How to Cite
Maitriyadewi, N. L. R. P., & Yadnyana, I. K. (2022). Factors impact in tax avoidance practices before and during the COVID-19 pandemic. *International Journal of Business, Economics & Management*, *5*(4), 305-315. https://doi.org/10.21744/ijbem.v5n4.1984

Factors Impact in Tax Avoidance Practices Before and During The COVID-19 Pandemic

Ni Luh Ratna Pradnya Maitriyadewi
Faculty of Economics and Business, Udayana University, Bali, Indonesia
Corresponding author email: pniluhratna@gmail.com

I Ketut Yadnyana
Faculty of Economics and Business, Udayana University, Bali, Indonesia

Abstract---*This study aims to obtain empirical evidence regarding the effect of sales growth, corporate risk, and inventory intensity on tax avoidance practice and whether there are significant differences in tax avoidance practice before and during the COVID-19 pandemic. The theory used in this research is agency theory and positive accounting theory. This research was conducted by taking the population of manufacturing companies listed on the Indonesia Stock Exchange from 2018-2021. Using the purposive sampling method per predetermined criteria, researchers obtained 51 sample companies. The data analysis technique used is multiple linear regression analysis and different tests. The results obtained are that sales growth and corporate risk variables have a negative effect on tax avoidance practice and inventory intensity positively affects tax avoidance practice. Meanwhile, there was no significant difference in tax avoidance before and during the COVID-19 pandemic.*
Keywords---*corporate risk, COVID-19, inventory intensity, sales growth, tax avoidance*

Introduction

As the primary source of state revenue, awareness and compliance of taxpayers in paying their obligations voluntarily by the legislation is highly expected. Taxpayer compliance in paying its obligations will significantly assist the government in managing the country (Yuni & Setiawan, 2019). Through the tax ratio, the government can determine the level of community compliance in paying their tax obligations. The tax ratio is measured by comparing state revenues from taxes with the gross domestic product (GDP) period. Suppose the level of a country's tax ratio is low; it shows that the awareness of taxpayers is still lacking in fulfilling their common tax obligations, and the government's ability is not yet optimal in encouraging optimal state revenues from the tax sector. One of the factors causing the non-achievement of tax revenue targets is the existence of tax avoidance efforts carried out by taxpayers to achieve tax burden efficiency. Tax avoidance can occur because the tax collection system in Indonesia adheres to a self-assessment system, where individual and corporate taxpayers are given the authority to calculate, calculate, deposit, and self-report the amount of tax payable based on tax laws and regulations (Setiawan, 2010).

Although the government has lowered the corporate income tax rate from the original 25% to 22% as an effort to recover the national economy (PEN) according to PMK 23 of 2020 as amended several times, most recently with PMK 110 of 2020, taxes are still a mandatory contribution to the state. that are coercive for individuals or bodies (Firmansyah & Ardiansyah, 2020). Companies still consider that tax collection is only beneficial for the state but not for companies (Wulandari, 2021). This is because taxes are a burden that must be borne by the company and reduce a company's profit. The majority of companies in Indonesia are companies engaged in manufacturing, this means that manufacturing companies are the companies that contribute the highest taxes to the state budget. In its business activities, the company's goal is to get as much pssible and minimize company expenses. Therefore, taxes are the most avoided expenses because the taxes paid will reduce the company's profit. This is what causes the company's

ISSN 2632-9476
09 July 2022|Revised: 18 August 2022| Accepted: 27 September 2022

profit possible to reduce the taxes paid. This action will lead to tax avoidance (Zheng et al., 2020; Purnanandam, 2008).

There is a difference of interest between the government (principal) and government management (agent) in accordance with the agency theory proposed by Jensen & Meckling, (2019), that there is a conflict of interest related to taxes, each of which has a different purpose. On the one hand, the government wants to maximize tax revenues obtained by the state, but on the other hand, management wants to maximize the profits earned by the company (Maitriyadewi & Noviari, 2020). The difference in interests between the principal and the agent is called the agency problem which makes the management of a company more aggressive in implementing tax planning. The practice of tax avoidance is part of tax planning. Tax avoidance is a strategy and technique that is carried out legally because it does not conflict with tax regulations. This method is carried out by exploiting the gaps or weaknesses (grey areas) contained in tax laws and regulations (Fathurrahman et al., 2021). Positive Accounting Theory was first introduced by Watts and Zimmerman in 1986. Positive accounting theory explains the behavior of company management in preparing financial statements (Wulandari, 2022). Positive accounting theory describes actual accounting practices seen from the point of view of management who voluntarily use accounting procedures according to accounting regulatory standards that change from time to time. This theory is based on stakeholders and shareholders, where the tax authorities and management seek to maximize their functions which will be directly related to the compensation now received. The use of these accounting policies depends on the costs and benefits of the accounting procedures chosen to maximize their function (Andhari & Sukartha, 2017).

As for what affects the occurrence of tax avoidance, one of which is sales growth or sales growth. In Purwanti & Sugiyarti (2017) sales growth is an increase in sales caused by increa, sales growth is an increase in sales caused by increased consumer purchases previous year, it will certainly increase the level of sales growth ratio, asundoubtedly the profit generated by the company will be even greater in line with high sales. With the increase in profits earned by the company, of course, the greater the tax burden that will be borne by the company. This is what initiates the company to do tax avoidance (Oktamawati, 2017). In the research of Noviani et al. (2018) stated that sales growth can also affect tax avoidance activities because the higher the company's sales growth will also affect the tax avoidance activities carried out. This is because the increasing sales which are operating income for the company, the greater the profit generated so that it will encourage management to practice tax avoidance (Ainniyya et al., 2021). Previous research on sales growth in tax avoidance found inconsistencies in the results obtained. Research conducted by Marfiana & Putra (2021), states that the higher the company's sales growth, the higher the practice of tax avoidance. This research is in line with research by Nugraha & Mulyani (2019); Hamilah & Situmorang (2021); Faradisty et al. (2019) states that sales growth has an effect on tax avoidance. This study is not supported by research conducted by Mahanani et al. (2017); Swingly & Sukartha (2015); Carolina & Purwantini (2020), which explain that sales growth has no effect on tax avoidance.

Another variable that affects tax avoidance or tax avoidance is corporate risk because the company's risk is a reflection of the policies taken by the company. The policies taken by the company's leadership can determine whether the leader is in the risk-taker or risk-averse category. A company executive can be said to be a risk taker if the company leader dares to take business decisions with a high level of risk. Meanwhile, risk-averse executives tend not to dare or avoid risk in making business or management decisions. The bolder a company executive is in taking risks, the more daring he will be in taking tax avoidance actions. Executives who are risk takers will not be afraid to make high-risk decisions. In the study of Dyreng et al., (2019), it is stated that individuals take an important and significant role in making decisions regarding tax avoidance. In this case, executives dare to take risks to do tax avoidance in order to save the condition of the company (Goepfert et al., 2017; Chang et al., 2012).

Another factor that influences companies to do tax avoidance is inventory intensity or inventory intensity. The amount of inventory intensity will cause additional costs to be paid by the company so as to reduce profits. The more inventory (inventory) the company has, the greater the maintenance burden and deviations from the inventory (Dwijayanti & Jati, 2019). The amount of additional costs incurred by the company as a result of investing in inventory will affect the reduction in profits earned by the company and will potentially reduce taxes paid by the company (Andhari & Sukartha, 2017). In this case, the manager tries to minimize the additional costs that arise due to the large inventory so as not to reduce the company's profit. But on the other hand, managers will maximize additional costs to reduce taxes paid by the company (Putri & Lautania, 2016). In research conducted by Darsono (2015) it is said that inventory intensity affects the effective tax ratio used to measure tax avoidance by companies. Companies that have high inventory intensity will usually have a high effective tax ratio (ETR). During the Covid-19 period, the average amount of inventory intensity at the company will be very high due to decreased demand from consumers so that this can cause companies to incur additional costs to reduce their income (Bahadir et al., 2009; Parida et al., 2016).

Previous research on inventory intensity on tax avoidance has inconsistent results. Research conducted by Arifidianto et al. (2019); Dwijayanti & Jati (2019), show that there is a positive influence between inventory intensity and tax avoidance. This positive effect means that the higher the inventory intensity of a company, the higher the level of tax avoidance of the company. These studies are not in line with Widya et al. (2020); Artinasari & Mildawati (2018) which state that inventory intensity has no effect on tax avoidance. This research was conducted in a manufacturing company. The manufacturing sector consists of the basic and chemical industrial sectors, the various industrial sectors, and the consumer goods industrial sector. The manufacturing industry sector in 2020 still recorded positive performance in several of its sub-sectors despite the economic pressure due to the COVID-19 pandemic. In the fourth quarter of 2020, several sectors continued to consistently contribute to support the growth of the manufacturing industry, such as the chemical, pharmaceutical and traditional medicine sectors, which continued to have high demand, thus contributing positively to the Indonesian economy. In addition, the consumer goods industry, namely food and beverages, grew by 1.66% in the fourth quarter of 2020. This sector is one of the ones that has high demand during the COVID-19 pandemic because people need to consume quality food to maintain health (Masdi, 2020).

Literature Review and Hypothesis Development

Agency theory will spur management (agents) to increase company profits, when the profits earned by the company increase, the amount of income tax paid by the company will be higher. This raises the agent's intention, namely the management to carry out tax avoidance practices in order to reduce the tax burden paid by the company. The agent will try to manage his tax burden so as not to reduce the profits obtained from the increased tax burden. Referring to the high impact of Covid-19 which has contributed to the pace of the Indonesian economy. So it is necessary to test the effect of sales growth on the practice of tax avoidance. In the research of Kim & Im (2016); Ainniyya et al. (2021); Ningsih & Noviari (2021) found that there is an influence between sales growth or sales growth on tax avoidance. If sales growth or sales growth increases, it shows that there is an increase in the company's operating capacity(Budiman & Setiyono in (Oktamawati, 2017). Meanwhile, in the research of Marfiana & Putra (2021); Mahanani et al. (2017) revealed a different thing, namely that there was no influence between sales growth on tax avoidance. Therefore, in this study to test the following hypotheses:

H1: Sales growth has a positive effect on tax avoidance practice

In the study of Dyreng et al. (2019) which examines the effect of top executives on tax avoidance by companies. The results of this study state that individuals as executives have a significant role in making policies to carry out tax avoidance or tax avoidance. Noviari & Suaryana (2020), states that there is a link between executives and company risk. Paligorova in Noviari & Suaryana (2020) explains that corporate risk is the volatility of earnings, whether it is less than planned (downside risk) or more than planned (upside potential). The level of risk taken by the company reflects whether the company's leaders or executives are risk takers or risk averse. Referring to the influence of the covid-19 pandemic which causes companies to take risky decisions to carry out tax avoidance, it is necessary to re-examine the influence of corporate risk on tax avoidance practice. In Oktamawati (2017); Pujilestari & Winedar (2018); Nugrahita & Suprasto (2018), found an influence between executive characteristics and tax avoidance. In this case, it indicates that if a company executive is a risk taker, the greater the tax avoidance action taken. The high level of risk for taking tax avoidance policies indicates that the company's executives are risk takers. Conversely, if the level of risk is small not to do tax avoidance, it indicates that the company's executives are risk averse and tend to avoid risk. Therefore, in this study to test the following hypotheses:

H2: Corporate risk has a positive effect on tax avoidance practice

The political cost hypothesis in positive accounting theory explains that companies will tend to lower current profits into the future. This hypothesis supports companies to increase inventory investment. Companies that have high levels of inventory will record costs arising from the storage and maintenance of these inventories. Where these costs can reduce profits so as to reduce the tax burden paid by the company. Referring to the high impact of Covid-19 which has contributed to the pace of the Indonesian economy. So it is necessary to test the effect of inventory intensity on tax avoidance practice. In the research of Widya et al. (2020) states that inventory intensity has an effect on tax avoidance because the more the company's inventory, the greater the maintenance and storage burden of the inventory. The cost of maintenance and storage will reduce the company's profit so that the tax paid will be reduced. This is in line with the research of Dwijayanti & Jati (2019), because inventory intensity is a company characteristic that can affect the effective level of taxes. If the intensity of the company's inventory is high, it will increase the level of corporate tax avoidance. Therefore, in this study to test the following hypotheses:

H3: Inventory intensity has a positive effect on tax avoidance practice

In addition to the company's internal motivation to carry out tax avoidance, the control process or supervision of the provision of tax stimulus or relaxation which decreased due to work from home during the COVID-19 pandemic was faced with a high number of requests for stimulus or relaxation. In addition, the approval of the application for tax relaxation can be completed in a short time, increasing the possibility that tax avoidance risk by taxpayers will increase during the pandemic. The differences in Indonesia's economic conditions before and during Covid-19 also influenced the company's decision to carry out tax avoidance (OECD, 2020). In the research of Rosalina & Pratiwi (2021), it was found that there was an increase in tax avoidance practices during the COVID-19 pandemic compared to before the pandemic. The study also stated that increasing tax avoidance practices occurred because of the provision of tax incentives during the COVID-19 pandemic which encouraged taxpayers to abuse them. This is due to the internal company that considers taxes as a burden that causes a significant reduction in company profits and the encouragement of shareholders to do tax avoidance to increase company value (Irawan & Turwanto, 2020). In addition, the supervision and control of tax incentives may decrease, thereby increasing tax avoidance practices. Therefore, this study was conducted to determine whether there are differences in the practice of tax avoidance or tax avoidance through the following hypothesis:

H4: There are differences in tax avoidance practices before and during the covid-19 pandemic

Methods

In this study, three dependent variables are used, namely sales growth, corporate risk, and inventory intensity. While the independent variable used is tax avoidance. This research was conducted on manufacturing companies in 2018-2021 to examine whether there were differences in tax avoidance practices before and during the COVID-19 pandemic. This research was conducted on manufacturing companies listed on the Indonesia Stock Exchange in 2018-2021 that provide audited financial report data through the website www.idx.co.id or the websites of each company (Abdillah, 2020; Ardillah & Halim, 2022; Chen et al., 2010; Dewi & Noviari, 2017). The research objects used in this study are companies listed on the Indonesia Stock Exchange in 2018-2021 to see whether there are differences in the increase or decrease in tax avoidance practices before and during the covid-19 pandemic. The 2018-2021 financial year was chosen because 2018 and 2019 were the last years before the COVID-19 pandemic hit the world. Meanwhile, 2020, especially March, was the first year that COVID-19 was confirmed in Indonesia, while 2021 was the worst year for the massive spread of the COVID-19 pandemic, which will give a better picture of tax avoidance practices during the COVID-19 pandemic. The population in this study are all companies listed on the Indonesia Stock Exchange. The sampling method used in this research is non-probability sampling with purposive sampling technique. The data analysis technique in this research is Multiple Linear Regression using Statistical Product and Service Solution (SPSS). This technique is used to see the effect of sales growth, corporate risk, and inventory intensity on tax avoidance practice and to test whether there are differences in tax avoidance practice before and during the COVID-19 pandemic (Ndwandwe & Wiysonge, 2021; Gilat & Cole, 2020).

Result and Discussion

Multiple Linear Regression Analysis Results

Multiple linear regression analysis was used to analyze the relationship between 2 (two) independent variables or more with 1 (one) dependent variable. Multiple linear regression analysis in this study used a significance level of 5%. The results of multiple linear regression analysis are presented in Table 1.

Table 1
Results of Multiple Linear Regression Analysis

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.304	0.209		-6.250	0.000
	Sales growth	-0.105	0.044	-0.160	-2.391	0.018
	Corporate risk	-0.098	0.040	-0.166	-2.460	0.015
	Inventory intensity	0.365	0.082	0.300	4.433	0.000

Secondary Data, 2022

The Effect of Sales Growth on Tax Avoidance Practice

The first hypothesis in this study states that sales growth has an effect on tax avoidance practices. Based on the results of multiple linear regression analysis, a negative beta coefficient value of -0.105 and a significance level of 0.018 was obtained. The value of sig t < 0.05 means that there is an influence between family sales growth on tax avoidance practice. A negative value means that there is a significant negative effect between sales growth on tax avoidance practice. The higher sales growth (sales growth) it will reduce tax avoidance practices. Sales growth has a negative effect on tax avoidance practice, where companies that experience sales growth or sales growth accompanied by cost efficiency will gain large profits so there is no need to carry out tax avoidance practices. This shows that H1 in this study is rejected (Slemrod & Yitzhaki, 2002; Armstrong et al., 2015). The results of this study are not in line with research conducted by Kim & Im (2016); Ainniyya et al. (2021); Ningsih & Noviari (2021), who found there was a positive influence between sales growth or sales growth on tax avoidance practice. However, the results of this study are in line with research conducted by Hidayat (2018); Sholeha (2019) which shows that sales growth has a negative and significant influence on tax avoidance practice. Sales growth is sales growth that is synonymous with sales or revenue. Sales growth is not always synonymous with profit (Sholeha, 2019). Companies that have high sales growth, do not necessarily generate high profits. This is because high sales growth followed by high corporate spending will result in low profits. So the high and low sales growth does not affect the tax avoidance of a company (Mahanani et al., 2017). The COVID-19 pandemic has made many companies very careful in making action. Although several companies in the manufacturing industry sector experienced increased sales, such as Mark Dynamics Indonesia Tbk, Tembaga Mulia Semanan Tbk and Indospring Tbk in the year of the COVID-19 pandemic, the company's management did not immediately take tax-saving measures. This is because due to high economic turmoil, the company focuses more on marketing techniques so that the company can rise from adversity by continuing to increase sales. The increase in sales will boost the company's profits so that it can cover losses caused by the COVID-19 pandemic. In addition, high sales do not always increase profits because the operational costs borne by the company due to social restrictions during the pandemic are quite large in affecting the company's profits. So that during the COVID-19 pandemic, the company is unlikely to carry out tax avoidance even though there is a fairly high sales growth (Septyana & Suprasto, 2019; Seralurin & Ermawati, 2019).

The Effect of Corporate Risk on Tax Avoidance Practice

The second hypothesis in this study states that corporate risk has no effect on tax avoidance. Based on the results of the analysis obtained a negative beta coefficient of 0.098 and a significance level of 0.015. The value of sig t < 0.05 means that there is an influence between corporate risk on tax avoidance practice. This means that the higher the risk of the company (corporate risk), the company leaders tend to make decisions that are risk takers by reducing tax avoidance practices. This shows that H2 in this study is rejected. This is not in line with the research conducted by Dyreng et al. (2019); Noviari & Suaryana (2020); Nugrahita & Suprasto (2018), which state that corporate risk has a positive effect on tax avoidance practice. However, the results of this study are in line with research (Dewi & Sari, 2015). corporate risk has a negative effect on tax avoidance, this is because companies that have high corporate risk tend to present financial statements as they are to see how far the performance has been carried out by the company so that the opportunity for tax avoidance is low. The low practice of tax avoidance is because manufacturing companies tend not to take high risks, especially during the COVID-19 pandemic which will also affect the level of company performance, both by company executives and by company management. An executive plays a role in making decisions related to high and low risks, one of which is the risk of carrying out tax avoidance practices. Even though it is profitable for the company, it must be careful and thorough in carrying out tax avoidance because if something goes wrong, it will certainly have a bad impact on the company's sustainability, especially in uncertain times during the COVID-19 pandemic. The company executives in this study are risk averse and tend to take low risks and choose not to be involved in problems that are high risk for the company and remain in a relatively safe zone (Faramitha et al., 2020; Finnerty et al., 2007; Ghozali, 2016; Jefri & Khoiriyah, 2019).

The Effect of Inventory Intensity on Tax Avoidance Practice

The third hypothesis in this study states that inventory intensity has an effect on tax avoidance. Based on the results of the analysis obtained a positive beta coefficient of 0.365 and with a significance level of 0.000. The value of sig t < 0.05 means that there is an influence between corporate risk on tax avoidance practice. The higher the inventory intensity of a company, the higher the level of corporate tax avoidance practices, the higher the intensity of the company will increase the costs contained in the company's inventory. This shows that H3 in this study is accepted (Keuangan, 2020; Khoirunissa & Ratnawati, 2021; Lewellen & Lowry, 2021). This is in line with research conducted by Dwijayanti & Jati (2019); Widya et al. (2020), which states that inventory intensity has a positive effect on tax avoidance practice. Inventory intensity is a component of the preparation of assets that can be measured by comparing the total inventory with the total assets of a company. If the company's inventory intensity is high, then the value of ETR will decrease due to the additional cost of inventory which acts as a profit deduction. This indicates that tax avoidance practice is getting higher. Therefore, it can be concluded that the higher the inventory intensity of a company, the higher the tax avoidance practice of the company. The positive influence between inventory intensity and tax avoidance practice occurs because the higher the inventory turnover, the more efficient the company in managing inventory. The better the company manages inventory, the more efficient the company will be in managing the costs incurred due to high inventory. The costs in question are material costs, wages or labor costs, storage costs and general and administrative costs and selling costs. Companies with a high level of inventory intensity will be more aggressive towards taxes because the company will allocate current period profits to future periods so that the tax burden paid will decrease (Maryasa, 2010; Hai et al., 2021; Padyanoor, 2020; Parmitasari & Hasrianto, 2017).

Coefficient of Determination Test (R^2)

The analysis of the coefficient of determination aims to determine how much the ability of the independent variable to explain the dependent variable. In the SPSS output, the coefficient of determination lies in the Summary Model variable and is written as R Square. The results of the Coefficient of Determination Test are presented in Table 2.

Table 2
Coefficient of Determination Test Results

Model	R	R *Square*	*Adjusted* R *Square*	Std. *Error of the Estimate*	*Durbin-Watson*
1	0.346[a]	0.120	0.106	0.8129740	2.154

Secondary Data, 2022

The coefficient value obtained is 0.106. The determination value becomes 0.106 x 100% = 10.6%. This indicates that tax avoidance (Y) is explained by 10.6% by the variables of sales growth (X1), corporate risk (X2) and inventory intensity (X3). The rest is explained by other variables not included in the model or research (Cahyadi & Merkusiwati, 2016; Satyadini et al., 2019; Sugiyono, 2018).

Model Feasibility Test (F Test)

The F test is used to test whether there is a significant effect between the independent variables together on the dependent variable with the feasibility of the model generated by using the model feasibility test at the level of 5%. If the significance value of the F test <0.05, the model used in this study is feasible and can be used for subsequent analysis, and vice versa. The results of the F test are presented in table 3.

Table 3
Model Feasibility Test Results

	Model	*Sum of Squares*	df	*Mean Square*	F	Sig.
1	Regression	17.955	3	5.985	9.055	0.000[a]
	Residual	132.185	200	0.661		
	Total	150.140	203			

Secondary Data, 2022

Based on table 3 the results of the F test (F test) show that the calculated F value is 9.055 with a significance value of P value 0.000 which is smaller than = 0.05, it means that the model used in this study is feasible. This result means that the three independent variables are able to predict or explain the phenomenon of tax avoidance. This means that simultaneously sales growth (X1), corporate risk (X2) and inventory intensity (X3) have a significant effect on tax avoidance (Y) (Sukrisno & Trisnawati, 2013; Suryadi & Afridayani, 2021; Susanti & Satyawan, 2020).

Wilcoxon Signed Rank Test

To test the hypothesis regarding the differences regarding the significant differences in tax avoidance practice before and during the COVID-19 pandemic in Indonesia, the Wilcoxon Signed Rank Test was used which is a method to test the average difference in tax avoidance practice before and during the COVID-19 pandemic. The results of the Wilcoxon Signed Rank Test can be seen in table 4.

Table 4
Wilcoxon Signed Rank Test Results

	Tax Avoidance Practice During the Covid-19 Pandemic - Tax Avoidance Practice Before the Covid-19 Pandemic
Z	-1.026[a]
Asymp. Sig. (2-*tailed*)	0.305

Secondary Data, 2022

Differences in Tax Avoidance Practice Levels Before and During Covid-19

The fourth hypothesis in this study states that there are differences in tax avoidance practices before and during the COVID-19 pandemic. Based on the results of the analysis obtained Sig. (2-tailed) 0.305 > 0.05 means that there is no difference in tax avoidance practice before and during COVID-19 in manufacturing companies listed on the Indonesia Stock Exchange. This shows that H4 in this study was rejected. This result is not in line with the research of Rosalina, E., & Pratiwi (2021), which states that there are differences in tax avoidance practices before and during the covid-19 pandemic. Although during a pandemic there is a greater opportunity for managers to carry out tax avoidance practices due to tax incentives, this condition does not cause company managers to be aggressive in carrying out tax avoidance practices. In the research of Pipatnorapong et al. (2020), companies consider taxes as a burden that can reduce some of the profits earned by companies so that company owners will encourage companies to reduce corporate taxes by aggressively practicing tax avoidance (Firmansyah & Ardiansyah, 2020). Although the pandemic forced the holding of work from home for the employees of the Directorate General of Taxes (DGT), it did not reduce the supervision of the provision of tax incentives. The COVID-19 pandemic condition forced the implementation of work from home for the employees of the Directorate General of Taxes, did not reduce the level of control and supervision of the provision of tax incentives. In a pandemic condition, tax incentives in the form of lowering the income tax rate can make company management focus on goals other than tax avoidance, such as achieving the specified profit target because the challenge during the pandemic is related to the slowing economy (Watts & Zimmerman, 1986; Windart & Sina, 2017; Zain, 2004; Zudana et al., 2021; Zuesty, 2016).

Conclusion

Based on the results of the study, it shows that sales growth and corporate risk have a negative effect on tax avoidance, inventory intensity has a positive effect on tax avoidance and there is no effect of tax avoidance practice before and during the covid-19 pandemic. The results of this study can have implications for the company's management, government and interested parties. The results of this study can practically be used as input for the company under study to pay more attention to every decision that will be taken and the risks that will be borne from every decision made including tax avoidance. The decisions taken by the company must be in accordance with the law and pay attention to the impact if the company takes these actions. In addition, the government in its role through the Directorate General of Taxes is to monitor the company's activities more in making policies or procedures so that they remain in the right corridor and do not violate applicable laws (Swandewi & Noviari, 2020; Tang, 2020; Waluyo, 2020; Wardani & Juliani, 2018).

This study produces empirical evidence that sales growth and corporate risk have a negative effect on tax avoidance, inventory intensity has a positive effect on tax avoidance and there is no difference in the level of tax avoidance practice before and during the COVID-19 pandemic. These results support agency theory which sees that there are differences in interests that arise between the government (stakeholders) who act as policymakers and tax regulations and corporate management as taxpayers. In this case the government as a stakeholder expects an increase in the amount of tax paid by the company. Meanwhile, the company's management views how the company generates significant profits with a lower tax burden. This difference in point of view causes a conflict of interest between the government and company management. In addition, this study supports positive accounting theory. According to positive accounting theory, companies are given the freedom to choose one of the available alternative accounting procedures. With this freedom of choice, managers will have a tendency to take an action which according to positive accounting theory is called opportunistic behavior. If it is associated with the practice of tax avoidance (tax avoidance) of the three positive accounting theory hypotheses, the political cost hypothesis describes this research.

References

Abdillah, M. R. (2020). Pengaruh Risiko Perusahaan, Kualitas Audit Dan Komite Audit Terhadap Tax Avoidance Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2015-2018. *Dinamika Ekonomi-Jurnal Ekonomi Dan Bisnis*, *13*(1), 82-98.

Ainniyya, S. M., Sumiati, A., & Susanti, S. (2021). Pengaruh Leverage, Pertumbuhan Penjualan, dan Ukuran Perusahaan Terhadap Tax Avoidance. *Owner: Riset dan Jurnal Akuntansi*, *5*(2), 525-535.

Andhari, P. A. S., & Sukartha, I. M. (2017). Pengaruh pengungkapan corporate social responsibility, profitabilitas, inventory intensity, capital intensity dan leverage pada agresivitas pajak. *E-Jurnal Akuntansi*, *18*(3), 2115-2142.

Ardillah, K., & Halim, Y. (2022). The Effect of Institutional Ownership, Fiscal Loss Compensation, and Accounting Conservatism on Tax Avoidance. *Journal of Accounting Auditing and Business*, *5*(1), 1-15.

Arifidianto, I., Aini, N., Harianto, R., Sari, P. Z., Wardhana, R., Yusuf, F., Mubiatiningrum, A., & Bon, A. T. Bin. (2019). Tax Avoidance is Seen From The Perspective of Corporate Social Responsibility, Capital Intensity and Inventory Intensity in Developing Countries. Proceedings of the International Conference on Industrial Engineering and Operations Management, 1303–1304.

Armstrong, C. S., Blouin, J. L., Jagolinzer, A. D., & Larcker, D. F. (2015). Corporate governance, incentives, and tax avoidance. *Journal of Accounting and Economics*, *60*(1), 1-17. https://doi.org/10.1016/j.jacceco.2015.02.003

Artinasari, N., & Mildawati, T. (2018). Pengaruh Profitabilitas, Leverage, Likuidittas, Capital Intensity Dan Inventory Intensity Terhadap Tax Avoidance. *Jurnal Ilmu dan Riset Akuntansi (JIRA)*, *7*(8).

Bahadir, S. C., Bharadwaj, S., & Parzen, M. (2009). A meta-analysis of the determinants of organic sales growth. *International Journal of Research in Marketing*, *26*(4), 263-275. https://doi.org/10.1016/j.ijresmar.2009.06.003

Cahyadi, I. G. L. N. D., & Merkusiwati, N. K. L. A. (2016). Pengaruh komisaris independen, leverage, size dan capital intensity ratio pada tax avoidance. *E-Jurnal Akuntansi*, *17*(1), 690-714.

Carolina, V., & Purwantini, A. H. (2020, November). Pengaruh Pengendalian Internal, Struktur Kepemilikan, Sales Growth, Ketidakpastian Lingkungan, dan Koneksi Politik terhadap Tax Avoidance (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar di BEI Periode 2015-2019). In *UMMagelang Conference Series* (pp. 154-173).

Chang, Y., Ries, R. J., & Lei, S. (2012). The embodied energy and emissions of a high-rise education building: A quantification using process-based hybrid life cycle inventory model. *Energy and Buildings*, *55*, 790-798. https://doi.org/10.1016/j.enbuild.2012.10.019

Chen, S., Chen, X., Cheng, Q., & Shevlin, T. (2010). Are family firms more tax aggressive than non-family firms?. *Journal of financial economics*, *95*(1), 41-61.

Darsono, M. R. M. (2015). The Effect of Corporate Social Responsibility and Capital Intensity on Tax Avoidance. *Diponegoro Journal Of Accounting*, *4*(3), 1-8.

Dewi, G. A. P., & Sari, M. M. R. (2015). Pengaruh insentif eksekutif, corporate risk dan corporate governance pada tax avoidance. *E-Jurnal Akuntansi*, *13*(1), 50-67.
Dewi, N. L. P. P., & Noviari, N. (2017). Pengaruh ukuran perusahaan, leverage, profitabilitas dan corporate social responsibility terhadap penghindaran pajak (tax avoidance). *E-Jurnal Akuntansi*, *21*(2), 882-911.
Dwiyanti, I. A. I., & Jati, I. K. (2019). Pengaruh profitabilitas, capital intensity, dan inventory intensity pada penghindaran pajak. *E-Jurnal Akuntansi*, *27*(3), 2293-2321.
Dyreng, S. D., Hanlon, M., & Maydew, E. L. (2019). When does tax avoidance result in tax uncertainty?. *The Accounting Review*, *94*(2), 179-203.
Faradisty, A., Hariyani, E., & Wiguna, M. (2019). The effect of corporate social responsibility, profitability, independent commissioners, sales growth and capital intensity on tax avoidance. *Journal of Contemporary Accounting*, 153-160.
Faramitha, C. Y., Husen, S., & Anhar, M. (2020). Pengaruh Risiko Bisnis Terhadap Tax Avoidance dengan Leverage Sebagai Variabel Intervening. *Jurnal Akuntansi dan Manajemen*, *17*(01), 73-81.
Fathurrahman, I., Andriyanto, W. A., & Sari, R. D. P. (2021). PENGARUH KEPEMILIKAN INSTITUSIONAL, KOMITE AUDIT, DAN THIN CAPITALIZATION TERHADAP TAX AVOIDANCE. *JURNAL AKUNIDA*, *7*(2), 205-216.
Finnerty, C., Merks, P., Petriccione, M., & Russo, R. (2007). Fundamentals of international tax planning. *Ámsterdam: ibfd*.
Firmansyah, A., & Ardiansyah, R. (2020). BAGAIMANA PRAKTIK MANAJEMEN LABA DAN PENGHINDARAN PAJAK SEBELUM DAN SETELAH PANDEMI COVID19 DI INDONESIA?. *Bina Ekonomi*, *24*(2), 31-51.
Ghozali, I. (2016). Aplikasi Analisis multivariete dengan program IBM SPSS 23 (Edisi 8). *Cetakan ke VIII. Semarang: Badan Penerbit Universitas Diponegoro*, *96*.
Gilat, R., & Cole, B. J. (2020). COVID-19, medicine, and sports. *Arthroscopy, sports medicine, and rehabilitation*, *2*(3), e175-e176. https://doi.org/10.1016/j.asmr.2020.04.003
Goepfert, R. P., Lewin, J. S., Barrow, M. P., Gunn, G. B., Fuller, C. D., Beadle, B. M., ... & Hutcheson, K. A. (2017). Long-term, prospective performance of the MD Anderson Dysphagia Inventory in "low-intermediate risk" oropharyngeal carcinoma after intensity modulated radiation therapy. *International Journal of Radiation Oncology* Biology* Physics*, *97*(4), 700-708. https://doi.org/10.1016/j.ijrobp.2016.06.010
Hai, N. M., Anh, P. T., Yue, X. G., & Nam, N. H. P. (2021). The impact of tax avoidance on the value of listed firms in Vietnam. *Cogent Business & Management*, *8*(1), 1-13.
Hamilah, H., & Situmorang, K. F. (2021). DETERMINANT TAX AVOIDANCE IN BASIC AND CHEMICAL INDUSTRY MANUFACTURING COMPANIES LISTED ON THE IDX. *Sosiohumaniora*, *23*(2), 253-261.
Herjanto, E. (2007). Manajemen Operasi. Grasindo.
Hidayat, D. W. W. (2018). PENGARUH PROFITABILITAS, LEVERAGE DAN PERTUMBUHAN PENJUALAN TERHADAP PENGHINDARAN PAJAK: STUDI KASUS PERUSAHAAN MANUFAKTUR DI INDONESIA.
Irawan, F., & Turwanto, T. (2020). The effect of tax avoidance on firm value with tax risk as moderating variable. *Test Engineering & Management*, *83*, 9696-9707.
Jefri, J., & Khoiriyah, Y. (2019). Pengaruh Good Corporate Governance Dan Return On Assets Terhadap Tax Avoidance. *AKUNTABILITAS*, *13*(2), 141-154.
Jensen, M. C., & Meckling, W. H. (2019). Theory of the firm: Managerial behavior, agency costs and ownership structure. In *Corporate Governance* (pp. 77-132). Gower.
Keuangan, K. (2020). Kajian Fiskal Regional. *Transfer*, *97*, 8.
Khoirunissa, O., & Ratnawati, J. (2021). Analisis Faktor-Faktor yang Mempengaruhi Penghindaran Pajak pada Perusahaan Pertambangan di Bursa Efek Indonesia (BEI) Tahun 2018-2019. *Bilancia: Jurnal Ilmiah Akuntansi*, *5*(1), 38-48.
Kim, J. H., & Im, C. C. (2016). Corporate tax avoidance in SME: The effect of listing. *International Journal of u-and e-Service, Science and Technology*, *9*(6), 283-294.
Lewellen, K., & Lowry, M. (2021). Does common ownership really increase firm coordination?. *Journal of Financial Economics*, *141*(1), 322-344.
Mahanani, A., Titisari, K. H., & Nurlaela, S. (2017). Pengaruh karakteristik perusahaan, sales growth dan csr terhadap tax avoidance.
Maitriyadewi, N. L. R. P., & Noviari, N. (2020). Manajemen Laba, Profitabilitas dan Kepemilikan Keluarga dan Tax Avoidance. *E-Jurnal Akuntansi*, *30*(6), 1382-1396.
Marfiana, A., & Putra, Y. P. M. (2021). The Effect of Employee Benefit Liabilities, Sales Growth, Capital Intensity, and Earning Management on Tax Avoidance. *Jurnal Manajemen STIE Muhammadiyah Palopo*, *7*(1), 16-30.

Maryasa, A. S. (2010). Penerapan Manajemen Laba Pada Waktu Sebelum Krisis Global dan Pada Saat Krisis Global (Studi Pada Perusahaan Manufaktur yang terdaftar di BEI). Universitas Brawijaya.

Masdi, M. (2020). Pengaruh Disiplin Dan Motivasi Kerja Terhadap Kinerja Karyawan Di Dinas Koperasi, UKM, Perdagangan Dan Perindustrian Kabupaten Indramayu. *Jurnal Investasi*, *6*(1), 59-68.

Ndwandwe, D., & Wiysonge, C. S. (2021). COVID-19 vaccines. *Current opinion in immunology*, *71*, 111-116. https://doi.org/10.1016/j.coi.2021.07.003

Ningsih, I. A. M. W., & Noviari, N. (2021). Financial Distress, Sales Growth, Profitabilitas dan Penghindaran Pajak. *E-Jurnal Akuntansi*, *32*, 229-244.

Noviani, L., Diana, N., & Mawardi, M. C. (2018). Pengaruh Karakteristik Eksekutif, Komite Audit, Ukuran Perusahan, Leverage Dan Sales Growth pada Tax Avoidance (Studi Kasus Perusahaan Lq45 Yang Terdaftar di Bursa Efek Indonesia). *Jurnal Ilmiah Riset Akuntansi*, *7*(01).

Noviari, N., & Suaryana, I. G. N. A. (2020). Tax Planning To Increase The Value Of The Company. *E-Jurnal Akuntansi*, *30*(1), 194-201.

Nugraha, M. I., & Mulyani, S. D. (2019). Peran leverage sebagai pemediasi pengaruh karakter eksekutif, kompensasi eksekutif, capital intensity, dan sales growth terhadap tax avoidance. *Jurnal Akuntansi Trisakti*, *6*(2), 301-324.

Nugrahitha, I. M. A., & Suprasto, H. B. (2018). Profitabilitas, Leverage, Corporate Governance, dan Karakter Eksekutif pada Tax Avoidance. *E-Jurnal Akuntansi*, *22*(3), 2016-2039.

OECD. (2020). Tax Administration: Privacy, Disclosure and fraud Risk Related to Covid-19.

Oktamawati, M. (2017). Pengaruh karakter eksekutif, komite audit, ukuran perusahaan, leverage, pertumbuhan penjualan, dan profitabilitas terhadap tax avoidance. *Jurnal Akuntansi Bisnis*, *15*(1), 23-40.

Padyanoor, A. (2020). Kebijakan pajak Indonesia menanggapi krisis covid-19: Manfaat bagi wajib pajak. *E-jurnal Akuntansi*, *30*(9), 2216-2230.

Parida, V., Patel, P. C., Wincent, J., & Kohtamäki, M. (2016). Network partner diversity, network capability, and sales growth in small firms. *Journal of Business Research*, *69*(6), 2113-2117. https://doi.org/10.1016/j.jbusres.2015.12.017

Parmitasari, R. D. A., & Hasrianto, H. (2017). Pengaruh Profitabilitas, Likuiditas, Leverage, dan Ukuran Perusahaan Terhadap Kebijakan Dividen Saham-saham yang Terdaftar pada Jakarta Islamic Index (JII) Periode Tahun 2011-2015. *Jurnal Minds: Manajemen Ide dan Inspirasi*, *4*(2), 28-48.

Pipatnarapong, J., Beelitz, A., & Jaafar, A. (2020). Tax avoidance and earnings management: Accrual-based vs. real-activity earnings management evidenced from BRICS. *International Journal of Advanced Science and Technology*, *29*(7), 4800-4808.

Pujilestari, R., & Winedar, M. (2018). Pengaruh Karakter Eksekutif, Ukuran Perusahaan, Kualitas Audit, dan Komite Audit Terhadap Tax Avoidance. *Jurnal Akuntansi dan Auditing*, *15*(2), 204-220.

Purnanandam, A. (2008). Financial distress and corporate risk management: Theory and evidence. *Journal of Financial Economics*, *87*(3), 706-739. https://doi.org/10.1016/j.jfineco.2007.04.003

Purwanti, S. M., & Sugiyarti, L. (2017). Pengaruh intensitas aset tetap, pertumbuhan penjualan dan koneksi politik terhadap tax avoidance (Studi kasus pada perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia tahun 2012–2016). *Jurnal Riset Akuntansi dan Keuangan*, *5*(3), 1625-1642.

Putri, C. L., & Lautania, M. F. (2016). Pengaruh Capital Intensity Ratio, Inventory Intensity Ratio, Ownership Strucutre dan Profitability Terhadap Effective Tax Rate (ETR)(Studi pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2011-2014). *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi*, *1*(1), 101-119.

Putusan MA Nomor .946/B/PK/PJK/2017 PT Coca Cola Indonesia, (2017).

Rosalina, E., & Pratiwi, A. (2021, March). Faktor-Faktor Yang Mempengaruhi Penghindaran Pajak Dampak Sebelum Dan Selama Covid-19 Pada Perusahaan Manufaktur. In *Conference on Economic and Business Innovation (CEBI)* (pp. 919-932).

Satyadini, A. E., Erlangga, R. R., & Steffi, B. (2019). WHO AVOID TAXES? AN EMPIRICAL STUDY FROM THE CASE OF INDONESIA. *Scientax*, *1*(1), 1-26.

Septyana, K. P., & Suprasto, H. B. (2019). Effect of taxation knowledge, fiscus service, and tax sanctions on tax obligation compliance with tax amnesty as moderated variables. *International Research Journal of Management, IT and Social Sciences*, *6*(6), 111-117. https://doi.org/10.21744/irjmis.v6n6.773

Seralurin, Y. C., & Ermawati, Y. (2019). Influence of self-assessment system, taxation understanding, and discrimination toward ethics of tax evasion: A case in Papua Indonesia. *International Research Journal of Management, IT and Social Sciences*, *6*(5), 267-278. https://doi.org/10.21744/irjmis.v6n5.745

Setiawan, C. Y. (2010). *Analisis Faktor–faktor yang Mempengaruhi Praktik Perataan Laba Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia Tahun 2003–2007* (Doctoral dissertation, Prodi Akuntansi Unika Soegijapranata).

Sholeha, Y. M. A. (2019). Pengaruh Capital Intensity, Profitabilitas, Dan Sales Growth Terhadap Tax Avoidance Yeni Mar. *Jurnal Akuntansi AKUNESA*, *7*(2).

Silalahi, D. E., & Ginting, R. R. (2020). Strategi Kebijakan Fiskal Pemerintah Indonesia Untuk Mengatur Penerimaan dan Pengeluaran Negara Dalam Menghadapi Pandemi Covid-19. *Jesya (Jurnal Ekonomi dan Ekonomi Syariah)*, *3*(2), 156-167.

Sinambela, R. O., Suzan, L., & Mahardika, D. P. K. (2017). Pengaruh Ukuran Perusahaan, Profitabilitas Dan Risiko Perusahaan Terhadap Tax Avoidance. *eProceedings of Management*, *4*(2).

Slemrod, J., & Yitzhaki, S. (2002). Tax avoidance, evasion, and administration. In *Handbook of public economics* (Vol. 3, pp. 1423-1470). Elsevier. https://doi.org/10.1016/S1573-4420(02)80026-X

Suandy, E. (2011). Hukum Pajak, Edisi 5, Jakarta Salemba Empat. *JURNAL AKUNTANSI BARELANG*.

Sugiyono. (2018). Metode Penelitian Bisnis (Pendekatan Kuantitatif, Kualitatif, dan R &D). Alfabeta.

Sukrisno, A., & Trisnawati, E. (2013). Akuntansi Perpajakan. *Edisi tiga. Jakarta: Salemba Empat*.

Suryadi, D., & Afridayani, A. (2021). Pengaruh Corporate Risk, Capital Intensity, Dan Kepemilikan Institusional Terhadap Tax Avoidance. *SAKUNTALA: Prosiding Sarjana Akuntansi Tugas Akhir Secara Berkala*, *1*(1), 162-174.

Susanti, D., & Satyawan, M. D. (2020). Pengaruh Advertising Intensity, Inventory Intensity, Dan Sales Growth Terhadap Agresivitas Pajak. *Jurnal Akuntansi AKUNESA*, *9*(1).

Swandewi, N. P., & Noviari, N. (2020). Pengaruh financial distress dan konservatisme akuntansi pada tax avoidance. *E-Jurnal Akuntansi*, *30*(7), 1670-1683.

Swingly, C., & Sukartha, I. M. (2015). Pengaruh karakter eksekutif, komite audit, ukuran perusahaan, leverage dan sales growth pada tax avoidance. *E-Jurnal Akuntansi*, *10*(1), 47-62.

Tang, T. Y. (2020). A review of tax avoidance in China. *China Journal of Accounting Research*, *13*(4), 327-338.

Waluyo, T. (2020). PEMERIKSAAN TERHADAP WAJIB PAJAK YANG TIDAK MENYAMPAIKAN SPT. KETENTUAN DAN PEMILIHANNYA SESUAI SE-15/PJ/2018. *Simposium Nasional Keuangan Negara*, *2*(1), 677-698.

Wardani, D. K., & Juliani, J. (2018). Pengaruh Tax Avoidance Terhadap Nilai Perusahaan Dengan Corporate Governance Sebagai Variabel Pemoderasi. *Nominal: Barometer Riset Akuntansi dan Manajemen*, *7*(2), 47-61.

Watts, R. L., & Zimmerman, J. L. (1986). Positive accounting theory.

Widya, A., Yulianti, E., Oktapiani, M., Jannah, M., & Prasetya, E. R. (2020). Pengaruh Capital Intensity Dan Inventory Intensity Terhadap Tax Avoidance. *Proceedings Universitas Pamulang*, *1*(1), 89-99.

Windarti, A., & Sina, I. (2017). Book Tax Difference dan Struktur Kepemilikan sebagai Upaya Penghindaran Pajak. *JABE (Journal of Applied Business and Economic)*, *4*(1), 1-16.

Wulandari, D. S. (2022). Tindakan Agresivitas Pajak dipandang dari Teori Akuntansi Positif. *Owner: Riset dan Jurnal Akuntansi*, *6*(1), 554-569.

Wulandari, S. (2021). Praktik Penghindaran Pajak Sebelum dan Setelah Pandemi Covid–19 di Indonesia. *Jurnal Riset Akuntansi & Perpajakan (JRAP)*, *8*(02), 217-234.

Yuni, N. P. A. I., & Setiawan, P. E. (2019). Pengaruh Corporate Governance dan Profitabilitas terhadap Penghindaran Pajak dengan Ukuran Perusahaan Sebagai Variabel Pemoderasi. *E-Jurnal Akuntansi*, *29*(1), 128-144.

Zain, M. (2004). Manajemen Perpajakan Salemba Empat.

Zheng, Z., Peng, F., Xu, B., Zhao, J., Liu, H., Peng, J., ... & Tang, W. (2020). Risk factors of critical & mortal COVID-19 cases: A systematic literature review and meta-analysis. *Journal of infection*, *81*(2), e16-e25. https://doi.org/10.1016/j.jinf.2020.04.021

Zudana, A. E., Tarigan, C. J. A., Hutabarat, R. G. L., & Haikal, A. (2021). Females and Tax Avoidance: Evidence from the Agency Problem Perspective. *Jurnal Reviu Akuntansi dan Keuangan*, *11*(3), 667-678.

Zuesty, A. (2016). *Pengaruh Kepemilikan Institusional Risiko Perusahaan, dan Leverage Terhadap Tindakan Tax Avoidance* (Bachelor's thesis, Jakarta: Fakultas Ekonomi dan Bisnis UIN Syarif Hidayatullah Jakarta).