

ANALYSIS OF THE INFLUENCE OF OWNERSHIP STRUCTURE ON THE LEVEL OF TAX AVOIDANCE IN PROPERTY AND REAL ESTATE SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) FOR THE PERIOD 2021–2023

ANALISIS PENGARUH STRUKTUR KEPEMILIKAN TERHADAP TINGKAT PENGHINDARAN PAJAK PADA PERUSAHAAN SEKTOR PROPERTI DAN REAL ESTATE YANG TERDAFTAR DI BURSA EFEK INDONESIA (BEI) PERIODE 2021–2023

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ABSTRACT

This study aims to analyze the effect of ownership structure on the level of tax avoidance in property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) during the period 2021–2023. The research method used is quantitative with a multiple linear regression approach. The sample was selected using the purposive sampling method and resulted in 14 companies as samples, with a total of 42 annual financial report data. The results of the study indicate that ownership structure partially or simultaneously affects the level of tax avoidance. The implications of this study are important for investors in considering ownership structure when making investment decisions, as well as for regulators to understand the role of ownership in tax compliance. This study suggests that companies increase transparency and good governance in ownership structures. In addition, the Directorate General of Taxes and the Financial Services Authority (OJK) are expected to strengthen supervision and reform tax policies to prevent tax avoidance practices.

Kata Kunci: Institutional Ownership, Managerial Ownership, Public Ownership, Tax Avoidance Level

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh struktur kepemilikan terhadap tingkat penghindaran pajak pada perusahaan sektor properti dan real estate yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2021–2023. Metode penelitian yang digunakan adalah kuantitatif dengan pendekatan regresi linier berganda. Sampel dipilih menggunakan metode purposive sampling dan menghasilkan 14 perusahaan sebagai sampel, dengan total 42 data laporan keuangan tahunan. Hasil penelitian menunjukkan bahwa struktur kepemilikan secara parsial maupun simultan berpengaruh terhadap tingkat penghindaran pajak. Implikasi dari penelitian ini penting bagi investor dalam mempertimbangkan struktur kepemilikan saat membuat keputusan investasi, serta bagi regulator untuk memahami peran kepemilikan dalam kepatuhan pajak. Penelitian ini menyarankan agar perusahaan meningkatkan transparansi dan tata kelola yang baik dalam struktur kepemilikan. Selain itu, diharapkan Direktorat Jenderal Pajak dan OJK dapat memperkuat pengawasan serta mereformasi kebijakan perpajakan untuk mencegah praktik penghindaran pajak.

Kata kunci: Kepemilikan Institusional, Kepemilikan Manajerial, Kepemilikan Publik, Tingkat Penghindaran Pajak

1. INTRODUCTION

State revenue plays an important role in meeting financing needs and supporting national development. State revenue comes from three main sources, namely taxes, non-tax state revenue (PNBP), and grants. Among the three, taxes provide the largest contribution to state revenue. The results of tax revenue are allocated for various needs, including infrastructure development, improving public services, and social programs to improve public welfare. As of December 31, 2024, tax revenue was recorded at IDR 1,932.4 trillion, or 100.5% of the APBN target, with a growth of 3.5% compared to the previous year (year-on-year) (Ministry of Finance of the Republic of Indonesia, 2025). This positive performance was supported by an increase in a number of main types of taxes, such as Income Tax (PPh), Value Added Tax (PPN), and Land and Building Tax (PBB). This growth reflects the government's success in implementing effective tax policies, including administrative reform and the use of technology to encourage taxpayer compliance.

The property and real estate sector plays a strategic role in the national economy because it has a high multiplier effect. According to Deputy Minister of Finance Suahasil Nazara, the housing sector makes a significant contribution to Gross Domestic Product (GDP), reaching 14% to 16%, or equivalent to an added value of around IDR 2,349 to IDR 2,865 trillion per year (Ministry of Finance of the Republic of Indonesia, 2024). In addition, this sector is also able to create 13.8 million jobs, which covers 10.2% of the total workforce in 2022. In terms of state revenue, the property and real estate sector makes a substantial contribution to central and regional tax revenues. The contribution of the property and real estate sector to central taxes reaches 9.3%, or around IDR 185 trillion per year. At the regional level, this sector contributes around IDR 92 trillion per year, or 31.9% of the total Regional Original Income (PAD). One important element in tax revenue from the property and real estate sector is the Land and Building Tax (PBB). With an average rate of 4.82%, PBB revenue from this sector is estimated to reach around IDR 76.78 trillion (Ministry of Finance of the Republic of Indonesia, 2024).

Amidst the huge contributions and challenges faced, the property and real estate sector is also vulnerable to tax avoidance practices. Tax avoidance occurs due to the unique characteristics of the property and real estate sector, such as large-value transactions, long-term projects, and the complexity of tax regulations, which create loopholes to minimize tax obligations legally. Tax avoidance in the property and real estate sector has the potential to significantly reduce central and regional tax revenues, while also hampering the government's efforts to create a fair and sustainable tax system. The lack of transparency in property sales and purchases often becomes a significant obstacle for tax authorities in monitoring the flow of funds and identifying potential revenue losses. As a result, tax avoidance practices in this sector can cause a significant decrease in state revenues and widen the gap between large and small business actors. This unfairness risks reducing public trust in the tax system and has the potential to disrupt overall economic stability.

According to Dyreng et al. (2008), "Tax avoidance is all transactions aimed at reducing a company's tax obligations, which allows directors to improve company performance by reducing the burden and increasing profits, but on the other hand also risks causing tax disputes that can harm the company". According to Pohan (2013), "Tax avoidance is an effort to make the tax burden more efficient by avoiding taxation by directing it to transactions that are not taxable objects". According to Septanta (2023), "Tax avoidance is a step taken by a person or company to avoid tax obligations, can be done legally without violating applicable tax laws and regulations, but behind this legality, this practice poses risks such as worsening the company's reputation in the eyes of the public, because even though it does not violate the law, tax avoidance is still considered undesirable by the government, making it a unique and complicated problem".

As explained in Jensen and Meckling (1976), "agency problems occur when the parties working together have different goals and divisions of labor". According to Putra and Kurniaty (2024), "Agency theory or agency theory is closely related to tax avoidance practices because agency theory explains the relationship between stakeholders and company management, where both parties work together to achieve the company's goals, namely profit". According to Sutomo and Djaddang (in Putra and Kurniaty, 2024), financial reports made by company management are caused by opportunistic motivation and signal motivation. Opportunistic motivation is financial management reporting by management with higher profits to get incentives, while signal motivation is financial reporting by quality management to give a positive signal to investors'. According to Putri and Lawita (in Putra and Kurniaty, 2024), 'agency theory is a theory that explains the relationship between agents as parties who manage the company and principals as owners, both of whom are bound by an employment contract'. Based on this, agency theory explains the relationship between the company owner (principal) and management (agent) who work together to achieve the company's goals, especially in gaining profit. However, there are agency problems that arise due to differences in interests between the two parties, which can encourage opportunistic actions by management, such as manipulating financial reports for personal incentives. On the other hand, management can also be motivated to provide positive signals to investors through transparent and quality financial reports. In addition, agency theory is also closely related to tax avoidance practices, because management decisions in reporting finances are influenced by relationships with stakeholders.

Tax avoidance carried out by companies is usually the result of policies set by company leaders, where each leader as a decision maker has different characteristics. One of the early indications that a company is engaging in tax avoidance can be seen through institutional ownership. According to Septanta (2023), "Institutional ownership refers to the ownership of company shares owned by institutions or institutions, such as banks, insurance companies, investment companies, state-owned enterprises, and other institutions. This ownership plays an important role in monitoring, supervising, and influencing the actions of company managers. As a party that plays a role in supervision, institutional ownership encourages more optimal company management. The large proportion of institutional ownership in a company can influence management policies, including decisions to minimize the tax burden that must be borne by the company". According to Khurana and Moser (in Karunia et al., 2019), 'Institutional ownership refers to the ownership of company shares owned by institutions or institutions, such as banks, insurance companies, investment companies, state-owned enterprises, and other institutions. This ownership plays an important role in monitoring, supervising, and influencing the actions of company managers. As a party that plays a role in supervision, institutional ownership encourages more optimal company management. The large proportion of institutional ownership in a company can influence management policies, including decisions to minimize the tax burden that must be borne by the company.

According to Kusumaning Dewi and Setiawan (2024), "The ownership structure of a company arises due to differences in the proportion of share ownership in the company. Managerial ownership is share ownership owned by company management such as directors, commissioners and managers so that tax avoidance policy decisions cannot be separated from the policies of the owners and management of the company". According to Denny and Akhmad (in Sandrina, 2023), 'The result of the large share ownership by management is that management will pay more attention to share ownership and minimize company risks because there will be consequences that must be borne by management if there are errors in decision making'. According to Alzoubi (in Rakayana, 2021), 'If managers do not own company shares, then their actions tend to be influenced by personal interests and not to increase the value of the company and the interests of shareholders, while if managers have a share in the company, managers will tend to align with the interests of shareholders in increasing profits'.

In addition to institutional ownership and managerial ownership, public ownership also plays an important role in influencing tax avoidance practices. According to Badertscher et al. (2013), "Public ownership is minority shareholding that owns no more than 5% of the total shares outstanding. Public shareholders have a position as minority shareholders in the company. Companies with centralized ownership and control tend to be less aggressive in implementing tax avoidance strategies compared to companies with separate ownership and control". According to Proyogo (in Lely Oktaviana, 2017), 'public shareholding does not care about the company's strategic policies so that it pays less attention to the level of profit and aggressive tax strategies and is less motivated to control management performance'. According to Alfira Nugraheni and Murtin (2019), "Public ownership pressures managers not to be tax aggressive because the public wants companies to pay taxes fairly so that they can be used for the public interest, such as financing state facilities".

Based on the explanation above, the researcher is interested in re-examining the effect of institutional ownership, managerial ownership, and public ownership on the level of tax avoidance. Therefore, this study is entitled "Analysis of the Effect of Ownership Structure on the Level of Tax Avoidance in Property and Real Estate Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 Period".

This study is limited to companies operating in the property and real estate sector listed on the Indonesia Stock Exchange (IDX) and publishing complete and relevant financial reports for the period 2021-2023. This study examines the effect of institutional ownership on the level of tax avoidance in property and real estate companies listed on the Indonesia Stock Exchange (IDX) for the period 2021–2023. In addition, this study also examines the effect of managerial ownership on the level of tax avoidance, as well as the effect of public ownership on the level of tax avoidance in companies in the sector. Furthermore, this study also analyzes the effect of institutional ownership, managerial ownership, and public ownership simultaneously on the level of tax avoidance in property and real estate companies listed on the IDX during the period 2021–2023.

2. LITERATURE REVIEW

2.1. Agency Theory

According to Putra and Kurniaty (2024) "Agency theory or agency theory is closely related to tax avoidance practices because this theory explains the relationship between shareholders and company management, where both parties work together to achieve the company's goals, namely profit". According to Putri and Lawita (in Putra and Kurniaty, 2024), 'Agency theory is a theory that explains the relationship between agents as parties who manage the company and principals as owners who are both bound by a cooperation contract. Stakeholders or shareholders are referred to as principals, while company management is referred to as agents. The principal has the authority to the agent to carry out tasks as management that manages and realizes the company's activities run according to the principal's wishes'. According to Armstrong (2017), "Agency theory or agent-principal theory indicates that principals or owners and managers must develop ways to monitor the activities of their agents or staff. This theory suggests that principals may face many problems in ensuring that agents have done what is requested so it is important to eliminate ambiguity by setting goals and monitoring performance to ensure that goals have been achieved".

According to Jensen and Meckling (1976), "agency theory assumes a principal agency relationship between shareholders and management with top managers representing management acting as agents whose personal interests are not naturally aligned with the interests of the company and shareholders". According to Mursalim (in Lubis, 2023), "agency theory can be viewed as a version of game theory that creates a contractual model between two or more parties, where one party is called an agent and the other party is called a principal. The principal delegates responsibility for decision making to the agent".

2.2. Institutional Ownership

According to Sulistyandari et al., (2024), "Institutional ownership is the ownership of shares by other institutions, namely ownership by companies or other institutions. Ownership of shares by parties formed by institutions such as insurance companies, banks, investment companies, and other institutional ownership. Institutional ownership is a tool that can be used to reduce agency conflicts". According to Yeni et al., (2024), "Institutional share ownership is part of the ownership of shares by institutions or parties who own shares above 5% which is believed to be able to prevent agency conflicts, so that it can prevent the emergence of agency costs. Institutional share ownership can reduce agency costs arising from agency conflicts, because the greater the share ownership of institutional parties, the stronger the supervision and monitoring of management performance mechanisms will be so that it will tend to reduce opportunistic behavior by company management". According to Africa (2021), "Institutional ownership is very important for supervision and management because institutional investors are involved in strategic decisions so that they do not easily believe in profit manipulation, with the aim of ensuring shareholder prosperity and being able to maximize the work of managers so as to maximize the value of the company".

According to Retnaningdya and Cahaya (in Jannah, 2024) 'Agency theory is related to tax avoidance, this is because tax avoidance carried out by companies is related to a conflict of interest between management and shareholders. Shareholders want managers to manage financial reports well and benefit shareholders. This influences management to increase company profits but by reducing the company's tax burden'. According to Ahari et al., (in Hidayah, 2023), 'Basically, institutional ownership wants to gain as much profit as possible to receive large dividends or convert them back into capital. This is of course related to tax avoidance'.

2.3. Managerial Ownership

According to Sugiarto (in Prastiyanti and Mahardhika, 2022), 'Managerial ownership is a condition in which managers take part in the company's capital structure or in other words, managers play a dual role as managers and shareholders of the company'. According to Djabib (in Prastiyanti and Mahardhika, 2022), 'The greater the managerial ownership, the more the management's personal wealth is tied to the company's wealth, so they will try to reduce the risk of losing wealth by reducing the company's financial risk, one of which is by reducing debt. High debt levels can affect the amount of tax deductions. In addition, when managers own more shares in the company, they will try harder to protect the interests of shareholders, including their own interests'. Jensen and Meckling (1976) stated that "the greater the proportion of share ownership by management in the company, the better management will try to fulfill the interests of shareholders who are also managers themselves". According to Pohan (in Mahulae et al., 2016), 'The greater the share ownership by management, the better the company's performance because it helps align the interests of shareholders and managers'. According to Subagyo (in Rakayana, 2021), 'The managerial ownership structure can be explained through two approaches, namely the agency approach, which sees it as a tool to reduce conflict between shareholders and the company, and the information imbalance approach, which sees it as a way to reduce the information gap between insiders and outsiders through corporate transparency.'.

2.4. Public Ownership

According to Franita (2018), "The structure of share ownership is the proportion of institutional ownership and management ownership in the company's share ownership that is able to monitor the company so that it will result in increased company value". According to Franita (2018), "Public ownership is ownership owned by the public or community so that the company can monitor the company with large public ownership. With large public ownership,

it is hoped that the company will be more transparent in disclosing information about the company that will have an impact on the company's value and with the supervision by the public ownership of management, it can make management more careful in making decisions that will later increase the company's value". According to Jensen and Meckling (1976), "public ownership occurs in companies whose shares are freely traded on the stock exchange, where many external shareholders own a small portion of the company's ownership. Public companies can make monitoring more difficult because small shareholders may not have enough incentives to be active in monitoring the company".

According to Wijayanti (in Putra and Suardana, 2016), 'Public ownership is the level of ownership of company shares by the public or the general public outside the company environment. Ownership of the company by outside parties has great power in the company because it can influence the company through the mass media, all of which are considered the voice of the public or society'. According to Nugraheni and Murtin (2019), "The public wants companies to pay taxes properly. Even as shareholders, they expect companies not to avoid taxes. Because they are worried that if the company is caught avoiding taxes, the value of the company's shares will fall. Therefore, the public does not demand that management be ambitious in carrying out tax planning. The more shares owned by the public, the less aggressive the company is in taxation".

2.5. Tax Avoidance Level

According to Palan (in Mardatungga Nurmawan, 2022), 'A transaction can be indicated as an act of tax avoidance if the taxpayer tries to pay less tax than he should owe by taking advantage of the fairness of the interpretation of tax law, trying to have tax imposed on declared profits and not on profits actually obtained, or trying to postpone tax payments'. According to Pohan (in Widayanti et al., 2022), 'Tax avoidance is an attempt to avoid taxes that is carried out legally and is safe for taxes because it does not conflict with tax provisions, where the methods and techniques used tend to exploit weaknesses in the tax laws and regulations themselves, to reduce the amount of tax owed'.

According to Hanlon and Heitzman (2010), "Tax avoidance practices are carried out by taking advantage of legal loopholes due to schemes or transactions that are not clearly regulated so that they do not violate the law". According to Widayanti et al., (2022), "In tax avoidance practices, Taxpayers do not clearly violate the law. Tax avoidance practices are carried out by the management of a company solely to minimize tax obligations that are considered legal and make the company tend to do various ways to reduce its tax burden". According to Irsan (in Anggreini, 2024) 'tax avoidance includes various schemes to reduce the tax burden by exploiting weaknesses in tax regulations'. Tax avoidance efforts are related to efforts made by companies to make their tax payments more efficient.

3. RESEARCH

The type of research used in this study is a quantitative research method with a descriptive statistical approach. This study focuses on how institutional ownership, managerial ownership, and public ownership can influence a company's strategy in managing its tax obligations. The data used are secondary data, namely annual reports and financial reports of companies taken from the official website of the Indonesia Stock Exchange (IDX) for the 2021-2023 period. The sampling technique in this study is using a purposive sampling technique. The data collection technique in this study uses a documentation technique which is carried out by collecting annual reports and financial reports from property and real estate sector companies during the 2021-2023 period and other supporting data obtained from articles or literature related to the research. Data analysis in this study using multiple linear regression tests.

4. RESULTS AND DISCUSSION

Descriptive Statistics

Table 1. Results of Descriptive Statistical Tests

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Institutional Ownership	42	.11526	.82282	.5594079	.23370964
Managerial Ownership	42	.00000	.56950	.0682148	.15245233
Public Ownership	42	.00226	.65982	.3089195	.18972248
Tax Avoidance Rate	42	.00044	.55109	.0640705	.10317633
Valid N (listwise)	42				

Source: SPSS output processed by researcher, 2025

Based on table 1 above, this study uses 42 data during the period 2021-2023. The data includes the minimum, maximum, average (mean), and standard deviation values of each variable analyzed. The institutional ownership variable has a minimum recorded value of 0.11526, while the maximum value reaches 0.82282. The mean value obtained is 0.5594079, with a standard deviation of 0.23370964. The managerial ownership variable has a minimum recorded value of 0.00000, while the maximum value reaches 0.56950. The mean value obtained is 0.0682148, with a standard deviation of 0.15245233. The public ownership variable has a minimum recorded value of 0.00226, while the maximum value reaches 0.65982. The mean value obtained is 0.3089195, with a standard deviation of 0.18972248. The public ownership variable has a minimum recorded value of 0.00044, while the maximum value reaches 0.55109. The mean value obtained is 0.0640705, with a standard deviation of 0.10317633.

Classical Assumption Test

Table 2. Results of the One-Sample Kolmogorov-Smirnov Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
	N	42
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.01961973
Most Extreme Differences	Absolute	.131
	Positive	.131
	Negative	-.100
Test Statistic		.131
Asymp. Sig. (2-tailed)		.164 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: SPSS output processed by researchers, 2025

After conducting a normality test using the Kolmogorov-Smirnov method, the results displayed in table 2 show that the Asymp. Sig. (2-tailed) value is $0.164 > 0.05$. Therefore, it can be concluded that the data in this study have a normal distribution.

Table 3. Multicollinearity Test Results

Coefficients ^a			
		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	Institutional Ownership	.594	1.682
	Managerial Ownership	.952	1.051
	Public Ownership	.604	1.655

a. Dependent Variable: Tax Avoidance Rate

Source: SPSS output processed by researchers, 2025

Based on table 3, the results of the multicollinearity analysis show that all variables have a tolerance value > 0.10 and a Variance Inflation Factor (VIF) value < 10 . Thus, it can be concluded that there is no multicollinearity problem in the data of this study.

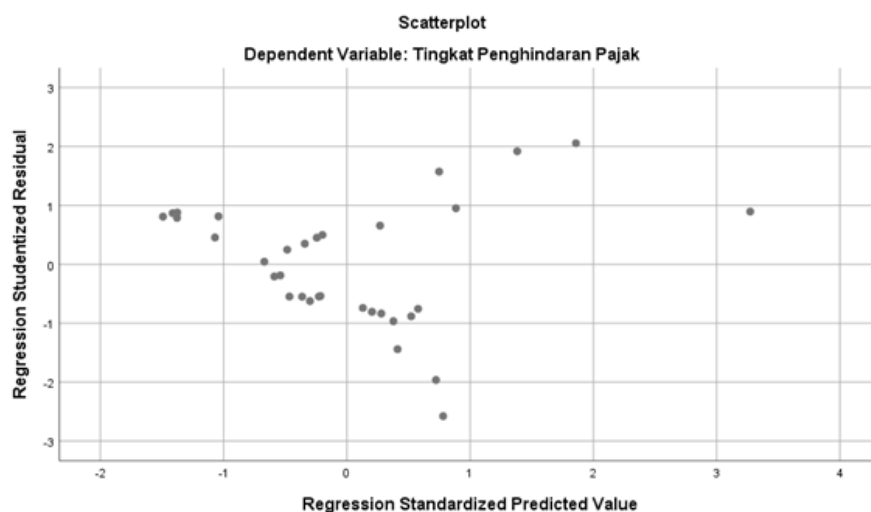


Figure 1. Results of Heteroscedasticity Test

Source: SPSS output processed by researchers, 2025

Based on Figure 1, the points on the scatterplot appear to be randomly distributed, so it can be concluded that there is no heteroscedasticity problem in the data. Thus, the classical assumption requirements in regression have been met.

Table 4. Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.836 ^a	.699	.667	.01703	1.906

a. Predictors: (Constant), Public Ownership, Institutional Ownership, Managerial Ownership

b. Dependent Variable: Tax Avoidance Rate

Source: SPSS output processed by researchers, 2025

The conditions for hypothesis testing with linear regression analysis require that there is no autocorrelation between variables X and Y ($du \leq dw \leq 4 - dl$). This study has 3 independent variables (k) and 33 data (n) so that the d value is d_{in} is 1.65 and the value of d_l is 1.26 Based on the results of the autocorrelation test, the Durbin-Watson value is 1.906 (which is in the range of 1.65 to 2.74). Therefore, it can be concluded that the data in this study are free from autocorrelation, so that the regression assumption requirements have been met.

Table 5. Results of the Determination Coefficient Test (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.808 ^a	.653	.617	.02060958
a. Predictors: (Constant), Public Ownership, Institutional Ownership, Managerial Ownership				

Source: SPSS output processed by researchers, 2025

Based on table 5, the adjusted R value² is 0.617, which means that the statistical equation model used in this study shows that the tax avoidance rate variable (Y) can be explained by the institutional ownership variable ($X_{1.1}$), managerial ownership (X_2), and public ownership (X_3) of 61.7%. The remaining 38.3% is explained by other factors outside the research model used.

Hypothesis Testing

Table 6. t-Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.230	.041		5.562	.000
1 Institutional Ownership	-.089	.035	-.363	-2.554	.016
Managerial Ownership	-.187	.047	-.446	-3.972	.000
Public Ownership	-.217	.034	-.894	-6.346	.000

a. Dependent Variable: Tax Avoidance Rate

Source: SPSS output processed by researchers, 2025

Based on table 6 above, the t-test on the institutional ownership variable shows a significance value of $0.016 < 0.05$ with a regression coefficient value of -0.089. Therefore, H_1 accepted, which means that institutional ownership has an effect on the level of tax avoidance. The regression coefficient value means that the higher the institutional ownership in a company, the lower the level of tax avoidance. Conversely, if institutional ownership is low, the

level of tax avoidance tends to be higher. The t-test on the managerial ownership variable shows a significance value of $0.000 < 0.05$ with a regression coefficient value of -0.187 . Therefore, H_2 accepted, which means that managerial ownership has an effect on the level of tax avoidance. The value of the regression coefficient means that the higher the managerial ownership in a company, the lower the level of tax avoidance. Conversely, if managerial ownership is low, the level of tax avoidance tends to be higher. The t-test on the public ownership variable shows a significance value of $0.000 < 0.05$ with a regression coefficient value of -0.217 . Therefore, H_3 accepted, which means that public ownership has an effect on the level of tax avoidance. The value of the regression coefficient means that the higher the public ownership in a company, the lower the level of tax avoidance. Conversely, if public ownership is low, the level of tax avoidance tends to be higher.

Table 7. F Test Results

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.023	3	.008	18.157	.000 ^b
Residual	.012	29	.000		
Total	.035	32			

a. Dependent Variable: Tax Avoidance Rate
b. Predictors: (Constant), Public Ownership, Institutional Ownership, Managerial Ownership

Source: SPSS output processed by researchers, 2025

Based on table 7, column F shows that the calculated F value is 18.157 with a significance value of F in the Sig. column of 0.000 below the alpha significance level of 5% or 0.05. This indicates that the statistical equation model used is considered feasible, where the variable of tax avoidance rate (Y) can be explained by the institutional ownership variable (X_1), managerial ownership (X_2), and public ownership (X_3). In addition, these results also show that institutional ownership (X_1), managerial ownership (X_2), and public ownership (X_3) has a simultaneous effect on the level of tax avoidance (Y).

Table 8. Multiple Linear Regression Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.230	.041		5.562	.000
Institutional Ownership	-.089	.035	-.363	-2.554	.016
1 Managerial Ownership	-.187	.047	-.446	-3.972	.000
Public Ownership	-.217	.034	-.894	-6.346	.000

a. Dependent Variable: Tax Avoidance Rate

Source: SPSS output processed by researchers, 2025

Based on the results of the multiple linear regression test in table 8, the following equation was obtained:

$$ETR = 0.230 - 0.089KI - 0.187KM - 0.217KP + \varepsilon$$

Information:

ETR	=	Effective Tax Rate
Constant (α)	=	0,230
Coefficient b_{1TO}	=	-0,089
Coefficient b_{2KM}	=	-0,187
Coefficient b_{3KP}	=	-0,217
e	=	Error

DISCUSSION

The Effect of Institutional Ownership on the Level of Tax Avoidance

The first hypothesis in this study is that institutional ownership has an effect on the level of tax avoidance. The significance value of the institutional ownership variable is 0.016 < 0.05 with the regression coefficient value on the institutional ownership variable of -0.089, which means that the institutional ownership variable has an effect on the level of tax avoidance at a 95% confidence level. The regression coefficient value shows that increasing institutional ownership in a company is inversely proportional to the level of tax avoidance, namely the higher the institutional ownership, the lower the tax avoidance. Conversely, when institutional ownership is low, tax avoidance tends to increase. Based on the results of this study, it can be concluded that H1 Accepted, namely institutional ownership, has an effect on the level of tax avoidance.

The results of this study are in line with research conducted by Africa (2021), that the study found that institutional ownership has an effect on the level of tax avoidance. The results of this study can be linked to the Agency Theory proposed by Jensen and Meckling, (1976). This theory explains that in a company there is a conflict of interest between managers (agents) and owners (principals), where managers often pursue personal interests such as increasing short-term profits or certain incentives. One strategy that managers can do is tax avoidance, which although it can increase net income in the short term, also carries legal and reputational risks that can harm the company in the long term.

In this context, institutional ownership acts as a monitoring mechanism that can reduce agency problems. Institutional investors have an interest in maintaining good corporate governance and tend to monitor management policies more closely, including in terms of tax compliance. The regression results support this theory, where the higher the institutional ownership, the lower the level of tax avoidance. This suggests that companies with high institutional ownership tend to avoid aggressive tax avoidance practices, due to stronger monitoring from institutional shareholders.

The Effect of Managerial Ownership on the Level of Tax Avoidance

The second hypothesis in this study is that managerial ownership has an effect on the level of tax avoidance. The significance value of the managerial ownership variable is 0.000 < 0.05 with the regression coefficient value on the managerial ownership variable of -0.187, which means that the managerial ownership variable has an effect on the level of tax avoidance at a 95% confidence level. The regression coefficient shows that increasing managerial ownership in a company is inversely proportional to the level of tax avoidance, namely the higher the managerial ownership, the lower the tax avoidance. Conversely, when managerial ownership is low, tax avoidance tends to increase. Based on the results of this

study, it can be concluded that H2 Accepted, namely managerial ownership, has an effect on the level of tax avoidance.

The results of this study are in line with research conducted by Mardatungga Nurmawan (2022), that the study found that managerial ownership has an effect on the level of tax avoidance. This finding can be explained through the Agency Theory proposed by Jensen and Meckling, (1976). This theory states that in a company there is a conflict of interest between managers (agents) and owners (principals). Managers who do not have ownership in the company tend to act in their personal interests, including making risky decisions such as tax avoidance to increase short-term profits. However, when managers also act as owners through significant share ownership, the conflict of interest can be reduced. This happens because the interests of managers become more aligned with the interests of the owners, so they are more careful in making business decisions that can have a negative impact on the company in the long term, including aggressive tax avoidance practices.

The results of the regression coefficients indicate that managers who own shares in the company tend to be more responsible in managing the company's finances and taxes, because they also bear the consequences of the risks that arise. Overall, these findings support the argument in Agency Theory that managerial ownership can be an effective mechanism in reducing agency conflicts and encouraging more ethical and sustainable business practices, including in the taxation aspect.

The Effect of Public Ownership on Tax Avoidance Levels

The third hypothesis in this study is that public ownership has an effect on the level of tax avoidance. The significance value of the public ownership variable is $0.000 < 0.05$ with the regression coefficient value on the public ownership variable of -0.217 , which means that the public ownership variable has an effect on the level of tax avoidance at a 95% confidence level. A very small significance value indicates that the effect of public ownership on tax avoidance is statistically very strong, while a negative coefficient indicates that the greater the public ownership, the lower the level of tax avoidance. Conversely, the smaller the public ownership, the higher the level of tax avoidance. Based on the results of this study, it can be concluded that H3 Accepted, namely that public ownership has an effect on the level of tax avoidance.

The results of this study are in line with research conducted by Nugraheni and Murtin (2019), that the study found that public ownership has an effect on the level of tax avoidance. The consistency of the results of this study further strengthens the understanding that the greater the public ownership, the lower the likelihood of a company carrying out an aggressive tax avoidance strategy, due to pressure from the public to maintain transparency and tax compliance. In Agency Theory by Jensen and Meckling, (1976), conflicts between managers (agents) and owners (principals) can trigger opportunistic actions from managers, including tax avoidance. However, large public ownership means more external supervision, because the public as investors usually demands transparency and compliance with regulations. Therefore, managers will be more careful in making decisions, including in tax strategies, to avoid reputational and legal risks. Public shareholders generally expect good corporate governance and transparency in tax management. They tend to pressure management not to engage in risky tax avoidance practices, so that they can increase compliance with tax regulations.

The Influence of Institutional Ownership, Managerial Ownership, and Public Ownership on the Level of Tax Avoidance

The fourth hypothesis in this study is that institutional ownership, managerial ownership, and public ownership affect the level of tax avoidance. Based on table 4.12, it shows the significance of F in the Sig. column. Of 0.000 below the alpha significance level of 5% or 0.05. This indicates that the regression model used in this study is feasible and has a significant relationship between the independent variables and the dependent variable. In

other words, institutional ownership, managerial ownership, and public ownership together have a role in determining the level of tax avoidance of a company.

This finding can be related to the Agency Theory developed by Jensen and Meckling, (1976), which explains the conflict of interest between managers as agents and owners as principals. In a company, managers tend to have personal interests that may not always be in line with the interests of shareholders, including in strategic decisions such as tax avoidance. Institutional ownership can function as a stricter monitoring mechanism, because institutional investors tend to be more active in overseeing company policies and reducing management's incentives to carry out aggressive strategies in tax avoidance. Meanwhile, managerial ownership can provide incentives for managers to act more in accordance with the interests of the company, because they also have a share in share ownership. The greater the managerial ownership, the smaller the potential for agency conflict, because managers will be more careful in making decisions that can impact the sustainability of the company. On the other hand, widespread public ownership can lead to weak supervision of management, which has the potential to increase the level of tax avoidance if there is not enough control from large investors.

5. CONCLUSIONS

Based on the results of the analysis of the influence of institutional ownership, managerial ownership, and public ownership on the level of tax avoidance in property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period, it can be concluded that institutional ownership affects the level of tax avoidance in property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period. The effect of institutional ownership on tax avoidance can be explained through agency theory, which discusses the relationship between owners (principals) and management (agents). Institutional investors, such as investment companies, pension funds, and financial institutions, generally have more capacity and expertise in overseeing company policies, including tax avoidance strategies. Managerial ownership affects the level of tax avoidance in property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period. Agency theory explains that managerial ownership can influence a company's tax policy. When managers own shares in a company, managers will be more motivated to increase the value of the company, one of which is by reducing the tax burden so that the profits obtained are greater. However, there are risks that must be considered, especially if the strategy violates the rules or damages the company's reputation. Thus, managerial ownership can encourage tax avoidance for personal interests, but still by taking into account the risks that may occur.

Public ownership affects the level of tax avoidance in property and real estate companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period. Public ownership spread throughout the community can complicate agency problems because individual shareholders often find it difficult to monitor company policies. In this condition, management has more freedom in making decisions, including on tax avoidance. If corporate governance is weak, management can take advantage of tax avoidance for personal gain, not for the benefit of shareholders. Conversely, if public investors are able to carry out good supervision, tax avoidance strategies can be controlled so that they remain in line with the company's long-term goals. Institutional ownership, managerial ownership, and public ownership affect the level of tax avoidance in property and real estate companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period. These various forms of ownership reflect the complexity of agency relationships within the company. Institutional ownership tends to act as a monitoring mechanism, managerial ownership provides direct incentives to managers, while public ownership can create loopholes for management to make decisions

more freely. Therefore, the relationship between these different forms of ownership influences the extent to which firms implement tax avoidance strategies.

5.1. Suggestions

Based on the results of the analysis of the influence of institutional ownership, managerial ownership, and public ownership on the level of tax avoidance in property and real estate sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period, several suggestions that can be given are that companies are expected to increase transparency and tax compliance by implementing good corporate governance practices in their ownership structure. Investors are advised to pay attention to the company's ownership structure as one of the factors in making investment decisions. Tax authorities and capital market regulators, such as the Directorate General of Taxes (DGT) and the Financial Services Authority (OJK), are expected to strengthen supervision and enforcement of tax regulations so that companies comply with their tax obligations fairly and responsibly. In addition, regulators need to reform tax policies to create a more effective system in preventing tax avoidance, as well as providing incentives for companies that implement good tax compliance.

And for future research, it is expected to expand the scope of the study by considering other factors that can affect the level of tax avoidance, such as profitability, leverage, company size, or dividend policy. In addition, research can be conducted in different industrial sectors, so that it can be compared with the property and real estate sector, thus providing a more comprehensive understanding of the dynamics of tax avoidance in various economic sectors.

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