

Tax Agressiveness: Study on Food And Beverage Company Listed In Indonesia and Thailand

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Abstract

This study provides an interesting insight into how internal company characteristics influence tax aggressiveness. The analysis shows that inventory intensity has no significant relationship with the tendency to engage in tax aggressiveness in Indonesian companies (IDX). This means that the size of inventory held is not a determining factor in a company's decision to avoid or evade taxes. However, a different result was found for companies in Thailand (SET), where higher inventory intensity was negatively correlated with tax aggressiveness. This suggests that companies in Thailand with high inventory tend to be more compliant with tax obligations, perhaps due to regulatory pressure or a stronger compliance culture. Meanwhile, profitability levels did not significantly influence tax aggressiveness in either Indonesia or Thailand. This finding suggests that corporate profit size is not a primary indicator of whether a company will pursue an aggressive tax strategy. Conversely, company size significantly influences tax aggressiveness in both countries. Larger companies tend to have more comprehensive resources whether financial, personnel, or access to professional tax advisors—allowing them to develop more complex and aggressive tax strategies. This finding reinforces the view that a company's operational scale is closely related to its ability and propensity to manage its tax burden strategically.

Keywords: Tax Agressivness, Tax Avoidance, Inventory Intensity, Profitability, and Firm Size.

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INTRODUCTION

In the context of a developing country like Indonesia, economic growth is the primary foundation for national growth. This suggests that the government needs to focus on optimizing state revenue sources to ensure the sustainability of the economic policies it has designed (Astuti et al., 2023). The tax sector occupies a strategic position because it is the most dominant source of state revenue globally. Taxes not only serve as a means of funding infrastructure development and maintenance, but also play a crucial role in reducing economic inequality (Sinebe, 2024). Thus, tax planning and management are a vital part of a country's fiscal strategy.

Furthermore, economic growth is highly dependent on government spending, which is primarily derived from tax revenue. This means that high tax revenues significantly determine the country's capacity to drive economic development. This is evidenced by government revenue data from 2019 to 2023, which demonstrates a direct relationship between tax revenue and national economic growth as follows:

Table 1. The Realization of Indonesia's State Revenue (in Billion Rupiah)

	2019	2020	2021	2022	2023
Tax Revenues	1.546.141	1.285.136	1.547.841	2.034.552	2.118.348
Non-tax Revenues	408.994	343.814	458.493	595.594	515.800
Grants	5.497	18.832	5.013	5.696	3.100
Total	1.960.633	1.647.783	2.011.347	2.635.843	2.637.248

Source: (Badan Pusat Statistik, 2024).

Indonesia's tax revenue has averaged 78% of total state revenue over the past five years. Similarly, Thailand also aims to boost its tax income (Gultom et al., 2024). Thailand has a free-market economy with relatively well-developed infrastructure, and its main source of state income is taxation (Alfianto & Nurhakiki, 2023). The table below shows Thailand's sources of state revenue:

Tabel 2. The Realization of Thailand's State Revenue from 2019-2023 (in Million Baht)

	2019	2020	2021	2022	2023
Tax Revenue	1,990,139	1,794,291	1,933,679	2,201,381	2,222,258
Departement Customs & Excise	717,731	629,132	624,419	607,567	603,963
Departement State Enterprise	176,032	147,185	177,891	155,671	153,525
Other	351,800	346,698	330,283	337,057	361,750
Total	3,059,668	2,770,123	2,888,383	3,146,005	3,187,970

Source: (Data Ministry of Finance Thailand, 2024).

There are many ways can be implemented to measure state tax revenue, one of the way is by looking at the amount of tax ratio (D. S. Wulandari, 2022).). In efforts to increase tax ratio, the government seeks to maximize tax revenue from various sectors (Hasanah & Faisol, 2023). One of the sectors with the highest tax revenue comes from corporate taxes. Therefore, taxation is important because companies have objectives/interests in managing their finances to maintain high profits (Minh Ha et al., 2021).

In tax practice, differing objectives between the government and companies create tensions of interest. The government seeks to maximize tax revenue as the primary source of state funding, while companies seek to minimize their tax burden for efficiency and increased profits. This divergence of interests has given rise to various aggressive tax strategies by companies. These strategies can be implemented legally, for example by exploiting legal loopholes or certain tax incentives (tax avoidance), but they can also be carried out illegally, such as by concealing income or falsifying financial reports (tax evasion) (Hasna et al., 2022).

Tax aggressiveness is a strategy employed by companies with the primary goal of minimizing their tax burden. In practice, this strategy often exploits legal loopholes in a weak tax system. According to data from the Tax Justice Network, Indonesia loses approximately USD 4.86 billion, equivalent to IDR 68.7 trillion, in potential state revenue annually due to tax avoidance practices. This figure reflects the significant impact of tax leakage on state finances. The primary cause is weak tax regulations and oversight, which allow companies especially multinational corporations to evade their tax obligations without explicitly breaking the law. This situation underscores the need for policy reform and regulatory tightening to maximize tax revenue and uphold fiscal justice (Lestari & Asiah, 2022).

The high level of corruption in Thailand's tax system is a major obstacle to creating a fair and effective tax system. A 2019 Corruption Report by GAN Integrity Inc. found that bribery and unofficial payments in the annual tax payment process are commonplace in Thailand. In fact, more than a third of Thais believe tax officials are involved in corrupt practices (GAN Integrity Inc, 2020). Furthermore, according to data from the Thai Anti-Money Laundering Office, tax evasion is one of the five major crimes in the country, accounting for approximately 86% of all criminal assets in 2016 (FATF, 2018). This demonstrates the massive and serious impact of tax evasion and avoidance on the economy and the integrity of the country's financial system. Therefore, it is not surprising that eradicating tax evasion is a top priority for the Thai government, as part of efforts to strengthen governance, increase state revenues, and restore public trust in tax institutions (Benjasak & Bhattarai, 2019).

Tax evasion is a cross-border problem that is of global concern, because its impact is not only detrimental to state revenue but also hinders overall economic development (Alm, 2021). This problem is seen as a serious obstacle to economic growth, considering that the reduction in public funding sources can hamper development-oriented state spending (Omodero, 2019). In the ASEAN region, these challenges are increasingly complex. Most ASEAN countries are categorized as jurisdictions with relatively low tax rates, or face fundamental issues related to high levels of tax aggressiveness, such as tax avoidance and evasion. Consequently, tax collection rates in the region tend to be low, reflecting the tax system's suboptimal ability to absorb potential state revenues. Under these conditions, efforts to strengthen tax administration capacity and reform fiscal policies are crucial for ASEAN countries to increase tax revenue and encourage more sustainable economic growth (Athira & Ramesh, 2023).

The aggressive tax planning strategy by companies is generally carried out through inventory intensity management (T. Wulandari & Nadi, 2024). This is supported by research from (Chandra, 2024; Hulu & Hanah, 2024; Maulana et al., 2023) This indicates that the inventory intensity variable has an influence on tax aggressiveness. This means that the greater the inventory intensity, the greater the company's ability to engage in aggressive tax planning.

However, not all findings show similar results. Some studies (Andriani et al., 2023 ; Diviariesty & Cahyani, 2024; Ramdhani et al., 2022) In fact, they found that inventory intensity had no significant effect on tax aggressiveness. This inconsistency in results may reflect differences in company characteristics or sectoral contexts that influence the relationship between the two variables by (Nadhifah, 2023; Panjaitan & Haq, 2023) and (Shinta & Sihono, 2023) which indicates that tax aggressiveness is substantially impacted by the results of profitability indicator testing. However, there is inconsistency in the profitability testing results by (Andriani et al., 2023) and (Diviariesty & Cahyani, 2024), which indicate that tax aggressiveness exerts a significant detrimental impact on profitability.

Another variable is firm size (Jaya, 2020). Validated through study performed by (Jaya, 2020). Supported by research performed by (Nurdiana et al., 2020; Devianti et al., 2024), the testing results indicate that tax aggressiveness positively contributes to the growth of firm size. Conversely, research (Hulu & Hanah, 2024; Anggraeni & Fitriyana, 2024) presents different results, showing that tax aggressiveness is not affected by firm size. Overall, the inconsistent results across these studies underscore the need to consider specific contexts, such as industry sector, national fiscal policy, and corporate governance quality, in analyzing the factors influencing tax aggressiveness.

METHODS

In this study, a quantitative approach is applied, a methodology that requires a population and sample to be tested using structured instruments. The data obtained is then analyzed statistically to determine the results of the previously formulated hypothesis (Sugiyono, 2013). Secondary data, which is the data source collected within this study, is data gathered from previously available sources, such as official reports or scientific publications.

This data is used to provide context and enrich understanding of the issues being studied, although it is not always fully aligned with the main focus of the research (Sulung & Muspawi, 2024). The sample selection criteria included:

1. Consistency of company listing on the IDX or SET for five consecutive years, from 2019 to 2023, to ensure data continuity.
2. Availability of complete financial statements or annual reports for the period, as the primary source of accounting and financial information.
3. The use of local currency (rupiah for Indonesia and baht for Thailand) in financial reporting to maintain uniformity and avoid exchange rate conversion bias.
4. Only companies that did not experience losses during the observation period were included to prevent analysis distortions due to extreme financial conditions.
5. Companies must also fully disclose information related to operating expenses, as this variable is a critical component in tax aggressiveness analysis.

By using these criteria, researchers ensure that the analyzed data reflects financially healthy companies with adequate reporting transparency, allowing for more valid and reliable conclusions. Once the best model was determined based on these test results, the next step was to conduct classical assumption tests to ensure that the model met statistical requirements (such as normality, heteroscedasticity, and multicollinearity), and parameter significance tests to evaluate the influence of independent variables on the dependent variable. Finally, the obtained model results were comprehensively interpreted to draw valid conclusions that align with the research objectives.

RESULT AND DISCUSSION

Tabel 3. Research Sample Manufacturing Companies in the Food and Beverage Sector on the Indonesia Stock Exchange (IDX) 2019–2023

Criteria	Number of Passing Samples
Total Population	95
1 Consistency of company listing on the IDX or SET for five consecutive years, from 2019 to 2023, to ensure data continuity.	(39)
2 Companies in the Food and Beverage sector that did not release full financial and annual reports during the 2019–2023 period	(10)
3 Food and Beverage sector companies that experienced losses during 2019–2023	(30)
4 Companies that opted not to report their financial statements in Indonesian Rupiah.	(1)
5 Food and Beverage sector companies that did not fully disclose operational variable requirements	(0)
Total Selection	15
Period (Years)	5
Total Sample x Period	75

Source: Data sekunder diolah, 2024.

Tabel 4. Research Sample Manufacturing Companies in the Food and Beverage Sector on The Stock Exchange of Thailand (SET) 2019 – 2023

Criteria	Number of Passing Samples
Total Population	57
1 Consistency of company listing on the IDX or SET for five consecutive years, from 2019 to 2023, to ensure data continuity.	(11)
2 Companies in the Food and Beverage sector that did not release full financial and annual reports during the 2019–2023 period	(6)
3 Food and Beverage sector companies that suffered losses from 2019 to 2023	(24)
4 Companies that do not use the baht currency in reporting financial statements	(0)
5 Food and Beverage sector companies that do not fully disclose variable operational requirements	(3)
Total Selection	13
Period (Years)	5
Total Sample x Period	65

Source: Data sekunder diolah, 2024.

Before proceeding to the further data analysis phase, the researcher provides an explanation of the sample size used in this study. On the Indonesia Stock Exchange (IDX), 15 companies met the criteria, with a total of 75 observation units, obtained from observations over a five-year period (2019–2023). Meanwhile, on the Stock Exchange of Thailand (SET), the sample consisted of 13 companies, with a total of 65 observation units over the same period.

To provide an initial overview of the data characteristics, the researcher conducted descriptive statistical analysis, the results of which are presented in Table 5 for the IDX data and Table 6 for the SET data. This analysis aimed to identify the minimum, maximum, average (mean), and standard deviation values for each studied variable.

Table 5. Results of Analysis Stasitic Descriptive (BEI)

	N	Minimum	Maximum	Mean	Std. Deviation
Y	75	0.16764	0.2796	0.221554	0.026227
X1	75	0.04428	0.447213	0.146692	0.073821
X2	75	0.000384	0.32496	0.117036	0.08451
X3	75	27.37466	32.41239	29.14966	1.4416228

Source: Data Diolah Eviews 12, 2024

Tabel 6. Result of Analysis Stasitic Descriptive (SET)

	N	Minimum	Maximum	Mean	Std. Deviation
Y	65	0.7000	20.8000	01.21231	5.978188
X1	65	1.9000	66.0000	16.91077	14.66449

X2	65	1.2000	20.5000	8.423077	4.582159
X3	65	21.3000	24.5000	22.73538	0.790655

Source: Data Diolah Eviews 12, 2024.

Classical Assumption Test

1. Normality Test

The normality of the distribution in the data can be determined by implementing a normality test so that the next research steps can be determined and observed in Figure 1 and Figure 2.

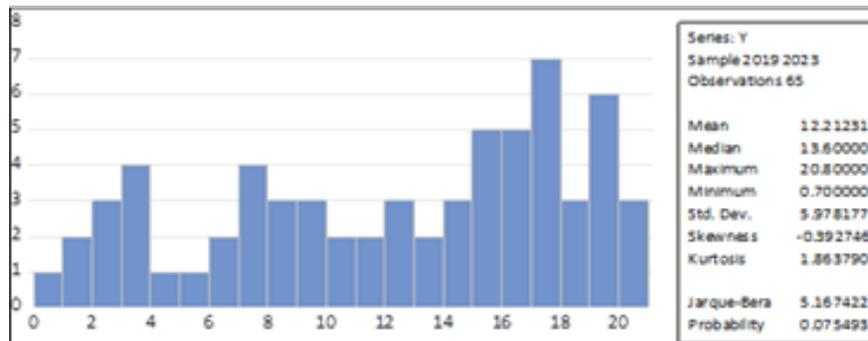


Figure 1. Normality Test of BEI
 Source: Data Diolah Eviews 12, 2024

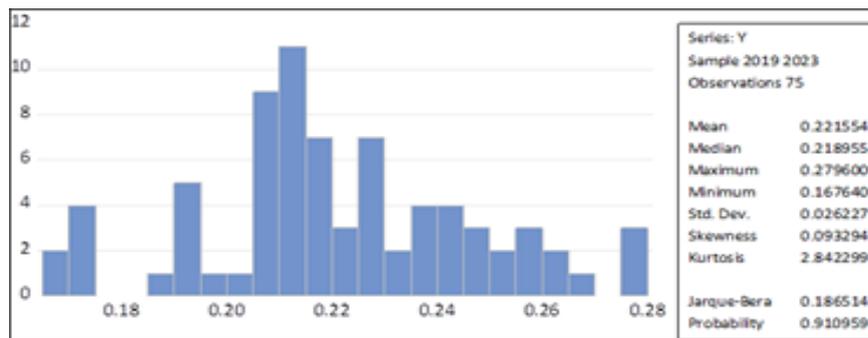


Figure 2. Normality Test of SET
 Source: Data Diolah Eviews 12, 2024

Based on the results of the normality test, it can be interpreted that the residual data from the regression model on both stock exchanges, namely the Indonesia Stock Exchange (IDX) and the Stock Exchange of Thailand (SET), have met the assumption of normality. This is indicated by the probability values of 0.075493 for the IDX and 0.910959 for SET, both of which are greater than the 0.05 significance level. Thus, it can be concluded that the residual distributions in both data are normal. This condition indicates that the regression model used does not violate the classical assumptions and is suitable for proceeding to the next stage of analysis (Utami et al., 2022).

2. Multicollinearity Test (BEI)

The amount of correlation between independent variables can be determined by implementing a multicollinearity test. Tables 7 and 8 show the test results:

Table 7. Multicollinearity Test BEI

Matrix pair wise correlation

	X1	X2	X3
X1	1	-0.50463	0.104072
X2	-0.50463	1	-0.30065
X3	0.104072	-0.30065	1

Source: Data Diolah Eviews 12, 2024

Table 8. Multicollinearity Test (SET)

Matrix pair wise correlation

	X1	X2	X3
X1	1.00000	-0.29313	-0.06748
X2	-0.29313	1	0.331903
X3	-0.06748	0.331903	1

Source: Data Diolah Eviews 12, 2024

It is evident that the correlation values among the variables in BEI and SET using Pair Wise Correlation have values below 0.90, suggesting that multicollinearity is not present in the regression modeling.

3. *Heteroscedasticity Test*

One approach to verify whether residuals or variance are the same for all observations in a linear regression model is through a heteroscedasticity test. Tables 9 and 10 show the results of the heteroscedasticity test

Table 9. Heteroscedasticity Test (BEI)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	4.484193	19.12519	0.234465	0.8155
X1	-0.080140	0.042615	-1.880569	0.0651
X2	-0.017959	0.033133	-0.542033	0.5899
X3	-0.060861	0.641995	-0.094799	0.9248

Source: Data Diolah Eviews 12, 2024

Tabel 10. Heteroscedasticity Test (SET)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-18.70497	21.85423	-0.855897	0.3962
X1	0.008146	0.028319	0.287657	0.7748
X2	-0.055950	0.032442	-1.724602	0.0909
X3	0.887615	0.966558	0.918326	0.3629

Source: Data Diolah Eviews 12, 2024

According to the results of the heteroscedasticity test presented in the table above, the probability values of X1, X2, and X3 on the IDX and SET have a probability value > 0.05. Therefore, based on the hypothesis, Ha is rejected and the acceptance of H0 signifies the absence of heteroscedasticity.

4. Autocorrelation Test

One test method that can be used to detect autocorrelation problems is the Breusch - Godfrey test. Tabel 11 and Tabel 12 show the resut.

Table 11. Autocorrelation Breusch-Godfrey Test (BEI)

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	2.027217	Prob. F(3,68)	0.1183
Obs*R-squared	6.157043	Prob. Chi-Square(3)	0.1042

Source: Data Diolah Eviews 12, 2024

Table 12. Autocorrelation Breusch-Godfrey Test (SET)

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	1.886863	Prob. F(15,46)	0.0504
Obs*R-squared	24.75933	Prob. Chi-Square(15)	0.0533

Source: Data Diolah Eviews 12, 2024

Based on the Breusch-Godfrey Test, the probability value of BEI 0.1042 and SET 0.0533 both have a value greater than 0.05, which means that the research data does not have autocorrelation problems.

Panel Data Regression Analysis

1. Model Testing

These three tests aim to identify the panel data regression model that best fits the data characteristics and variable structure used in the study. The results of these three tests are presented in Tables 13 and 14, for data from the Indonesia Stock Exchange (IDX) and the Stock Exchange of Thailand (SET), respectively. Based on the probability and significance values from these three tests, researchers can determine the best model to use for further regression analysis. Selecting the right model is crucial because it directly impacts the validity of the estimation results and the interpretation of the inter-variable relationships within the research model.

Table 13. Model Selection Results (BEI)

	Profitability	Conclusion
Chow Test	0.0000	<i>Fixed Effect Model (FEM)</i>
Hausman Test	0.0063	<i>Fixed Effect Model (FEM)</i>
Lanrange Multiplier Test	0.0000	<i>Random Effect Model (REM)</i>

Source: Data Diolah Eviews 12, 2024

Table 14. Model Selection Results (SET)

	Profitability	Conclusion
Chow Test	0.0000	Fixed Effect Model (FEM)
Hausman Test	0.0004	Fixed Effect Model (FEM)
Lanrange Multiplier Test	0.0000	Random Effect Model (REM)

Source: Data Diolah Eviews 12, 2024

Based on the table, the Fixed Effect Model (FEM) is the best model to use in the regression test in this study.

FEM Regression Estimation Results at the IDX

The results of regression estimation using the Fixed Effect Model method with the influence of Inventory Intensity (X1), Profitability (X2), and Firm Size (X3) on Tax Aggressiveness (Y) have the following panel data regression equation: $Y = 116.1491 - 0.128147 (X1) - 0.108271 (X2) - 3.093331 (X3)$.

FEM Regression Estimation Results at the SET

The results of the panel data regression using the Fixed Effect Model with the influence of Inventory Intensity (X1), Profitability (X2), and Firm Size (X3) on Tax Aggressiveness (Y) have the following panel data regression equation: $Y = -392.1617 - 0.410919 (X1) - 0.205226 (X2) + 18.16779 (X3)$.

1. Hypothesis Test

Hypothesis testing in panel data regression analysis is conducted to determine whether there is a relationship that affects the dependent variable. In this process, the F test is used to examine the simultaneous or overall effect of the independent variables on the dependent variable. The results of this test are shown in Tables 15 and 16. Next, a T test is conducted to determine the partial effect of each independent variable on the dependent variable, where the results are explained in Tables 17 and 18. To assess how well the model explains the variation that occurs in the tax aggressiveness variable, the Adjusted R-Square (R^2) test is used, the results of which are presented in Tables 19 and 20. This test shows the percentage contribution of the independent variables to the dependent variable, which reflects the level of accuracy of the regression model used (Dwi Anggoro & Tri Wahyu Retno Ningsih, 2023).

Table 15 F Testing Result (BEI)

Variable	Prob (F-Statistics)	Conclusion
Tax aggressive	0.0000	Significant

Source: Data Diolah Eviews 12, 2024.

Table 16. F Testing Result (SET)

Variable	Prob (F-Statistics)	Conclusion
Tax aggressive	0.0000	Significant

Source: Data Diolah Eviews 12, 2024.

The F-test result in this study shows a significance value of Prob (F-statistic) of 0.0000 < 0.05. This indicates that the variables Inventory Intensity, Profitability, and Firm Size listed on the IDX and SET have a significant effect on the Tax Aggressiveness variable.

Tabel 17. T Testing Result (BEI)

Variabel Terikat: Agresivitas Pajak (ETR)				
Variabel	Koefisien	Prob.	Hasil	Kesimpulan
C	116.1491	0.0008		
X1	-0.128147	0.0846	Signifikan (-)	Tidak Berpengaruh
X2	-0.108271	0.0615	Signifikan (-)	Tidak Berpengaruh
X3	-3.093331	0.0067	Signifikan (-)	Berpengaruh

Source: Data Diolah Eviews 12, 2024.

Tabel 18. T Testing Result (SET)

Variabel Terikat: Agresivitas Pajak (ETR)				
Variabel	Koefisien	Prob.	Hasil	Kesimpulan
C	-392.1617	0.0001		
X1	-0.410919	0.0012	Signifikan (-)	Berpengaruh
X2	-0.205226	0.1394	Signifikan (-)	Tidak Berpengaruh
X3	18.16779	0.0000	Signifikan (-)	Berpengaruh

Source: Data Diolah Eviews 12, 2024.

The results of the first hypothesis test on the Inventory Intensity (X1) variable in companies listed on the Indonesia Stock Exchange (IDX) show a significance value of 0.0846 (> 0.05) and a t-count value of -1.7553, which is smaller than the t-table of 1.99394. Partially, this indicates that Inventory Intensity does not have a significant effect on tax aggressiveness. The coefficient value of -0.1281 does indicate a negative direction of influence, but its statistical strength is not sufficient to be considered significant. The rejection of this hypothesis indicates that the amount of tax paid by a company is not determined by the amount of inventory held. This can be explained because there are no provisions in tax regulations that provide direct fiscal incentives to companies with high inventory levels (Susanti, 2018; Cesyarina & Sumantri, 2024). This finding is consistent with several previous studies which concluded that inventory intensity does not affect corporate tax aggressiveness behavior (Cesyarina & Sumantri, 2024; Sulistiawati & Sadewa, 2024; Syafrizal & Sugiyanto, 2022).

Meanwhile, for companies listed on the Stock Exchange of Thailand (SET), the test results showed a significance value of 0.0012 (< 0.05) and a t-test value of -3.4459, which is greater than the t-table of 1.99394. These results indicate that partially, inventory intensity has a significant influence on tax aggressiveness. With an inventory intensity coefficient value (X1) of -0.41091, it can be concluded that the effect is negative. This means that the higher the inventory costs a company has, the lower the profit earned, which ultimately has an impact on the amount of tax payable. This decrease in company profits is in line with the reduction in the tax burden borne. This finding is in line with the results of previous studies that also showed a relationship between high inventory intensity and low corporate tax aggressiveness. This finding is supported by previous research (Maulana et al., 2023). Previous studies supporting inventory intensity are (Hulu & Hanah, 2024; Chandra, 2024; Febriana & Putri, 2023) with the result that tax aggressiveness is influenced by inventory intensity.

The second hypothesis (H2) in this study states that tax aggressiveness is influenced by profitability. From the t-test conducted on the Indonesia Stock Exchange (IDX) and the Stock Exchange of Thailand (SET), the results show a significance value of 0.0615, which is higher than 0.05, and a calculated t-value of -1.9075, which is lower than the t-table value of 1.99394. Furthermore, the significance value of 0.1394 is higher than 0.05, and the calculated t-value of -1.502291 is lower than the t-table value of 1.99962. Partially, this means that the profitability variable does not have a significant effect on tax aggressiveness. With a profitability coefficient value (X2) of -0.108271 for IDX and -0.25226 for SET, this indicates that profitability (X2) has a negative direction. Research on the profitability variable was rejected because it identified that

the company's profitability level was not a consideration when planning tax aggressiveness. A high level of profitability indicates that the company is not experiencing a financial deficit, including in meeting its tax obligations (Sari & Badjuri, 2023).

High or low profitability ratios are not always the primary motives for corporations in making decisions regarding aggressive tax practices. Generally, high profitability levels companies choose not to plan aggressive tax measures and instead prefer to build a positive image in the eyes of the market and stakeholders. A company's decision not to plan aggressive tax actions reflects a commitment to fiscal compliance and social responsibility, which can enhance the company's value and minimize the likelihood of intervention by tax authorities. This policy may also reflect a shift in the company's risk management strategy, where reputation and compliance with tax regulations are prioritized over short-term fiscal gains. Companies recognize that the legal risks and reputational impacts of aggressive tax practices can disrupt business sustainability in the long term (Prasetyana & Cahyono, 2024; Asiah et al., 2024). The result of this study supported the study by (Prasetyana & Cahyono, 2024; Masyitah et al., 2022) which revealed that profitability fails to affect tax aggressiveness.

The third hypothesis (H3) in this test states that firm size influences tax aggressiveness. The results of the t-statistical test conducted on companies listed on the Indonesia Stock Exchange (IDX) showed a significance value of 0.0067 (<0.05) and a calculated t-value of -2.8126 (<1.99394 t-table), indicating that firm size has a significant negative effect on tax aggressiveness. This means that the larger a company listed on the IDX, the lower its tendency to engage in tax aggressiveness. Conversely, on the Stock Exchange of Thailand (SET), a significance value of 0.0000 (<0.05) and a calculated t-value of 4.463483 (>1.99962 t-table) were obtained, indicating that firm size has a significant positive effect on tax aggressiveness. In other words, the larger a company in Thailand, the greater its tendency to engage in tax aggressive practices. These differences in results reflect that the context of fiscal jurisdiction and tax compliance between countries plays an important role in shaping corporate tax behavior.

This test shows that company size is related to the level of tax aggressiveness. Larger companies will have sufficient resources and capabilities to manage their fiscal obligations, making them better able to exploit regulatory loopholes to devise aggressive tax strategies. Generally, company size is determined by total assets, which also show the level of operating expenses. Therefore, total assets can be an important indicator in considering whether or not to engage in tax aggressiveness (Sari & Rahayu, 2020). Companies with adequate assets tend to have greater flexibility in managing their wealth to support strategic tax planning (Maynardto, 2022). It can be concluded that the scale of a company can have an influence on the company's tax aggressiveness (Prastyatini & Trivita, 2023). This study's findings align with previous research (Nurhayati et al., 2023; Wicaksana et al., 2024) that identified an impact of company size on tax aggressiveness.

Table 19. Result of the Coefficient of Determination Test (IDX)

R-Squared	Adjusted R-Squared
0.553856	0.420796

Source: Data Diolah Eviews 12, 2024.

Based on the results of the adjusted R-Squared test, it can be concluded that the adjusted R-Squared value obtained is 0.420796 or 42.07%. This means that through the use of the Fixed Effect Model, approximately 42.07% of the variation in the dependent variable (tax aggressiveness) can be explained by the independent variables, namely Inventory Intensity, Profitability, and Firm Size. Meanwhile, the remaining 57.93% is influenced by other variables or external factors that were not included or examined in this study. This suggests that

although the model has a moderate explanatory power, there are still considerable influencing factors outside the model that affect tax aggressiveness.

Tabel 20. Result of the Coefficient of Determination Test (SET)

R-Squared	Adjusted R-Squared
0.753196	0.677644

Source: Data Diolah Eviews 12, 2024

The results of the adjusted R-Squared test showed a value of 0.677644 or 68%, indicating that the independent variables—Inventory Intensity, Profitability, and Firm Size—were able to explain 68% of the variation in tax aggressiveness using the Fixed Effect Model. The remaining 32% is attributed to other factors not analyzed in this study. Furthermore, the comparative analysis between Indonesia and Thailand revealed that tax aggressiveness in Indonesia is lower than in Thailand. To investigate this disparity more deeply, the researcher proceeded with a paired sample t-test to determine whether the difference in tax aggressiveness levels between the two countries is statistically significant.

Difference Test

To perform a paired sample t-test, a normality test must be performed on the paired samples as a form of fulfilling the econometric requirements, namely that the data must be normally distributed.

Tax Aggressiveness Data Normality Test

Figure 4 below shows a probability value of $0.000093 < 0.05$, meaning that the data is not characterized by a normal distribution pattern. Therefore, the approach utilized in this study is to perform a non-parametric statistical test. Non-parametric statistical support is provided to validate the assumption of the entire distribution of the population data. Non-parametric statistics are used when the data distribution does not follow a normal distribution (Gujarati & Porter, 2010).

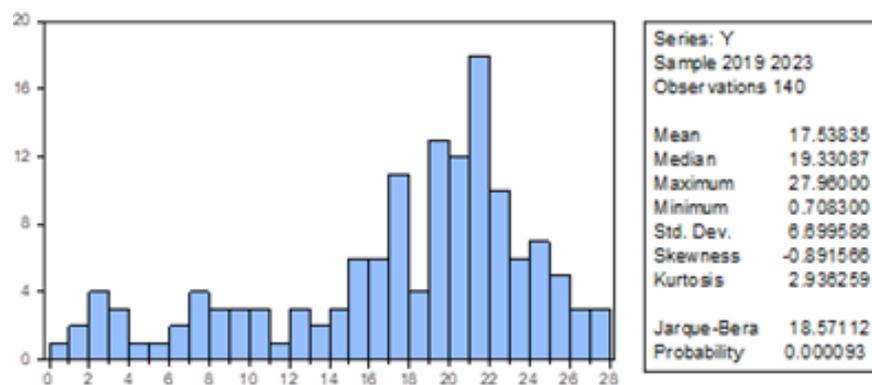


Figure 3. Tax Aggressiveness Data Normality Test

Source: Data Diolah Eviews 12, 2024

The Mann-Whitney Test is applied as a non-parametric alternative to the Independent T-Test when the assumption of data normality is not met. Unlike the Independent T-Test, which compares the mean of two groups, the Mann-Whitney Test evaluates whether there is a difference in the median values between two independent groups (Inayah et al., 2025). This method is particularly useful for ordinal data or non-normally distributed interval data. In the context of this study, the Mann-Whitney Test is used to examine the difference in tax aggressiveness between Indonesia and Thailand. The decision rule is as follows:

1. If the significance level (p-value) > 0.05, then the null hypothesis (H0) is accepted, meaning there is no significant difference in tax aggressiveness between the two countries.
2. Conversely, if the significance level < 0.05, the null hypothesis is rejected, and the alternative hypothesis (H1) is accepted, indicating a significant difference in tax aggressiveness between Indonesia and Thailand.

Mann-Whitney Test

Table 21 presents evidence of significant differences in each variable examined in relation to tax aggressiveness. This is demonstrated by a p-value of 0.000, which is below the threshold of 0.05, indicating strong statistical significance. As a result, the alternative hypothesis (H1) is accepted, and the null hypothesis (H0) is rejected. These findings confirm that there is a significant difference in tax aggressiveness between the two groups of companies analyzed. This substantial variation highlights a notable disparity in tax aggressiveness among Food and Beverage sector companies included in this study, particularly when comparing those listed on the Indonesia Stock Exchange (IDX) and the Stock Exchange of Thailand (SET).

Table 21. Mann Whitney Test

Method	df	Value	Probability
Wilcoxon/Mann-Whitney		9.480435	0.0000
Wilcoxon/Mann-Whitney (tie-adj.)		9.480435	0.0000
Med. Chi-square	1	80.66872	0.0000
Adj. Med. Chi-square	1	77.65333	0.0000
Kruskal-Wallis	1	89.91826	0.0000
Kruskal-Wallis (tie-adj.)	1	89.91826	0.0000
van der Waerden	1	80.29550	0.0000

Source: Data Diolah Eviews 12, 2024.

CONCLUSIONS

This study aims to review the extent to which Inventory Intensity, Profitability, and Firm Size affect tax aggressiveness behavior. Tax aggressiveness is an effort made by taxpayer entities-in this case companies-to engineer income subject to tax in order to reduce the tax burden borne. Each company tends to have a different strategy in implementing this approach, depending on their respective activities and internal characteristics (Yaya et al., 2022). Generally, companies try to reduce their tax burden in order to reduce tax obligations (Simanungkalit et al., 2023). One strategy that is often used is to prepare financial statements aggressively so that accounting profits appear to increase (Ardiryanti et al., 2022). In order to increase company profits, one of the ways that can be taken is to save expenses, and taxes are one of the expense components that can be saved (Pradhana & Nugrahanto, 2021). Companies that carry out tax aggressiveness strive to increase net income in financial statements which can reduce tax expenses (Wahid, 2021). Based on the results and previous discussion, it can be concluded as follows:

1. Based on the test results, there is a difference in the effect of inventory intensity on tax aggressiveness between companies listed on the Indonesia Stock Exchange (IDX) and the Stock Exchange of Thailand (SET). For IDX companies, inventory intensity does not have a significant effect on tax aggressiveness. This means that the size of a company's inventory is not a primary factor considered in developing tax avoidance strategies.

This may be due to the lack of direct fiscal incentives related to inventory levels. Conversely, for companies listed on the SET, inventory intensity actually shows a significant negative effect on tax aggressiveness. The higher the inventory intensity, the lower the company's tendency to engage in tax aggressiveness.

2. Based on the test results, profitability did not significantly influence tax aggressiveness in companies listed on the Indonesia Stock Exchange (IDX) or the Stock Exchange of Thailand (SET). This indicates that high corporate profits do not always align with a tendency to engage in tax avoidance. Companies with high profitability generally place greater importance on reputation, regulatory compliance, and the long-term risks that can arise from aggressive tax avoidance strategies. In other words, companies with strong financial performance tend to be more cautious in making decisions that could impact their relationships with tax authorities and other stakeholders.
3. Firm size has been shown to influence tax aggressiveness in companies listed on the Indonesia Stock Exchange (IDX) and the Stock Exchange of Thailand (SET), although the direction of the influence differs in the two countries. In Indonesia, firm size has a significant negative effect on tax aggressiveness. This means that the larger the company, the lower the tendency to engage in tax aggressiveness. This can be explained by the tax authorities' increased oversight of large companies, as well as pressure to maintain public reputation and long-term compliance with tax regulations. Conversely, in Thailand, firm size has a significant positive effect on tax aggressiveness. The larger the company, the greater the ability and resources to design more complex and aggressive tax strategies.
4. The Mann-Whitney test results for the level of tax aggressiveness between companies in Indonesia and Thailand showed a significance value <0.05 . This indicates that there are significant differences in tax aggressiveness practices between the two countries. This finding confirms that the level of tax aggressiveness in food and beverage companies is not uniform internationally, but is strongly influenced by domestic factors. These factors include national tax policies, the effectiveness of tax authority oversight, and differing managerial characteristics in each country. Therefore, fiscal policy and strengthening tax oversight institutions are important aspects that must be considered in reducing the level of tax aggressiveness in a country.

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