CORPORATE SOCIAL RESPONSIBILITY ON TAX AGGRESSIVITY

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Abstract
This study aims to find out the effect of corporate social responsibility (CSR) on tax aggressiveness in manufacturing companies in the consumer goods industry sector in 2016-2018. In this study, tax aggressiveness is measured using the Effective Tax Rate (ETR). The independent variable used in this study is corporate social responsibility (CSR), while the dependent variable is tax aggressiveness. The sample in this study used a purposive sampling method and obtained 72 companies that fulfill the criteria. Analysis test using a simple linear regression analysis model. The results of this study indicate that the disclosure of corporate social responsibility (CSR) affects tax aggressiveness. The high level of corporate social responsibility (CSR) disclosure results in a decrease in tax aggressiveness in a company.

Keyword: Disclosure of corporate social responsibility (CSR), tax aggressiveness, effective tax rate (ETR)

INTRODUCTION
Chen et. al. (2010) show that family firms have a lower level of tax aggressiveness than non-family firms. This happens because family owners are more willing to pay high taxes, rather than having to pay tax penalties and face the possibility of damaging the company's reputation. Many companies avoid paying taxes in order to make a large profit. According to Lanis and Richardson (2012), Lack of awareness of taxpayers' understanding of tax avoidance is a factor in the occurrence of non-compliance in tax payments. Managerial actions designed to minimize corporate taxes through tax aggressiveness have become a common strategy carried out by all companies around the world. However, tax aggressiveness within the company can certainly generate significant costs and benefits.

Corporate Social Responsibility (CSR) is considered to be a major factor in the success and survival of a company (Lanis and Richardson, 2012). Mardikanto (2014: 86), discloses Corporate Social Responsibility (CSR) as an obligation for entrepreneurs to formulate policies, make decisions, or follow desired actions in terms of community goals and values.

Mardikanto, (2014: 87) explains that the role of the company is not only to maximize profits, but must maximize utility. This means that companies not only have economic and legal responsibilities, but also social responsibilities to their communities. Corporate Social Responsibility (CSR) can be defined as "how a company takes into account social and environmental impacts in the way the company operates, maximizes benefits and minimizes losses" (UK Government in KPMG, 2007)

Corporate Social Responsibility is a form of sustainability reporting that makes companies no longer faced with responsibilities that are based on a single bottom line, namely the corporate value that is contemplated only in its financial condition. But corporate responsibility must also be based on triple bottom lines, namely paying attention to social and environmental problems (Husnan, 2013).

(Gunawan, 2017) revealed that the goal of company managers to take tax aggressiveness is to minimize the tax burden so as to increase company profits, but on the other hand, the costs to take
tax aggressiveness are very expensive. This shows that the act of tax aggressiveness does not provide profit for the owner of the company. Tax aggressive action is a company effort to reduce the tax burden that must be paid. The more aggressive the company is in terms of taxation, it can be concluded that the company is less concerned about the surrounding environment. This aggressive activity is not in line with CSR activities that aim to support the development and welfare of the surrounding environment. This research was conducted because it was motivated by previous studies that examined the relationship between CSR and tax aggressiveness. Seeing the gap from the results of previous studies, the researcher will re-examine the effect of Corporate Social Responsibility (CSR) on tax aggressiveness.

The main objective of tax aggressiveness is to minimize the company's tax burden. The amount of tax paid is equal to the result of the multiplication of taxable income (PKP) and the tax rate set by the state. PKP is obtained from gross income less fees permitted by the Income Tax Law. The tax paid by companies depends on the tax correction or the difference between profit and taxable income (book tax difference), so the technique for tax aggressiveness is to adjust the book tax difference (Kamila, 2014). Every action that will be taken by the manager must be considered beforehand the cost and benefit to be received, including the decision to do tax aggressiveness.

The low ETR value of the company illustrates that the company's pph expense is smaller than its pre-tax income, which indicates the possibility of high tax aggressiveness. This is because there is a possibility that the company will not pay the tax burden in the appropriate amount.

**METHOD**

This research uses descriptive quantitative research methods. This research was conducted at manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange for the period 2016-2018. This type of research data is secondary data in the form of financial reports and external data sources because the source of data taken by researchers is not directly obtained from the company concerned but from the official website of the Indonesia Stock Exchange (BEI). The population in this study are all manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange for the 2016-2018 period, totaling 46 companies. A total of 24 companies were selected as samples using purposive sampling technique using certain criteria. Data collection obtained from documentation and literature study. The data analysis step of this research consisted of the Classical Assumption Test and Statistical Test.

**RESULTS AND DISCUSSION**

**Classical Assumption Test Results**

The results of the data normality test show that the normal probability plot graph shows the points spread around the diagonal line and the distribution follows the direction of the diagonal line, it means that the regression model is feasible because it fulfills the assumption of normality, namely the plot spread across the diagonal line area.

Multicollinearity Test. To detect the presence or absence of symptoms of multicollinearity, a correlation test between the independent variables is tested by looking at the results of the tolerance and VIF value calculations. The multicollinearity test results can be seen in the following table:

<table>
<thead>
<tr>
<th>Table 1. Multicollinearity Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CSR</strong></td>
</tr>
<tr>
<td>---------</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Source: Results of SPSS Data Processing

Based on the above, it is the estimation result of the equation of the independent variable and the dependent variable, from the table above it can be seen that all the variables in this study produce a tolerance value above 0.1 and a VIF value of not more than 10. These results indicate that the independent variables do not occur. multicollinearity.
Table 2. Autocorelation Test Result

<table>
<thead>
<tr>
<th>Durbin - Watson</th>
<th>DL</th>
<th>DU</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.631</td>
<td>1.5895</td>
<td>1.6457</td>
<td>There is no autocorrelation</td>
</tr>
</tbody>
</table>

Source: Results of SPSS Data Processing

The test results in the table above show that the DW value obtained is 1.631. The value in the DW table and data of 72 samples obtained dl of 1.5895 and du of 1.6457. So this regression model does not occur autocorrelation because the DW value is between the dl and du tables.

Table 3. Simple Linear Regression Analysis Test Results

<table>
<thead>
<tr>
<th>Unstandardized Coefficients</th>
<th>B</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.215</td>
<td>0.013</td>
</tr>
<tr>
<td>CSR</td>
<td>0.279</td>
<td>0.095</td>
</tr>
</tbody>
</table>

Source: Results of SPSS Data Processing

Based on table 4.6 above, a coefficient is obtained that can produce the following regression equation: \( Y = 0.215 + 0.279X_1 + 0.013 \)

Information:

- \( Y \): The predicted value of the dependent variable
- \( A \): Constants
- \( \beta, \beta_1 \): Regression coefficient
- \( X_1 \): Independent Variable (Corporate Social Responsibility)
- \( e \): Error

Based on the above equation, it is obtained a constant of 0.215. This means that with their corporate social responsibility and corporate governance of the constant aggressiveness of tax amounting to 0.215, then from the results that can be interpreted its effect on the aggressiveness of the tax that is k ofesi en regression variable CSR amounted to 0.279 means that the amount of disclosure of corporate social responsibility by assumption variables other free constant will cause the penurunan aggressiveness of tax measures amounting to 0.279, and vice versa.

Corporate Social Responsibility for Tax Aggressiveness. Based on the results of the T test, the partial test shows that Corporate Social Responsibility (CSR) partially affects tax aggressiveness. This can be seen in the significance value obtained of 0.005, which indicates that the value is smaller than the limit of the significance value (0.05) and t of 2.923.

Disclosure of CSR is seen as an instrument used by the management company to interact with the broader community to influence perception. CSR is a process of communication of the social and environmental impact of economic activities on the organization of special interest groups and on society as a whole. The higher the level of CSR activities in the company, the lower the level of tax aggressiveness and the management will be more careful in tax aggressiveness. Because every CSR activity must be disclosed in an annual report, where the burden of CSR financing is monitored by the government and investors, so that management will be more careful in allocating CSR expenses so that they are not categorized as tax avoidance by the government. Maanfaat for the government to continue to improve and support the company's CSR activities that the surrounding community economic and labor and the environment continues to grow in a sustainable manner so that it can give a good impact for the economy of the community in the surrounding environment and the organization will remain intact.

The first test results (H 1) prove that the corporate social responsibility variable has an influence on tax aggressiveness. So the hypothesis which states corporate social responsibility has an effect on tax aggressiveness is accepted. The results of this study are in line with research by Yoehana...
(2013), Andhari (2017) and Gunawan (2017) which show that the higher the level of CSR disclosure of a company, the lower the level of tax aggressiveness.

CONCLUSION
The purpose of this study to determine the effect of corporate social responsibility to the aggressiveness of the tax on companies manufacturing consumer goods industry sector in Indonesia Stock Exchange (BEI) in the period 2016-2018. By using simple regression analysis, the results of this study are as follows: (1) The variable corporate social responsibility (CSR) has an influence on tax aggressiveness. The results of this study support the hypothesis which states that corporate social responsibility has an effect on tax aggressiveness, because the wider the disclosure of CSR will reduce the level of tax aggressiveness, (2) Corporate social responsibility partially affects tax aggressiveness. this can be seen in the T test results, and (3) Corporate social responsibility jointly affects tax aggressiveness. this can be seen in the F test results.

REFERENCES