turnitin

Digital Receipt

This receipt acknowledges that Turnitin received your paper. Below you will find the receipt information regarding your submission.

The first page of your submissions is displayed below.

Submission author:	Ekonomi Umm
Assignment title:	Driana Leniwati
Submission title:	Determinants of Family Ownership, Leverage, and Disclosur...
File name:	rage,_and_Disclosure_of_Corporate_Social_Responsibility_CS...
File size:	816.05K
Page count:	17
Word count:	9,667
Character count:	52,610
Submission date:	23-Sep-2024 08:57AM (UTC+0700)
Submission ID:	2462263344

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

DETERMINANTS OF FAMILY OWNERSHIP, LEVERAGE, AND DISCLOSURE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON TAX AVOIDANCE WITH INSTITUTIONAL OWNERSHIP AS A MODERATION VARIABLE

Debby Mutiara Sagina[1], Driana Leniwati[2], Agustin Dwi Haryanti[3]

[1]Faculty of Economics dan Business, University of Muhammadiyah Malang, Indonesia
[2]Faculty of Economics dan Business, University of Muhammadiyah Malang, Indonesia
[3]Faculty of Economics dan Business, University of Muhammadiyah Malang, Indonesia
*Corresponding Author : driana@umm.ac.id

ABSTRACT
The purpose of this study was to analyze the effect of family ownership, leverage, and disclosure of corporate social responsibility on tax avoidance with institutional ownership as a moderating variable. The population in this study are industrial, chemical, and mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2021. Determination of the number of samples using purposive sampling method. The method used is a quantitative descriptive approach. Data analysis was performed using Smart PLS 3.2.9. The results of hypothesis testing indicate that family ownership and leverage have an effect on tax avoidance, while corporate social responsibility has no effect on tax avoidance. Institutional ownership can strengthen the influence of family ownership, leverage, and corporate social responsibility on tax avoidance.

Keywords: Family Ownership, Leverage, Corporate Social Responsibility, Institutional Ownership, and Tax Avoidance

INTRODUCTION

Tax Avoidance is a tax avoidance scheme that aims to reduce the tax burden to a minimum by exploiting loopholes in a country's tax provisions (DDTC News). This makes taxpayers avoid the obligation to pay taxes that have been ordered, so that the income they have is not deducted much by taxes. There are two types of reduction in tax payments, namely the reduction of legal tax payments which is usually referred to as tax avoidance, and the other is the reduction of illegal tax payments which is called tax evasion.

The phenomenon related to tax avoidance that has occurred recently is the Director General of Taxes of the Ministry of Finance, Suryo Utomo, reporting findings on tax avoidance which is estimated to be detrimental to the state of up to IDR 68.7 trillion per year. The findings were announced by the Tax Justice Network which reported that due to tax evasion, Indonesia is estimated to suffer losses of up to US$ 4.86 billion per year. The figure mentioned above is equivalent to IDR 68.7 trillion when using the rupiah exchange rate at the closing on the spot market of IDR 14,149 per United States (US) dollar. In the Tax Justice Network report entitled The State of Tax Justice 2020: Tax Justice in the time of Covid-19, it was stated that of this figure, as much as US$ 4.78 billion, equivalent to Rp. 67.6 trillion, was the result of corporate tax evasion in Indonesia. Meanwhile, the remaining US$ 78.83 million or around Rp 1.1 trillion came from individual taxpayers. Suryo stated that to minimize tax avoidance, his party needs to supervise transactions that involve special transactions. Suryo said that in general tax avoidance arises because of transactions that occur between parties who have special relationships both domestically and abroad (Suryo Utomo, 2020:24) (nasional.kontan.co.id).

Whereas in 2020 the first semester's tax revenue contracted by up to 12%. Deposits from all major business sectors came under pressure. The fiscal performance in the first half of 2020 became the main topic in the national media today, Friday (10/7/2020). The Minister of Finance Sri Mulyani Indrawati explained that the realization of tax revenue until the end of June 2020 was valued at IDR 531.7 trillion, down 12% compared to the same period last year of IDR 604.3 trillion so that revenue from all major business sectors was still experiencing a stretch. Tax revenue from the processing industry, which contributed 29.0%, was

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Ekonomi Umm

Determinants of Family Ownership, Leverage, and Disclosure of Corporate Social Responsibility (CSR)

Driana Leniwati
PLAGIASI DOSEN
University of Muhammadiyah Malang

Document Details

17% Overall Similarity

The combined total of all matches, including overlapping sources, for each database.

Filtered from the Report

- Bibliography
- Quoted Text

Exclusions

- 34 Excluded Matches

Match Groups

- **5** Not Cited or Quoted 17%
  Matches with neither in-text citation nor quotation marks
- **0** Missing Quotations 0%
  Matches that are still very similar to source material
- **0** Missing Citation 0%
  Matches that have quotation marks, but no in-text citation
- **0** Cited and Quoted 0%
  Matches with in-text citation present, but no quotation marks

Top Sources

17%	Internet sources
0%	Publications
0%	Submitted works (Student Papers)

Integrity Flags

0 Integrity Flags for Review

No suspicious text manipulations found.

Our system's algorithms look deeply at a document for any inconsistencies that would set it apart from a normal submission. If we notice something strange, we flag it for you to review.

A Flag is not necessarily an indicator of a problem. However, we'd recommend you focus your attention there for further review.

Match Groups

- **5** Not Cited or Quoted 17%
  Matches with neither in-text citation nor quotation marks
- **0** Missing Quotations 0%
  Matches that are still very similar to source material
- **0** Missing Citation 0%
  Matches that have quotation marks, but no in-text citation
- **0** Cited and Quoted 0%
  Matches with in-text citation present, but no quotation marks

Top Sources

17% Internet sources
0% Publications
0% Submitted works (Student Papers)

Top Sources

The sources with the highest number of matches within the submission. Overlapping sources will not be displayed.

1	Internet	
jurnal.widyagama.ac.id		17%

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

DETERMINANTS OF FAMILY OWNERSHIP, LEVERAGE, AND DISCLOSURE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ON TAX AVOIDANCE WITH INSTITUTIONAL OWNERSHIP AS A MODERATION VARIABLE

Debby Mutiara Sagina[1], Driana Leniwati[2], Agustin Dwi Haryanti[3]

[1]Faculty of Economics dan Business, University of Muhammadiyah Malang, Indonesia
[2]Faculty of Economics dan Business, University of Muhammadiyah Malang, Indonesia
[3]Faculty of Economics dan Business, University of Muhammadiyah Malang, Indonesia
*Corresponding Author : driana@umm.ac.id

ABSTRACT

The purpose of this study was to analyze the effect of family ownership, leverage, and disclosure of corporate social responsibility on tax avoidance with institutional ownership as a moderating variable. The population in this study are industrial, chemical, and mining sector companies listed on the Indonesia Stock Exchange (IDX) in 2021. Determination of the number of samples using purposive sampling method. The method used is a quantitative descriptive approach. Data analysis was performed using Smart PLS 3.2.9. The results of hypothesis testing indicate that family ownership and leverage have an effect on tax avoidance, while corporate social responsibility has no effect on tax avoidance. Institutional ownership can strengthen the influence of family ownership, leverage, and corporate social responsibility on tax avoidance.

Keywords: Family Ownership, Leverage, Corporate Social Responsibility, Institutional Ownership, and Tax Avoidance

INTRODUCTION

Tax Avoidance is a tax avoidance scheme that aims to reduce the tax burden to a minimum by exploiting loopholes in a country's tax provisions (DDTC News). This makes taxpayers avoid the obligation to pay taxes that have been ordered, so that the income they have is not deducted much by taxes. There are two types of reduction in tax payments, namely the reduction of legal tax payments which is usually referred to as tax avoidance, and the other is the reduction of illegal tax payments which is called tax evasion.

The phenomenon related to tax avoidance that has occurred recently is the Director General of Taxes of the Ministry of Finance, Suryo Utomo, reporting findings on tax avoidance which is estimated to be detrimental to the state of up to IDR 68.7 trillion per year. The findings were announced by the Tax Justice Network which reported that due to tax evasion, Indonesia is estimated to suffer losses of up to US$ 4.86 billion per year. The figure mentioned above is equivalent to IDR 68.7 trillion when using the rupiah exchange rate at the closing on the spot market of IDR 14,149 per United States (US) dollar. In the Tax Justice Network report entitled The State of Tax Justice 2020: Tax Justice in the time of Covid-19, it was stated that of this figure, as much as US$ 4.78 billion, equivalent to Rp. 67.6 trillion, was the result of corporate tax evasion in Indonesia. Meanwhile, the remaining US$ 78.83 million or around Rp 1.1 trillion came from individual taxpayers. Suryo stated that to minimize tax avoidance, his party needs to supervise transactions that involve special transactions. Suryo said that in general tax avoidance arises because of transactions that occur between parties who have special relationships both domestically and abroad (Suryo Utomo, 2020:24) (nasional.kontan.co.id).

Whereas in 2020 the first semester's tax revenue contracted by up to 12%. Deposits from all major business sectors came under pressure. The fiscal performance in the first half of 2020 became the main topic in the national media today, Friday (10/7/2020). The Minister of Finance Sri Mulyani Indrawati explained that the realization of tax revenue until the end of June 2020 was valued at IDR 531.7 trillion, down 12% compared to the same period last year of IDR 604.3 trillion so that revenue from all major business sectors was still experiencing a stretch. Tax revenue from the processing industry, which contributed 29.0%, was

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

recorded to have decreased by 12.8% in semester I/2020. Furthermore, revenue from the trade sector which contributed 19.7% recorded a decline of 13.4%. A significant decrease occurred in revenue from the mining sector, which was 35.8%. Meanwhile, tax revenues from the construction and real estate, transportation and warehousing sectors, as well as financial services and insurance decreased to 11.8%, 4.4% and 3.1% respectively (DDTC News)

Tax evasion is engineering 'tax affairs' where the actions remain within the framework of tax provisions (lawful). The practice is usually carried out by exploiting the weaknesses of the tax law but not violating the tax law. Tax Avoidance is legal while tax evasion is illegal. The difference between the two is on the legal side. Tax Avoidance is often carried out by taxpayers when the Tax Assessment Letter has not been issued. So that indirectly taxpayers who practice tax avoidance do not support the purpose of establishing a tax law (www.pajakku.com).

In fact, in recent years, the tax authorities (tax officials) have made every effort to enforce definite boundaries between tax avoidance and tax evasion (Mahdiana & Amin, 2020). One of the factors that can influence the occurrence of tax evasion is the company ownership structure, one of which is family ownership (Mustika, 2017). According to data from the Indonesian Institute for Corporate and Directorship, more than 95 percent of businesses in Indonesia are family-owned companies. A company can be categorized as having a family ownership structure if there are shareholders who have controlling power, either one individual or several individuals who are still in the same family.

There are two different arguments that explain the relationship between family ownership and tax avoidance. The first argument explains that family-owned companies are companies that care about the continuity and reputation of the company, which makes them more aggressive in taxation compared to non-family companies. However, the second argument shows that family ownership creates a conflict of interest between majority and minority shareholders where the majority shareholder wants to get more profits so that they are less aggressive in their tax actions (Maharani & Juliarto, 2019).

Companies that do tax avoidance can be seen from the policy actions taken by the company. One of these funding policies is leverage. Leverage is one of the financial ratios that provides an overview of the relationship between a company's debt to capital and company assets (Putri & Putra, 2017). The leverage ratio describes the use of operating funds within the company. The leverage ratio also shows the risks faced by the company. Therefore, the higher the leverage, the higher the level of risk experienced by the company. If a company is already in debt, then there is an obligation to pay back the principal and interest periodically. High interest costs lead to reduced corporate tax burden. This relates to tax avoidance activities in that decisions taken by companies affect the results of research on leverage on tax avoidance.

Corporate Social Responsibility (CSR) is one of the behaviors in committing to business activities to act ethically, contribute to economic development, and improve the quality of life of workers and society (AW. Fitri et al, 2019). According to legitimacy theory, companies carry out CSR activities as a way to gain legitimacy from society. Disclosure of corporate social responsibility is seen as a process of company communication to the wider community regarding social and environmental impacts arising from economic activities (Safitri & Muid, 2020).The concept of CSR is a corporate responsibility that must be given by the company to its stakeholders. One of these forms of responsibility is the company's responsibility to the government in terms of paying taxes (Dewi & Khafi, 2018).

Institutional ownership is considered to be able to moderate the effect of family ownership, leverage and corporate social responsibility on tax avoidance. Institutional ownership has an important role in minimizing agency conflicts that occur between managers and shareholders. According to Fadillah (2018), institutional ownership is company shares owned by institutions or institutions (insurance companies, banks, investment companies and other institutional ownership). The existence of institutional ownership can also provide a role for companies in monitoring, disciplining, and supervising companies so they don't do anything negative in them.

Institutional shareholders who have low resources can be the cause of tax avoidance. External shareholders hold managers' attitudes that can lead to conflict with shareholders, then, family ownership creates conflicts of interest between majority and minority shareholders, then those who want to get the maximum profit from debt which will pose a greater risk to the company, as well as to corporate responsibility by not giving importance to the community or the government concerned. External shareholders prefer guaranteed prosperity from a company. Ownership of shares owned by an institution is

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

expected to provide a role in supervising, monitoring, disciplining a company so that it does not do things that can be detrimental.

The relationship between family ownership and tax avoidance has been studied by (Widyari & Rasmini, 2019) and (Maharani & Juliarto, 2019) but with different research results. Widyari and Rasmini explained that family ownership has a positive effect on tax aggressiveness. Maharani and Juliarto's research explains in contrast that family ownership proxied from the percentage of shares owned by individuals or groups of individuals with the same family name has a negative but not significant effect on tax avoidance. Then research conducted by Rianda (2021) entitled Effects of Profitability, Leverage, and Sales Growth on Tax Avoidance with Institutional Ownership as Moderating Variables, states that leverage and institutional ownership have no effect on tax avoidance. However, this is not in line with the research of Mahdiana & Amin (2020), which shows that leverage has a significant positive effect on tax avoidance and the research by Prasetyo & Pramuka (2018) shows that institutional ownership has a significant effect on tax avoidance. In Amalia's research (2019) with the title Disclosure of Corporate Social Responsibility (CSR) and Tax Avoidance: Institutional Ownership as a Moderating Variable, it shows that corporate social responsibility has a positive influence on tax avoidance. However, this is not in line with Dharma & Noviari's research (2017) which states that corporate social responsibility has a negative effect on tax avoidance. This shows that the higher the level of CSR disclosure by a company, the lower the practice of tax avoidance.

Companies in the chemical and mining industry sector that are listed on the IDX are industries that are very superior and have recorded good growth. This is shown from the data submitted by the Minister of Industry Agus Gumiwang Kartasasmita at the Year-End 2021 Press Conference in Jakarta, Wednesday (29/12) that "In terms of achieving export values, the contribution of the manufacturing industry sector continues to increase even in the midst of a pandemic. The export value of the manufacturing industry in January - November 2021 reached USD 160 billion or contributed 76.51 percent of total national exports. This figure has exceeded the achievement of manufacturing exports throughout 2020 of IDR 131 billion, and is even higher than the export achievement in 2019." (kemenperin.co.id).

In the mining industry, the Central Statistics Agency (BPS) noted that the mining and quarrying sector recorded positive growth of 4 percent throughout 2021. Furthermore, Indonesia's economic growth throughout 2021 was recorded at 3.69 percent. The statement illustrates that mining is also one of the pillars of the country's economic development, namely as a provider of energy resources that are very necessary for the growth of the Indonesian economy. The relationship between this object and tax avoidance is that sales growth in companies in the industrial, chemical and mining sectors greatly influences tax avoidance (Mayuni, 2020). The research explains that sales growth in a company can be used to measure a company's performance. The growth and governance of a company can also be used as an indicator determining the status of the company. The better the growth and governance of a company, it will be able to minimize tax evasion by a company.

According to the Capital Market Act No. 8 of 1995, it is explained that a Stock Exchange is "a party that organizes and provides systems and or facilities to bring together offers of buying and selling securities of other parties with the aim of trading securities between them". In general, a stock exchange is an institution/company as a facility provider (market) that brings together offers of buying and selling of securities as seen in the purpose of trading the securities of companies listed on the exchange.

Based on the phenomena and results of the research above, as well as on Amalia's research (2019) with the title "Disclosure of Corporate Social Responsibility and Tax Avoidance: Institutional Ownership as a Moderating Variable" and Salsabila's research (2020), the researcher will redevelop previous research, by adding variables and changing the research time period according to suggestions from previous studies. This is what underlies researchers to conduct research related to "The Influence of Family Ownership, Leverage, and Disclosure of Corporate Social Responsibility on Tax Avoidance with Institutional Ownership as a Moderating Variable." The study was conducted on Industrial, Chemical and Mining Sector Companies Listed on the Indonesian Stock Exchange in 2021). Institutional ownership is used as a moderating variable because shareholders are considered to be able to supervise managers in managing the company.

LITERATURE REVIEW

1. Agency Theory

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Agency theory is a concept that explains the contractual relationship between principal and agent. Agency theory describes managers as agents and shareholders as actors. This theory arises when business activities are not always managed directly by the owner of the entity, and when management tasks are left to agents (KSAP.org). The principal is the party that gives the mandate to the agent to carry out all activities on behalf of the principal in his duties as a decision maker and what is meant by the principal is the shareholder or owner of the company. While the agent in this study is a manager who is obliged to manage the company in accordance with the mandate given by the principal (A. Fahmi, 2018).

Inconsistency of information regarding the principal and agent causes a conflict of interest. Conflicts of interest are referred to by agencies, namely all individuals acting in their own interests. One of the most efficient ways to reduce conflicts of interest and ensure the achievement of company goals, requires the existence of regulations and effective control mechanisms by directing the company's operational activities and the ability to identify parties who have different interests (Ardiani & Sudana, 2018). These activities can be generated through the disclosure of Corporate Social Governance which is one of management's commitments to improve its performance, especially for social performance.

Agency theory assumes that the one who knows more about the real condition of the company is the agent, because the agent has a direct role in operating the company. While the principal only knows the information provided by the agent. This can lead to conflict between the agent and the principal if the agent provides information that is not in accordance with the actual state of the company for his own interests. However, according to Maharani and Juliarto (2019) in family ownership there is a unique conflict of interest, where the conflict of interest of the majority shareholder and minority shareholder is greater than the agency conflict of interest between the owner and the manager. This is because the majority shareholder in the form of a family occupies a position in top management.

Furthermore, leverage is a description of the company's use of debt in financing its operational activities. The link with agency theory is the relationship between the shareholder (principal) and the manager (agent) which describes a manager using debt for the company's operational costs. The greater the amount of debt, the less taxable profit because the greater the tax incentive on debt interest. The higher the interest expense, the lower the company's tax burden so that the higher the leverage ratio, the lower the tax evasion by the company.

Institutional ownership is referred to as part of corporate governance. According to Prasetyo and Pramuka (2018), institutional ownership is share ownership owned by government institutions, financial institutions, foreign institutions, trust funds, legal entities, and other institutions. Institutional ownership plays a role as a party that oversees companies in properly controlling management actions in tax avoidance practices (Sari & Kinasih, 2021). External shareholders monitor the attitude of managers who want to get the maximum profit, while internal shareholders want guaranteed welfare from a company.

2. Legitimacy Theory

According to Dowling and Pfeffer (1975) in Safitri and Muid (2020), explains that the theory of legitimacy in companies will try to harmonize the social values contained in company activities with the norms that apply in the social environment where the company is included in the social environment. in part. In gaining legitimacy from the community, companies can carry out corporate social responsibility (CSR) activities. There are three aspects to corporate social responsibility (CSR), namely profit (profit), humanity, and the environment. The concept of legitimacy shows that there is a company's responsibility to society, the company will also realize its survival which is related to the company's value in the eyes of society. The company will gain legitimacy if the existence of the company does not interfere and is in accordance with the norms or value systems that apply in society and the environment.

3. Stakeholder Theory

According to Donaldson and Preston (1995) in Safitri and Muid (2020) states that in stakeholder theory, the performance of a company is influenced by all stakeholders so that it is the responsibility of company management to provide benefits to all stakeholders that affect company performance. Stakeholder theory states that all parties affected by the company's activities will be the responsibility of the company. The government is one of the company's stakeholders acting as a regulator. Companies are required to be able to take responsibility for all their activities to stakeholders, one of which is a form of social responsibility known as corporate social responsibility (CSR). The relationship between CSR and tax avoidance can be explained that corporate social responsibility (CSR) is the company's responsibility to

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

stakeholders through the government. According to Dharma and Noviari (2017), CSR activity is an action that not only considers social but also economic, environmental and other impacts of the company's own actions as a form of responsibility to stakeholders.

4. Tax Avoidance

One of the strategies used by taxpayers to reduce the tax burden is companies that practice tax avoidance. The involvement of companies in tax avoidance practices is something the government does not want. However, according to Dharma and Noviari (2017), the benefits of paying taxes to the government do not provide direct benefits, so companies object to having to pay taxes. The company's efforts to optimize company profits are still known as the company's reason for tax evasion which is considered quite bad by the public. Nevertheless, tax avoidance is a way to reduce taxes which are still within tolerance limits with the provisions of the tax law and cannot be blamed for through tax planning (Ependi, 2020).

According to Skundarian (2020), there are several strategies that can streamline the tax burden from various literature which can be described as follows: First is Selecting the location of the company to be established. In general, the government provides some sort of tax incentive/taxation facility especially for certain areas (for example in areas in Eastern Indonesia), many income tax reductions are provided as referred to in article 26 of Law Number 7 of 1983 which has been amended most recently by law (law number 17 of 2000). In addition, facilities are also provided such as accelerated depreciation and amortization, compensation for losses that take Then, the second is longer than they should, and so on. By taking maximum or maximum benefit from the various exemptions, deductions or reductions on taxable income allowed by law. If it is known that the company's taxable income (profit) is large and will be subject to the highest/highest tax rates, then the company should spend some of the company's profits on things that are directly beneficial to the company, provided that the costs incurred are deductible costs. in calculating taxable income. The costs referred to are the costs for research and development, employee education and training costs, office repair costs, marketing costs, and other costs that can be utilized. This depends on the type of business and applicable tax laws.

Then, Providing benefits to employees in the form of money or in kind and enjoyment. This is an option to avoid layers of maximum tax rates. Basically gifts in the form of benefits/kind can be counted as expenses by the employer as long as the gifts are calculated as taxable income for the employees who receive them. The fourth is the Selection of inventory valuation methods. There are two inventory valuation methods permitted by tax regulations, namely the average method and the first-in-first-out method. In economic conditions that tend to experience inflation, the average method will produce a higher cost of goods sold than the FIFO method. A higher cost of goods sold (HPP) will result in a smaller gross profit so that taxable income will also be smaller.

5. Family Ownership

Family ownership is one of the company's ownership structures based on being run based on heredity or inheritance from people who have run it or by families who openly pass on the company to the next generation (Morck and Yeung, 2004). Companies that are managed or controlled by families, states or financial institutions, have fewer agency problems than companies that are controlled by the public or companies without a primary controller. Family companies have an important role for the economy both locally and regionally because they can provide permanent economic stability (Saputra et al, 2019).

6. Leverage

Leverage is a financial ratio that provides an overview of the relationship between a company's debt to capital and company assets Rianda (2021). The leverage ratio is used to calculate company financing obtained from debt. The leverage ratio describes the use of operating funds within the company. The leverage ratio also shows the risks faced by the company. Therefore, the higher the leverage, the higher the level of risk experienced by the company. If a company is already in debt, then there will be an obligation to pay back the principal and interest periodically. Efforts made by companies to reduce the level of risk are in various ways in which these methods can seek additional profits.

7. Disclosure of Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a form of corporate social responsibility for all its activities towards stakeholders (Fitri et al, 2019). Corporate Social Responsibility (CSR) is a form of business activity commitment to act ethically, contribute to economic development, and improve the quality of life of workers and society. Thus, companies are expected not only to carry out business activities to gain profit, but also to

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

consider the progress, goodness and welfare of society by participating in social activities in overcoming economic and social disparities.

In regulating corporate social responsibility (CSR), the government issues legislation, namely as follows.

a) Law Number 40 of 2007 concerning Limited Liability Companies.

b) Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies.

Companies that are consistent in implementing CSR in each of their activities for a long period of time will gain more trust from stakeholders (corporate image) and appreciation from the community for the company concerned. CSR is not only seen as a mere cost, but also as a long-term investment for the company concerned. The development and existence of a company cannot be separated from its external environment, there is a reciprocal relationship between the two.

8. Institutional Ownership

Institutional ownership has an important role in minimizing agency conflicts that occur between managers and shareholders. According to Prasetyo and Scouts (2018), institutional ownership is company shares owned by institutions or institutions (insurance companies, banks, investment companies and other institutional ownership). The existence of institutional ownership can provide a role for companies in monitoring, disciplining, and will encourage more optimal monitoring of employee performance.

Institutional shareholders who have low resources can be the cause of tax avoidance. External shareholders hold the attitude of managers who want to get the maximum profit while shareholders prefer guaranteed prosperity from a company. Ownership of shares owned by an institution is expected to provide a role in supervising, monitoring, disciplining a company so that it does not do things that have a negative impact on the company.

RESEARCH METHODS

A. Type of Research

This type of research is associative research which aims to analyze the relationship between a variable and other variable. The relationship in question can be in the form of an ordinary relationship (correlation), or a causal relationship (causality) (Ulum & Juanda, 2018). This study uses 3 (three) variables, namely the independent variable in the form of family ownership, leverage and corporate social responsibility (CSR), the moderating variable, namely institutional ownership, and the dependent variable in the form of tax avoidance

B. Population and Sampling Technique

The population in this study are companies in the industrial, chemical and mining sectors which are listed on the Indonesia Stock Exchange (IDX) in 2021. The sampling technique in this study used a purposive sampling technique, which is a sample determination based on certain considerations and criteria. These criteria are as follows.

1. Companies in the industrial, chemical and mining sectors listed on the Indonesia Stock Exchange (IDX) in 2021
2. The company has CALK and an annual report for 2021
3. The company has a family relationship in terms of share ownership of at least 5% during one period in 2021
4. Companies that consistently disclose Corporate Social Responsibility in their annual reports during one period in 2021

C. Operational Definition and Variable Measurement

This study has 3 (three) variables, namely the independent variable/free variable such as profitability, leverage, and corporate social responsibility, the dependent variable/dependent variable in the form of tax avoidance, and finally the moderating variable in the form of institutional ownership.

1. Independent Variable

a. Family Ownership

According to Morck and Yeung (2004), family ownership is a company ownership structure based on being run by descent or inheritance from people who have run it or by families who openly pass on the company to the next generation. According to the Decree of the Directors of PT. Indonesia Stock Exchange, share ownership is set at a minimum of 5% due to Indonesian Stock Exchange regulations requiring shares with

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

5% ownership to be included in the financial statements (Indonesia Stock Exchange). In its measurement, family ownership is measured using a dummy variable in family owned companies and there are family members who are part of the management which has a value of 1 if the proportion of family ownership is ≥ 5%, and a value of 0 otherwise.

b. Leverage

According to Rianda (2021), Leverage is a ratio that describes the amount of debt owned by a company or the level of debt used by a company to finance its operating activities. In their calculations, researchers use the Debt To Equity Ratio (DER). DER describes the company's ability to fulfill all of its obligations which is shown through the amount of capital used to cover debts to outsiders (Jamaludin, 2020). The debt to equity ratio (DER) is measured using the debt to equity ratio formula as follows.

$$DER = \frac{\text{Total Liabilities}}{Total\ Equity} x\ 100\%$$

The leverage ratio shows the risks faced by the company. Therefore, the higher the leverage, the higher the level of risk experienced by the company. Because a company is already in debt, there will be an obligation to pay back the principal and interest periodically. Thus the efforts made by the company to reduce the level of risk are in various ways in which these methods can seek additional profits. Companies with DER below 60% are financially sound companies.

c. Disclosure of Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a form of fulfilling social responsibility to stakeholders for business actions carried out by the company, so that the company's goal is not only for profit but also for the environment. In its calculations, CSR in this study refers to the Standard Global Reporting Index (GRI) using 77 CSR disclosure indicators. Disclosure is done by matching the items on the check-list with the items disclosed by the company. If one of the items (item y) is disclosed then it has a value of 1, if item y is not disclosed then it has a value of 0 on the check-list. According to Nugraha and Meiranto (2015), the results of item disclosure obtained from the company's annual report are calculated by measuring the CSRDi index by using the following formula.

$$CSRDi = \frac{\sum Xi}{n}$$

1. **Information :**
2. CSRDi = Corporate CSR Disclosure i
3. ∑Xi = Number of company items worth 1 in company i
4. n = Total number of company items/CSR disclosure indicators (n=77)

2. Dependent Variable

The dependent variable in this study is tax avoidance. Tax Avoidance is an action or company effort to legally minimize the amount of tax paid by exploiting weaknesses or loopholes in the Tax Law. Tax avoidance measurement in this study uses the Cash Effective Tax Rate (CETR). The formula for CETR is as follows.

$$CETR = \frac{Cash\ Tax\ Paid}{Pre\ tax\ income}$$

Information:

CETR = Cash Effective Tax Rate
Cash Tax Paid = Tax paid by the company
Pre-Tax Income = Profit Before Tax

CETR shows the amount of tax that has actually been paid and can assess tax payments from the cash flow statement, so that you can find out how much cash was actually issued by the company. The measurement is if the greater the Cash ETR indicates that the lower the level of tax avoidance by the company.

3. Moderation Variable

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

The moderating variable in this study is institutional ownership. According to Fadillah (2018), institutional ownership is company shares owned by institutions or institutions (insurance companies, banks, investment companies and other institutional ownership). Institutional Ownership is measured using the following formula:

INST= (Total Institutional Shares)/(Total Outstanding Shares)

Measurement of institutional shares can be seen if the INST value is ≥ 50%, then the company has good supervision.

D. Data Types and Sources

The type of data used in this research is using secondary data. The secondary data in this study is in the form of annual report data for industrial, chemical and mining companies listed on the Indonesia Stock Exchange (IDX) in 2021. The data source used in this research is from the IDX website (www.idx .co.id).

E. Data collection technique

The data collection technique in this study is by means of documentation. Documentation is a data collection technique by recording or copying information or data that is in accordance with the research. Documentation is obtained from the source for further management and analysis. The documentation study is carried out by downloading secondary data, namely the annual report in 2021.

F. Data analysis technique

Data analysis techniques in this study through the following process.

Descriptive Statistical Analysis

Descriptive analysis in this study uses descriptive statistics to show the minimum, maximum, average and standard deviation. In the statistical analysis of this study using multiple linear regression analysis. According to Reinaldo (2017), the data analysis method aims to determine the effect of many independent variables on the dependent variable so that it uses multiple linear regression analysis.

Classic assumption test

The classical assumption test is to provide certainty that the multiple linear regression equation obtained has accuracy in estimation, is not biased, and is consistent.

Multicollinearity Test

Multicollinearity test is to test whether there is a correlation between independent variables. Whether there is multicollinearity can be seen through the correlation matrix between independent variables. The method used to determine whether or not multicollinearity exists in regression is by looking at the tolerance value and its opposite variance inflation factor (VIF). If the model coefficients limit the tolerance value > 0.10 or the VIF value < 10, then it can be said that multicollinearity does not occur (Mahdiana and Amin, 2020).

Determination Coefficient Test

The R2 test or Determination Test is an important measure in regression, because it can inform whether the estimated regression model is good or not, or it can be said that this number can measure how close the estimated regression line is to the actual data. The coefficient of determination is between 0 and 1. The small value of R2 means that the ability of the independent variable to explain the dependent variable is very limited. Values close to one indicate that the independent variables provide almost all the information needed in predicting the dependent variable (Ghozali, 2006).

RESULT AND DISCUSSION

RESULT

The objects used in this study are companies in the chemical and mining industry sectors that are listed on the IDX. Based on data obtained from the website www.idx.co.id (Indonesia Stock Exchange), there are 115 companies in the basic industrial, chemical and mining sectors listed on the IDX. The sample in this study was determined based on purposive sampling. Based on these criteria based on the sample selection criteria, the final sample is obtained as follows:

Based on the sample selection process above, the final results of the selection resulted in 34 companies meeting predetermined criteria. Companies that meet the sample criteria are companies listed as table 1.1, 1.2., and 1.3 as follows:

Table 1.1. sample criteria

Sample criteria	**Numbers of Company**

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

Sample Selection Process	126
Sample Criteria Numbers of Companies	(8)
Companies in the basic industrial, chemical and mining sectors listed on the IDX in 2021 126	(66)
Companies that do not have CALK and annual reports for 2021 (8)	(18)
Research Sample	34

Source: Data processed by researchers, 2022

Table 1.2 List of Company Samples in Basic Industry and Chemical Sector

No.	**Code of Company**	**Name of company**
1	AGII	Aneka Gas Industri Tbk
2	ALDO	Alkindo Naratama Tbk
3	ALKA	Alakasa Industrindo Tbk
4	ARNA	Arwana Citramulia Tbk
5	BAJA	Saranacentral Bajatama Tbk
6	CPIN	Charoen Pokphand Indonesia Tbk
7	CPRO	Central Proteina Prima Tbk
8	EKAD	Ekadharma International Tbk
9	EPAC	Megalestari Epack Sentosaraya Tbk
10	ESIP	Sinergi Inti Plastindo Tbk
11	FASW	Fajar Surya Wisesa Tbk
12	GGRP	Gunung Raja Paksi Tbk
13	INCI	Intanwiaya International Tbk
14	JPFA	Japfa Comfeed Indonesia Tbk
15	KDSI	Kedawung Setia Industrial Tbk
16	LMSH	Lionmesh Prima Tbk
17	MAIN	Malindo Feedmill Tbk
18	MLIA	Mulia Industrindo Tbk
19	PBID	Panca Budi Idaman Tbk
20	SRSN	Indo Acidatama Tbk
21	TALF	Tunas Alpin Tbk
22	TPIA	Chandra Asri Petrochemical Tbk

Source: www.idx.co.id *(Indonesia Stock Exchange)*

Table 1.3. List of Sample Mining Sector Companies

No.	**Kode Perusahaan**	**Nama Perusahaan**
1	ARTI	Ratu Prabu Energi Tbk
2	DKFT	Central Omega Resources Tbk
3	DOID	Delta Dunia Makmur Tbk
4	DSSA	Dian Swastatika Sentosa Tbk
5	GEMS	Golden Energi Mines Tbk

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

6	HRUM	Harum Energy Tbk
7	INCO	Vale Indonesia Tbk
8	INDY	Indika Energy Tbk
9	PTBA	Bukit Asam Tbk
10	PTRO	Petrosea Tbk
11	SMMT	Golden Eagle Energy Tbk
12	ZINC	Kapuas Prima Coal Tbk

Source: www.idx.co.id *(Indonesia Stock Exchange)*

Data Analysis and Hypothesis Testing
1. Descriptive Statistical Analysis

Descriptive statistics are statistical analysis regarding the characteristics of the amount of data, minimum values, maximum values, averages, and the results of multiple linear regression of each variable. Descriptive statistical results and regression obtained from tests conducted with the Partial Least Square (PLS) program. The descriptive statistics table is as follows:

Table 1.4
Descriptive Statistics

	Mean	*Median*	*Min*	*Max*	*Standard Deviation*
X_1	0,529	1,000	0,000	1,000	0,499
X_2	1,371	0,795	0,131	7,544	1,638
X_3	0,513	0,545	0,234	0,857	0,144
Z	0,618	0,659	0,000	1,000	0,265
Y	0,232	0,189	0,002	0,855	0,222

Source: Data processed PLS 3.2.9, 2022

Information:

X1: Family Ownership

X2: Leverage

X3: Corporate Social Responsibility

Z: Institutional Ownership

Y: Tax avoidance

Based on the descriptive statistics table 4.4 above, it can be seen that the results of the statistical test for Family Ownership (X1) have a minimum value of 0.00, which means that the company is not a family owned company because the measurement in the dummy variable is that the company can be recognized as family owned if the shares are owned > 50%. Meanwhile, the maximum value of the family ownership variable is 1 with a standard deviation of 0.499.
Leverage (X2) with a Debt To Equity Ratio (DER) ratio produces an average value of 1.371 with a median value of 0.795 and a standard deviation value of 1.638. The minimum value for this variable is 0.131 which is owned by the company Ekadharma International Tbk. and a maximum value of 7,544 which is owned by the company Ratu Prabu Energi Tbk.
Corporate Social Responsibility (X3) with CSRDi measurements has an average value of 0.513 and a median value of 0.545. The minimum value for this variable is 0.234 or 23% which is owned by the Sinergi Inti Plastindo Tbk company. and a maximum value of 0.857 or 86% owned by the Bukit Asam Tbk company. CSR Standard Deviation of 0.144.
Institutional Ownership (Z) has an average value of 0.618, a mean value of 0.618 and a standard deviation of 0.265. The minimum value for this variable is 0.000 for the company Saranacentral Bajatama and the

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

maximum value is 1.000 for the company Gunung Raja Paksi Tbk., Golden Energy Mines Tbk., and Vale Indonesia Tbk. Companies with maximum value have the largest institutional ownership shares.
Tax Avoidance has a minimum value of 0.002 which is owned by the company Ratu Prabu Energi Tbk. and a maximum value of 0.855 is owned by the Bukit Asam Tbk company. Then the average value (mean) is 0.232 with a median value of 0.189 and the standard deviation in the industrial, chemical and mining sectors in 2021 is 0.222.
1. Classical Assumption Test Results
Multicollinearity Test
The multicollinearity test aims to test whether in the regression model there is a correlation between predictor variables. According to Musyarrofah & Amanah (2017), multicollinearity can be detected by looking at the Tolerance (TOL) and Variance Inflation Factor (VIF) values. If the TOL value is < 0.10 or the VIF value is > 10, it indicates that there are symptoms of multicollinearity. The results of the multicollinearity test in this study are as follows:

Table 1.5 Multicollinearity Test Results

Model	*Collinearity Statistics* *Tolerance*	*VIF*
X_1	1.011	1.020
X_2	1.060	1.165
X_3	1.051	1.114
Moderasi		1.024

Dependent Variable : CETR
Source: data processed PLS 3.2.9, 2022

Based on table 1.5 above regarding the results of the multicollinearity test, it can be seen that the data does not have multicollinearity. This is because the TOL value at X1 is 1.011, X2 is 1.060, X3 is 1.051 with the VIF value X1 is 1.020, X2 is 1.165, X3 is 1.114, and Moderation is 1.024 where the TOL value is > 0.1 and the VIF value is <10

2. Test the Coefficient of Determination (R2)

According to Musyarrofah & Amanah (2017), the coefficient of determination test (R2) is used to determine the amount of contribution between variables. Values range between 0 and 1. The testers in this study used R Square. The results of the measurement of the coefficient of determination test can be seen in the following table:

Table 1.6
Test Results for the Coefficient of Determination (R2)

Model	R.Square
Tax Avoidance	0.062

Source: data processed PLS 3.2.9, 2022

Based on table 4.6 above, the resulting R Square result of 0.062 indicates that the effect of family ownership, leverage, and disclosure of corporate social responsibility on tax avoidance is 6%, while the remaining 94% is explained and influenced by other variables outside this study.

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

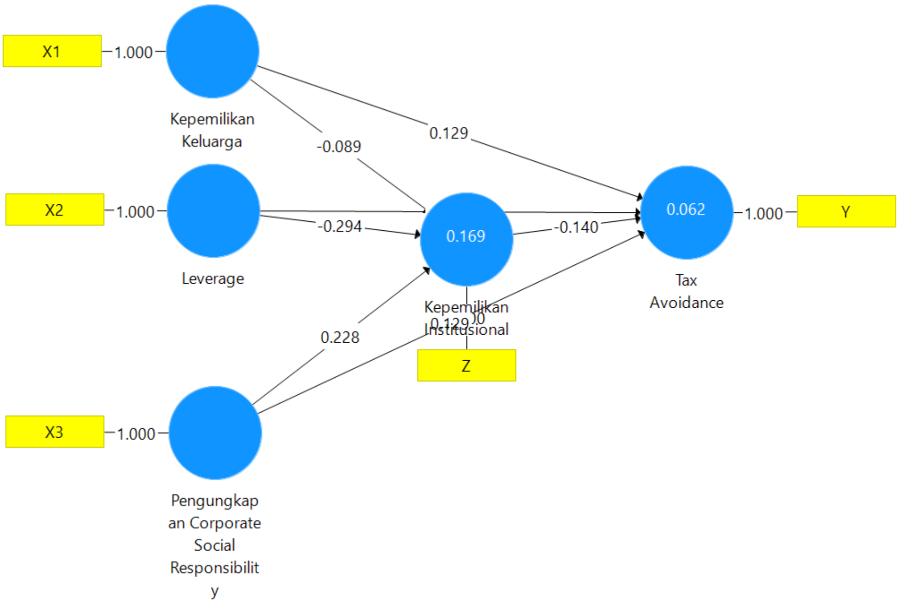

Figure 1.1 PLS Algorithm

Source: PLS Output 3.2.9

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

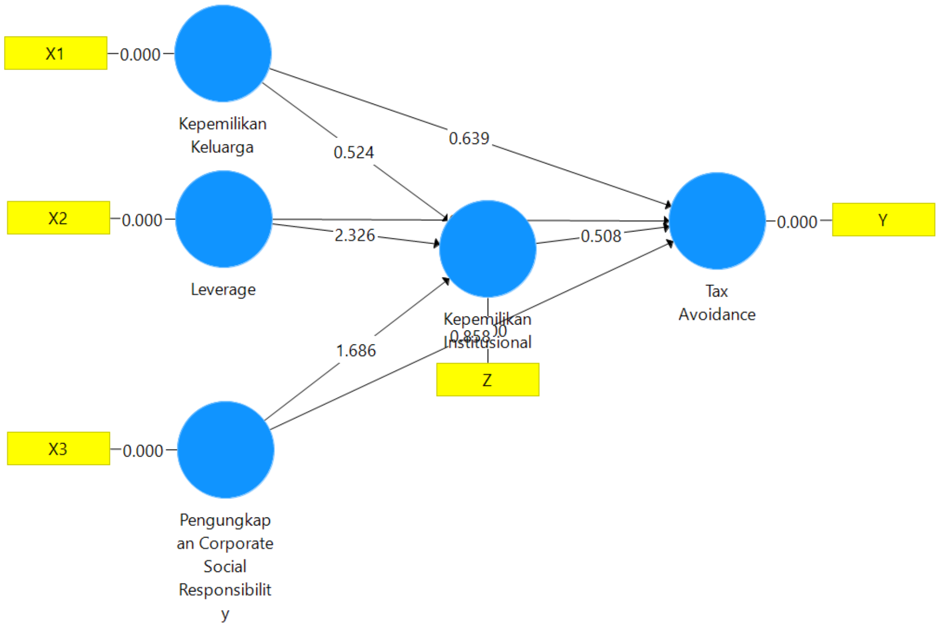

Figure 1.2 Testing Boostrapping
Source: PLS Output 3.2.9

In this study using regression analysis to determine whether there is or not the influence of the independent variables on the dependent variable. The equation used in this study is $Y= \alpha+\beta_1 X_1+\beta_2 X_2+\beta_3 X_3+\beta_4 Z_4+\varepsilon$. Therefore, in the image evaluation model (inner model) above, it is carried out to see the significance value to determine the relationship between variables through the boostrapping procedure (Abdillah, 2015). In this study, the significance value used is (two-tailed) t-value > 1.69 (significance level) = 5%. Table 4.7 below is the output of t-statistics using SMART PLS 3.2.9:

Table 1.7 Indirect Effects

	Specific Indirect Effects
Family Ownership --> Institutional Ownership -->Tax Avoidance	0,013
Leverage --> Institutional Ownership --> Tax Avoidance	0,041
Disclosure of Corporate Social Responsibility --> Institutional Ownership --> Tax Avoidance	-0,032

Based on the two pictures above, it can be seen that the effect of family ownership on tax avoidance with institutional ownership as a moderating variable produces an indirect effect of 0.013, leverage on tax avoidance with institutional ownership as a moderating variable produces an indirect effect of 0.041, while disclosure of corporate social responsibility (CSR) produces an indirect effect of -0.032. This shows that family ownership and leverage have an effect on tax avoidance, while corporate social responsibility has no effect on tax avoidance.

Agency theory explains that the existence of share ownership owned by management will reduce agency costs which are able to align the interests of management with other shareholders (Jensen and Meckling, 1976). One of these shares ownership is in companies with majority shares owned by the family.

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

DISCUSSION

The Effect of Family Ownership on Tax Avoidance

From the explanation of the results of the data above, it can be seen that tax avoidance has a positive effect on tax avoidance. The results showed that the higher the family ownership, the lower the resulting CETR. The lower the CETR value indicates the higher the level of tax avoidance by a company. According to Widyari & Rasmini (2019) explained that the positive effect occurs because tax evasion by family companies is not only used for tax savings, but also reduces rent extraction. Rent extraction can be considered as an agency cost for the company. Meanwhile, according to (Oktavia & Hananto, 2018) the size of family ownership in the company has an impact on management activities to carry out tax activities.

In positive accounting theory it is explained how company management takes action in financial reporting. The management of a company can be influenced by the majority shareholder who is a family member in taking all actions, one of which is tax avoidance. Families with the majority shareholder of the company have the right to make greater decisions than other shareholder. These conditions can determine the direction of policy taken by the family in the future. So it can be concluded that the results of the first hypothesis (X1) are rejected.

Effect of Leverage on Tax Avoidance

In the results of the data above, it can be seen that the company's leverage has a positive effect on tax avoidance. This result is in line with the trade-off theory, that the large value of leverage will increase tax avoidance in the company if interest expenses arising from the use of debt are included in expenses that can reduce taxable income (deductible expense). Measurements made using the cash effective tax rate (CETR) show that leverage has a positive effect on tax evasion. In line with positive accounting theory which explains how company management uses the most appropriate accounting method to take action in financial reporting. According to Widyari & Rasmini (2019), the funding decision policy set by the company can be described through the leverage ratio owned by the company.

Companies that have high tax obligations will choose to take on debt in order to reduce taxes. Companies with high debt-to-asset ratios indicate that the amount of financing from third party debt is also high and the interest expense arising from these debts increases. Therefore, the higher the interest rate, the greater the profit the company will get from using this debt, which can reduce the taxes charged due to high interest. (Firdayanti et al., 2020). Thus the second hypothesis is rejected.

The Effect of Corporate Social Responsibility on Tax Avoidance

From the results above, it can be concluded that corporate social responsibility has no effect on tax avoidance. According to legitimacy theory, companies carry out CSR activities as a way to gain legitimacy from society. Disclosure of corporate social responsibility is seen as a process of company communication to the wider community regarding social and environmental impacts arising from economic activities (Safitri & Muid, 2020). This is supported by research conducted by (Firdayanti et al., 2020) (Sandra and Anwar, 2018) which states that corporate social responsibility (CSR) has a negative effect on tax avoidance. According to Firdayanti and Sandra, companies that disclose corporate social responsibility tend not to do tax evasion.

Based on the stakeholder theory, carrying out company operations must prioritize the interests of all parties affected by the company's operations, such as the public, government, consumers, suppliers, creditors, and other parties. When tax obligations are carried out, the company has directly participated in national development in order to improve people's welfare. The concept of CSR is a corporate responsibility that must be given by the company to its stakeholders. One of these forms of responsibility is the company's responsibility to the government in terms of paying taxes. In legitimacy theory, CSR is a way to build positive legitimacy in society. If the company commits tax avoidance, it will damage the positive image that has been built by the company. Thus the third hypothesis is accepted.

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

The Influence of Institutional Ownership as a Moderating Variable Influence of Family Ownership, Leverage, and Corporate Social Responsibility on Tax Avoidance

In the above research results it can be seen that institutional ownership strengthens the influence of family ownership, leverage, and corporate social responsibility. This is because family owned companies usually have conflicts between majority and minority shareholders (theory agency), but with more supervision than institutional ownership, this conflict will be reduced. Higher share ownership by institutions will increase oversight of management in preparing financial reports.

Supervision of management will be able to reduce the opportunism of managers in both family and non-family companies to be more careful in establishing a policy to maximize a company's performance and reduce the possibility of agency problems. There are indications of encouragement from institutional investors to prevent company managers from doing tax evasion so as not to harm the company's long-term viability. As stated in research (Firdayanti et al., 2020) that institutional ownership is able to create company control, especially in reducing the opportunistic actions of managers from both family and non-family companies who are more concerned with personal gain. Based on this explanation, institutional ownership is thought to strengthen the effect of family ownership on tax avoidance.

Then in positive accounting theory it is explained how company management uses the most appropriate accounting method to take action in financial reporting. In addition, companies that have high tax obligations will choose to take debt (leverage) in order to reduce taxes (Widyari & Rasmini, 2019). Facing these conditions, when institutional ownership becomes the majority shareholder in a company, the institutional ownership can control and supervise the management of activities that are personally beneficial. Thus institutional ownership strengthens the effect of leverage on tax avoidance.

According to Amalia (2019), apart from its duties as a means of supervision, institutional ownership can reduce the possibility of misuse of Corporate Social Responsibility (CSR) as a means of tax avoidance. As it is known that this CSR is something that must be done by companies as stated in Law no. 40 of 2007 article 66 paragraph 2c which states that "companies are required to disclose reports of social responsibility or corporate social responsibility (CSR) in annual reports.

This statement indicates that institutional ownership strengthens the effect of CSR on tax avoidance because institutional ownership has a 98% share of the total sample company research. This means that the proportion of share ownership from institutional parties is quite high which is expected to have the power to regulate and supervise the company's performance. This is in accordance with agency theory which explains that the important role that institutional ownership has in supervising and influencing management can avoid actions that can benefit personal and tax avoidance actions.

CONCLUSION

Based on the results of the analysis of testing the first hypothesis (H1) it can be concluded that family ownership has an effect on tax avoidance. This effect occurs because tax avoidance by family companies is not only used for tax savings, but also reduces rent extraction. Rent extraction can be considered as an agency cost for the company. In addition, this is in line with the agency theory that family ownership creates a conflict of interest between the majority and minority shareholders where the majority shareholder wants to get more profits as a result so that it is less aggressive in its tax actions

Then the results of the second hypothesis analysis (H2) can be concluded that leverage has an effect on Tax Avoidance. In line with the trade-off theory, that the large value of leverage will increase tax avoidance in the company if interest expenses arising from the use of debt are included in expenses that can reduce taxable income (deductible expense). Companies that have high tax obligations will choose to take on debt in order to reduce taxes.

Based on the results of testing the third hypothesis (H3) it can be concluded that corporate social responsibility has no effect on tax avoidance. This is because companies that disclose corporate social responsibility tend not to do tax evasion. In accordance with legitimacy theory, CSR is a way to build positive legitimacy in society. If the company commits tax evasion, it will damage the positive image that has been built by the company.

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

1 The results of testing the fourth hypothesis (H4) can be concluded that institutional ownership strengthens the influence of family ownership, leverage and corporate social responsibility on tax avoidance. This is due to the fact that institutional ownership has a 98% share of the total company research sample. This means that the proportion of share ownership from institutional parties is quite high in managing and supervising the company's performance. This statement is in accordance with agency theory which explains that the important role that institutional ownership has in supervising and influencing management can avoid actions that can benefit personal and tax avoidance actions.

REFERENCES

Abdillah, M. R. (2015). Pengaruh Kepemilikan Saham dan Kinerja Keuangan Terhadap Pengukuran Internet Financial Reporting (IFR) (Studi Empiris Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2013). *Dinamika Ekonomi Jurnal Ekonomi Dan Bisnis*, *8*(2), 20–39.

Amalia, F. A. (2019). Pengungkapan Corporate Social Responsibility (Csr) Dan Penghindaran Pajak: Kepemilikan Institusional Sebagai Variabel Moderasi. *JURNAL AKUNTANSI & EKONOMI FE. UN PGRI Kediri*, *4*(2), 14–23. www.mucglobal.com

Astriayu Widyari, N. Y., & Ketut Rasmini, N. (2019). Pengaruh Kualitas Audit, Size, Leverage, dan Kepemilikan Keluarga pada Agresivitas Pajak. *E-Jurnal Akuntansi*, *27*, 388. https://doi.org/10.24843/eja.2019.v27.i01.p15

Fadillah, H. (2019). Pengaruh Tax Avoidance Terhadap Nilai Perusahaan Dengan Kepemilikan Institusional Sebagai Variabel Moderasi. *JIAFE (Jurnal Ilmiah Akuntansi Fakultas Ekonomi)*, *4*(1), 117–134. https://doi.org/10.34204/jiafe.v4i1.1082

Firdayanti, N., Kiswanto, dan, Akuntansi, P., Ekonomi, F., Negeri Semarang Gedung, U. L., Unnes, F., & Sekaran, K. (2020). Keuangan dan Auditing. *Keuangan Dan Auditing*, *1*(2), 2723–2522. http://publikasi.dinus.ac.id/index.php/jaka

Indira Shinta Dewi, & Dita Nur Khafi. (2018). Faktor-Faktor Yang Mempengaruhi Pengungkapan Corporate Social Responsibility. *Jurnal Liabilitas*, *3*(1), 56–76. https://doi.org/10.54964/liabilitas.v3i1.32

Jamaludin, A. (2020). Pengaruh Profitabilitas (Roa), Leverage (Ltder) Dan Intensitas Aktiva Tetap Terhadap Penghindaran Pajak (Tax Avoidance) Pada Perusahaan Subsektor Makanan Dan Minuman Yang Terdaftar Di Bei Periode 2015-2017. *Eqien: Jurnal Ekonomi Dan Bisnis*, *7*(1), 85–92. https://doi.org/10.34308/eqien.v7i1.120

Maharani, W., & Juliarto, A. (2019). Pengaruh Kepemilikan Keluarga Terhadap Tax Avoidance Dengan Kualitas Audit Sebagai Variabel Moderating. *Diponegoro Journal of Accounting*, *8*(4), 1–10.

Mustika. (2017). Pengaruh Corporate Social Responsibility, Ukuran Perusahaan, Profitabilitas, Leverage, Capital Intensity Dan Kepemilikan Keluarga Terhadap Agresivitas Pajak (Studi Empiris Pada Perusahaan Pertambangan dan Pertanian yang terdaftar di Bursa Efek Indonesia P. *Journal of Chemical Information and Modeling*, *53*(9), 1689–1699.

Musyarrofah, E., & Amanah, L. (2017). Pengaruh Kepemilikan Manajerial, Leverage, dan Size Terhadap Cash Effective Tax Rate. *Jurnal Ilmu Dan Riset Akuntansi*, *6*(9), 1–16.

Oktavia, R., & Hananto, H. (2018). Pengaruh Kepemilikan Keluarga, Kontrol Keluarga Pemilik, dan Manajemen Keluarga Pemilik terhadap Tindakan Pajak Agresif pada Perusahaan Manufaktur yang Terdaftar di Bei Periode 2013-2015. *Akuntansi Dan Teknologi Informasi*, *12*(1). https://doi.org/10.24123/jati.v11i2.1056

Rianda, F. (2021). Leverage dan Sales Growth Terhadap Tax Avoidance Dengan Kepemilikan Institusional Sebagai Variabel Moderasi 1. *Prosiding Seminar Nasional Pakar*, *2*, 2–14.

Safitri, K. A., & Muid, D. (2020). Pengaruh Pengungkapan Corporate Social Responsibility, Profitabilitas, Leverage, Capital Intensity dan Ukuran Perusahaan terhadap Tax Avoidance (Studi Empiris Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Periode 2016-2018). *Diponegoro Journal of Accounting*, *9*(4), 1–11. http://ejournal-s1.undip.ac.id/index.php/accounting

Saputra, M. D., & Susanti, J. (2019). Pengaruh Profitabilitas, Kepemilikan Corporate Governance Terhadap Penghindaran Pajak Di Indonesia. *VALID Jurnal Ilmiah*, *16*(2), 164–179.

Trisnaningsih, S., & Sari, E. M. (2021). *Good corporate governance memoderasi pengaruh profitabilitas, leverage , dan ukuran perusahaan terhadap tax avoidance*. *Vol. 1 No.*(2), 736–753.

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)

Proceedings Conference on Economics and Business Innovation
Volume 3, Issue 1, 2023

Received: (leave empty), **Accepted**: (leave empty), **Published**: (leave empty)