IJAMESC, Vol. 4 No. 2, April 2026
DOI: https://doi.org/10.61990/ijamesc.v4i2.769 e-ISSN 2986-8645

THE INFLUENCE OF LIQUIDITY, CAPITAL INTENTGSITY, AND SALES GROWTH ON TAX AVOIDANCE MODERATED BY FIRM SIZE

Hanifah Nur Azizah[1]*, Ahmad Jayanih[2]
[1.2]Accounting Study Program, Faculty of Economics and Business, Muhammadiyah University of Tangerang, Indonesia
*Corresponding Author:
nurazizahhanifah06@gmail.com

Abstract
This study examines the effect of liquidity, capital intensity, and sales growth on tax avoidance, with firm size as a moderating variable, in consumer cyclicals companies listed on the Indonesia Stock Exchange during 2021–2024. The research uses secondary data from annual reports and applies panel data regression with the Fixed Effect Model. The results show that sales growth and firm size significantly affect tax avoidance, while liquidity and capital intensity do not have a significant effect. Furthermore, firm size is not able to moderate the relationship between liquidity and capital intensity on tax avoidance, but it significantly moderates the effect of sales growth on tax avoidance. Collectively, all variables significantly influence tax avoidance. Overall, the findings indicate that company performance and firm scale play a more important role in determining tax avoidance behavior, whereas short-term financial capability and asset structure are not the main determinants.

Keywords: Tax Avoidance, Liquidity, Capital Intensity, Sales Growth, Firm Size.

1. Introduction

Tax is the primary source of state revenue and plays a crucial role in financing national development, public services, and fiscal stability. In developing countries such as Indonesia, tax revenue contributes significantly to total government income. However, Indonesia still faces a relatively low tax ratio compared to other countries in Asia, indicating suboptimal tax system effectiveness and potential revenue losses. One of the main causes of this issue is tax avoidance, which refers to corporate efforts to minimize tax liabilities by exploiting regulatory loopholes. According to the Tax Justice Network, Indonesia loses approximately USD 4.86 billion annually due to tax avoidance.

From a theoretical perspective, tax avoidance can be explained by agency theory, which highlights conflicts of interest between the government as the principal and firms as agents. The self-assessment system implemented in Indonesia provides flexibility for firms in determining their tax obligations, thereby creating opportunities for aggressive tax planning (Rahayu et al., 2022).

This phenomenon is particularly relevant in the consumer cyclicals sector, which is highly sensitive to economic conditions and consumer behavior. Companies such as Matahari Department Store Tbk, Ace Hardware Indonesia Tbk, and Erajaya Swasembada Tbk have shown fluctuations in their effective tax rates (ETR), indicating adjustments in tax strategies.

Previous studies indicate that firm characteristics significantly influence tax avoidance practices. Research by Sulaeman and Surjandari (2024) found that capital intensity, leverage, and profitability significantly affect tax avoidance, while CSR has no significant effect. Furthermore, Dinantia and Soedarsa (2023) showed that profitability

and sales growth have a positive and significant effect on tax avoidance. Other studies also reveal that liquidity influences tax policy decisions, as firms with higher liquidity have greater flexibility in managing tax burdens. In addition, firm size plays an important role, as larger firms tend to have more resources and expertise to design tax planning strategies.

Despite extensive research, previous findings remain inconsistent and have not specifically examined the combined effect of liquidity, capital intensity, sales growth, and firm size within a single model, particularly in the consumer cyclicals sector. Moreover, most prior studies focus on general manufacturing sectors, providing limited insight into sectors that are highly sensitive to economic fluctuations.

This study aims to empirically examine the effect of liquidity, capital intensity, sales growth, and firm size on tax avoidance in consumer cyclicals companies in Indonesia, as well as to identify the most dominant influencing factors.

This study is expected to contribute to the tax literature by providing an integrated empirical model that examines multiple financial characteristics within a single framework in the consumer cyclicals sector. It also offers practical implications for tax authorities in understanding corporate tax avoidance behavior and formulating more effective monitoring policies.

2. Theoretical Background

2.1 Agency Theory

Agency theory explains the relationship between principals and agents, which may lead to conflicts of interest due to differing objectives and information asymmetry. In this relationship, management as the agent possesses more comprehensive information than the owners, allowing them to make decisions that may prioritize their own interests. In the context of taxation, management tends to maximize after-tax profit as a key performance indicator. Taxes are perceived as a burden that reduces net income, thereby encouraging the practice of tax avoidance as part of corporate financial strategy. Rahayu et al. (2022) and Norisa et al. (2022) explain that tax avoidance arises as a consequence of managerial decisions aimed at optimizing financial performance.

2.2 Tax Accounting Theory

Tax accounting is a component of the accounting system that focuses on the recognition, measurement, and reporting of tax obligations in accordance with applicable regulations. In practice, differences between accounting profit and taxable income arise due to differing reporting objectives. These differences provide room for management to exercise accounting discretion in tax planning. Rahayu et al. (2022) state that firms can optimize tax liabilities through the selection of appropriate accounting methods. Therefore, tax accounting functions not only as a reporting tool but also as a strategic instrument in tax avoidance practices.

2.3 Liquidity

Liquidity reflects a firm's ability to meet its short-term obligations using current assets. It indicates the firm's short-term financial condition and cash flow flexibility. Firms with low liquidity tend to experience cash constraints, which may encourage management to reduce cash outflows, including tax payments. Conversely, firms with high liquidity have greater capacity to fulfill their tax obligations. Sri Rahayu et al. (2022)

and Valenta Laurentya et al. (2025) show that liquidity influences tax avoidance as it is directly related to a firm's cash management capability.

2.4 Capital Intensity

Capital intensity represents the proportion of fixed assets to total assets, reflecting the firm's long-term investment structure. A higher proportion of fixed assets results in higher depreciation expenses, which can be utilized to reduce taxable income. Thus, firms with high capital intensity have greater opportunities to engage in tax planning. Studies by Sulaeman and Surjandari (2024) and Ramadina and Gunawan (2023) indicate that capital intensity significantly affects tax avoidance through the utilization of depreciation policies.

2.5 Sales Growth

Sales growth reflects the increase in a firm's sales over time, indicating improved operational performance. Higher sales growth leads to increased profits, which in turn raises the tax burden. This condition encourages management to engage in tax planning strategies to maintain optimal net income. Ismi Norisa et al. (2022) and Dinantia and Soedarsa (2023) find that sales growth has a significant effect on tax avoidance due to the increased tax pressure associated with higher profitability.

2.6 Tax Avoidance

Tax avoidance refers to a firm's efforts to minimize tax liabilities through the exploitation of legal loopholes in tax regulations. This practice is part of a strategic effort to increase after-tax income and maintain financial stability. According to Ismi Norisa et al. (2022) and Valenta Laurentya et al. (2025), tax avoidance is commonly observed in firms experiencing financial pressure and in sectors sensitive to economic fluctuations, such as the consumer cyclicals sector.

2.7 Firm Size

Firm size reflects the scale of a company, typically measured by total assets, and indicates its economic capacity and operational complexity. Larger firms tend to have more resources, including expertise and advanced accounting systems, enabling them to implement more sophisticated tax planning strategies. However, they are also subject to stricter regulatory scrutiny. Saragih et al. (2021) and Richie and Yustina Triyani (2021) suggest that firm size influences tax avoidance and may affect the relationship between financial characteristics and tax policies.

2.8 Hypothesis Development

Hypotheses are developed based on theoretical foundations and previous empirical studies. Based on the literature review, this study formulates the following hypotheses:
H_1*: Liquidity affects tax avoidance.*
H_2*: Capital intensity affects tax avoidance.*
H_3*: Sales growth affects tax avoidance.*
H_4*: Firm size affects tax avoidance.*
H_5*: Firm size moderates the effect of liquidity on tax avoidance.*
H_6*: Firm size moderates the effect of capital intensity on tax avoidance.*
H_7*: Firm size moderates the effect of sales growth on tax avoidance.*

3. Methods

3.1 Research Design

This study employs a quantitative approach with a causal associative design to examine cause-and-effect relationships between variables using numerical data (Sugiyono, 2019). It analyzes the effect of liquidity, capital intensity, and sales growth on tax avoidance, with firm size as a moderating variable. All variables are measured using financial ratios derived from financial statements. This approach enables objective and measurable analysis (Imam Ghozali, 2021).

3.2 Population and Sample

The population of this study consists of all consumer cyclicals companies listed on the Indonesia Stock Exchange during the period 2021–2024. The sampling technique used is purposive sampling with the following criteria:

1) Consumer cyclicals companies listed on the Indonesia Stock Exchange during the period 2021–2024.
2) Companies that publish complete annual and audited financial statements during the study period.
3) Companies that present financial statements in Indonesian Rupiah to ensure consistency in data measurement.
4) Companies that do not experience consecutive losses during the study period.
5) Companies that provide complete data related to the variables of tax avoidance, liquidity, capital intensity, sales growth, and firm size.

3.3 Data Collection Technique

The data used in this study are secondary data in the form of annual reports and audited financial statements of consumer cyclicals companies listed on the Indonesia Stock Exchange during the period 2021–2024. These financial statements contain information on financial position, financial performance, and notes to the financial statements, which are used to measure the research variables, namely tax avoidance, liquidity, capital intensity, sales growth, and firm size.

3.4 Operational Definitions of Research Variables

Table 1. Operational Definition of Research Variables

No.	Variable	Definition	Measurement	Scale
1	Tax Avoidance (Y)	Tax avoidance refers to a firm's effort to minimize tax burden legally by exploiting loopholes in tax regulations (Ismi Norisa et al., 2022; Valenta Laurentya et al., 2025).	Effective Tax Rate (ETR) = Cash Tax Paid / Pre-Tax Income	Ratio
2	Liquidity (X_1)	Liquidity reflects a firm's ability to meet short-term obligations using current assets (Rahayu et al., 2022).	Current Ratio (CR) = Current Assets / Current Liabilities	Ratio
3	Capital Intensity (X_2)	Capital intensity represents the proportion of investment in fixed assets relative to total assets (Sulaeman & Surjandari, 2024).	CI = Fixed Assets / Total Assets	Ratio

No.	Variable	Definition	Measurement	Scale
4	Sales Growth (X_3)	Sales growth indicates the increase in sales from one period to another (Dinantia & Soedarsa, 2023).	SG = (Sales t – Sales t-1) / Sales t-1	Ratio
5	Firm Size (M)	Firm size reflects the scale of a company, measured by total assets, indicating its economic capacity and operational complexity (Saragih et al., 2021).	Firm Size = Natural Logarithm of Total Assets (Ln Total Assets)	Ratio

Source: Adapted from various archival sources

3.5 Data Analysis Techniques

The data analysis in this study is conducted using panel data regression analysis with EViews software. The analysis includes several stages.

First, descriptive statistical analysis is used to provide an overview of the research variables, including mean, median, maximum, minimum, and standard deviation values.

Second, panel data model selection is performed using three estimation models: the Common Effect Model (CEM), the Fixed Effect Model (FEM), and the Random Effect Model (REM). To determine the most appropriate model, three tests are conducted. The Chow test is used to choose between CEM and FEM; if the probability value is less than 0.05, then FEM is selected over CEM. The Hausman test is used to choose between FEM and REM; if the probability value is less than 0.05, then FEM is selected; otherwise, REM is selected. The Lagrange Multiplier test is used to choose between CEM and REM; if the probability value is less than 0.05, then REM is selected over CEM.

Third, prior to hypothesis testing, classical assumption tests are conducted to ensure the robustness of the regression model. The normality test is used to test whether the residual values are normally distributed using the Jarque-Bera test; if the probability value is greater than 0.05, the residuals are normally distributed. The multicollinearity test is used to test whether there is a correlation among independent variables using the Variance Inflation Factor (VIF); if VIF is less than 10, there is no multicollinearity. The heteroscedasticity test is used to test whether there is variance inequality in the residuals using the Breusch-Pagan-Godfrey test; if the probability value is greater than 0.05, there is no heteroscedasticity. The autocorrelation test is used to test whether there is a correlation between residuals in period t and t-1 using the Durbin-Watson statistic; if the DW value is between -2 and +2, there is no autocorrelation.

Fourth, hypothesis testing is conducted using three methods. The coefficient of determination (R^2) measures the model's ability to explain the variation in the dependent variable. The F-test (simultaneous test) tests the joint effect of independent variables on the dependent variable; if the probability value is less than 0.05, the independent variables simultaneously affect the dependent variable. The t-test (partial test) tests the individual effect of each independent variable on the dependent variable; if the probability value is less than 0.05, the variable significantly affects the dependent variable.

Fifth, moderation analysis is performed to test the moderating effect of firm size. The interaction between each independent variable and firm size is included in the regression model. The regression equation for panel data is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 M + \beta_5 (X_1 \times M) + \beta_6 (X_2 \times M) + \beta_7 (X_3 \times M) + \varepsilon$$

Where:

Y = Tax Avoidance (ETR)
α = Constant
β_1–β_7 = Regression coefficients
X_1 = Liquidity (CR)
X_2 = Capital Intensity (CI)
X_3 = Sales Growth (SG)
M = Firm Size (Moderating Variable)
$X_1 \times M$ = Interaction terms
ε = Error term

All statistical analyses are conducted at a significance level of α = 0.05 (95% confidence level).

4. Results and Discussion

4.1 Descriptive Statistical Results

Table 2. Descriptive Statistical Test Results

Variable	Mean	Median	Maximum	Minimum	Std. Dev.	Obs.
Y_TA (Tax Avoidance)	0.502510	0.227376	6.264838	0.005058	0.914988	56
X1_LIK (Liquidity)	1.370097	1.462582	2.736997	0.001632	0.582503	56
X2_CI (Capital Intensity)	0.333542	0.157423	4.110815	0.006881	0.583901	56
X3_SG (Sales Growth)	0.286423	0.111507	6.790314	-0.999999	1.004372	56
X1_Z_LIK_FS	39.53612	42.61950	73.31901	0.045194	16.60584	56
X2_Z_CI_FS	0.205697	0.0300070	4.238865	0.000354	0.626954	56
X3_Z_SG_FS	7.870814	3.069971	185.5337	-31.56329	27.90463	56
Z_FS (Firm Size)	28.99109	29.29722	34.71683	20.97884	2.804193	56

Source: EViews 12 Data Processed (2026)

Descriptive statistical results of the study variables. The Tax Avoidance (Y_TA) variable recorded a mean value of 0.502510 with a standard deviation of 0.914988, indicating relatively high variation in tax avoidance practices across firms. Liquidity (X1_LIK) shows a mean of 1.370097 and a standard deviation of 0.582503, suggesting moderate variation in firms' short-term financial ability.

Capital Intensity (X2_CI) reports a mean of 0.333542 with a standard deviation of 0.583901, reflecting differences in fixed asset composition among firms. Sales Growth (X3_SG) has a mean of 0.286423 and a standard deviation of 1.004372, indicating considerable fluctuations in sales performance across observations.

For the transformed variables, X1_Z_LIK_FS shows a mean of 39.53612 with a standard deviation of 16.60584, indicating relatively wide dispersion. X2_Z_CI_FS records a mean of 0.205697 and a standard deviation of 0.626954, indicating moderate variability. Meanwhile, X3_Z_SG_FS presents a mean of 7.870814 with a high standard deviation of 27.90463, indicating extreme variation and the presence of outliers. The moderating variable Z_FS has a mean of 28.99109 with a standard deviation of 2.804193, indicating relatively stable distribution compared to other variables.

4.2 Model Selection Technique

Table 3. Model Selection Test Results

Test	Prob.
Chow Test	0.0000
Hausman Test	0.0003
Lagrange Multiplier Test	0.0000

Source: EViews 12 Data Processed (2026)

Based on the model selection test results, the probability value of the Chow test is 0.0000 (< 0.05), indicating that the Common Effect model is rejected and the Fixed Effect model is more appropriate. Furthermore, the probability value of the Hausman test is 0.0003 (< 0.05), suggesting that the Fixed Effect Model (FEM) is more suitable than the Random Effect Model (REM). This result is also supported by the Lagrange Multiplier test with a probability value of 0.0000 (< 0.05), indicating that the panel data model is more appropriate than the Common Effect model.

Thus, it can be concluded that the most appropriate panel regression model used in this study is the Fixed Effect Model (FEM). This model is able to capture individual differences across companies, resulting in more accurate and relevant estimations in explaining the relationships between variables.

4.3 Hypothesis Testing

4.3.1 F-Test (Simultaneous Test)

Table 4. F-Test Results

F-statistic	Prob. (F-statistic)
16.01047	0.000000

Source: EViews 12 Data Processed (2026)

Based on the results of the F-statistic test, the F-statistic value is 16.01047 with a probability (F-statistic) of 0.000000, which is lower than the significance level of 0.05. This indicates that, simultaneously, the independent variables used in this study, namely liquidity, capital intensity, and sales growth, along with the moderating variable firm size, have a significant effect on tax avoidance.

4.3.2 R^2 Test (Coefficient of Determination)

Table 5. R^2 Test Results

R-squared	Adjusted R-squared
0.901467	0.845162

Source: EViews 12 Data Processed (2026)

The R-squared value of 0.901467 and Adjusted R-squared of 0.845162 indicate that approximately 90.15% of the variation in tax avoidance can be explained by liquidity, capital intensity, sales growth, and firm size, while the remaining 9.85% is influenced by other factors outside the research model. Therefore, the model's ability to explain the dependent variable is very high and considered appropriate.

4.3.3 T-Test (Partial Test)

Table 6. T-Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
X1_LIK (Liquidity)	0.808531	0.607849	1.330151	0.1921
X2_CI (Capital Intensity)	-2.669221	1.927008	-1.385163	0.1748
X3_SG (Sales Growth)	-1.663282	0.182099	-9.133959	0.0000
LIK_FS	-0.027761	0.021989	-1.262484	0.2151

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CI_FS	0.083963	0.074455	1.127705	0.2671
SG_FS	0.059255	0.006697	8.848372	0.0000
Z_FS (Firm Size)	-0.642929	0.130728	-4.918064	0.0000

Source: EViews 12 Data Processed (2026)

The results of the partial t-test indicate that Liquidity (X1) and Capital Intensity (X2) do not have a significant effect on tax avoidance, as their significance values are 0.1921 and 0.1748, respectively, which are greater than 0.05. In contrast, Sales Growth (X3) has a significant effect on tax avoidance with a significance value of 0.0000 (< 0.05).

For the moderating variable, Firm Size (Z) has a significant effect on tax avoidance with a probability value of 0.0000. Regarding the interaction variables, the interaction between Liquidity and Firm Size (LIK_FS) and between Capital Intensity and Firm Size (CI_FS) are not significant, as their significance values are 0.2151 and 0.2671 (> 0.05). Meanwhile, the interaction between Sales Growth and Firm Size (SG_FS) is significant with a probability value of 0.0000, indicating that Firm Size moderates the effect of Sales Growth on tax avoidance.

4.4 Discussion

4.4.1 Impact of Liquidity on Tax Avoidance

The results show that H_1 is rejected, indicating that liquidity does not have a significant effect on tax avoidance. This implies that a firm's short-term financial capability is not a key determinant of tax avoidance behavior, as managerial decisions are influenced by other strategic factors. Firms with high or low liquidity may still engage in similar levels of tax planning activities, suggesting that liquidity is not a primary consideration in tax avoidance strategies. This finding aligns with research by Rahayu et al. (2022) and Valenta Laurentya et al. (2025), which found that liquidity does not always influence tax avoidance due to the presence of other more dominant factors.

4.4.2 Impact of Capital Intensity on Tax Avoidance

H_2 is rejected, meaning that capital intensity does not significantly affect tax avoidance. Although depreciation theoretically provides tax-saving opportunities, it is not a dominant factor in determining tax avoidance practices. This may occur because the tax benefits from depreciation are often long-term and may not significantly impact short-term tax liability. Additionally, firms may have other tax planning strategies that are more effective than utilizing capital intensity. These findings contradict studies by Sulaeman and Surjandari (2024) and Ramadina and Gunawan (2023), suggesting that the relationship between capital intensity and tax avoidance may be context-dependent.

4.4.3 Impact of Sales Growth on Tax Avoidance

H_3 is accepted, indicating that sales growth has a significant effect on tax avoidance. Higher sales increase profits and tax burden, encouraging firms to engage in tax planning to maintain optimal net income. As firms experience sales growth, their profitability increases, leading to higher taxable income. This condition creates pressure on management to seek legal ways to minimize tax liabilities through various tax avoidance strategies. This finding is consistent with Ismi Norisa et al. (2022) and Dinantia and Soedarsa (2023), who found that sales growth significantly influences tax avoidance due to increased tax pressure associated with higher profitability.

4.4.4 Impact of Firm Size on Tax Avoidance

H_4 is accepted, showing that firm size significantly affects tax avoidance. Larger firms have more resources and expertise to implement effective tax planning strategies. They can afford to hire tax experts, invest in sophisticated accounting systems, and engage in more complex tax planning arrangements. Additionally, larger firms often operate across multiple jurisdictions, providing more opportunities for tax optimization. This finding aligns with Saragih et al. (2021) and Richie and Yustina Triyani (2021), who suggest that firm size influences tax avoidance and may affect the relationship between financial characteristics and tax policies.

4.4.5 Moderating Role of Firm Size

Firm size does not moderate the effect of liquidity and capital intensity on tax avoidance. This suggests that regardless of firm size, the relationship between liquidity and tax avoidance, as well as between capital intensity and tax avoidance, remains unchanged. The lack of moderation may indicate that these relationships are inherently weak or that other factors are more influential. However, firm size significantly moderates the relationship between sales growth and tax avoidance, strengthening the effect in larger firms. This indicates that larger firms with high sales growth are more capable of implementing aggressive tax planning strategies compared to smaller firms, as they have greater resources, expertise, and flexibility to engage in sophisticated tax avoidance practices while maintaining regulatory compliance.

These findings highlight that sales growth and firm size are the primary determinants of tax avoidance behavior, while liquidity and capital intensity play less significant roles. The results also emphasize the importance of firm size as a moderating factor that can amplify the effect of sales growth on tax avoidance, suggesting that policymakers and tax authorities should pay particular attention to large, fast-growing firms when monitoring tax avoidance practices.

5. Conclusion

This study aimed to examine the influence of liquidity, capital intensity, sales growth, and firm size on tax avoidance, with firm size also acting as a moderating variable. The research focused on consumer cyclicals companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2024 period. Based on the results of data analysis, hypothesis testing, and discussion, the following conclusions can be drawn.

First, liquidity does not have a significant effect on tax avoidance. This finding indicates that a firm's short-term financial capability is not a key determinant of tax avoidance behavior. Managerial decisions regarding tax planning are influenced by other strategic factors rather than liquidity positions. Thus, the first hypothesis (H_1) is rejected.

Second, capital intensity does not have a significant effect on tax avoidance. Although depreciation theoretically provides tax-saving opportunities through fixed asset investments, it is not a dominant factor in determining tax avoidance practices. Firms may have other tax planning strategies that are more effective than utilizing capital intensity. Thus, the second hypothesis (H_2) is rejected.

Third, sales growth has a significant positive effect on tax avoidance. Higher sales growth increases profits and tax burden, encouraging firms to engage in tax planning strategies to maintain optimal net income. As firms experience sales growth, their profitability increases, creating pressure on management to seek legal ways to minimize tax liabilities. Thus, the third hypothesis (H_3) is accepted.

Fourth, firm size has a significant effect on tax avoidance. Larger firms have more resources, expertise, and sophisticated accounting systems to implement effective tax planning strategies. They can afford to hire tax experts and engage in more complex tax arrangements. Thus, the fourth hypothesis (H_4) is accepted.

Fifth, firm size does not moderate the relationship between liquidity and tax avoidance. Regardless of firm size, the relationship between liquidity and tax avoidance remains unchanged, suggesting that this relationship is inherently weak. Thus, the fifth hypothesis (H_5) is rejected.

Sixth, firm size does not moderate the relationship between capital intensity and tax avoidance. The lack of moderation indicates that capital intensity's effect on tax avoidance is not influenced by firm size, and other factors may be more influential. Thus, the sixth hypothesis (H_6) is rejected.

Seventh, firm size significantly moderates the relationship between sales growth and tax avoidance. The effect of sales growth on tax avoidance becomes stronger in larger firms, as larger firms with high sales growth have greater resources, expertise, and flexibility to implement aggressive tax planning strategies while maintaining regulatory compliance. Thus, the seventh hypothesis (H_7) is accepted.

In general, tax avoidance is more strongly influenced by firm performance and scale, particularly sales growth and firm size, rather than by liquidity and capital structure. These findings indicate that higher company performance and larger firm scale encourage firms to engage in tax planning strategies to manage their tax burden more efficiently.

The findings of this research provide several practical implications. Companies should be aware that sales growth and firm size significantly influence tax avoidance practices, and thus should ensure that their tax planning strategies remain within legal boundaries. Regulators and tax authorities should pay particular attention to large, fast-growing firms when monitoring tax avoidance practices, as these firms have greater capacity to engage in sophisticated tax planning. Investors should consider sales growth and firm size as indicators of potential tax avoidance behavior when assessing corporate tax risk.

This study has several limitations. The sample is limited to consumer cyclicals companies listed on the IDX, which may not represent other sectors. The observation period of 2021-2024 is relatively short. Future research should expand the sample to other sectors, extend the observation period, and include additional variables such as profitability, leverage, or corporate governance mechanisms to obtain more comprehensive results. Comparative studies across different industries or countries could also provide valuable insights into how contextual factors influence the relationship between firm characteristics and tax avoidance. Despite these limitations, this study contributes to the literature by providing empirical evidence on the determinants of tax avoidance and the moderating role of firm size in the Indonesian consumer cyclicals sector context.

References

Dinantia, R., & Soedarsa, H. G. (2023). The effect of profitability, liquidity, and sales growth on tax avoidance. *Journal of Accounting and Business*, 8(2), 112-125.

Ghozali, I. (2021). *Aplikasi analisis multivariat dengan program IBM SPSS 26* (10th ed.). Badan Penerbit Universitas Diponegoro.

Norisa, I., Rahayu, S., & Sari, D. P. (2022). Tax avoidance practices in Indonesian consumer goods companies. *Asian Journal of Accounting Research*, 7(3), 234-251.

Rahayu, S., Norisa, I., & Laurentya, V. (2022). The influence of liquidity and profitability on tax avoidance. *Jurnal Akuntansi dan Keuangan*, 24(2), 145-162.

Ramadina, A., & Gunawan, B. (2023). Capital intensity and tax avoidance: Empirical evidence from Indonesian manufacturing firms. *Journal of Taxation and Accounting*, 11(1), 56-73.

Richie, R., & Triyani, Y. (2021). Firm size and tax avoidance: A study of Indonesian listed companies. *Jurnal Akuntansi*, 25(3), 345-362.

Saragih, F., Sari, R. N., & Wijaya, H. (2021). The effect of firm size and profitability on tax avoidance. *Journal of Financial and Tax Studies*, 9(2), 89-106.

Sugiyono. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D*. Alfabeta.

Sulaeman, A., & Surjandari, D. A. (2024). The influence of capital intensity, leverage, and profitability on tax avoidance with CSR as a moderating variable. *Jurnal Riset Akuntansi*, 16(1), 78-95.

Valenta Laurentya, R., Rahayu, S., & Norisa, I. (2025). Liquidity and tax avoidance in consumer cyclicals sector. *Journal of Contemporary Accounting*, 12(2), 134-152.