IJAMESC, Vol. 3 No. 03, June 2025
DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

THE INFLUENCE OF EARNING MANAGEMENT, OPERATIONAL COSTS AND TAX PLANNING ON INCOME TAX PAYABLE

Hamida Hunein[1]*, Muhamad Arief Hidayat[2], Listya Sugiyarti[3]
[1,2,3]Accounting Study Program, Faculty of Economics and Business, Pamulang University, Indonesia
*Corresponding Author:
dosen01396@unpam.ac.id

Abstract
This study aims to analyze how the variables of Earning Management, Operating Costs, and Tax Planning affect Income Tax Payable in Energy sector companies listed on the Indonesia Stock Exchange. The research method carried out is a quantitative research method with a panel data regression technique and the type of data used in this study is secondary data. In this study, to obtain a sample, special criteria are needed, so the purposive sampling method is used. This study has a population of 87 companies and obtained 19 company samples and the results of observations include 95 research data for five years in the 2019-2023 period. The analysis used in this study was using panel data regression with EViews 13 software. The results of the model selection test in this study show that the best model to use is the Fixed Effect Model (FEM). This study obtained results, namely simultaneously, Earning Management, Operational Costs, and Tax Planning have an effect on Income Tax of Accounts Receivable and partially, Earning Management has no effect on Income Tax of Accounts Receivable, Operational Costs affect Income Tax of Accounts Receivable, Tax Planning has no effect on Income Tax of Accounts Receivable.

Keywords: Earning Management, Operational Costs, Tax Planning, Corporate Income Tax Payable

1. Introduction

Payable corporate income tax is the amount of tax that must be paid by a business entity or company on the income it earns in one tax year. According to (Setyawan, 2020) corporate income tax is a tax that must be paid by business entities or companies on net income earned in one tax year. In the tax system, the amount of income tax payable is determined based on the applicable tax rate and the gross income earned by the business entity or company, after deducting various types of deductions or expenses regulated in the tax law.

In the publication "Revenue Statistics in Asian and Pacific Economies 2019 — Indonesia", Indonesia is a country with a tax rate of 11.5% which is the country with the lowest tax collection rate in Asia-Pacific in 2017 (CNBC Indonesia, 2019). The cause is the lack of awareness of taxpayers in paying income tax, which causes low tax revenue for the state.

According to data from the Ministry of Finance, the tax revenue target has increased from year to year, except in 2020 which has decreased. However, the realization of tax revenue in 2020 is actually lower than the set target. This is likely due to the Covid-19 pandemic which affected the Indonesian economy that year.

DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

Table 1. Realization of Tax Revenue in 2019-2023

Information	2019	2020	2021	2022	2023
Target	1.557,56	1.198,82	1.229,60	1.485,00	1.818,24
Realization	1.332,68	1.069,98	1.227,50	1.716,80	1.867,87
Achievements	85,56%	89,25%	99,83%	115,6%	102,73%

Source: Directorate General of Taxes, 2024

In 2019 and 2020, the realization of tax revenue was still below the set targets, namely Rp 1,332.68 trillion and Rp 1,069.98 trillion. This indicates that there are challenges in achieving the tax revenue target in that period, which may be influenced by less conducive global and domestic economic conditions.

However, in 2021 there was a significant increase in tax revenue achievement, namely 99.83%, where the realization almost exceeded the set target of Rp 1,227.50 trillion. This increase indicates an improvement in tax performance, which may be driven by various fiscal policies implemented by the government. This positive trend continues in 2022, where the achievement of tax revenue far exceeded the target of IDR 1,716.80 trillion with an achievement of 115.6%. This excellent achievement shows the government's success in managing tax revenues in the midst of the challenges of the Covid-19 pandemic. In 2023, the achievement of tax revenue is still quite good, although slightly below the previous year's achievement of 102.73% with revenue realization of IDR 1,867.87 trillion. This indicates that tax performance is still relatively stable.

Based on the calculation of the realization of tax revenue from all tax revenues in 2019-2023 grew positively, and this means that the realization of corporate income tax revenues also continues to increase. Below is a graph showing the increase in the realization of corporate income tax revenue in 2019-2023 as follows:

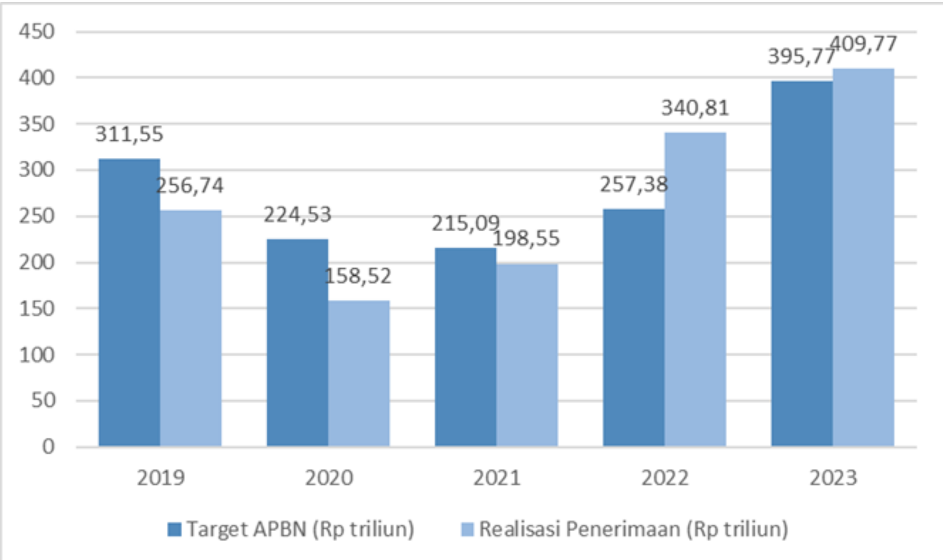

Figure 1. Graph of Corporate Income Tax Revenue Achievement in 2019-2023
Source: DGT Performance Report 2019-2023

In figure 1. The corporate income tax revenue graph indicates that in 2023 the achievement of corporate income tax revenue has increased quite significantly with an achievement of 103.54%, which is IDR 409.77 trillion, compared to 2022 the achievement of corporate income tax revenue has increased by 132.42%, which is IDR 340.81 trillion which exceeds the target and compared to previous years which had experienced a decrease in revenue in 2020 with 70.60%, which is Rp 158.52 trillion which was caused by the economic slowdown during the pandemic. The low corporate income

DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

tax revenue may be due to an economic slowdown, both at the global and national levels (Setyawan, 2020). In this case, the government needs to continue to improve the tax system and also continue to increase public awareness to pay the taxes owed. Thus, tax revenues can continue to increase and help the government in financing various development programs needed by the community.

According to Law Number 7 of 2021 concerning the Harmonization of Tax Regulations (HPP Law), taxation that regulates income tax, there has been a change. The changes caused by the amended income tax law are related to the tax rate, where the progressive rate becomes a fixed rate of 25% and applies to all corporate taxpayers. With the transition from progressive to fixed tariffs, some companies have benefited and some have also suffered losses. Companies that experience profits are companies that generate greater profits, so the amount of tax liability is lower than using progressive tax rates. Meanwhile, companies that suffer losses are companies with smaller profits so that the amount of tax liability is higher than using progressive tax rates.

With these changes, companies that pay more taxes are more likely to have a tendency to go into debt and companies that pay smaller taxes are less likely to have as much debt. The use of debt by a company can affect taxable income to a lesser extent, this is due to the interest expense incurred on the debt. This change in the income tax rate lasted until 2019, after which in 2021 there was another change in the rate according to Law Number 7 of 2021 concerning the Harmonization of Tax Regulations (HPP Law), namely from the rate of 25% down to 22%, which applies to all corporate taxpayers.

According to (Mangunsong, 2002 in Nabila, 2016) states that "even though the tax rate has changed, the company still wants the amount of tax paid to be as minimal as possible because the company considers that tax is a burden that will reduce net profit, so in order to increase competitiveness efficiency, the manager is obliged to reduce taxes as optimally as possible". With the push to reduce the tax burden, management tends to make various efforts to minimize the amount of taxes that must be paid.

In a Global Witness report entitled "Taxing Times for Adaro" and published on Thursday, July 4, 2019, PT Adaro Energy Tbk embezzled profits from coal in mining in Indonesia. This is done in order to avoid taxes in Indonesia. It was also stated that PT Adaro Energy Tbk committed tax evasion between 2009 and 2017 through its subsidiary in Singapore, Coaltrade Services International, by paying US$ 125 million or or around Rp 1.75 trillion, less than what should be paid in Indonesia. By diverting more money to tax-free countries, PT Adaro Energy Tbk can reduce its tax bill in Indonesia and the amount of Indonesian government spending on other important public services by nearly US$ 14 million per year. The financial statements show that the total value of sales commissions earned by Coaltrade at low tax rates in Singapore increased on average every year, from US$ 4 million before 2009 to US$ 55 million from 2009 to 2017. And more than 70% of the coal it sells comes from its subsidiary PT Adaro Energy Tbk in Indonesia. Meanwhile, the Directorate General of Taxes (DGT) of the Ministry of Finance admitted that it would review a report from Global Witness which said PT Adaro Energy Tbk embezzled profits to avoid higher taxes (www.m.liputan6.com).

2. Theoretical Background

2.1 Agency Theory

According to Afni (2021), it is stated that agency theory is a separation between ownership and management of the company which can cause an agency problem. The company owner will give authority to the manager (manager) to take care of the company's running such as managing funds and making other company decisions on behalf of the company owner. Where it is possible for the manager not to act in the interests of the owner, due to a conflict of interest. This agency problem arises due to the asymmetry of information between the owner and the manager.

2.2 Positive Accounting Theory

According to Dewanta (2023), positive accounting theory is based on the extent to which managers, shareholders, and politicians are rational and seek to maximize their interests that are directly related to their compensation and prosperity. As well as the choice of accounting method depends on variables that represent management incentives in choosing accounting methods related to bonus plans, debt contracts, and political processes.

Positive accounting theory provides good predictions based on actual events that occur. This theory argues that managers have the freedom to choose the accounting policies that are most favorable to them, including in terms of manipulating profits, optimizing costs, and designing taxation strategies.

2.3 Corporate Income Tax Payable

Taxes are taxpayers' contributions to the state treasury which are coercive by not getting direct reciprocity (counter-performance) which is used for the prosperity of the people in a country. According to Darma & Fitri, (2021) reviewed from an economic perspective, taxes are a tool for transferring resources from the private sector of companies to the public sector. The transfer of resources will affect the purchasing power or spending power of the private sector. Therefore, in order to avoid disruption to the company's activities, the fulfillment of tax obligations must be managed properly.

Income tax is a direct tax collected by the central government or is a state tax. Income from taxes imposed on the tax subject on income is taxed periodically in a tax year. Corporate income tax is an official collection that is payable for additional economic ability received or obtained by corporate taxpayers, which can be used for consumption or to increase wealth in any form and name (Vindasari, 2020). community.

2.4 Earning Management

Earning Management is an action taken by the company's management in increasing and decreasing the current period profit managed by a company without causing a long-term increase or decrease in profits in the company's economy. Many companies carry out this Earning Management practice with the aim of attracting investors to invest in their companies. According to (Mufidah et al, 2020) explained that this kind of practice is carried out by companies for several reasons, one of which is to reduce tax payments by reporting low profits. But on the other hand, the company also needs to present good financial performance to attract investors. So every year the company will make two versions, namely financial statements based on generally accepted accounting principles and financial statements calculated based on applicable tax provisions in accordance with the Law.

2.5 Operating Costs

Operating expenses are costs that support the company's main activities, such as sales and administrative costs to generate revenue. Operating costs are closely related to income tax, as sales, promotion, and administrative costs serve as deductibles for taxable income. These costs can be interpreted as expenses that support the company's main

DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

activities, such as sales and administrative costs to generate revenue, but do not include expenses that are already covered in the cost of goods sold and depreciation (Sjahputra & Hunein, 2024).

According to (Farhan et al., 2023), a company in running a business needs a resource that must be sacrificed as a substitute value to obtain profits where this resource is generally valued in units of money and what is used is often referred to as costs so that these costs can be interpreted as the sacrifice of economic resources, which is measured in units of money that have become or are likely to occur for a certain purpose.

2.6 Tax Planning

According to (Romadhina & Andhitiyara, 2021) Tax planning is an effort made by company management so that the tax burden that must be paid is not too high. Tax planning (tax planning) is one of the functions of tax management to estimate the amount of tax that must be paid as well as the way to minimize taxes (Dewi & Djohar, 2023).

According to (Zain, 2008 in Pranandari, 2021), tax planning is a structural action related to potential tax consequences, which emphasizes the control of every transaction that has financial consequences. The goal is to see how this control can rationalize the amount of taxes to be transferred to the government, through what is called tax evasion and not tax evasion.

2.7 The Influence of Earning Management, Operating Costs and Tax Planning on Income Tax of Payable Entities

This study will look at the influence of Earning Management, operational costs and tax planning simultaneously or jointly on the income tax of the debtable entity. Where the three are directly related to the management of the company's income and expenses. In doing Earning Management allows managers to manage the time and amount of profit reporting, which has an impact on the amount of tax that must be paid.

The company incurs costs as support for its business activities, one of which is operational costs. Operating expenses are a deduction of income in the profit/loss statement, thus affecting the profit that is the basis for calculating the company's fiscal profit and the amount of income tax that must be paid by the company.

Tax planning is an effort made by a company to optimize the tax obligations that must be paid. Companies can take advantage of various tax facilities available such as tax deductions on investments, tax deductions on donations, or tax deductions on the use of renewable energy. By doing proper tax planning, companies can reduce the income tax of the debtable entity.

Based on the description above, it can be concluded that Earning Management, operational costs, and tax planning simultaneously or jointly affect the income tax of the debtable entity. Thus, the following hypotheses can be drawn:

H_1: It is suspected that Earning Management, Operational Costs and Tax Planning have a simultaneous effect on the Income Tax of Payable Entities

2.8 The Effect of Earning Management on Income Tax of Accounts Receivable

Earning Management is an effort made by business managers to manipulate information in financial statements with the aim of deceiving stakeholders who want to know the company's performance and status. Taxation can motivate managers to practice Earning Management, especially by reducing taxable income to lower taxes. Earning

DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

Management can be done through the practice of income smoothing, taking a bath, and income maximization.

Earning Management is one of the efforts to change, hide and engineer figures in financial statements by playing the accounting methods and procedures used by the company. This research has also been conducted by previous researchers, namely by (Arisandy, 2021) where the results of the study show that Earning Management has a significant effect on corporate income tax.

H_2: Allegedly Earning Management has an effect on Income Tax of Accounts Payable

2.9 The Effect of Operating Costs on Income Tax of Payable Entities

In carrying out its business activities, the company incurs various costs as support, including operational costs related to income tax. This operational cost refers to the costs incurred by the company in carrying out its operational activities with a predetermined amount. In addition, operating costs also relate to the volume of sales generated and profit receipts during a given period, and are used to calculate the amount of taxable income.

The more activities carried out by a company; the more costs incurred for the company's operations will also increase. To minimize the tax burden, this can be done by carrying out engineering that remains within the scope of taxation. This research has also been conducted by previous researchers, namely by (Arisandy, 2021) where the results of the study show that operational costs have a significant effect on corporate income tax.

H_3: Suspected Operational Costs Affect Income Tax of Payable Entities

2.10 The Influence of Tax Planning on Income Tax of Debtable Entities

Tax planning is a strategy to optimize tax obligations by minimizing tax debt. With effective tax planning, companies can reduce the amount of tax they pay, thereby reducing the amount of corporate income tax they pay. However, if the company fails to do proper tax planning or engage in illegal tax practices, then the opposite can happen. In practice, tax planning must be carried out carefully and in accordance with the applicable tax regulations. Tax planning can help businesses save costs and increase profitability, if done correctly.

In summary, tax planning can have a significant impact on the amount of corporate taxes that must be paid. Therefore, it is very important for companies to carry out their tax planning correctly and in accordance with the applicable tax regulations to optimize their tax obligations. This research has also been conducted by previous researchers, namely by (Arisandy, 2021) where the results of the study show that tax planning has a significant effect on corporate income tax.

H_4: It is suspected that Tax Planning has an effect on the Income Tax of Payable Entities

3. Methods

3.1 Research Desain

This research was conducted on Energy sector companies listed on the Indonesia Stock Exchange (IDX) in the period from 2019 to 2023. The data used comes from annual reports and financial statements downloaded through the official website of the Indonesia Stock Exchange (IDX), namely the www.idx.co.id and the company's official website for 5 years, from 2019 to 2023. This study focuses on looking at the influence of Earning Management, Operational Costs and Tax Planning on Corporate Income Tax Payable in Energy Sector companies.

DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

3.2 Variable Measurement

3.2.1 Corporate Income Tax Payable

According to (Saputra, 2021) the formula for calculating income tax for debtable entities is as follows:

$$\boxed{\text{Corporate Income Tax Payable} = \text{Ln (Current Tax Burden)}}$$

3.2 Earning Management

According to (Arisandy, 2021) to calculate the total accrual, the following formula is used:

$$\boxed{\text{TA} = \text{NOI} - \text{CFO}}$$

Information:
TA : Accrual Total
NOI : Net Operating Income
CFO : Cash Flow Operating Activities

Then it is continued by measuring the discretionary accrual value using the following equation:

$$\boxed{\text{DACpt} = (\text{TACpt}/\text{SALEpt}) - (\text{TACpd}/\text{SALEpd})}$$

Information:
DACpt : Discretionary accrual Test period
TACpt : Accrual Total Test period
SALEpt : Sale test period
TACpd : Total accrual of the base period
SALEpd : Base period sales

In detecting the practice of profit manipulation, there are two types of discretionary accruals that are often found, namely negative discretionary accrual and positive discretionary accrual. In general, for discretionary accrual positive will reflect management manipulation with an income increasing pattern, while negative discretionary accrual will reflect manipulation that reduces income decreasing. The type of discretionary accruals is adjusted to the form of motivation carried out by the manager (Arisandy, 2021).

3.3 Operating Costs

According to (Nursasmita, 2021) operational costs can be calculated with the following formula:

$$\boxed{\text{Operating Costs} = \text{Ln (Sales Costs + Administrative and General Costs)}}$$

3.4 Tax Planning

According to (Choyrunnisa & Rahayu, 2023) the formula for calculating the Tax Effective Rate (ETR) is as follows:

$$\boxed{\text{ETR} = \frac{\text{Beban Pajak}}{\text{Laba Sebelum Pajak}}}$$

DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

4. Results and Discussion

4.1 Descriptive Statistical Analysis

Table 2. Descriptive Statistical Analysis Results

	PPHBT	ML	BOP	PP
Mean	25.84351	0.000198	26.99383	0.233634
Median	25.60021	0.005191	26.94698	0.224327
Maximum	30.87759	0.339062	29.57090	0.808311
Minimum	18.86537	-0.252614	24.99996	0.001708
Std. Dev.	2.226073	0.101798	1.329286	0.120968
Observations	95	95	95	95

Source: Data processed with Eviews 13, 2024

Based on table 2. Displaying descriptive statistical results from the data used in this study, consisting of 95 data which is a sample for five years of research from 2019-2023. The following are the results of the descriptive statistical calculation:

1) Income Tax on Payable Entities
   The lowest value (min) of 18.86537 owned by the company Transcoal Pacific Tbk in 2020 and the highest value (max) of 30.87759 owned by the company Adaro Energy Indonesia Tbk in 2022, while the average value (mean) of 25.84351 is greater than the standard deviation amounting to 2.226073 which means that the distribution rate of income tax of payable entities has a large variation.
2) Earning Management
   The lowest value (min) was -0.252614 owned by the company TBS Energi Utama Tbk in 2019 and the highest value (max) of 0.339062 was also owned by the company TBS Energi Utama Tbk in 2021, while the average value (mean) of 0.000198 was smaller than the standard deviation 0.101798 which means that the spread rate of Earning Management has a small variation.
3) Operational Costs
   The lowest value (min) of 24.99996 was owned by the company Sillo Maritime Perdana Tbk in 2020 and the highest value (max) of 29.57090 was also owned by the company Golden Energy Mines Tbk in 2023, while the average value (mean) of 26.99383 was greater than the standard deviation of 1.329286 which means that the level of distribution of operational costs has a large variation.
4) Tax Planning
   The lowest value (min) of 0.001708 was owned by the company Transcoal Pacific Tbk. in 2019 and the highest value (max) of 0.808311 was also owned by the company AKR Corporindo Tbk in 2019, while the average value (mean) of 0.233634 was greater than the standard deviation 0.120968 which means that the tax planning distribution rate has a large variation.

4.2 Panel Data Regression Model

Based on the results of the test of selecting the panel data regression model through the chow test and the thirst test. Therefore, it can be concluded that the Fixed Effect Model (FEM) model selected in this study will subsequently be tested for panel data regression.

Table 3. Multiple Linear Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-23.02353	6.547931	-3.516153	0.0008
ML	-0.569200	0.632466	-0.899970	0.3711
BOP	1.814874	0.242013	7.499075	0.0000
PP	-0.527542	0.771701	-0.683609	0.4964

Source: Data processed with Eviews 13, 2024

DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

Based on the results of multiple linear regression in table 3. Then the regression model equation can be obtained as follows:

*PPHBT = -23.0235268153 - 0.569200352306*ML + 1.8148736026*BOP - 0.527542000908*PP + [CX=F]*

The multiple linear regression equation above can be explained as follows:

1) The constant value (α) is -23.02353, the negative value indicates that the independent variables, namely Earning Management, operational costs, and tax planning, are 0, so that the value of the tax-dependent variable of the payable corporate income tax will decrease by 23.02353.
2) The value of the regression coefficient for the independent variable of Earning Management is -0.569200 with a value of negative indicating that between the variable of Earning Management and the income tax of the payable entity is inversely proportional. Which, when the Earning Management variable increases by 1%, the variable income tax of the payable entity will decrease by 0.569200.
3) The value of the regression coefficient for the operating cost independent variable is 1.814874 with a positive value. This shows that the variable operating costs and corporate income tax payable is directly proportional. If operational costs increase by 1%, then the variable income tax of the receivable entity will also increase by 1.814874.
4) The value of the regression coefficient for the independent variable of tax planning is -0.527542 with a negative value indicating that between the variable of tax planning and tax of indebted corporate income is inversely proportional. Where, when the tax planning variable increases by 1%, the variable income tax of the payable entity will decrease by 0.527542.

4.3 Hypothesis Test

4.3.1 Coefficient Determination Test

Table 4. Determination Coefficient Test Results

R-squared	0.943475
Adjusted R-squared	0.927214

Source: Data processed with Eviews 13, 2024

Based on the results of the determination coefficient (R^2) test in table 4, it shows that the Adjusted R-square value is 0.927214 or 92.72% which means that independent variables of Earning Management, operational costs, and tax planning have an influence on the dependent variable, namely income tax payable of 92.72% and the remaining 7.28% is influenced by other variables that are not used in this study.

4.3.2 Simultaneous Test (F Test)

Table 5. Simultaneous Test Results (F Test)

F-statistic	58.02202
Prob(F-statistic)	0.000000

Source: Data processed with Eviews 13, 2024

Based on the results of the F-test in table 5, it shows that the probability value of F-statistic is 0.000000 < 0.05 and for the value of Fcalcul, which is 58.02202, with a significance level of 0.05 and calculated by the formula df (N1) = k-1 = 4-1 = 3 then df (N2) = n-k = 95-4 = 91. So, the Ftabel value obtained is 2.70, thus the Fcal > Ftable (58.02202 > 2.70). Therefore, it can be concluded that the independent variables of

Earning Management, operational costs, and tax planning have a simultaneous effect on the dependent variables of the income tax of the debtable entity.

4.3.3 Partial Test (t-test)

Table 6. Partial Test Results (t-test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-23.02353	6.547931	-3.516153	0.0008
ML	-0.569200	0.632466	-0.899970	0.3711
BOP	1.814874	0.242013	7.499075	0.0000
PP	-0.527542	0.771701	-0.683609	0.4964

Source: Data processed with Eviews 13, 2024

Based on the results of the t-test in table 6. that conclusions can be drawn about the influence of independent variables on dependent variables as follows:

1) The Effect of Earning Management on Income Tax of Accounts Receivable
Based on the results of the t-test in table 4.15, it is known that the probability value of Earning Management has a value of 0.3711 > 0.05 with the result of the t-calculation value of -0.899970. Then to obtain a t-table with a significance level of 0.05 the formula that needs to be used is (df = n-k-1 = 95-4-1 = 90), so that the value of the t-table is obtained as 1.98667, thus t-calculate < t-table (-0.899970 < 1.98667). Therefore, it can be concluded that partially Earning Management has no effect on the income tax variable of the debtable entity.
2) The Effect of Operating Costs on Income Tax of Payable Entities
Based on the results of the t-test in table 4.15, it is known that the probability value of operational costs has a value of 0.0000 < 0.05 with a t-calculation value of 7.499075. Then to obtain a t-table with a significance level of 0.05 the formula that needs to be used is (df = n-k-1 = 95-4-1 = 90), so that the value of the t-table is obtained as 1.98667, thus t-calculate > t-table (7.499075 > 1.98667). So, it can be concluded that partially operational costs affect the income tax variables of the debtable entity.
3) The Influence of Tax Planning on Income Tax of Debtable Entities
Based on the results of the t-test in table 4.15, it is known that the probability value of tax planning has a value of 0.4964 > 0.05 with the result of the t-calculation value of -0.683609. Then to obtain a t-table with a significance level of 0.05, the formula that needs to be used is (df = n-k-1 = 95-4-1 = 90), so that the value of the t-table is obtained as 1.98667, thus t-calculate < t-table (-0.683609 < 1.98667). Therefore, it can be concluded that partially tax planning has no effect on the income tax variables of the debtable entity.

4.3 Discussion

4.3.1 The Influence of Earning Management, Operating Costs, and Tax Planning on Corporate Income Tax

Based on the results of the simultaneous test (f-test), it shows that the probability value of F-statistic is 0.000000 < 0.05 and for the value of Fcalcul, which is 58.02202, with a significance level of 0.05 and calculated with the formula df (N1) = k-1 = 4-1 = 3 then df (N2) = n-k = 95-4 = 91. So, the Ftabel value obtained is 2.70, thus the Fcal > Ftable (58.02202 > 2.70). Therefore, it can be concluded that the independent variables of Earning Management, operational costs, and tax planning have a simultaneous effect on the dependent variables of the income tax of the debtable entity.

DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

Earning Management, operational costs, and tax planning can have a combined effect on the income tax of the receivable entity because they are directly related to the management of the company's income and expenses. Earning Management allows managers to set the time and amount of profit reporting, which has an impact on the amount of tax payable. Effective management of operating costs can reduce expenses and increase net profit, which also affects taxes payable. Meanwhile, tax planning aims to optimize tax obligations through legal strategies that utilize tax incentives. When these three factors are applied synergistically, they can significantly reduce a company's tax burden.

This is in line with agency theory, where there is a potential conflict of interest between owners (principals) and managers (agents), especially when Earning Management, operational costs, and tax planning together (simultaneously) affect the income tax of the debtable entity. Managers, generally having incentives to maximize personal well-being, such as bonuses or performance incentives, can use Earning Management to manage income and profits to reduce taxes owed. As well as efficient management of operational costs and accurate tax planning allow managers to legally reduce tax liabilities.

This is also in line with positive accounting theory, which helps explain managers' behavior in decision-making to achieve the goal of maximizing the company's profits while reducing taxes payable. Managers tend to make financial decisions that maximize their personal well-being, including through Earning Management, operational cost management, and tax planning. In this study, managers use Earning Management to manage financial statements to reduce tax liability, while efficient management of operational costs can increase net profit. And tax planning is used to take advantage of tax incentives or loopholes legally.

4.3.2 The Effect of Earning Management on Income Tax of Accounts Receivable

Based on the results of the partial test (t-test) in Table 6, it is known that the probability value of Earning Management has a value of 0.3711 > 0.05 with the result of the t-calculation value of -0.899970. Then to obtain a t-table with a significance level of 0.05 the formula that needs to be used is (df = n-k-1 = 95-4-1 = 90), so that the value of the t-table is obtained as 1.98667, thus t-calculate < t-table (-0.899970 < 1.98667). Therefore, it can be concluded that Earning Management partially has no effect on the income tax variable of the debtable entity. The results of this study are in line with previous researchers conducted by (Arisandy, 2021) and (Darma & Fitri, 2021) who stated that the Earning Management variable partially did not have a significant effect on the income tax of the debtable entity.

This is not in line with agency theory, the conflict between the principal (owner) and the agent (manager) in a company arises due to differences of interest, where managers tend to focus on achieving short-term profits, bonuses, or the security of their positions, while owners are more oriented towards the long-term growth and value of the company. These conflicts can encourage managers to perform Earning Management, which is to manipulate financial statements to make the company's performance look better or meet certain targets. In this study, the Earning Management practice does not have an impact on the income tax of the debtable entity, this can be an indication that the company has an effective control mechanism. Such mechanisms may be in the form of a strong internal control system capable of detecting and preventing manipulation, strict government oversight in ensuring tax compliance, or a company's strategic orientation that focuses more on long-term sustainability than short-term financial results. This shows that despite

DOI: https://doi.org/10.61990/ijamesc.v3i3.517 e-ISSN 2986-8645

the potential conflict of interest, the company is still able to maintain its operational integrity and compliance with tax rules.

This is also not in line with positive accounting theory, which explains that managers often take advantage of flexibility in accounting standards to manipulate financial statements, for example, to increase reported profits in order to get higher bonuses or to meet market expectations. In this study, Earning Management has no impact on corporate income tax payable, which shows that there is a clear separation between tax regulations and accounting standards. Stricter and more specific tax regulations in determining taxable income and deductible costs make managers not have enough room to utilize Earning Management to reduce the tax burden.

4.3.3 The Effect of Operating Costs on Income Tax of Payable Entities

Based on the results of the t-test in table 6, it is known that the probability value of operational costs has a value of 0.0000 < 0.05 with the result of a t-calculation value of 7.499075. Then to obtain a t-table with a significance level of 0.05 the formula that needs to be used is (df = n-k-1 = 95-4-1 = 90), so that the value of the t-table is obtained as 1.98667, thus t-calculate > t-table (7.499075 > 1.98667). So, it can be concluded that operational costs partially affect the income tax variables of the debtable entity. The results of this study are in line with previous research conducted by (Arisandy, 2021) and (Anggraeni & Arief, 2024) which stated that the variable operating costs partially have a significant effect on the income tax of debtable entities.

This is in line with agency theory, conflicts between principals (owners) and agents (managers) in a company that arise due to differences in interests, which can trigger managers' behavior to optimize operational expenses to be able to reduce the company's tax burden. Ineffective or excessive spending can create conflicts with owners who want efficiency and increased profitability. In this case, managers seek to increase expenses recognized as operational costs so that taxable profits are reduced, so that taxes payable also decrease. Therefore, good control of the owner over the management of operational costs is important to ensure that the expenditure made remains rational, not only to reduce taxes, but also to support the company's overall performance.

This is also in line with positive accounting theory, which explains that managers will tend to choose accounting methods or spending strategies that can maximize profits for the company or themselves. Because higher operating expenses can reduce taxable profits, managers may be encouraged to increase operating expenses with the goal of lowering the taxes the company has to pay.

4.3.4 The Influence of Tax Planning on Income Tax of Debtable Entities

Based on the results of the t-test in table 6. it is known that the probability value of tax planning has a value of 0.4964 > 0.05 with the result of the t-calculation value of -0.683609. Then to obtain a t-table with a significance level of 0.05 the formula that needs to be used is (df = n-k-1 = 95-4-1 = 90), so that the value of the t-table is obtained as 1.98667, thus t-calculate < t-table (-0.683609 < 1.98667). Therefore, it can be concluded that partially tax planning has no effect on the income tax variables of the debtable entity. The results of this study are not in line with previous research conducted by (Arisandy, 2021) and (Dewi & Aulia, 2023) which stated that the variable of tax planning partially has a significant effect on the income tax of debtable entities.

This is not in line with agency theory, the conflict between the principal (owner) and the agent (manager) in a company arises due to differences in interests related to decision-making regarding tax planning. Tax planning is usually done by managers to reduce the amount of tax that must be paid by the company in order to increase the company's profits. Meanwhile, the owner focuses on improving operational efficiency or developing other business strategies that are more productive for the company. In this study, the tax planning carried out did not result in a significant reduction in the income tax of the debtable entity, this can be an indication that the strategy implemented by the manager is ineffective. In addition, this can also be caused by the limitations of tax regulations that limit the flexibility of managers in conducting tax planning.

This is also not in line with positive accounting theory, which explains that managers act rationally by making decisions that maximize personal well-being, such as reducing corporate tax liabilities through certain accounting policies to increase profits that can affect their bonuses or incentives. In this study, tax planning does not have a significant effect on the income tax of the debtable entity, this indicates that the manager's strategy is ineffective or the existence of strict tax regulations limits the room for tax optimization. If the tax planning strategy is ineffective, managers may prefer to avoid reputational and legal risks, as well as look for other, safer strategies to increase the company's value. In the long run, managerial behavior is influenced by the balance between the benefits and risks of any financial decision, including in tax planning.

5. Conclusion

Based on the results of the research conducted, conclusions can be drawn, which are as follows:

1) Simultaneously, the variables of Earning Management, operational costs, and tax planning have an effect on corporate income tax payable in Energy sector companies listed on the Indonesia Stock Exchange in 2019-2023.
2) Partially, the Earning Management variable does not show a significant influence on corporate income tax payable in Energy sector companies listed on the Indonesia Stock Exchange in 2019-2023.
3) Partially, the operating cost variable shows a significant influence on corporate income tax payable in Energy sector companies listed on the Indonesia Stock Exchange in 2019-2023.
4) Partially, the tax planning variable does not show a significant influence on corporate income tax payable to Energy sector companies listed on the Indonesia Stock Exchange in 2019-2023.

References

Afni, N. (2021). The Effect of Capital Structure and Operational Costs on Corporate Taxpayers' Income Tax in Food and Beverage Sector Companies Listed on the IDX for the 2016-2020 Period (Doctoral dissertation, Sultan Syarif Kasim State Islamic University, Riau).

Arisandy, N. (2021). The Effect of Capital Structure, Earning Management, Operational Costs and Tax Planning on Corporate Income Tax Payable on Property and Real Estate Companies listed on the IDX in 2017-2020. The Journal of Taxation: Tax Center, 2(1), 31-61.

Choyrunnisa, S., & Rahayu, Y. (2023). The Influence of Tax Planning, Profitability and Institutional Ownership on Company Value. Journal of Accounting Science and Research (JIRA), 12(5).

Darma, S. S., & Fitri, E. N. (2021). The Influence of Capital Structure and Earning Management on Corporate Income Tax. Scientific journal of reflection: Economics, Accounting, Management and Business, 4(3), 598-606.

Dewanta, A. N. (2023). The Effect of Working Capital and Sales Volume on Company Profitability in the Food and Beverage Sub-Sector Listed on the Indonesia Stock Exchange in 2017-2020 (Doctoral dissertation, STIE PGRI Dewantara Jombang).

Dewi, P. I., & Djohar, C. (2023). The effect of deferred tax burden, tax planning and tax avoidance on Earning Management. Journal of Revenue Management, 4(1), 65-82.

Farhan, M., Siregar, S., & Yanti, N. (2023). The Effect of Profitability, Capital Intensity, Liquidity and Operating Costs on Corporate Income Tax on Food and Beverage Companies Listed on the IDX for the 2015-2021 Period. Business Economics Management and Accounting (EBMA), 4(1), 1173-1179.

Mufidah, I., Afifudin, A., & Mawardi, M. C. (2020). The Effect of Tax Planning and Deferred Tax Assets on Earning Management. e_Jurnal Scientific Research Accounting, 9(05).

Nabila, V. (2016). The Effect of Capital Structure and the Implementation of Tax Planning on Corporate Income Tax Payable in Consumer Goods Industry Companies Listed on the Indonesia Stock Exchange (IDX) (Doctoral Dissertation, UNIMED).

Nursasmita, E. (2021). The Influence of Capital Structure, Profitability and Operating Costs on Income Tax of Debtable Entities. Journal of Accounting AKUNESA, 9(3), 30–41.

Pranandari, Y. I. (2021). Analysis of Corporate Tax Planning in an Effort to Optimize the Fulfillment of Tax Obligations on Cv. Athariz (Doctoral Dissertation, Bhayangkara University Surabaya).

Romadhina, A. P., & Andhitiyara, R. (2021). The influence of tax planning, sales growth, and dividend policies on the value of the company. JISAMAR (Journal of Information System, Applied, Management, Accounting and Research), 5(2), 358-366.

Saputra, R. (2021). The Effect of Capital Structure and Operational Costs on Corporate Income Tax Payable on Mining Companies Listed on the IDX for the 2017-2020 Period (Doctoral Dissertation, Sultan Syarif Kasim State Islamic University, Riau).

Setyawan, A. (2020). Analysis of Corporate Income Tax on Small and Medium Enterprises (SMEs) in Semarang City. Journal of Management Science, 8(1), 70-82.

Sjahputra, A., & Hunein, H. (2024). The Effect of Net Sales and Operating Expenses on Income Tax of Accounts Receivable. Scientific Journal of Reflection: Economics, Accounting, Management and Business, 7(1), 69-79.

Law (UU) Number 7 of 2021 concerning the Harmonization of Tax Regulations. Regulatory Database. JDIH BPK.

Vindasari, R. (2020). The Effect of Debt to Equity Ratio, Return on Asset, and Operational Costs on Corporate Income Tax Payable (Case Study on Manufacturing Companies in the Consumer Goods Industry Sector on the Indonesia Stock Exchange for the Period 2015-2017). Journal of Accounting and Tax Analysis, 3(2), 90-97.