Indonesian Journal of Accounting and Governance
Vol. 6, No. 2, December 2022
https://doi.org/10.36766/ijag.v6i2.328

ISSN : 2579-7573
E-ISSN : 2715-5102

THE EFFECT OF TAX COMPLIANCE AND TAX AVOIDANCE ON DEFENDER'S BUSINESS STRATEGY IN COMPANIES LISTED IN INDONESIA STOCK EXCHANGE PERIOD 2016-2019

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Abstract

The main purpose of the research is to analyze tax compliance dan tax avoidance on defender business strategy. This research was a quantitative descriptive research method. The sampel used in this research is a secondary data of LQ 45 on the periode 2016 to 2019, and based on purposive sampling method was obtained 23 companies. Variabel tax compliance and defender business strategy using variabel dummy. Variabel tax avoidance using CETR proxy. The data in this research was processed using SPSS (Statistical Package for Social Sciences) with Logistic Linear Regression method. This research shows that tax compliance have a significant influence to the defender business strategy and tax avoidance do not have influence to the defender business strategy

Keywords: *tax compliance, tax avoidance, defender business strategy*

1. Introduction

Tax compliance is a condition where taxpayers are willing to comply with tax regulations and report all income correctly, honestly and accurately (Harinudin, 2009). Tax compliance in Indonesia is one of the things that the government pays close attention to and is one thing that is quite important in improving company performance. According to data from the finance ministry, not all corporate taxpayers report their annual notification letter. Every year the number of corporate tax returns received is always less than the number of corporate taxpayers who are supposed to report the annual tax return.

Based on data from the Ministry of Finance, states that from 2015 to 2019 not all corporate taxpayers have reported their annual notification letter.

The tax compliance carried out in the company relates to companies that

Article History
Received : 2022-12-27
Revised : 2023-01-03
Accepted : 2023-01-10

ISSN : 2579-7573
E-ISSN : 2715-5102

use a defender business strategy because companies that use a defender business strategy will comply with taxes to minimize the burden that must be incurred by the company. For example, if a company is late paying taxes or reporting taxes late, the company will receive tax fines or sanctions and will increase the company's tax burden.

In addition to tax compliance, tax avoidance has a relationship with companies that use defender business strategies because companies that use defender business strategies will avoid the risks that will arise if they carry out tax avoidance. Tax avoidance can have an impact on the company, in particular it will have an impact on the company's profits obtained and the company's reputation (Tarmidi, 2020). Tax avoidance looks like something negative because companies try to reduce the amount of tax that must be paid (Masri and Martani, 2012). Companies that have been listed in LQ45 on the Indonesia Stock Exchange tend to be more focused on maintaining their company's reputation. So that companies that have been registered in the LQ-45 will definitely stay away from risks that will have a negative impact on the company.

Faradiza (2019) states that companies with a defender business strategy will tend to avoid using tax avoidance and comply more in paying taxes, so this research was conducted because researchers wanted to conduct research on the effect of tax compliance and tax avoidance on defender business strategies in companies listed on LQ45 at Indonesia Stock Exchange (IDX) for the period 2016 to 2019. Novelty of this research is a new research model.

2. Literature Review

2.1 Agency Theory

Agency theory refers to the relationship between 2 parties, namely owners and management. Agency theory states that if there is a separation between the owner as the principal and the manager as the agent who runs the company, there will be an agency problem (Astria, 2011). The owner of the company is a party that has the right to manage the company, but due to differences in entities, the owner is not allowed to manage the technical and operational affairs of the company. The company manager's duty is to convey information related to the company to the company owner (Indradi, 2018). This theory are bridging a hidden purpose of implementation defender business strategy. Mostly agent will think to increase their performance and goals by minimize all costs that can be happen include tax cost. To achieve it, defender business strategy must be applied.

2.2 Compliance Theory

Tax compliance is a form of social influence on one or more people who are asked to carry out an activity and they follow it and are a direct influence of social influence (Baron and Bryne, 2014). According to Devos (2012), tax compliance has two approaches, (1) a psychology approach where research is conducted by analyzing individual taxpayer perceptions of tax compliance behavior and actions. (2) economic deterrence where research is conducted by analyzing tax compliance from the company's profits and losses in complying with applicable tax provisions, this approach is a manifest rational human behavior that makes decisions based on an evaluation of benefits and costs.

In this study, the theory of compliance used is economic deterrence where company compliance in taxation is caused by compliance costs such as fines and tax sanctions which affect the company's financial performance. When a company complies with applicable tax provisions, it will reduce the company's burden, especially expenses related to corporate taxation so that it can improve the company's financial performance (Tarmidi, 2020).

2.3 Tax

Taxation is a dynamic fiscal policy instrument, its use must be in accordance with the dynamics of the domestic and international economy (Rosdiana, 2008). Every company must have a goal to earn large profits to create good corporate value. In addition to increasing profits, companies must also

ISSN : 2579-7573
E-ISSN : 2715-5102

reduce costs derived from operating activities or tax costs which will increase with an increase in a company's profits. This is one of the reasons why companies generally use tax avoidance to minimize the tax burden without violating applicable tax regulations.

In the Law of the Republic of Indonesia no. 28 of 2007 article 1 number 1 stipulates that taxes are mandatory participation to the state owed by individuals or legal entities required by law without obtaining direct and beneficial rewards for the needs of the state for the greatest prosperity of the people.

According to Fidel (2010), taxes have five characteristics. As follows: (1) local and central governments collect taxes according to the law. (2) there is a transfer of funds (resources) originating from the private sector (taxpayers) to the state sector. (3) taxes are useful for financing the government's general financing needs on a regular basis and for development. (4) there is no consideration or direct reward. (5) taxes are coercive.

2.4 Tax Sanction

According to Resmi (2008). Tax sanctions will occur if the taxpayer violates the applicable tax regulations, if the taxpayer does not comply with the applicable tax regulations, the taxpayer may be subject to punishment with indications of tax policies and tax laws. Sanctions imposed on taxpayers who do not comply with tax regulations aim to educate and punish. Educating aims to help penalized taxpayers become better and more aware of their rights and obligations so they don't repeat the same mistakes. Punishing taxpayers who violate tax regulations aims to create a deterrent effect and not repeat the same mistakes.

Taxpayers are more compliant in paying and reporting taxes if they know that the tax sanctions that will be obtained if they violate tax regulations will be more detrimental. There are 2 types of sanctions according to the tax law (Mardiasmo, 2016), as follows: (1) administrative sanctions, these sanctions apply to taxpayers who do not comply with the provisions of the applicable tax

ISSN : 2579-7573
E-ISSN : 2715-5102

law. The sanctions that will be obtained are administrative sanctions in the form of paying losses to the state through tax fines, tax interest, or tax increases. (2) criminal sanctions, there are 3 types of criminal witnesses, namely first criminal fines which are sanctions in the form of criminal fines, this does not only apply to taxpayers but can also be a threat to officials or third parties who violate tax regulations. Second, imprisonment only applies to taxpayers or third persons who violate it. Third, imprisonment is a sanction in the form of imprisonment and does not apply to third persons but only applies to officials and taxpayers.

2.5 Tax Compliance

Tax compliance is obedience, compliance, and implementation of tax regulations. Therefore, obedient taxpayers are taxpayers who fulfill and carry out their tax obligations in accordance with applicable tax regulations (Rahayu, 2013)

According to Siahaan (2012), trust is one of the factors that can affect the level of tax compliance. This is reinforced by Wiranu's statement (2013) which states that there is taxpayer distrust of the state, especially in the leveling of development due to the disclosure of various cases of tax irregularities committed by elements of the tax agency.

According to Nazier (2016), one of the reasons for the low awareness of taxpayers to pay taxes is due to the lack of trust level of the Indonesian people and based on the results of the Transparency International Indonesia survey (2004) it can be concluded that tax agencies together with political parties, DPR, judiciary, customs and the police are very corrupt institutions in the perception of Indonesian society. According to Handayani (2019), measuring taxpayer compliance can be seen from the following indicators: (1) taxpayers fill out their tax returns correctly based on the instructions for filling out the tax SPA. (2) the taxpayer performs tax calculations correctly. (3) taxpayers make timely tax payments. (4) the taxpayer reports the annual SPT on time every year.

 ISSN : 2579-7573
E-ISSN : 2715-5102

Miladia (2010) states that the factors that influence tax compliance are tax professional attitudes, tax professional desires, company financial conditions, company facilities and organizational climate. Taxpayer compliance is an act that obediently and adequately reflects the tax obligations of taxpayers by making payments and submitting periodic tax reports, both for groups of people and assets as working capital, in accordance with applicable tax laws and regulations.

2.6 Tax Avoidance

Tax avoidance or tax avoidance is an attempt to reduce the tax burden by not violating applicable laws and regulations (Mardiasmo, 2001) in Budiman and Setiayono (2012). According to Pohan (2013), the methods and techniques that are commonly used take advantage of the weaknesses of the tax laws and regulations themselves to reduce the amount of tax that must be paid, but can have a detrimental effect on a country's tax revenue. This is in line with the opinion of Annisa and Kurniasih (2012) which define tax avoidance as an effort to minimize taxes by using existing regulations through tax planning.

According to Sari (2014), based on tax law, tax avoidance is not prohibited even though it gets an unfavorable view of the Director General of taxes because it is considered to have a negative connotation. However, tax avoidance can have quite a serious impact on the state because it will make the state suffer losses of tens to hundreds of billions of rupiah each year in state revenue in the tax sector (Noviantari, 2020). The existence of tax avoidance activities can cause the state to lose potential tax revenues that should be used to reduce the burden on the state budget (Budiman and Setiyono, 2012).

Tax avoidance can be classified into two, namely traditional and contemporary views (Desai and Dharmapala, 2009) and in Falbo and Firmansyah (2018). The traditional view defines tax avoidance or tax avoidance committed by a manager in a company can be interpreted as a form of securing wealth aimed at reducing the tax burden, while the contemporary view will argue that tax avoidance as a form of rent extraction, which means tax avoidance is carried out by a manager in a company is not to maximize the interests of the owner of the company, but for the personal interests of the manager. In carrying out tax avoidance, a manager has the option of declaring company profits to reduce the tax obligations borne by the company, this step is usually chosen by a manager to make the company's performance look better (Falbo and Firmansyah, 2018).

2.7 Defender Business Strategy

According to Miles and Snow (1978) The defender business strategy is a defensive business strategy, having the nature of avoiding some markets, in general to build an invariable and more aggressive market area to prevent competitors from entering their land by focusing on competitive prices or quality products. tall. In general, the products issued by defender companies do not follow the existing trends, but they have a strong market and stable technology. In addition to the defender business strategy, there are 2 other types of business strategies, namely: (1) Prospector, has different characteristics from defenders. The focus is on finding and deploying new products, market areas and opportunities. Prospectors are more interested in volatility and change because they have great flexibility in terms of technology and organizational management to adapt to new products or new services of the company. (2) Analyzer is a combination of prospector and defender strategies, in which companies reduce risks and increase opportunities to gain profits. This strategy focuses on finding new locations and finding products to attract new customers.

The defender business strategy is a business strategy that has less dynamic characteristics, if the company operates in a relatively stable production area, the products traded will also be limited compared to its competitors. In addition, companies that use a defender business strategy generally rarely follow current trends so that the direction of change in the future can be predicted. Companies with a defender business strategy will pay more attention to and maintain certain markets by creating appropriate products or services and being able to maintain their share portion (Paylosa, 2014). Companies with a defender business strategy are more engineering oriented and will focus more on maintaining relatively stable market segments.

The business strategy chosen by the company will greatly affect the company's efforts to maintain its reputation in public. Companies with a defender business strategy generally do everything possible to maintain their reputation. Whereas companies with a prospector business strategy will carry out aggressive tax actions, when compared to defenders who tend to keep their distance from risk (Faradiza, 2019).

2.8 Hypthoses Development

The defender business strategy is a business strategy that has less dynamic characteristics, if the company operates in a relatively stable production area, the products traded will also be limited compared to its competitors.

Companies with a defender business strategy generally do everything possible to maintain their reputation. In other word, they prefer to comply especially in tax. Companies with a defender business strategy will pay more attention to and maintain certain markets by creating appropriate products or services and being able to maintain their share portion (Paylosa, 2014). In stable income, mostly they will pay in the same amount in tax paying so tax compliance will be their reference strategy to be applied.

H_1: Do Tax Compliance have effect on Defender Business Strategy

Companies with a defender business strategy generally do everything possible to maintain their reputation. Whereas companies with a prospector business strategy will carry out aggressive tax actions, when

https://doi.org/10.36766/ijag.v6i2.328
ISSN : 2579-7573
E-ISSN : 2715-5102

compared to defenders who tend to keep their distance from risk (Faradiza, 2019).

H_2: Do Tax Avoidance have effect on Defender Business Strategy

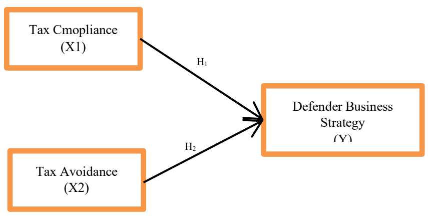

Figure 1
Conceptual Framework
Source: Developed in research (2022)

3. Research Methods

The population in this study are companies listed in LQ-45 on the Indonesia Stock Exchange (IDX) for the 2016-2019 period. The sample selection in this study used a purposive sampling method where out of 180 populations that were selected according to the sample criteria, 23 companies were selected. This study uses secondary data types. The research approach used in this research is literature and documentation. Secondary data sources come from the Indonesian Stock Exchange and the market price per share is obtained from https://www.duniainvestasi.com/bei/.

The analytical method used in this study is logistic regression analysis because in this study there are two variables that use dummy variables and are dichotomous.

3.1 Operational Variabele

3.1.1 Dependent Variable

3.1.1.1 *Defender Business Strategy*

This study measures the business strategy developed by Dewi Kusuma Wardani and Desi Khoiriyah (2018) as follows:

1. *Ratio of Research and development to sales*

Measurement is done by dividing the number of employees in the company and total sales, after which it is divided into 5 quintiles. Companies that are in the top quintile rank get a score of 5 and companies that are in the order below get a score of 4, and so on.

$$\text{EMP/SALES} = \frac{\text{Number of Employee}}{\text{Total Sales}}$$

2. Company's Growth Rate

The proxy for a company's growth rate is measured by dividing the stock market price by the amount of

 ISSN : 2579-7573
E-ISSN : 2715-5102

capital, then divided into 5 quintile rankings. The company with the top rank gets a score of 5 and the company with the lower rank gets a score of 4 and so on.

$$\text{MtoB} = \frac{\text{Stock Price}}{\text{Total Capital}}$$

3. Marketing to sales

The third proxy, namely marketing to sales, is measured by dividing the company's advertising costs by total sales, then the results of the division are divided into 5 quintile ranks. The distribution method is the same as the 2 previous proxies, namely companies that are in the top quintile ranking get a score of 5, a sample of companies that are in the order below get a score of 4, and so on.

$$\text{Market} = \frac{\text{Advertisement Expense}}{\text{Total Sales}}$$

4. Intensity of Fixed Assets

The last proxy is the intensity of fixed assets which is measured by dividing the fixed assets by the company's total assets. This proxy is very different from the previous 3 proxies. Companies that are in the top quintile will get a score of 1, companies that are in the lower quintile will get a score of 2, and so on.

$$\text{PPEINT} = \frac{\text{Fixed Assets}}{\text{Total Assets}}$$

After measuring with the 4 proxies, then the value of each company is added up for each proxy. Companies that use prospector and analyzer business strategies are companies that get a score of 13 to 20 from the total sum of all values obtained from the measurement of each proxy. Meanwhile, companies with a defender business strategy are companies that get a score of 4 to 12 from the total sum of all values obtained from the measurement of each proxy.

https://doi.org/10.36766/ijag.v6i2.328
ISSN : 2579-7573
E-ISSN : 2715-5102

Table 1
Business Strategy Measurement Rank

EMP/SALES	MtoB	Market	PPEINT
5	5	5	1
Highest	Highest	Highest	Highest
4	4	4	2
3	3	3	3
2	2	2	4
1	1	1	5
Lowest	Lowest	Lowest	Lowest

Source: Wardani dan Khoiriyah (2018)

Table 2
Business Strategy Selection

Strategy	Code	Used Strategy
Score 4-12	1	*Defender*
Score 13-20	0	*Prospector* dan Analyzer

Source: Wardani dan Khoiriyah (2018)

3.1.2 Independent Variable

3.1.2.1 Tax Compliance

A company's tax compliance can be measured from fines or sanctions or tax interest on the company. If the company has fines or sanctions or tax interest, it can be assumed that the company is not complying with paying taxes or violating existing tax regulations. In general, companies will pay great attention to compliance costs which will have an impact on the company's financial performance (Tarmidi, 2020).

According to Ezer and Ghozali (2017), tax fines are an additional burden for taxpayers who are negligent in fulfilling their tax obligations. Taxpayers will receive a tax penalty if the results of the audit reveal unpaid tax debts. The amount of the tax penalty is generated by multiplying the

https://doi.org/10.36766/ijag.v6i2.328

fine rate and the amount of under-reported income and is expressed in a nominal amount in rupiah. Variable measurement is using ordinal scale which value 0 if company had a fine tax in those year and value 1 if company did not have a fine tax in those year.

3.1.2.2 Tax Avoidance

In this study, tax avoidance uses calculations with the Cash Effective Rate (CETR), where using this measurement can determine the probability of a company committing tax evasion. If the CETR value is large, it indicates low tax avoidance in the company and if the CETR value is small, it indicates high tax avoidance activities in the company. If the results of the cash ETR measurement are close to the value of 1, it can be interpreted that the possibility of the company not carrying out tax avoidance activities is quite low and if the results of the cash ETR measurement are far from the value of 1, it can be interpreted that the possibility of the company carrying out tax avoidance activities or tax evasion.

$$CETR = \frac{\text{Total Income Tax to be paid}}{\text{Earning before Tax}}$$

4. Results and Discussions

4.1 Descriptive Statistic Analysis

In this study, a descriptive statistical analysis test was carried out to provide an overview of the research data and it can be seen from the mean or average value, standard deviation, maximum and minimum values. The results of the descriptive statistical test are presented as follows:

Table 3
Descriptive Statistic

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
X1_Kepatuhan Pajak	92	0	1	.16	.371
X2_Penghindaran pajak	92	.000	1.431	.19848	.167617
Y_Strategi Bisnis	92	0	1	.96	.205
Valid N (listwise)	92				

Source: data processing results (2022)

Based on Table 3, it can be seen that the tax compliance variable obtains an average value (mean) of 0.16, a minimum value of 0, and a maximum value of 1 with a standard deviation value of 0.371. In this study, the tax compliance variable is measured using a dummy variable with the provision that if the company has fines or interest or tax sanctions in its annual report, it will be given a value of 1, if the company does not have fines or interest or tax sanctions in its annual report, then will be assigned a value of 0.

Furthermore, based on the results of data processing on the tax avoidance variable in table 3, it can be seen that the average value (mean) is 0.19848, the minimum value is 0.00, and the maximum value is 1.431 with a standard deviation value of 0.167617.

Business strategy variables obtain an average value (mean) of 0.96, a minimum value of 0 and a maximum value of 1 with a standard deviation value of 0.205. The measurement business strategy variable used is a dummy variable with the condition that if the company uses the defender business strategy it will be given a value of 1, if the company uses the prospector business strategy then it will be given a value of 0.

4.2 Goodness of Fit Test Model

In this study, assessing the fit of the regression model using Hosmer and Lemeshow's Goodness of Fit Test as measured by the chi square value. This model is used to test the null hypothesis regarding whether the empirical data is in accordance with the model (Ghozali, 2018). The hypothesis used is, as follows:

H_0 = The model formed matches the observation data

H_a = The model formed does not match the observation data

The basis for decision making from this research is as follows:

1. If sig. Hosmer and Lemeshow Test > 0.05 or 5%, then H0 is accepted.
2. If sig. Hosmer and Lemeshow Test <0.05 or 5%, then Ha is accepted

ISSN : 2579-7573
E-ISSN : 2715-5102

Table 4

Goodness of Fit Test Model Result

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	8.877	8	.353

Source: data processing results (2022)

Based on table 4 it can be seen that the sig. of 0.353, which means that the value is greater than the research alpha (0.353 > 0.05), so that in this study H0 is accepted and it can be interpreted that the model is compatible with the observation data, so the model is feasible and appropriate for use in further stages.

4.3 Overall Model Test

This study evaluates the entire model by comparing the values between -2 Log Likelihood at step 0, where the model only includes constants with -2 Log Likelihood at step 1, where the model includes constants and independent variables.

Table 5

Iteration History Step 0

Iteration History[a,b,c]

Iteration		-2 Log likelihood	Coefficients Constant
Step 0	1	42.083	1.826
	2	33.876	2.623
	3	32.936	3.007
	4	32.908	3.088
	5	32.907	3.091
	6	32.907	3.091

Source: data processing results (2022)

Based on table 5 which is the iteration history of step 0 it can be seen that -2 Log Likelihood is 32.907 and when compared with step 1 (table 6) it can be seen that -2 Log Likelihood is 20.168 which means there is a decrease from step 0 of 32.907 to step 1 of 20,168. So it can be interpreted that the logistic regression model that is formed is better or the hypothesized model fits the existing data.

4.4 Determination Coefficient *(Negelkerke R Square)*

https://doi.org/10.36766/ijag.v6i2.328

Table 6
Model Summary Step 1

Model Summary

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	20.168[a]	.129	.430

Source: data processing results (2022)

Based on table 6, it can also be seen that the Nagelkerke R Square value from this study is 0.430 or equal to 43.0%, which can be interpreted that the magnitude of the influence of the independent variables, namely tax compliance (X1) and tax avoidance (X2) on the dependent variable, namely business strategy defender (Y) is 43%.

4.5 Logistic Regression Model Analysis

According to Santoso (2014), there are several ways to determine logistic regression with a probability approach, as follows:

1) A negative value means a probability of 0 (zero).
2) A positive value of more than 1 (one), can be interpreted as a probability of 1 (one).
3) A positive value between 0 (zero) to 1 (one), means that the probability is adjusted according to the acquisition rate.

Table 7
Logistic Regression Model Results

Variables in the Equation

		B	S.E.	Wald	df	Sig.	Exp(B)
Step 1[a]	X1_Kepatuhan Pajak	-3.184	1.500	4.503	1	.034	.041
	X2_Penghindaran pajak	-8.522	5.009	2.895	1	.089	.000
	Constant	6.494	1.991	10.644	1	.001	661.349

Source: data processing results (2022)

The results of Logistic Regression Analysis, the regression equation can be formed as follows:

$$Y = a+\beta_1X_1+\beta_2X_2+ \mathcal{E}$$

$$Y = 6{,}494 – 3{,}184\ X_1 – 8{,}522\ X_2$$

Note:

Y = Defender Business Strategy

α = constanta

β_{1-2} = coeficient

X_1= Tax Compliance

X_2 = Tax Avoidance

The above equation can be explained as follows:

1. A constant value of 6.494 means that if tax compliance and tax evasion are 0 then the application of the defender strategy is 6.494.

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2. The value of the regression coefficient of the tax compliance variable is -3.184 (negative value), which means that every time there is a decrease in tax compliance of 3.184, the company reduces the implementation of the defender business strategy.
3. The regression coefficient value of the tax avoidance variable is -8.522 (negative value), which means that every time there is a decrease in tax avoidance of 8.522, the company reduces the implementation of the defender business strategy.

4.6 Hypotheses Test Results

4.6.1 Uji Wald Test (T Partial Test)

The Wald test or partial t test is used to determine the extent to which the independent variables partially influence the dependent variable (Ghozali, 2018). In this study using the t test to test the hypothesis in order to determine the partial effect of each independent variable on the dependent variable with the t test decision making criteria as follows:

1. If the sig. < 0.05 or 5%, then the hypothesis is accepted.
2. If the sig. > 0.05 or 5% then the hypothesis is rejected.

4.6.2 Tax Compliance and Defender Business Strategy

Based on table 7, the results of testing the H1 hypothesis show that the effect of tax compliance on defender business strategy has a significant value of 0.034, which means that this number is smaller than the research alpha (0.034 <0.05) and the hypothesis is acceptable. So that it can be interpreted partially that tax compliance has a significant effect on the defender's business strategy at the company.

4.6.3 Tax Avoidance and Defender Business Defender

Based on table 7, the results of the H2 test show that the effect of tax avoidance on business strategy has a significant value of 0.089, which means that this number is greater than the research alpha (0.089 > 0.05) and it can be interpreted that the hypothesis

ISSN : 2579-7573
E-ISSN : 2715-5102

cannot be accepted. So that it can be stated partially that tax avoidance has no significant effect on the application of defender business strategies in companies

5. Conclusion and Recommendation

5.1 Conclusion

This study aims to examine the effect of tax compliance and tax evasion on defender's business strategy. Based on the results of data analysis and discussion, the author can draw conclusions from research regarding the effect of tax compliance and tax evasion on defender business strategies in companies listed on LQ 45 on the Indonesia Stock Exchange for the period 2016 to 2019 as follows:

1. The variable of tax compliance partially has a significant influence on the defender's business strategy,
2. According to the research results, the tax avoidance variable does not have a significant effect on the dependent variable, namely the defender's business strategy.

Based on the results of the research conducted, it can be concluded that companies that have been registered in LQ45 on the Indonesia Stock Exchange (IDX) will tend to maintain their company's reputation by being obedient in paying and reporting taxes and avoiding the risks that will be obtained if carrying out tax avoidance activities, so that companies with defender business strategy will be more concerned with the costs that must be incurred for tax avoidance than the benefits that will be obtained if doing tax avoidance, even though it will be very profitable for companies with a defender business strategy.

5.2 Recommendation

There are several suggestions expected by the authors based on the results of this study, including:

1. For academics, especially for future researchers, they can use research samples from companies in other sectors. In addition, future research can also use a longer time

https://doi.org/10.36766/ijag.v6i2.328
ISSN : 2579-7573
E-ISSN : 2715-5102

period and modify variables that have not been used in this study.

2. For business practitioners and investors in making decisions, they can consider factors such as tax compliance, tax avoidance, and the business strategy used by a company.

3. For the government, this research can provide advice to the government regarding tax regulations that are still lacking.

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