

FACTORS AFFECTING TRANSACTIONS OF PRIVILEGED RELATIONS, LIQUIDITY AND COMPANY SIZE ON TAX AGGRESSIVENESS

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Abstract: This research is about the influence of Related Party Transaction, Liquidity and Company Size on tax aggressiveness. The dependent variable in this research is tax aggressiveness as measured by Effective Tax Rate. The independent variable in this research are related party transaction measured by receivable related party divided by asset, liquidity is measured by Current Ratio and company size is measured by the natural logarithm of the book value of the company's total assets. This study uses quantitative research and has a sample of 29 manufacturing companies in the consumer goods industry sector with a total of 87 data published by the Indonesia Stock Exchange during 2017-2019 using the purposive sample method.

The data used are obtained from financial reports and annual reports listed on the Indonesia Stock Exchange. Data analysis was carried out by classical assumption test and hypothesis testing by multiple regression method. The results of this study prove that Transactions with Related Party Transaction and Liquidity have no effect on Tax Aggressiveness, while Company Size has an effect on Tax Aggressiveness. The limitation of this research is that there are some financial reports and annual reports that cannot be accessed. Suggestions for future researchers are to use other measurements.

Keywords: Related Party Transaction, Liquidity, Company Size, Tax Aggressiveness.

INTRODUCTION

Taxes are the greatest source of state revenue. Therefore, the government encourages companies and private individuals to pay taxes with various socializations (Susanto et al., 2018). When viewed from the perspective of the state, taxes are the main income to accelerate the country's national development and support the state expenditure budget aimed at improving the welfare of its people. But for companies, taxes are a burden that must be paid to the state. Therefore, the company will try its best to reduce the tax burden that must be incurred in various ways in order to maximize profits and finally be able to increase the size of the company. There is a possibility that companies will become aggressive towards taxes to reduce the tax burden and maximize company profits (Faradiza, 2019).

This difference in interests is what causes taxpayers or companies to tend to reduce tax payments legally or illegally. The effort to reduce tax legally is called tax avoidance while the effort to reduce tax payments illegally is called tax evasion (tax evasion) (Fahmi et al., 2018).

One of the tax avoidance cases in Indonesia is related to PT Bentoel International Investama. PT. Bentoel International Investama is the second largest cigarette company after HM Sampoerna in Indonesia. According to a report from the Tax Justice Network, the tobacco company owned by British American Tobacco (BAT)

diverted part of its revenue out of Indonesia through intra-company loans in 2013-2015. In that year, PT Bentoel took many loans from affiliated companies in the Netherlands, namely Rothmans Far East BVI. Interest payments on the loan can be deducted from taxable income and PT Bentoel must pay loan interest of IDR 2.25 T equivalent to US\$ 164 million. This was acknowledged by the company through its 2016 annual report by saying net loss increased by 27.3%. PT Bentoel deliberately chose a loan through a company in the Netherlands because Indonesia and the Netherlands have tax treaties that exempt taxes related to debt interest payments. Therefore, Indonesia loses revenue to the country of US\$11 million per year. (ortax.org)

The case of such tax avoidance shows that the company minimizes the tax burden issued by conducting preferential relationship transactions. A special relationship transaction will not affect state tax revenue if the transaction is carried out by a party located in one country. However, it will affect if the transaction is carried out by parties who are in different countries because each country has a different tax policy regarding its tax rate (Zubaidah & Satyawan, 2017).

According to Kristanto (2017), the more liquid a company is, the more aggressiveness will tend to apply and Djani et al., (2017) also said that increasing the value of company liquidity will reduce the effective tax rate so that the aggressiveness of company taxes increases. But Suyanto & Supramono (2012) said otherwise, the absence of a strong influence between the level of liquidity of the company on the level of aggressiveness of corporate taxes.

Susanto et al. (2018) stated that the size of the company did not have a significant effect on the act of tax aggressiveness. In other words, there is a possibility that medium and small companies also carry out tax aggressiveness. But Napitu & Kurniawan, (2016) stated another thing, the size of the company has a positive effect on tax aggressiveness. This is because large-scale companies have more resources that can be used for tax planning. Managers use their resources to maximize manager performance by reducing the company's tax burden.

LITERATURE REVIEW

Agency theory is a theory that explains the relationship between company owners as a principle and management as agents. Jensen and Meckling (1976) posit the relationship between company owners (principle) and management (agents). Agency theory has several objectives, including:

a. So that each party, both principals and agents, can improve their individual ability to assess and evaluate the environmental conditions of the company at a time when a policy or decision must and will be taken.

b. In order to assess the implementation and realization of previously taken decisions and policies, it is related to the division of proceeds between the owners and managers of the company who are bound by the relationship of the employment contract. This of course must be very based considering that the management has obtained the authority given by the shareholders as the owner, with the hope that it can maintain business continuity and provide maximum profits.

Based on the explanation above if it is related to this research, the government can become a principal while the company can become an agent. This is because the government is the party that gives responsibility to companies to manage their taxes in accordance with the self-assessment system practiced in Indonesia. Differences in interests between the government (principle) and companies (agents) in taxation can trigger the emergence of tax aggressiveness behavior. Where the company wants a big profit with low taxes, while the government wants the tax it receives is large.

The substance of agency theory in this study is reflected through the transaction variables of privileged relationships, liquidity, and company size. The higher the value of affiliated debt, the lower the company's

effective tax rate which indicates that there are tax avoidance efforts made by the company. The higher the level of liquidity of a company, the level of tax aggressiveness is inversely proportional because the company tends to be able to fulfill its current debt obligations (tax debt) in a state of smooth cash flow. With the larger size of the company, more resources are used to carry out tax planning and tax aggressiveness actions. Managers use their resources to maximize manager performance by reducing the company's tax burden.

Understanding Tax planning according to Kuriah & Asyik (2016) is a process of controlling actions to avoid the consequences of imposition of unwanted taxes. Meanwhile, tax aggressiveness is a more specific activity where the main goal is to reduce the company's tax liability. According to Erly Suandy (2011: 07), minimizing tax obligations can be done in various ways, either those that meet the provisions of tax regulations or those that cover tax regulations. Or the terms that are often used are tax avoidance and tax evasion. At the technical level, tax aggressiveness planning consists of tax avoidance and tax evasion. The interrelationships of planning tax aggressiveness can be understood as a general reference for tax avoidance but not for tax evasion. Tax aggressiveness is a common thing for large companies around the world to do (Kurniawati & Arifin, 2017).

Boussaidi, A., et al (2020) posit that Tax aggressiveness is a deliberate corporate strategy to reduce explicit taxes that are considered the result of a spectrum of specialized practices that separate from the management of taxable income and investments in tax-free financial assets to aggressive taxless compliance schemes. According to Frank, Lynch and Rego quoted by Purwanto (2016), corporate tax aggressiveness is an act of engineering taxable income designed through tax planning actions either using legally classified methods by conducting tax avoidance or illegally by tax evasion. While not all tax planning actions are unlawful, if more loopholes are used by companies to minimize taxes, then the company is considered to be more aggressive.

The benefit of corporate tax aggressiveness is the saving of expenses on taxes so that the profits obtained by the owner become greater to fund company investments that can increase company profits in the future (Suyanto & Supramono, 2012).

The establishment of Financial Accounting Standards (PSAK) No. 7 explains that a special relationship transaction is a transfer in the form of resources, services or obligations between the entity that prepares financial statements (whistleblower) and parties who have a special relationship, where the price set in the transaction may not be taken into account. PSAK No. 7 also reveals that a company can be categorized as having a special relationship if the company can control or have influence in decision making both operational and financial over other companies. Parties who have a special relationship are people or companies that still have a relationship or relationship with the reporting company.

According to Law No. 36 of 2008 Article 18 Paragraph 4, a special relationship can occur if:

- a. the existence of a shareholding relationship that yaiotu owns shares of other taxpayers at least 25% directly or indirectly,
- b. there is a relationship of mastery through management or the use of technology either directly or indirectly,
- c. the existence of family relationships both inbred and inbred.

Zubaidah & Satyawan, (2017) said that initially the policy in determining the price of isitmewa relationship transactions or transfer pricing was used by a company divided into several divisions. Some divisions are divided into distributing goods or services from one division to another with the aim of evaluating and measuring the performance of each division.

Amidu et al., (2019) stated that transfer pricing manipulation is the main mechanism for tax avoidance used by companies in achieving their goals, namely, maximizing profits globally and minimizing taxes. This transfer pricing manipulation occurs when a company is in an attempt to buy or sell to an affiliated company

at a price below above the standard on the grounds that the two companies are in different places of tax regulations. This manipulation will then offer an opportunity for multinational companies to relocate their profits to countries with lower tax rates.

According to Weygandt, Kimmel and Kieso (2013:695), liquidity is a ratio used to measure a company's shortterm ability to pay maturing obligations and to meet unexpected needs. Liquidity as the company's ability to meet its short-term obligations conventionally. The short term here is considered a period of up to one year even though it is associated with the normal operational cycle of the company. Therefore, liquidity is very important for a company (Hidayat & Muliastari, 2020). The level of liquidity between companies is different. A company with a high liquidity ratio indicates the company's ability to meet its short-term obligations, which indicates that the company is in a healthy financial condition as well as by selling the assets it owns if needed (Karlina, 2021).

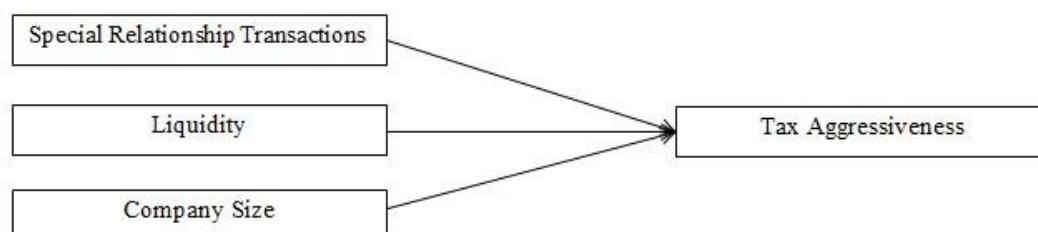
The size of the company can show the ability and stability of a company to carry out its economic activities (Leksono et al., 2019). Ramadani & Hartiyah (2020) stated that the size of the company is one of the important characteristics because the larger the assets owned, the larger the size of the company. Meanwhile, according to Longenecker (2001: 16) quoted by Suciati (2011) said that there were many ways to define the scale of the company, namely by using various criteria such as the number of employees, sales volume and asset value. Therefore, based on the definition above, it is obtained that the size of the company is a scale to determine the size of a company which can be seen from the sales value, the number of employees and the total value of assets owned by a company.

In Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises, there are four sizes of companies, namely micro enterprises, small businesses, medium enterprises and large businesses. The grouping of business sizes is based on the amount of net worth and annual sales results. In this Law, the criteria for each business are also stated, namely as follows:

- a. A company is categorized as a micro-business if it has a net worth of at most Rp 50 million excluding land and buildings for business premises or has annual sales proceeds of at most Rp 300 million.
- b. A company is categorized as a small business if it has a net worth of at most Rp 50 Million to Rp 500 million excluding land and buildings for business premises or has annual sales proceeds of at most Rp 300 Million to Rp 2 Billion 500 million
- c. A company is categorized as a medium-sized business if it has a net worth of at most Rp. 500 million to 10 billion excluding land and buildings for business premises or has annual sales proceeds of at most Rp. 2 billion 500 million to 50 billion.

Based on the explanations that have been stated above, it can be described through the following thoughts:

Figure 1. Thought Reframe



Hypotheses are temporary answers to problems to be examined that actually need to be tested empirically (statistical tests). Based on previous research, the hypothesis proposed is as follows:

1. The Effect of Special Relationship Transactions On Tax Aggressiveness.

Transfer pricing is an example of a special relationship transaction. Based on the regulation of the Director General of Taxes No. PER-32/PJ/2011, transfer pricing is the determination of prices in transactions between parties who have a special relationship. In transfer pricing there are three important objectives of setting international transfer prices but managing the tax burden dominates other objectives (Panjalusman et al., 2018). According to Lingga (2012), reviewed from an international tax perspective, a multi-national company will try to minimize their global tax burden by taking advantage of the absence of tax provisions of a country that does not regulate anti-tax avoidance provisions or block them but is inadequate so as to create opportunities that can be utilized to carry out tax avoidance practices. Research conducted by Muti'ah et al. (2021) and Kramarova (2021) showed results that isitmewa relationship transactions have a positive effect on tax aggressiveness. H₁ : Special Relationship Transactions Have an Influence on Tax Aggressiveness.

2. The Effect of Liquidity on Tax Aggressiveness

The company's high level of liquidity indicates the company's ability to meet short-term obligations, it shows that the company's financial condition is healthy and easily sells its assets if needed (Yani, 2018). In Amalia's research (2021), it is argued that liquidity greatly affects tax aggressiveness because if the company has a good cash flow, the company will not hesitate to pay its taxes. But on the contrary, if the company has a low cash flow then, it is likely to be reluctant to pay taxes because the company will prefer to maintain their cash flow. Research conducted by Kristanto (2017) and Allo et al., (2021) stated that liquidity has a positive effect on tax aggressiveness.

H₂ : Liquidity affects Tax Aggressiveness

3. The Effect of Company Size on Tax Aggressiveness

The size of the company is one of the important criteria that must be owned by the company. Because the bigger the company, the greater the good impression created to attract public interest (Napitu & Kurniawan, 2016). And according to Leksono et al. (2019) stated that the larger the size of the company, the larger the size of the company, it will be supervised by the government and this will cause two possibilities, namely the tendency to comply with taxes or carry out tax avoidance activities. Research conducted by Napitu & Kurniawan, (2016), Leksono et al., (2019), and (Ramadani & Hartiyah, (2020).

The desire to leave the organization of a functional nature, if the employee who leaves the organization is an employee who is considered worthy of leaving. This condition opens up opportunities for motivated or higherability people, opens up opportunities for promotion, and opens up new and fresh ideas for the organization. The desire to leave the organization is dysfunctional, if the employee who leaves the company is an employee who has high abilities.

H₃ : Company Size Has an Influence On Tax Aggressiveness.

RESEARCH METHODS

The type of research used is a type of causal research, which is a method used to test the hypothesis of the influence of one variable or several variables (independent variables) on other variables (dependent variables). The type of data used in this study is quantitative, which is data in the form of numbers that can be measured and calculated by statistical methods. And the data needed in this study are annual reports and financial statements of manufacturing companies in the consumer goods industry sector recorded in the 2017-2019 period.

Dependent variables or in Indonesian are often referred to as bound variables. Bound variables are variables that are influenced or that become a result due to the presence of free variables or independent variables (Sugiyono, 2017: 39). The dependent variable in this study is tax aggressiveness. Corporate tax aggressiveness is an act of engineering taxable income carried out by a company through tax planning actions using legal (tax

avoidance) or illegal (tax evasion) methods. This study used the Effective Tax Rate (ETR) to measure tax aggressiveness. In previous studies, the measurement of tax aggressiveness used ETR as the most widely used proxy to calculate how much besar companies tax. ETR is defined as the ratio of net tax expense to a company's profit before income tax.

According to Sugiyono (2017:39) independent variables or free variables are variables that affect or that are the cause of their change or the emergence of dependent (bound) variables. There are three independent variables used in this study are privileged relationship transactions, liquidity and company size.

Determination of Financial Accounting Standards No. 7, Parties who have a special relationship are parties who have a special relationship if one party has the ability to control the other party or has a significant influence over the other party in making financial and operational decisions. receivables of special relationships and accounts payable in financial statements arise due to transactions between parties who have an isitmewa relationship which can be an indicator of calculation (Santoso & Sadeli, 2021).

Liquidity is the company's ability to meet its short-term obligations. The high liquidity owned by the company illustrates that the company has a good cash flow and the company will pay all its obligations, one of which is to pay taxes. Liquidity itself can be calculated by comparing current assets with current debt or liabilities (Suyanto & Supramono, 2012).

The size of the company can be seen from the size of the assets or assets owned by the company. The size of the company is proxied with Ln Total assets. The use of natural logs (ln) is aimed at reducing excessive data instability without changing the proportion of the actual origin value (Leksono et al., 2019).

The definition of population according to Sugiyono (2018:80) is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by the researcher to be studied and then drawn conclusions. And the definition of sample according to Sugiyono (2018: 81) is part of the number and characteristics possessed by the population. The population used in this study is consumer goods industry companies listed on the IDX for the 2017-2019 period. Sampling in this study used the purposive sampling method. Purposive sampling is a sample determination technique with certain considerations (Sugiyono, 2018).

The criteria for consideration of sampling are as follows:

1. Consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) in 2017-2019
2. Consumer goods industry sector companies that publish financial statements and annual reports respectively during 2017-2019
3. Consumer goods industry sector companies that did not conduct an IPO (Initial Public Offering) in 2017-2019.
4. Consumer goods industry sector companies that experienced successive profits during 2017-2019.

TABLE 1. SAMPLING CRITERIA

No.	Sample Selection Criteria	Number of observations
1	The number of manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) during the period 2017-2019	54
2	Number of companies that cannot be accessed financial statements and annual reports during the period 2017-2019	(7)
3	Number of companies that conducted IPOs in 2017-2019	(7)

4	Number of companies that experienced losses during the period 2017 – 2019	(11)
	Number of Companies selected as samples	29
	Number of years of observation	3
	Number of study samples	87

Source : Data processed (2022)

In this study, the data collection technique used was an archival data collection technique. Archival data collection technique, which is that researchers collect data by collecting, recording and studying secondary data. The secondary data used in this study is in the form of financial statements of processed goods industry companies published in the 2017-2019 period by the Indonesia Stock Exchange or can be accessed via the internet at the www.idx.co.id.

This research uses quantitative analysis methods, which is the analysis method used in this study. Quantitative analysis is carried out by collecting the required data and then processing it and presenting it in the form of tables, grafik and other analysis outputs. The research data management technique uses the computerization of the Statistical Program for Social Science (SPSS), which is a computer program that can process statistical data precisely and quickly into various outputs referred to by decision makers.

RESULTS AND DISCUSSION

The population in this study is a manufacturing company in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) in 2017-2019. The initial population was obtained by 54 companies but after being selected based on the established certificates, a final sample of 29 companies was obtained. Observations were carried out for 3 years multiplied by 29 companies so that the number of observations obtained was 87 observations. Sampling was carried out using the purposive sampling method with criteria, namely companies that publish financial statements and annual reports successively in 2017-2019.

1. Descriptive Test

The descriptive test results can be seen in table 1 below.

TABLE 2. TABLE OF DESCRIPTIVE TEST RESULTS

	N	Minimum	Maximum	Mean	Std. Deviation
RPT	87	.00	.32	.0409	.06619
CR	87	.01	7,20	3.0191	2.25716
SIZE	87	25.73	32.20	29.0053	1.66098
ETR	87	.19	2.02	.2926	.22646
Valid N (listwise)	87				

In this study, descriptive statistical analysis was used to find out the picture of a data by revealing the minimum value, maximum value, mean value and standard deviation value of a data. With the number of samples (N) being 87 company data, the variables studied were privileged relationship transactions, liquidity, company size and tax aggressiveness. This study has N = 87 indicating that the data of this study consists of 87 data taken from 29 companies during 2017-2019 relating to the variables of Special Relationship Transactions (X1), liquidity (X2), Company Size (SIZE) and Tax Aggressiveness (Y).

RPT is a Special Relationship Transaction Variable. It has a minimum value of 0.00 that 13 data samples have. This happens because the company does not have a transaction of receivables related to the contents of the privilege or total assets greater than the value of the receivables of related parties. As for the maximum value, it is 0.32. This happened due to an increase in related party accounts receivable by Rp 1,941 billion in 2017.

This happened because net sales with related parties PT Mayora Indah Tbk in 2017 increased by 26.03% compared to the previous year. The special relationship transaction variable has an average value (mean) of 0.0409 which means that companies in the consumer goods industry sector in 2017-2019 are companies that carry out many special relationship transactions because the value of receivables of special relationship transactions is 0.4x compared to total assets. While the standard deviation is 0.06619, which indicates that the data is heterogeneous or has a large data distribution because the standard deviation value is greater than the average value.

The Liquidity Variable has a minimum value of 0.01 (1%). This happened due to a decrease in current assets of IDR 91,422 million and also a decrease in short-term liabilities of IDR 31,712 million. And for a maximum value of 7.20. This is due to an increase in short-term debt. Short-term debt increased by Rp 52,615 million. Therefore, the company can pay short-term liabilities with current assets amounting to 7.20. Liquidity has an average value of 3.0191 which shows that companies in the consumer goods industry sector in 2017-2019 were liquid companies because the level of current assets was 3x greater than short-term liabilities. Liquidity has a standard deviation value of 2,257, which indicates that the data is homogeneous or has a small distribution of data because the standard deviation value is lower than the average value.

The Company Size Variable has a minimum value of 25.73. This occurs due to a decrease in the number of assets of the company caused by cash and bank balances, inventory, down payments and expenses paid in advance which decreases while a decrease in non-current assets caused by depreciation of fixed assets. While the maximum value is 32.20. The variable size of companies in the consumer goods industry sector in 2017-2019 has an average value (mean) of 29,005 and a standard deviation of 1,661. With a standard value that is smaller than the average value, it can be said that the data is homogeneous or has a small distribution of data. ETR is a variable of tax aggressiveness. This variable has a minimum value of 0.19. And the maximum value is 2.02. This happened because the company's revenue increased by 24.25% from the previous year, so the tax burden also increased. The average value of the tax aggressiveness variable is 0.2926 or 29.26%, the results show that 29.26% of the companies in the consumer goods industry sector in 2017-2019 carried out tax aggressiveness actions to reduce the tax burden. The tax aggressiveness variable has a standard deviation value of 0.2264, this indicates that the data is heterogeneous or has a large data distribution because the standard deviation value is greater than the average value.

2. Normality Test

TABLE 3. TABLE OF NORMALITY TEST RESULTS

Unstandardized Residual		
N		87
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.06795729
Most Extreme Differences	Absolute	.174
	Positive	.174
	Negative	-.157
Test Statistic		.000 ^c
Asymp. Sig. (2-tailed)		.008 ^d
Monte Carlo Sig. (2-tailed)	Itself.	.005
	99% Confidence Interval	Lower Bound

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. Based on 10000 sampled tables with starting seed 92208573.

The normality test aims to find out whether the data owned is distributing normally or close to normal because the normally distributed data can be representative of the population. In this study, the normality test was detected with the Kolmogorov-Smirnov statistical test using spss 25 output. Normal distributed data if KolmogorovSmirnov shows a significant value of above 0.05.

From the existing research sample of 87 samples, there are 6 samples that must be eliminated (outliers), which are extreme data that cause the study to distribute abnormally using casewise diagnostics outliers. After the data treatment with the outlier method, the normality test was carried out again on the data that had been treated, totaling 81 samples. Thus, kolmogorov-Smirnov's results showed a significant value above 0.05 or a significant value of $0.370 < 0.05$. Then it can be stated that the data on the study are distributed normal.

3. Multicollinearity Test

TABLE 4. MULTICOLLINEARITY TEST RESULTS

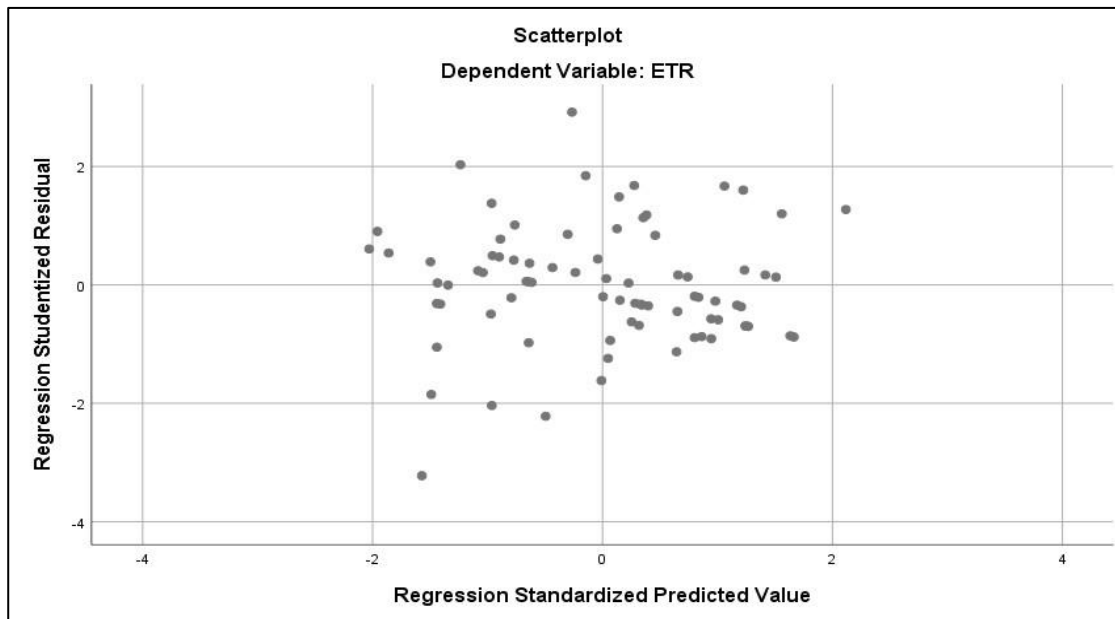
Model		Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
		B	Std. Error	Beta	t	Itself.	Tolerance	BRIGHT
1	(Constant)	.026	.057		.449	.655		
	RPT	.056	.078	.079	.719	.475	.982	1.018
	CR	.003	.002	.137	1.212	.229	.924	1.082
	SIZE	.007	.003	.300	2.644	.010	.922	1.084

a. Dependent Variable: ETR

The multicollinearity test was carried out to test whether in the regression model there was a correlation between free variables (independent variables). A good regression model should not have any correlations between independent variables. Multicholinerity occurs if the tolerance value ≤ 0.10 or equal to the VIF (Variance Inflation Factor) value > 10 . And the results show that no free variable has a tolerance value of less than 0.01 or 10%. All tolerance values are more than 0.01 (10%) which means that there is no correlation between variables. And the VIF value also indicates the same thing that is that there is not one independent variable that has a VIF value of more than 10. So it can be concluded that there are no symptoms of multicolinerity between independent variables in the regression model.

4. Heteroskedasticity Test Results

FIGURE 2. SCATTERPLOT CHART



The heteroskedasticity test aims to test whether in the regression model there is an inequality of variance from the residuality of one observation to another. In this study, to find out whether there are symptoms of heteroskedasticity by using scatterplot charts. Based on the test results that the points are spread randomly and scattered both above and below the number 0 on the Y axis.

5. Autocorrelation Test

TABLE 5. AUTOCORRELATION TEST RESULTS

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.315 ^a	.099	.064	.03084	1.913

a. Predictors:
(Constant),
RPT, CR

b. Dependent
Variable: ET

An autocorrelation test was performed to test whether in the linear regression model there was a correlation between the intruder error in the t period and the disruptor error in the previous period. Autocorrelation tests can be performed with Durbin-Watson (DW) testing as well as a good regression model is a regression that is free of autocorrelation. The results of the autocorrelation test showed that the statistical value of Durbin-Watson was 1.913 While based on the Durbin-Watson table with n = 81 and k = 4, a dtabel was obtained, namely dl (outer limit) = 1.5372 and du (inner limit) = 1.7438 with a significance level of 5%, so that 4-du = 2.2562 and 4-dl = 2.4628. From the results above, it shows that there are symptoms of autocorrelation in the regression model because the DW value is between $dU < DW < 4 - 2dL$, namely $1.7438 < 1.913 < 2.2562$.

6. Coefficient of Determination Test (R²)

TABLE 6. COEFFICIENT OF DETERMINATION TEST RESULTS

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	.315 ^a	.099	.064	.03084	1.913

a. Predictors: (Constant), SIZE, RPT, CR

b. Dependent Variable: ETR

The Coefficient of determination test has the objective of measuring how much the ability of an independent variable to explain the dependent variable. If the value of R2 is small then the ability of independent variables to explain the variation of dependent variables is very limited. Whereas a value close to one means that independent variables provide almost all the information needed to predict dependent variations. The results of the coefficient of determination test determined the value of R Square (R2) of 0.099 or 9.9%. This means that 9.9% of tax aggressiveness can be affected by Transactions of Privileged Relationships, Liquidity and Company Size. While the remaining 90.1% is explained by other causes outside the model or influenced by other factors that are not studied.

7. Significance Test (Test F)

Table 7. Significant Test Results

Model		Sum of Squares	Df	Mean Square	F	Itself.
1	Regression	.008	3	.003	2.798	.046 ^b
	Residual	.072	76	.001		
	Total	.080	79			

a. Dependent Variable: ETR

b. Predictors: (Constant), SIZE, RPT, CR

The F test is a test used to determine whether the regression model is worth researching or not and the F test is carried out to show whether all independent variables together have an effect on bound variables (Ghozali, 2018: 98). If the significant value < 0.05 means that together the dependent variables have an influence on the independent variable (Ghozali, 2018:98). So, then the results of the F test or the results of the Anova test, it can be seen that the calculated F value is 2.798 with a significance of 0.046. With a significance value much smaller than 0.05, which means that this regression model can be used to predict its observation value so that it is worth using for research which are independent variables (special relationship transactions, liquidity and company size) as well as dependent variables, namely tax aggressiveness.

8. Individual Parameter Significant Test (t Test)

TABLE 8. TEST RESULTS SIGNIFICANTLY INDIVIDUAL PARAMETERS

Model		Unstandardized Coefficients		Standardized Coefficients		t	Itself.
		B	Std. Error	Beta			
1	(Constant)	.026	.057			.449	.655
	RPT	.056	.078	.079		.719	.475
	CR	.003	.002	.137		1.212	.229
	SIZE	.007	.003	.300		2.644	.010

a. Dependent Variable: ETR

To determine whether the hypothesis is accepted or rejected, namely by comparing the t count with the table and the significance value is 0.05. Then the results of the t test are as follows:

1. The Special Relationship Transaction Variable (X1) has a calculated value of 0.719 with a significance value of 0.475 > 0.05. This shows that the Special Relations Transaction has no effect on tax aggressiveness so H1 is rejected.
2. The Liquidity Variable (X2) has a calculated t value of 1,212 with a significance value of 0.229 > 0.05 which means that the liquidity variable calculated using the Current Ratio has no effect on tax aggressiveness. Then H2 was rejected.
3. The Company Size variable (SIZE) has a calculated value of 2.644 with a significance of 0.01 < 0.05. This shows that the size of the company has an influence on the company's performance so that H3 is accepted.

9. Multiple Linear Analysis Test

TABLE 9. MULTIPLE LINEAR ANALYSIS TEST RESULTS

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Itself.
1	(Constant)	.026	.057		.449	.655
	RPT	.056	.078	.079	.719	.475
	CR	.003	.002	.137	1.212	.229
	SIZE	.007	.003	.300	2.644	.010

a. Dependent Variable: ETR

Multiple regression models are used to test the influence of two or more independent variables on independent variables with an interval or ratio measurement scale in the equation.

$$ETR = a + b_1X_1 + b_2X_2 + b_3SIZE + e \quad ETR = 0,026 + 0,056 X_1 + 0,003 X_2 + 0,007 SIZE + e$$

Such regression equations can be described as follows:

1. The value of the obtained constant is 0.026. This model means that every time there is an increase in units on independent variables (Special Relationship Transactions, Liquidity and Company Size), it will be followed by an increase in the level of tax aggressiveness of 0.026.
2. The value of the regression coefficient of the Special Relationship Transaction variable (X1) is 0.056. This shows that any increase in a unit of special relationship transaction (RPT) will result in an increase in aggressiveness (ETR) of 0.056 per unit. A coefficient of positive value which means that there is a unidirectional relationship between the transaction of privileged relations and the aggressiveness of taxes. The higher the transaction value of the special relationship, the higher the value of tax aggressiveness, and vice versa.
3. The value of the liquidity variable regression coefficient (X2) is 0.003. This shows that every increase in 1 unit of Liquidity will result in an increase in tax aggressiveness of 0.003. The coefficient is of positive value which means that there is a unidirectional relationship between liquidity and tax aggressiveness. The higher the liquidity value, the higher the value of tax aggressiveness.

4. The value of the coefficient of regression of the enterprise size variable (SIZE) is 0.007. This shows that every increase in 1 unit of company size (SIZE) will result in an increase in tax aggressiveness (ETR) of 0.007. A coefficient of positive value which means that there is a unidirectional relationship between the size of the company and tax aggressiveness. The higher the value of the company size, the higher the value of tax aggressiveness, and vice versa.

COVER

This study aims to determine the effect of privileged relationship transactions, liquidity and company size on tax aggressiveness. The number of samples in this study amounted to 81 samples taken from 29 companies in the industrial sector with consumption. Then the following conclusions can be drawn:

1. The influence of the transaction of privileged relations has no significant effect on the aggressiveness of taxes. This is because special relationship transactions are used by companies, especially multinational companies, as a mechanism in making income shifting with the aim of avoiding taxes (Fadillah & Lingga, 2021). The results of this study support research conducted by Santoso & Sadeli (2021), (Darma, 2019), and Panjalusman et al. (2018) which stated that the transaction of special relationships has no effect on tax aggressiveness. However, this result contradicts the results of research conducted by Yudawirawan et al (2021), Muti'ah et al., (2021), Kramarova (2021) and Santoso & Sadeli (2021).

2. Based on the research that has been carried out, the results were obtained that the liquidity variable did not have a significant effect on the tax aggressiveness variable. The insignificant relationship between liquidity and tax aggressiveness is because the sample company tends to maintain the liquidity of the company so that it can be interpreted that the company is able to pay off its short-term obligations including tax obligations. As well as too high liquidity also illustrates the high level of cash and the like who are unemployed so that they are considered less productive (Purba & Kuncahyo, 2020). The results of this study support research conducted by Yani (2018), Hidayat & Muliarsi (2020) and Amalia (2021) which stated that Liquidity has no effect on Tax Aggressiveness.

But the results of this study contradict the research conducted by Ayu et al. (2021)

3. The results of testing the third hypothesis show that the size of the company has an effect on tax aggressiveness. This means that the larger the size of the company, the greater the value of tax aggressiveness, this result supports research conducted by Napitu & Kurniawan, (2016) and Allo et al. (2021) which states that the size of the company has a positive effect on tax aggressiveness. This result supports research conducted by Napitu & Kurniawan, (2016) and Allo et al. (2021) which states that the size of the company has a positive effect on tax aggressiveness. However, these results are inconsistent with the research conducted by Prameswari (2017).

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