple Linear Regression Model Test Results

Type	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constanta)	,324	,028		11,404	,000
Transfer Pricing (TP)	,115	,030	,524	3,887	,001
Sales Growth (SG)	,063	,020	,444	3,219	,003
Capital Intensity (CAPIN)	,247	,116	,323	2,134	,042
Debt to Equity Ratio (DER)	,063	,023	,385	2,753	,010
Adjusted R –Square		,486			

Dependent Variable: Tax Avoidance
Source: Data processed with SPSS 18 (2023)

Based on the previous table 3, the multiple linear regression equations in this research are obtained, namely:

CETR = 0.324 + 0.115 TP + 0.063 SG + 0.247 CAPIN + 0.023 DER + e

Based on the regression equation obtained from the test results, explanations can be given, namely: (1). Constant (a), the value of the constant coefficient with the amount of 0.324 means that if the variables transfer pricing (TP), Sales Growth (SG), Capital Intensity (CAPIN) and debt to equity ratio (DER), are 0, then the CETR is 0.324. (2). Transfer pricing (X1) has a coefficient value with a total of 0.115. This means that if an increase in TP (X1) is found with the amount of 1 unit, there will be an increase in tax avoidance of 0.115. (3). Sales Growth (X2) has a coefficient value with a total of 0.063. This means that if there is an increase in SG (X2) with the amount of 1 unit, as a result there will be an increase in tax avoidance of 0.063. (4). Capital Intensity (X3) has a coefficient value with a total of 0.247. This means that if an increase in CAPIN (X3) is found with an amount of 1 unit, as a result an increase in tax avoidance is found with an amount of 0.247. (5). Debt to Equity Ratio (X4) has a coefficient value of 0.063. This means that if an increase in DER (X4) is found by 1 unit, then there will be an increase in tax avoidance of 0.063.

The Adjusted R-Square value shows a value of 0.486, this shows that the dependent variable can be influenced by the independent variable by 48.6%, while the remaining 51.4% is influenced by other variables that are not tested in this study.

1) Transfer Pricing vs. Tax Avoidance

Based on the results of the multiple linear regression analysis, tcount for the variable Transfer Pricing namely 3.887, which shows a positive value that has a level of significance with a total of 0.001 due to the value of tcount > ttable namely 3.887 > 2.052 and the significance value is 0.001 < 0.05, then the first hypothesis is accepted. Transfer pricing generally known as the intracompany pricing, intercorporate pricing, interdivisional or internal Pricing which is specifically calculated for the purpose of controlling management of the transfer of goods and services between internal divisions (Panjalusman et al., 2018). Concerns over arbitrary transfer pricing have led many economists and policymakers to advocate a transition from the most commonly used corporate taxation system, separate accounting, to a purpose-based cash flow tax that deprives companies of the incentive to set transfer prices on cross-border trade that are not equal to fair prices (Gresik & Schjelderup, 2022). The results of this study can be interpreted that companies in the oil, gas and coal mining sector use the Transfer Pricing to actively reduce the amount of taxes that the company must bear. The existence of a relationship between companies in the mining sector and other companies in the group allows companies in the mining sector to carry out Transfer Pricing. When a country's tax rate increases, there is an incentive for the industry to carry out the scheme Transfer Pricing as an effort to deal with these conditions. The agency theory describes that management seeks to conceal all information that has the potential to cause harm to the interests of shareholders. In order to improve shareholder welfare, companies are often encouraged to avoid paying taxes, especially due to the absence of clear regulations regarding audits Transfer Pricing by the relevant authorities. The results of this research are in line with the research that has been carried out (Wijaya & Hidayat, 2022), (Sari & Kurniato, 2022)and (Heristiqomah & Asalam, 2023) which states that Transfer Pricing influencing in a significant positive way to Tax avoidance. However, this research is different from the research conducted by (Mukhtar, 2021) who gives a statement if Transfer Pricing no influence on Tax avoidance.

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2) Sales Growth vs. Tax Avoidance

Based on the results of multiple linear regression analysis, it is proven that the value of tcount variable Sales Growth is with a total of 3.219, which has a positive value that has a level of significance with a total of 0.003 Because the value of tcount > ttable namely 3,219 > 2,052 and the significance value is 0.003 < 0.05 as a result the second hypothesis is accepted. This study utilizes the measurement of Sales Growth as an indicator that can describe the quality of a company's sales growth, both in positive and negative aspects. By using this method, companies can anticipate potential profits in line with sales growth. The results of this research mean that Sales Growth can increase the company's profit so that it will be in line with the level of tax burden that it will bear. The profits generated from increased sales revenue also have an impact on tax liabilities, prompting managers to look for strategies to reduce the tax burden. The findings of this study support the theoretical basis that shows that high sales growth is related to an increase in the rate of tax avoidance. Changes in the company's selling value directly affect profits and the number of tax agents who may use other strategies to achieve optimal results. Therefore, tax agents seek to manage the tax burden by increasing the company's profits through increased sales, which can ultimately reduce the tax burden. As a result, industries that have increased sales growth tend to engage in tax avoidance practices, as reflected in low values Cash Effective Tax Rate (CETR). The results of this research are supported by research conducted by (January & Suardikha, 2019), (Iqbal et al., 2022) and (Almasah, 2023) states if Sales Growth influencing in a significant positive way to Tax avoidance. The statement of results is not the same for the research carried out (Mahanani et al., 2017) and (Norisa et al., 2022) which reveals if Sales Growth does not affect Tax avoidance. It is concluded that if the increase in Sales Growth will reduce the tendency of the industry to carry out tax avoidance practices, especially in companies that experience an increase in sales and manage them efficiently. Therefore, the company has the potential to make substantial profits, so it is not necessary to carry out tax evasion actions.

3) Capital Intensity to Tax Avoidance

The results of the multiple linear regression analysis showed tcount variable Capital Intensity Namely with a total of 2.134, the value is positive and has a level of significance with a number of 0.042. Because the value of tcount > ttable namely 2.134 > 2.052 and the significance value is 0.042 < 0.05, as a result of which the third hypothesis is accepted. The mining sector generally includes companies involved in mining production activities. In carrying out its operations, this company requires work tools that can be obtained through purchase or rental, both of which are significant investments. The use of these tools results in an increase in the company's assets, and the higher the asset level, the higher the depreciation expense. In this context, the increase in depreciation burden can be used as a plan to reduce the company's tax liability. According to the concept of agency theory, it outlines the relationship between agents and principals who have divergent interests, especially in the context of investment decisions or asset acquisitions. The authority to make such decisions can be given to the main stakeholder (owner) or handled by management (agent). This decision-making process is often a potential source of conflict, given that stakeholders tend to be cautious in managing fixed assets that have significant value, while management is motivated to maximize profits in the acquisition of teap assets through the use of depreciation as a tactic in tax avoidance. The results of this research are in line with the (Putri & Rahmawati, 2021), (Pravitasari & Khoiriawati,

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2022) and (Application, 2023) who gives a statement if Capital Intensity influencing in a significant positive way to Tax avoidance. Different from the results of the research carried out (Prastiawati & Tumirin, 2022) which gives a statement if if Capital Intensity does not affect tax avoidance.

4) Debt to Equity Ratio to Tax Avoidance

The results of the multiple linear regression analysis showed tcount variable debt to equity ratio namely with a total of 2,753. Have a positive value that has a significance level with a total of 0.010. Because the value of tcount > ttable namely 2.753 > 2.052 and the significance value is 0.010 < 0.05, then the fourth hypothesis is accepted. The lowest test result is owned by the variable debt to equity ratio, it can be interpreted that in the income statement interest expense is before profit before income tax, this is interpreted as a loophole used by taxpayers to carry out tax avoidance practices, so when the debt is high, the interest expense will increase significantly, and the tax burden will decrease. The interest burden borne by the industry can be used as a deduction of income to reduce its tax burden. Result This research is supported by previous research researched by (Andy, 2018), (Norisa et al., 2022) and (Riyadi & Rahmayani, 2022) which reveals if debt to equity ratio influencing in a significant positive way to tax avoidannce. However, the research carried out (Dewi & Oktaviani, 2021) reveals the result that the ratio debt to equity ratio does not affect in a significant way Tax avoidance. It is stated that this phenomenon proves that high or low debt levels do not affect tax avoidance actions carried out by an industry. As the level of industrial debt increases, management will tend to be more cautious and avoid risks that can harm the industry through tax avoidance practices.

5) Conclusion and Advice

This research examines the impact of transfer pricing, sales growth, capital intensity and debt to equity ratio on tax avoidance. The dependent variable used is tax avoidance, while the independent variables used are transfer pricing, sales growth, capital intensity and debt to equity ratio. The analysis was carried out through the use of multiple linear regression analysis through the statistical product and service solution (SPSS) version 18 program. Observations were made in the mining industry of the Oil, Gas and Coal sub-sectors found in the IDX for the 2019-2022 period. Based on the research analysis carried out, it can be concluded that the transfer pricing variable has a significant positive effect on tax avoidance. This is shown by the t-value of the t-table >t-calculation which is 3.887 > 2.052 and the significance value is 0.001 < 0.05. Sales growth on tax avoidance has a significant positive effect. This is evidenced by the t-value of the t-table >t-calculated, which is 3.219 > 2.052 and the significance value of 0.003 which means that it is smaller if the comparison is made with the signification, which is 0.05. Capital intensity has a significant positive effect on tax avoidance. This is shown by the t-value of the t-table >t-calculated, which is 2.134 > 2.052 and the significance value of 0.042 which means smaller than 0.05. The debt to equity ratio has a significant positive effect on tax avoidance. This is shown by the t-value of the t-table >t-calculated, which is 2.753 > 2.052 and the significance value of 0.010 which has a smaller meaning than 0.05. So, if observed based on the significance value and the comparison between tcalculation and ttable, it is concluded that the variables transfer pricing, sales growth, capital intensity and debt to equity ratio have a significant positive effect on tax avoidance.

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It is recommended that further research consider the addition of additional variables that can affect tax avoidance practices, as well as the addition of a research period that can be a reference for the development of future research so that the results can be more generalized.

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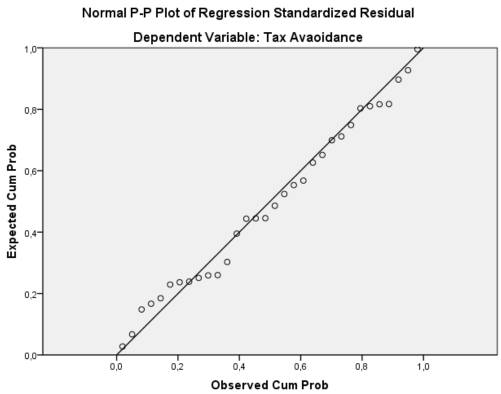
Attachment

Results of the Classic Assumption Test

1. Normality Test



P-Plot Graph

2. Autocorrelation Test

Autocorrelation Test ResultsModel Summary[b]

Type	R	R Square	Adjusted R Square	Std. Error Of the Estimate	Durbin-Watson
1	0.743A	0,553	0,486	0,0446052	1,646

Source : Data processed using SPSS 18 (2023)

3. Multicollinearity Test

Multicollinearity Test Results

Type	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Transfer Pricing (TP)	,911	1,097
Sales Growth (SG)	,870	1,149
Capital Intensity (CAPIN)	,722	1,384
Debt to Equity Ratio (DER)	,849	1,178

Source : Data processed using SPSS 18 (2023)

4. Heteroscedasticity Test