

The Influence of Tax Planning, Profitability and Liquidity on Financial Performance with Tax Amnesty as a Moderating Variable (Consumer Goods Industrial Sector Manufacturing Companies Classification for 2021 Listed on the Indonesian Stock Exchange for the 2016-2021 Period)

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Abstract

Taxes are included in contributions that must and are often seen as a burden for every individual or business entity. Business entities can minimize the burden that arises from these taxes through the tax planning process. One method in tax planning is to apply a tax amnesty. This method is expected to minimize the burden and optimize the level of profits and financial performance. With optimal profits, financial performance can increase so that the company can run well and do not have to carry out tax amnesty and avoid company liquidity. This research uses secondary data obtained from the Indonesia Stock Exchange and the sample in this study is 30 Consumer Goods Industrial Manufacturing Companies using purposive sampling method. Profitability research results have a positive effect on financial performance, tax amnesty can strengthen the influence of profitability on financial performance and asset management control variables have a positive effect on financial performance. While other variables have no significant effect.

Keywords : Financial Performance, Tax Planning, Profitability, Liquidity, Tax Amnesty.

INTRODUCTION

On the site www.news.detik.com, after the 2016-2017 Tax Amnesty (TA) Volume I Program, the issue raised is that this nation is now implementing TA Volume II again, where there are slight differences in the rules of the game. Based on Law Number 7 of 2021 which regulates the Harmonization of Tax Regulations (UU HPP), TA Volume II came into effect on January 1 2022 and ends on June 30 2022. The name of TA Volume II is the Voluntary Disclosure Program (PPS). managed, management tasks become larger and more complex (Hendrayanti et al., 2022) .

Based on Minister of Finance Regulation Number 196/PMK.03/2021, it is understood that assets are the total amount of additional economic capacity consisting of all wealth, movable, tangible, used for business or not, located within the country or abroad. . The property or assets referred to consist of cash or the equivalent, buildings or land, gold, silver, motor vehicles, securities, shares, electronic devices, securities, collections of luxury goods or other types of assets.

In line with its name, namely the Voluntary Disclosure Program, this PPS is not mandatory or means that taxpayers can determine their choice whether or not to participate in the program. For individuals who have been convinced that they have

complied with the tax, there are signs of loopholes, then basically they will not get the benefits of participating in this PPS. However, for individuals who feel that they have not complied with their main taxes in the period 2016 to 2020, this program can play an important role in improving and opening a new chapter as obedient citizens who have awareness of paying taxes.

The disclosure of information regarding these benefits can have an influence on the decisions made by the Taxpayer. Currently, based on Law Number 9 of 2017 relating to access to financial information for tax purposes, the DJP has used an open information system using the Automatic Exchange of Information (AEOI). So, there is a large possibility of obtaining hidden taxpayer assets. Moreover, with the implementation of the integration of NIK into NPWP, this will make it easier for the DJP to monitor its taxes.

Furthermore, the government is also required to provide certainty regarding the Tax Amnesty Policy which will not be continued in the next volume. If taxpayers have the opinion that a similar Tax Amnesty will be held again in the future, it is not impossible that they will decide to participate in PPS but afterwards will violate taxation again. So whether the PPS is successful or not is not only measured by how many Taxpayers participate in the Tax Amnesty and is not also related to the amount of assets disclosed, but is related to how compliant the Taxpayer is after participating in the PPS.

This research was adopted from research conducted by (Kayode & Folajinmi, 2020) entitled "Corporate Tax Planning and Financial Performance of Quoted Food and Beverages Firms in Nigeria". In this research, an independent variable was added in the form of liquidity and a moderating variable was added, namely the tax amnesty variable. The addition of independent variables and moderating variables in the measurement will act as an update to this research. Where in the end, the title of this research is "The Influence of Tax Planning, Profitability and Liquidity on Financial Performance with Tax Amnesty as a Moderating Variable" in Manufacturing Companies in the Consumer Goods Industry Sector Classification in 2021 Listed on the Indonesia Stock Exchange for the 2016-2021 Period.

LITERATURE REVIEW

This signal theory explains how a business entity should give signals to parties who use its financial reports. Managers who provide information through financial reports are those who apply the provisions of conservatism accounting to obtain good quality profits because these principles prevent their business entities from acting to enlarge their profits and provide assistance to parties who use their financial reports by showing profits and assets. not overrated. This signal theory can also be used to provide assistance to the business entity as agent, its owner as principal and parties outside the business entity in reducing information asymmetry by obtaining the quality or integrity of information from its financial reports.

Financial performance analysis shows the fundamental performance of a business entity which is taken into account by the level of effectiveness and operational efficiency of the business entity in earning profits and is often used as an indicator of the fundamental performance of the business entity representing managerial performance.

Simon R. James provides a definition of tax amnesty, namely: "... the opportunity to disclose to the authorities previously unpaid tax liabilities without attracting penalties". Furthermore, Fisher also explained that tax amnesty is "[a] program offering reduced financial and/or legal penalties to taxpayers who voluntarily agree to pay outstanding past tax liabilities".

From the two previous meanings, it is understood that what is emphasized in this case is the opportunity for taxpayers to pay off their tax arrears without being subject to fines. Furthermore, Fisher also explained that basically, the tax amnesty was only granted once within a time period which tended to be limited, especially before steps were taken to enforce stricter laws.

METHODOLOGY

The research design used in this study is hypothesis testing, which is a stage carried out and aimed at determining the acceptance or rejection of hypotheses related to population parameters (Sugiyono, 2019). Hypothesis testing in this research design is aimed at analyzing the influence of independent variables, namely *Tax Planning* which is proxied by *Book Tax Difference* (BTD), *Profitability* which is proxied by *Net Profit Margin* (NPM) and *Liquidity* which is proxied by *Current Ratio* (CR), on variables. The dependent is *Financial Performance* which is proxied by *Return on Assets* (ROA), using a moderating variable, namely *Tax Amnesty* which is proxied by *Debt to Equity Ratio* (DER). Meanwhile, the 2 control variables are *Firm Size* which is proxied by the *Natural Logarithm* and *Asset Management* which is proxied by *Total Assets Turnover*.

RESULTS AND DISCUSSION

The use of multiple linear regression to measure how much the relationship between the independent variable and the dependent variable is so that it can differentiate between the two variables in the research. A quantitative approach was taken in this research.

Table 1
Statistical Test Results t

Variable	Coefficient	Std. Error	t-Statistics	Prob
Independent				
BTD	0.225872	0.183728	1.229378	0.2210
NPM	0.005760	0.000659	8.743398	0,000*
CR	0.002514	0.002545	0.987940	0.3249
Moderation				
BTD*DER	-0.193129	0.176680	-1.093099	0.2762
NPM*DER	0.001799	0.000868	2.071492	0.0401*
CR*DER	0.000825	0.002439	0.338106	0.7358
Control				
Fsize	0.035575	0.024289	1.464674	0.1452
Masset	0.098713	0.010417	9.476005	0,000*

Constant	-0.531713	0.308693	-1.722466	0.0872
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Source: Data processed with Eviews-12, 2022

*Sig:5%

Note: ROA : Financial Performance, BTD : Tax Planning, NPM : Profitability, CR : Liquidity , TA: Tax Amnesty, Fsize: Firm Size, Masset: Asset Management .

$$ROA = - 0.531713 + 0.225872 BTD + 0.005760NPM + 0.002514CR - 0.193129 BTD* DER + 0.00179 9NPM * DER + 0.000825CR* DER + 0.035575F size + 0.098713 M assets + \epsilon$$

From the equation above, it can be explained that the constant is -0.531713 which states that if the independent variables *tax planning, profitability and liquidity, tax amnesty* as moderation and the use of control variables such as: *firm size* and *asset management* are zero then the dependent variable, namely *financial performance*, will decrease - 0.531713 .

Table 2
Hypothesis Test Results

Variable	Direction	t-Statistics	Coefficient	Sig	Conclusion
Independent					
BTD	—	1.229378	0.225872	0.2210	H₁ Rejected
NPM	+	8.743398	0.005760	0,000*	H₁ Accepted*
CR	—	0.987940	0.002514	0.3249	H₁ Rejected
Moderation					
BTD*DER	—	-1.093099	-0.193129	0.2762	H₁ Rejected
NPM*DER	+	2.071492	0.001799	0.0401*	H₁ Accepted*
CR*DER	—	0.338106	0.000825	0.7358	H₁ Rejected
Control					
Fsize	—	1.464674	0.035575	0.1452	
Masset	+	9.476005	0.098713	0,000*	
Adjusted R Square				0.908466	
F test				0.000000*	

Source: Data processed with Eviews-12, 2022

*Sig:5%

The Influence of Tax Planning, Profitability and Liquidity on Financial Performance

Note: ROA : *Financial Performance*, BTD : *Tax Planning*, NPM : *Profitability*, CR : *Liquidity* , DER: *Tax Amnesty*, Fsize: *Firm Size*, Maset: *Asset Management* .

It can be seen in Table 11. If value = 0.05 or if the significance value is less than or equal to the α value of 0.05 then H_1 can be accepted and it can be concluded that the independent variable individually has an effect on the dependent variable but if the value is > 0.05 or if the significance value is > 0.05 then H_1 cannot be accepted and it can be concluded that the independent variables individually have no effect on the dependent variable. Based on the results of the t test in table 11 it can be concluded that:

It can be seen that the adjusted *R-square value* is 0.908466, so the independent variables jointly influence the dependent variable, so that there is an influence between the independent variables in the form of: tax planning, profitability and liquidation, tax amnesty as moderation and its use is proven to simultaneously influence financial performance. , influences financial performance by 90.85% while the remaining 9.15% (100% - 90.85% = 9.15%) is explained by other variables outside the variables studied.

The results of the simultaneous significance test show a profitability value of F Statistics of 0.000000. The significance level is equal to 0.000 so it can be concluded that all independent variables jointly influence the dependent variable, so that there is influence between the independent variables in the form of: *tax planning, profitability and liquidity, tax amnesty* as a moderating influence on financial performance and the use of control variables in the form of: *firm size* and asset management are proven to simultaneously influence financial performance.

CONCLUSION

Based on statistical calculations, the conclusion is drawn, firstly, tax planning has no influence on financial performance. Tax planning arises because of the needs of companies that want to get greater profits in order to achieve company goals. Second, profitability has an influence on financial performance. In fulfilling its tax obligations, the company will strive to minimize tax payments in order to optimize profits. Third, liquidity has no influence on financial performance. liquidity as a measure of a company's ability to fulfill its short-term obligations within the specified time. When a company is in a liquid state, the level of profit reduction will be low because the company is considered capable of meeting its tax debts, so the company will pay its tax debts. Fourth, Tax Amnesty does not strengthen the influence of tax planning on financial performance, company management needs to study tax planning to minimize payment of the company's tax burden. Optimal payment of the tax burden is one of the successes of a company's financial performance. This encourages companies to carry out tax amnesty. Fifth, Tax Amnesty strengthens the influence of profitability on financial performance. The tax amnesty policy is basically expected to ensure that Taxpayers are willing to declare their assets and be registered in the tax administration system, so that Taxpayers will no longer be able to evade and evade their tax obligations. The Sixth Tax Amnesty does not strengthen the influence of liquidity on financial performance. This is what causes companies to carry out their short-term obligations, convert assets into cash quickly, so that a company's cash turnover is good because the complexity of the company's operational activities which causes high operational costs will lead to low company profits, by following the tax amnesty we try to maintain the company's image in the eyes of stakeholders. .

Meanwhile, the control variable firm size cannot influence financial performance, the greater the assets, the more capital invested, the greater the turnover of money and the greater the market capitalization, the greater the company's financial performance. Asset management can have a positive influence on financial performance. If assets are managed well, it will have a positive influence on the company's operational activities and make the company's financial performance also increase.

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