

THE EFFECT OF LIQUIDITY, LEVERAGE, AND CAPITAL INTENSITY ON TAX AVOIDANCE WITH COMPANY SIZE AS A MODERATING VARIABLE (CASE STUDY OF ENERGY SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE 2020-2023)

PENGARUH LIKUIDITAS, LEVERAGE, DAN INTENSITAS MODAL TERHADAP PENGHINDARAN PAJAK DENGAN UKURAN PERUSAHAAN SEBAGAI VARIABEL MODERASI (STUDI KASUS PADA PERUSAHAAN SEKTOR ENERGI YANG TERDAFTAR DI BURSA EFEK INDONESIA TAHUN 2020-2023)

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ABSTRACT

Tax avoidance practices and the factors that influence them, especially liquidity, leverage, and capital intensity with company size as a moderating variable are the main focus of this study. By utilizing secondary data sourced from the publication of financial reports and annual reports of Energy Sector business entities listed on the Indonesia Stock Exchange during the 2020-2023 period, a comprehensive analysis was conducted using SPSS software version 29. The research findings reveal that there is no significant effect between liquidity and tax avoidance strategies, in contrast to leverage which shows a significant impact on tax avoidance activities. Meanwhile, capital intensity does not show a significant effect on tax avoidance behavior. In the context of the role of moderation, company dimensions fail to moderate the relationship between liquidity and tax avoidance practices, as well as the relationship between leverage and tax avoidance efforts. However, company size is proven to be effective as a moderating variable in the relationship between capital intensity and tax avoidance strategies. The results of this investigation contribute valuable perspectives on the determinants of tax avoidance behavior in energy sector corporations in Indonesia and enrich the literature on corporate tax practices in developing economies.

Keywords: Tax Avoidance, Liquidity, Leverage, Capital Intensity, Company Size

ABSTRAK

Praktik penghindaran pajak serta faktor-faktor yang mempengaruhinya, khususnya likuiditas, leverage, dan capital intensity dengan ukuran perusahaan sebagai variabel moderasi menjadi fokus utama penelitian ini. Dengan memanfaatkan data sekunder yang bersumber dari publikasi laporan keuangan dan laporan tahunan entitas bisnis Sektor Energi yang tercatat di Bursa Efek Indonesia selama rentang waktu 2020-2023, analisis komprehensif dilakukan menggunakan perangkat lunak SPSS versi 29. Temuan penelitian mengungkapkan bahwa tidak terdapat pengaruh signifikan antara likuiditas terhadap strategi penghindaran pajak, berbeda dengan leverage yang menunjukkan dampak signifikan pada aktivitas penghindaran kewajiban perpajakan. Sementara itu, capital intensity tidak memperlihatkan pengaruh yang bermakna terhadap perilaku penghindaran pajak. Dalam konteks peran moderasi, dimensi perusahaan tidak berhasil memoderasi relasi antara likuiditas dan praktik penghindaran pajak, begitu pula pada hubungan antara leverage dan upaya penghindaran pajak. Namun demikian, besaran perusahaan terbukti efektif sebagai variabel moderasi dalam hubungan antara capital intensity dan strategi penghindaran pajak. Hasil investigasi ini menyumbangkan perspektif berharga mengenai determinan perilaku penghindaran pajak pada korporasi sektor energi di Indonesia dan memperkaya khazanah literatur tentang praktik perpajakan perusahaan di ekonomi negara berkembang.

Kata Kunci: Penghindaran Pajak, Likuiditas, Leverage, Capital Intensity, Ukuran Perusahaan

1. INTRODUCTION

From the state's perspective, taxes function as Taxes are a vital source of funding for government operational activities, while from the perspective of corporations as parties paying taxes, this is considered an expense that reduces net profits. Business entities tend to try to minimize tax payments as much as possible because these payments have an impact on reducing the company's economic capacity. Referring to Law No. 2 of 2022, taxes are mandatory obligations imposed by the government on citizens and legal entities. This contribution is imperative in accordance with applicable laws and regulations. Unlike other contributions or fees, taxes do not provide direct compensation to the party paying them. Instead, the funds collected are allocated to finance various national needs and development which are the responsibility of the government in an effort to realize the welfare and prosperity of the people to the maximum.

Tax avoidance is a term used to describe legal efforts made in order to minimize the tax burden. This practice is known as a form of tax liability reduction strategy that is still within the applicable legal corridor. In tax strategies, both individual taxpayers and business entities tend to choose to implement tax avoidance practices as an option to minimize their tax liabilities. This happens because in principle, tax avoidance activities are carried out by exploiting gaps or weaknesses in tax regulations, so that technically they are still considered legal because they do not violate the provisions of the applicable tax laws (Artinasari & Mildawati, 2018). From a legal perspective, as stated by Zaki (2019), the phenomenon of reducing tax obligations outside the legal mechanism basically reflects behavior that does not comply with tax regulations. This action fundamentally contradicts the principles of justice and transparency in the tax system, because it systematically intends to avoid fulfilling fiscal obligations that have been set by applicable regulations.

PT Adaro Energy Tbk is involved in a tax avoidance case through transfer pricing practices. Transfer pricing is a strategy in which a company transfers a large amount of profits from Indonesia to an affiliated company abroad in a tax-free zone. By transferring profits to a country with a tax exemption policy, PT Adaro Energy Tbk has succeeded in reducing the tax burden that should be paid in Indonesia. The mechanism of transferring profits to a country with a lighter tax burden is a strategy used by several corporations. In one particular case, a public company was proven to have practiced tax evasion for eight years, from 2009 to 2017. Through a systematic transfer pricing scheme, the entity succeeded in significantly minimizing tax obligations, resulting in savings of hundreds of millions of US dollars. In-depth investigations revealed that the *modus operandi* used involved moving profits across borders, which ultimately resulted in huge state losses. Based on the evidence revealed, it can be concluded that there were serious violations in the tax practices of the company concerned (Source: <https://proconsult.id>).

Several main driving factors that cause companies to engage in tax avoidance. Among these elements are liquidity, leverage, and capital intensity. A business entity that has an adequate level of liquidity demonstrates its capability in settling various short-term financial obligations while low liquidity indicates difficulty in meeting these obligations. When facing liquidity problems, companies have the potential to implement tax avoidance as an effort to minimize tax expenses, which is a savings strategy and a way to keep cash flow stable. Research (Ariyanti et al., 2021) revealed that liquidity has a significant negative effect on tax avoidance practices. The results of this study are not in line with the findings (Wongso and Prasetya, 2023) which revealed that their research has not been able to provide evidence that strengthens the link between liquidity and tax avoidance practices.

The financing approach through debt instruments represents one of the alternative financial management that can affect the fiscal position of the organization. This interest expense acts as a deduction from net income, which results in a decrease in the amount of tax paid and ultimately maximizes the company's profit. Companies that choose debt financing

generally have lower taxable profits compared to companies that obtain funding through share issuance, so they can be classified as a form of tax avoidance (Adelina, 2012). Research by Wongso and Prasetya (2023) confirms the relationship between leverage and tax avoidance efforts. However, different findings are shown in the study of Ismi Norisa et al. (2022) which concludes that leverage has no effect on tax avoidance practices.

Tax avoidance behavior can be influenced by the level of fixed asset intensity or capital intensity, because the company's fixed assets contain depreciation costs attached to them. This prediction arises based on the relationship between fixed asset ownership and the possibility of tax avoidance. A study by (Lukito & Sandra, 2021) revealed that capital intensity has a positive effect on tax avoidance. However, this finding contradicts the analysis of (Dwijayanti, 2021) which proves that there is no effect of capital intensity on tax avoidance practices.

This study refers to the research conducted by (Abdullah, 2020). There are several differences between this study and previous studies, namely, this study includes the capital intensity variable and in this study the researcher also includes company size as a moderating variable because this study intends to understand tax avoidance actions from different aspects. While the previous study used the title "The Effect of Liquidity and Leverage on Tax Avoidance". Based on the description of the phenomenon and the existence of a Research Gap among previous researchers, the researcher is interested in conducting research with the title "The Effect of Liquidity, Leverage, and Capital Intensity on Tax Avoidance with Company Size as a Moderating Variable (Case Study of Energy Sector Companies Listed on the Indonesia Stock Exchange 2020-2023"

2. LITERATURE REVIEW

2.1. Agency Theory

Contractual relationships in a company are explained by agency theory, which describes the collaboration between management (agent) and shareholders (principal) in a business entity (Irham, 2014). Jensen & Meckling (1976) explained that this theory relates to the interaction between one or more parties (principals) involving other parties (agents) to carry out various services that include delegating decision-making authority to the agent. The concept of agency theory is present as a result of a work agreement between the principal who holds the authority and the agent who is entrusted to manage the company.

2.2. Tax evasion

Tax avoidance is a form of transaction designed to minimize the tax burden by exploiting weaknesses in a country's tax provisions, according to (Gusti Maya Sari, 2014). Meanwhile, (Pohan, 2013) defines tax avoidance as: "Tax reduction steps that are carried out legally and safely for taxpayers because they do not conflict with tax provisions, where the techniques and methods used tend to exploit weaknesses in the tax laws and regulations themselves, to minimize the amount of tax owed."

2.3. Liquidity

The level of company liquidity can be measured through the liquidity ratio or working capital ratio, as stated by (Kasmir, 2018) The elements in the balance sheet are the basis for this measurement, especially through a comparison between the composition of current capital and liabilities within a one-year period. Evaluation of the development of company liquidity can be done by analyzing several periods.

2.4. Leverage

As stated (Gulthom, 2021), leverage functions as a measure of a company's capability to pay off all its obligations, including short-term and long-term obligations. (Prabowo & Sahlan, 2022) stated that increasing leverage on the tax burden that must be paid by the company can

be minimized by utilizing interest expenses, so that the level of tax avoidance becomes more optimal.

2.5. Capital Intensity

Capital intensity is a concept that describes capital intensity is a reflection of the concept that describes how much a business entity relies on fixed assets in its operations is capital intensity. Next (Natalya, 2018) states that measuring the proportion of capital reveals the strategic context of managing a company's financial resources requires capital to create income, where the increase in capital can be obtained from reducing sales of fixed assets or increasing purchases of fixed assets.

2.6. Company Size

In general, company dimensions can be defined as a scale that classifies companies based on their size according to various aspects, such as total assets, average total assets, stock value in the market, total revenue/sales, average sales, number of employees, amount of profit, and so on (Dang et al., 2018).

3. METHODS

3.1. Method of collecting data

In this research, the figures from the financial reports of energy corporations listed on the IDX for the period 2020-2023 are the quantitative data used. Researchers utilize information that is not obtained directly from the source but through intermediary media, either in the form of certain documents or other parties known as secondary data. The research will use reference sources from the official portal of the Indonesia Stock Exchange (www.idx.co.id). The data used is secondary data consisting of financial documentation and annual reports from corporate entities in the energy sector that have been listed on the IDX during the period 2020-2023.

3.2. Data Types and Sources

Secondary data is data used for the purposes of this study is a type of data that has been published or used by organizations that are not the data processors (Amri et al., 2009). Numerical or quantitative information presented in financial reports is secondary data used to calculate the value of variables in this study. Data collection in this study comes from www.idx.co.id which is the official website of the Indonesia Stock Exchange (IDX), with a focus on data on energy sector companies listed on the IDX.

3.3. Population

This research covers all energy companies listed on the IDX for the 2020-2023 period. The information used in this entire study comes from secondary data in the form of financial documents and annual reports of industrial entities listed on the Indonesia Stock Exchange for the period 2020 to 2023.

3.4. Sample

Sampling is the process of collecting data with examples or samples from a portion of the population (Amri et al., 2009). Through the existing characteristics and traits, the selected sample is able to represent the population. The selection process of this research sample is based on predetermined criteria, which is a characteristic of the purposive sampling strategy in determining research subjects.

As research objects, the companies selected meet the following criteria:

1. Energy sector companies listed on the IDX in 2020-2023

2. Company financial reports that can be accessed on IDX during the 2020-2023 period
3. Companies that experienced profits during the research period.
4. Companies that use the rupiah currency

Table 1. Purposive sampling

No	Kriteria	Jumlah
1	Populasi	87
2	Perusahaan sektor energi yang tidak terdaftar secara berturut turut di BEI periode 2020-2023	(23)
3	Laporan keuangan perusahaan yang tidak bisa di akses di IDX selama periode 2020-2023	(7)
4	Perusahaan yang mengalami rugi selama periode 2020-2023	(34)
5	Perusahaan yang tidak menggunakan mata uang rupiah	(15)
	Total	8
	Total sampel akhir penelitian (8 x 4 tahun)	32

3.5. Data analysis techniques

This study applies multiple linear regression methods in order to examine how independent variables influence dependent variables. To test the proposed hypothesis, SPSS software is used as an analysis tool. The data testing used is the classical assumption test, multiple linear regression method and Moderated Regression Analysis (MRA).

4. RESULTS AND DISCUSSIONS

4.1. Descriptive Statistics

Table 2. Descriptive statistics of research variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Tax Avoidance	32	4.80	9.16	6.1180	1.04958
Liquidity	32	6.68	7.79	7.1697	.29545
Leverage	32	6.04	9.57	7.2792	.88188
Capital Intensity	32	1.79	6.62	4.9495	1.52480
Company Size	32	7.27	8.01	7.6703	.25790
Valid N (listwise)	32				

The tax avoidance variable shows that the minimum value is 4.80 and the maximum value is 9.16, so the range value is 9.16. The mean value is 6.1180. The standard deviation value is 1.04958. In addition, the liquidity variable studied shows a minimum value of 6.68. and a maximum value of 7.79, so the range value is 7.79. The mean value is 7.1697. The standard deviation value is 0.29545. The leverage variable consisting of 32 data samples studied shows a minimum value of 6.04 and a maximum value of 9.57, so the range value is 9.57. The mean value is 7.2792. The standard deviation value is 0.88188. The capital intensity variable has a minimum value of 1.79 from 32 samples, a maximum value of 6.62, so that the range value is 6.62. The mean value is 4.9495. Furthermore, the company size variable has a minimum value of 7.27 consisting of 32 samples and a maximum value of 8.01 with an average value of 7.6703. The standard deviation value is 0.25790.

Classical Assumption Test

Normality Test

Table 3. Normality test

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			32
Normal Parameters ^{a,b}	Mean		.0000000
	Std. Deviation		.74310608
Most Extreme Differences	Absolute		.116
	Positive		.116
	Negative		-.079
Test Statistics			.116
Asymp. Sig. (2-tailed) ^c			.200 ^d
Monte Carlo Sig. (2-tailed) ^e	Sig.		.317
	99% Confidence Interval	Lower Bound	.305
		Upper Bound	.329

Based on table 3. it is observed that the Asymp. Sig. (2-tailed) value is 0.200 > 0.05. This shows that the residual value is normal and the research model meets the criteria for the classical assumption test.

Multicollinearity Test

Table 4. Multicollinearity test

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-4.905	8.117		-.604	.551		
	Liquidity	1.224	.712	.344	1.719	.097	.441	2.269
	Leverage	1.423	.365	1.196	3.895	<.001	.188	5.329
	Capital Intensity	.251	.177	.364	1.418	.167	.269	3.724
	Company Size	-1.219	.607	-.300	-2.007	.055	.794	1.260

Based on the results of the multicollinearity test in table 4. the tolerance value of each variable above has a Tolerance value of more than 0.10, which means there is no correlation between independent variables with a value of more than 95%. The results of the calculation of the Variance Inflation Factor (VIF) value also show the same thing, there is no independent variable that has a VIF value of less than 10.

Heteroscedasticity Test**Table 5. Heteroscedasticity test**

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-3.834	4,669		-.821	.419
	Liquidity	.380	.409	.248	.927	.362
	Leverage	.202	.210	.393	.959	.346
	Capital Intensity	-.012	.102	-.040	-.118	.907
	Company Size	.034	.349	.019	.098	.923

Based on table 5. the results of the heteroscedasticity test through the Glejser test, it can be observed that the variables of liquidity, leverage, capital intensity and company size have significant values > 0.05 , so it can be concluded that the variables in the regression model of this study do not show symptoms of heteroscedasticity.

Autocorrelation Test**Table 6. Autocorrelation test**

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.785 ^a	.617	.540	.72030	2.165

From the data above, the Durbin-Watson (DW) value of the regression model is 1.540, with $n = 32$ with $k = 4$ obtained $du = 1.732$ so that $4-du = 4 - 1.732 = 2.267$. In this study, the DW value lies between dU and $(4-dU)$, which is $1.732 < 2.165 < 2.267$. Therefore, it can be concluded that there is no autocorrelation problem in this regression model.

Hypothesis Testing**Multiple Linear Regression Test****Table 7. Multiple regression analysis test**

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-10.127	8,093		-1.251	.221
	Liquidity	.860	.724	.242	1.187	.245
	Leverage	1.221	.370	1,026	3.303	.003
	Capital Intensity	.240	.186	.349	1.292	.207

Based on the table above, it can be understood that the tax avoidance variable is influenced by other variables determined in the research, which obtains the equation value obtained from the results of the multiple linear regression test as follows:

$$Y = -10.127 + 0.860X_1 + 1.221X_2 + 0.240X_3 + e$$

Moderated Regression Analysis (MRA) Test

Table 8. Moderated regression analysis test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	18,047	7,470		2.416	.024
	Liquidity	-.005	.003	-.1854	-1.422	.168
	Leverage	.000	.001	-.454	-.100	.921
	Capital Intensity	-.013	.005	-.2940	-2.602	.016
	Company Size	-.005	.004	-.2531	-1.343	.192
	X1Z	1,910	.000	1,827	1,099	.283
	X2Z	1.163	.000	.792	.172	.865
	X3Z	5.397	.000	2,343	2,391	.025

From the regression results above, the regression equation model can be taken as follows:

$$Y = 18.047 + -0.005X_1 + 0.000X_2 + -0.013X_3 + -0.005Z + 1.910X_1*Z + 1.163X_2*Z + 5.397*Z + e$$

(R²) Test

Table 9. Test of determination coefficient

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.672 ^a	.451	.392	.81808
2	.824 ^a	.680	.586	.67527
Source: SPSS Data Processing Results, 2024				

Based on the results of the determination analysis that can be seen in the output of the summary model can be seen from table 8, the R (R Square) figure is 0.451 or (45.1%) indicating that the ability of the independent variable to explain the influence on the dependent variation is only 45.1%. While the remaining 55.1% is explained by other variables. While in model 2 the R (R Square) figure is 0.680 or (68%) indicating that the ability of the independent variables to explain the influence on the dependent variation is 68%. While the remaining 32% is explained by other variables.

F Statistic Test**Table 10. F statistical test**

ANOVA ^a						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15,411	3	5.137	7,675	<,001 ^b
	Residual	18,739	28	.669		
	Total	34.150	31			
2	Regression	23.206	7	3.315	7,270	<,001 ^b
	Residual	10,944	24	.456		
	Total	34.150	31			

Referring to the findings of the F statistical test related to model 1 accompanied by a significant value of 0.001 which means that the value is below 0.05, thus the research variables as a whole bring significant influence on tax avoidance (Y). While in model 2, the test findings also show a fairly significant value of 0.001 which means that the value is less than 0.05, thus the research variables moderated by company size bring significant influence on tax avoidance (Y).

Statistical Test t

The results of the t-test show that leverage has an effect on tax avoidance. On the other hand, liquidity and capital intensity do not have a significant impact on tax avoidance. In addition, company size is able to moderate capital intensity on tax avoidance. However, liquidity and leverage variables cannot be moderated by company size.

Discussion**The Effect of Liquidity on Tax Avoidance**

Based on the results of previous tests, the analysis of how liquidity affects tax avoidance shows a regression coefficient of 0.860. This indicates that a one-unit increase in the liquidity ratio will cause an increase in tax avoidance of 0.860. However, the significance value obtained is 0.245, which exceeds the threshold of 0.05 (α). With a significance value above the threshold, it can be interpreted that the liquidity variable does not have a significant effect on tax avoidance.

Based on the results obtained, H_1 is not accepted, which indicates that liquidity does not affect tax avoidance. This is consistent with the test results of Wongso and Prasetya (2023), (Febriyanti, 2022), and (Setiawati, 2020) which concluded that liquidity has no effect on tax avoidance. However, these results contradict the research of Ariyanti et al. (2021) and (Dwijayanti, 2021) which revealed that liquidity affects tax avoidance.

The Effect of Leverage on Tax Avoidance

Analysis of the previous test results on the effect of leverage on tax avoidance practices shows that the leverage variable has a significant effect. There is a significant positive relationship between leverage and tax avoidance. Every one unit increase in the ratio will result in an increase in the tax avoidance rate of 1.221, which is reflected in the regression coefficient. The significance of this relationship is evidenced by a significance value of 0.003, which is below the threshold of 0.05.

The results of this study mean that H_2 is accepted, which means that an increase in the leverage ratio in the capital structure of a business entity is positively correlated with the

potential for implementing a tax avoidance strategy. This is in line with research by (Wongso and Prasetya, 2023), (Wijaya & Wibowo, 2022), and (Shantikawati, 2020) which show findings indicating that tax avoidance can be influenced by leverage. However, scientific investigations conducted by (Ariyanti et al., 2021) and (Fatmala et al., 2022) actually show different conclusions, where leverage does not have a significant effect on tax avoidance efforts.

The Influence of Capital Intensity on Tax Avoidance

Referring to the results of the previous tests, which are proxied by a significance value of 0.207 which is higher than 0.05, it can be concluded that H_3 is not accepted. This finding indicates that the capital intensity variable has no effect on tax avoidance practices.

This result is consistent with the studies conducted by (Dwijayanti, 2021) and (Hermanto & Puspita, 2022) which through their analysis showed that capital intensity has no effect on tax avoidance. This finding contradicts the research of (Lukito & Sandra, 2021) and (Prabowo & Sahlan, 2022) because it states that tax avoidance is influenced by capital intensity.

The Effect of Liquidity on Tax Avoidance Moderated by Company Size

After conducting the MRA test and the results of the liquidity variable test multiplied by the company size as a moderating variable, showed a coefficient value of 1.910 and a significance value of 0.283 or exceeding 0.05. Thus, the company size variable failed to moderate the relationship between liquidity and tax avoidance.

This finding resulted in H_4 being rejected, which states that company size cannot moderate the effect of liquidity on tax avoidance. This result is contrary to research conducted by (Rahmadian & Wijaya, 2023) and (Zalzabilla & Marpaung, 2024) which revealed that company size can strengthen the effect of liquidity on tax avoidance. However, this result is consistent with research by (Rahayu et al., 2022) and (Nur Hanifah, 2022) which indicates that company size cannot strengthen liquidity on tax avoidance.

The Effect of Leverage on Tax Avoidance Moderated by Company Size

After conducting the MRA test and the results of the leverage variable test multiplied by the company size as a moderating variable, showed a coefficient value of 1.163 and a significance value of 0.865 or more than 0.05, which means there is no significant influence or relationship. So, it can be concluded that the company size variable is not able to moderate the relationship between leverage and tax avoidance.

This study shows the rejection of H_5 , illustrating that the company dimension has not been able to function as a moderator in the relationship between leverage and tax avoidance practices. This finding is different from the results of studies (Hutapea & Herawaty, 2020) and (Hermanto & Puspita, 2022) which state that company size between leverage and tax avoidance is strengthened by this factor. However, this is contrary to studies conducted by (Faizah, 2022) and (Prabowo & Sahlan, 2022) which concluded that company size does not have the ability as a moderating variable in the relationship between tax avoidance practices and leverage.

The Effect of Capital Intensity on Tax Avoidance Moderated by Company Size

After conducting the MRA test and the results of the capital intensity variable test multiplied by the company size as a moderating variable, showed a coefficient value of 5.397 or a positive influence. However, the significance value of 0.025 or less than 0.05 means that there is an influence or in other words the relationship is significant. Based on the results of the analysis, the company size variable is proven to be able to influence the relationship between capital intensity and tax avoidance practices.

The results of this study, H_6 is declared accepted describing the ability of the company's dimensions as a moderating variable that influences the relationship between capital intensity

and tax avoidance practices. The consistency of this finding can be seen from the research of Utomo & Fitria, (2020) which revealed that capital intensity on tax avoidance efforts is strengthened by the size of the company. In contrast to these results, studies by (Prabowo & Sahlan, 2022) and (Hermanto & Puspita, 2022) actually found that the negative effect of capital intensity on tax avoidance practices was weakened by company size.

5. CONCLUSION

The purpose of this study is to examine the impact of Liquidity, Leverage, and Capital Intensity on Tax Avoidance practices using Company Size as a Moderation variable. The object of this study focuses on Companies in the Energy Sector listed on the Indonesia Stock Exchange (IDX) in the 2020-2023 period. Referring to the results of the analysis and discussion that have been presented comprehensively in the previous chapter, several important conclusions can be formulated as follows:

1. Against tax avoidance, liquidity does not show any influence. This indicates that maintaining liquidity is an important aspect for the company, which describes the company's financial condition as being healthy and free from cash flow problems so that it is able to bear various costs including taxes, which ultimately causes the company not to need to engage in tax avoidance practices.
2. Proven to be significant is the impact of leverage on tax avoidance practices. Tax avoidance activities tend to be carried out by business entities that have a high level of leverage. Through corporate funding decisions, these indications can be observed. Reducing the tax burden has the potential to be carried out by companies with high leverage through a mechanism for cutting taxable income from the interest expense element. As a result, the higher the leverage of an entity, the greater the possibility of efforts to minimize tax obligations.
3. No effect of capital intensity on tax avoidance was found. Companies with high capital intensity ratios reflect large amounts of fixed assets. Fixed assets as a form of investment will experience depreciation with different economic periods. Depreciation can no longer be carried out on fixed assets that have passed their age limit and will not function as a reduction in profit before tax.
4. Liquidity on tax avoidance is not moderated by firm size. The relationship between liquidity and tax avoidance should be strengthened by firm size, when the firm has a profitable sales level that positions it as a large-scale firm.
5. Firm size fails to play a moderating role in the relationship between leverage and tax avoidance practices. Firm size fails to intensify the influence of leverage on tax avoidance activities. Although the volume of corporate debt is often associated with the operational scale of a business entity, firms with larger dimensions tend to prioritize the use of internal resources to support their operational activities.
6. Company size has been proven to be effective as a moderator of the influence of capital intensity on tax avoidance practices. The intensity of tax avoidance activities carried out by business entities shows an increasing trend along with the increase in capital intensity values moderated by company dimensions. Conversely, the tendency for tax avoidance practices to decrease when the level of capital intensity moderated by company size is at a low level.

The following are suggestions that can be conveyed in this research based on the results of the analysis and discussion in the previous chapter:

1. This study found that the influence of liquidity, leverage, capital intensity, and company size variables in their moderating function on tax avoidance practices reached 45.1%. The rest is influenced by various other variables that are not included in this research model. Recommendations for future researchers are to consider adding or using additional

variables in analyzing tax avoidance behavior, such as aspects of financial performance, managerial ownership structure, and other relevant variables that have the potential to enrich research results.

2. The research period is expected to be extended in further research. The addition of the research time span has the potential to increase the generalizability of findings, expand the application of results to industrial sectors outside of manufacturing and allow for comparison of research results between researchers.
3. For future research, it is expected that the scope of companies that are the object of research can be expanded by not limiting it to only energy sector companies listed on the Indonesia Stock Exchange, but adding samples from various other industrial sectors. This expansion of the scope of research has the potential to produce more comprehensive and representative findings on the phenomena studied.

6. REFERENCES

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