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THE INFLUENCE OF PROFITABILITY, LEVERAGE, AND SALES GROWTH ON TAX AVOIDANCE IN NON-CYLICAL CONSUMER SECTOR COMPANIES

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ABSTRACT

Tax avoidance is a form of tax avoidance that does not exceed applicable legal boundaries and tax regulations. Tax avoidance is implemented by looking at the gaps and weaknesses in tax regulations. The aim of this research is to test whether profitability, leverage and sales growth indicators are able to influence tax avoidance. The research was conducted on companies in the non-cyclical consumer sector listed on the Indonesia Stock Exchange for the period 2020 - 2022. The research method used was a quantitative method with purposive sampling. The author used SPSS version 27 software to process the data. The results of this research are that profitability and sales growth influence tax avoidance. Meanwhile, leverage has no effect on tax avoidance.

Keywords – **tax avoidance, profitability, leverage, sales growth**

INTRODUCTION

Taxes are a major source of state revenue in Indonesia, contributing 77% (IDR 2,034,552.5 billion) to the 2022 total state revenue of IDR 2,630,147 billion (bps.go.id, 2024). However, conflicts arise between tax authorities, who aim for maximum revenue, and corporate taxpayers, who seek to minimize tax payments to increase profits (Egiana & Nurdiniah, 2022). Companies often engage in tax avoidance, a legal practice of reducing tax liabilities by exploiting loopholes in tax regulations (Pohan, 2017). An example is PT Adaro Energy Tbk., which used its subsidiary in Singapore to avoid paying taxes from 2009 to 2017, saving around IDR 1.75 trillion.

Three factors potentially influence tax avoidance: profitability, leverage, and sales growth. Profitability, measured by Return on Assets (ROA), indicates how well a company generates profit from its assets. High profitability increases tax liabilities, prompting companies to engage in tax avoidance by reallocating profits towards operational expenses or liabilities (Puspitasari et al., 2021). Similarly, leverage—representing the extent to which a company is financed by debt—reduces taxable profits through interest expenses, which lowers the tax burden (Mahdiana & Amin, 2020). Sales growth, the increase in sales compared to the previous year, can also drive tax avoidance, as rising profits result in higher taxes (Sinambela & Nur'aini, 2021).

Existing studies show mixed results. Some, like Mahdiana & Amin (2020), found that profitability and leverage positively affect tax avoidance, while sales growth does not. Others, such as Pratiwi et al. (2021), argue that leverage and sales growth positively influence tax avoidance. However, Anggraeni & Kurniawan (2023) concluded that none of these variables significantly impact tax avoidance.

Motivated by these differing results, the author conducted a study titled **"The Influence of Profitability, Leverage, and Sales Growth on Tax Avoidance in Non-Cyclical Consumer Sector Companies."** The research aims to answer whether profitability, leverage, and sales growth—

individually and collectively—affect tax avoidance in companies within this sector.

LITERATURE REVIEW

METHODOLOGY

A. Model Review

1. Agency Theory

Agency Theory provides a framework for understanding tax avoidance, positing that conflicts arise from differing interests between the principal (the tax authorities or government) and the agent (corporate taxpayers) (Jensen & Meckling, 1976). The tax authorities aim to maximize tax collection as a primary revenue source in Indonesia, while corporations seek to minimize tax costs to enhance profits by exploiting legal loopholes (Darsani & Sukartha, 2021; Prasetya & Muid, 2022).

This relationship can lead to asymmetrical information, where corporate entities possess more information about their operations than tax authorities (Sinambela & Nur'aini, 2021). Consequently, entities may withhold certain information from tax authorities to serve their interests, resulting in tax avoidance behavior (Haztania & Lestari, 2023). In Indonesia, taxpayers are responsible for calculating, paying, and reporting taxes independently, which may encourage tax avoidance through concealed information (Tebiono & Sukadana, 2019). While companies typically include tax calculations and their economic status in financial reports, this transparency does not ensure full disclosure, allowing for continued tax avoidance practices.

1. Compliance Theory

Tax compthe behavior of who fulfill their tax rights and obligations by reporting all assets and paying taxes according to applicable laws (Waluyo, 2020; Ivena & Handayani, 2022). Compliance Theory relates to tax avoidance, which involves exploiting tax loopholes to reduce tax liabilities (Egiana & Nurdiniah, 2022). In Indonesia, the self- assessment tax collection system allows taxpayers to independently calculate, deposit, and report their taxes as per regulations, but this system is sometimes misused to evade tax responsibilities. Such tax avoidance actions deviate from Compliance Theory, as taxpayers should ideally adhere to their obligations.

Tax avoidance is a legal strategy used by entities to minimize tax liabilities by exploiting weaknesses in tax regulations (Sinambela & Nur'aini, 2021). This strategy involves taking advantage of allowable exemptions, deductions, and unspecified aspects in tax laws (Suandy, 2016). Companies aim to lower their taxes to maximize profits (Haztania & Lestari, 2023). This study measures tax avoidance using the Cash Effective Tax Rate (CETR), which indicates the aggressiveness of tax avoidance actions. A high CETR value suggests that a company is paying taxes close to the applicable corporate income tax rates, indicating low tax avoidance. Conversely, a low CETR value signifies higher tax avoidance behavior.

The formula for CETR is as follows:

$$CETR = \frac{Tax\ Payment}{Pre\text{-}Tax\ Profit}$$

2. Profitability

The ability of a company to generate profit within a certain period is referred to as profitability. A company is said to perform well if it can produce profits for itself (Ernawati et al., 2019). According to Sibarani & Hartanti (2022), profitability is a comparison used to measure how far a company can obtain profit from its business activities.

The benchmark for profitability in this study is the Return On Asset (ROA) ratio. ROA can serve as an indicator for companies to depict their financial performance (Mahdiana & Amin, 2020). A company with a high ROA value is considered to manage its assets effectively and efficiently (Sinambela & Nur'aini, 2021). A high level of profitability indicates that the profits generated by the company are substantial, thus resulting in higher tax liabilities. Tax avoidance efforts tend to be applied by highly profitable companies (Puspitasari et al., 2021). The formula for ROA is as follows:

$$ROA = \frac{Net\ Profit\ After\ Tax}{Total\ Assets}$$

3. Leverage

Leverage is a ratio that measures how much of a company's assets are financed by debt (Kasmir, 2014). A high leverage value indicates a significant reliance on debt for asset financing (Bagaskara et al., 2021). Companies have multiple funding options, including debt, which can lead to increased interest expenses. Firms that finance their operations through debt typically report lower taxable income compared to those that raise capital by issuing shares, making this a form of tax avoidance (Amri, 2015). Leverage is measured using the Debt to Asset Ratio (DAR). The DAR is a comparison between the total debt of a company and its total assets. The formula used is as follows:

$$DAR = \frac{Total\ Debt}{}$$

Total Assets

4. Sales Growth

Sales growth is the ratio of the difference between current year sales and previous year sales divided by the total sales of the previous year (Sinambela & Nur'aini, 2021). The performance of a company can be illustrated using this sales growth. Sales that experience growth typically generate high profits, leading to an increase in corporate taxes. Such circumstances can trigger tax avoidance actions (Renata & Ahalik, 2022).

The measurement of sales growth is carried out using the following formula:

$$\textit{Sales Growth} = \frac{\textit{Current Sales} - \textit{Previous Sales}}{\textit{Previous Sales}}$$

2. Conceptual Framework

Based on the literature review presented, a conceptual framework for the research has been developed, outlining the influence of the profitability variable (X1), the leverage variable (X2), and the sales growth variable (X3) on the tax avoidance variable (Y):

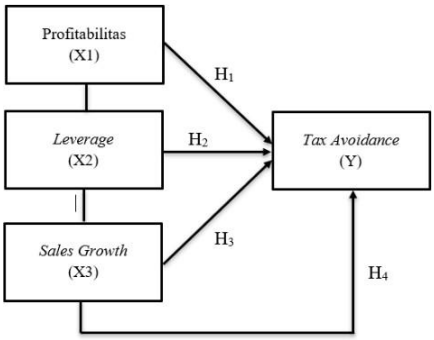

Fig. 1. Conceptual Framework

Profitability is a variable that reflects a company's performance by examining the profit generated. A benchmark that can illustrate the state of profitability is the Return on Assets (ROA), calculated as net income after tax divided by total assets (Maryam et al., 2023).

As indicated by the research conducted by Egiana & Nurdiniah (2022) and Tebiono & Sukadana (2019), tax avoidance can be influenced by the profitability variable. A higher ROA will have a positive effect on the company's profit, which will also increase correspondingly. The higher the company's profit, the greater the tax liability will be. Companies naturally aim to achieve maximum profit while minimising costs, so those with high profits are likely to reduce their tax expenses or engage in tax avoidance (Puspitasari et al., 2021). Based on the theoretical framework and the findings of previous research, the author formulates the following hypothesis:

H1: Profitability has an effect on tax avoidance.

Leverage is the ratio of a company's debt to its equity or assets, using the Debt to Asset Ratio (DAR) as a benchmark. The taxable income generated by companies that use debt as a funding source will be lower than that of companies whose funding comes from issuing shares (Amri, 2015).

The research conducted by Mahdiana & Amin (2020) indicates that tax avoidance is significantly influenced by leverage in a positive direction. An increase in leverage will affect an increase in the company's tax avoidance. Furthermore, research by Harahap (2021) presents findings that leverage has a negative and insignificant effect on tax avoidance. Based on the presentation of theory and previous studies, the hypothesis is:

H2: Leverage affects tax avoidance.

Sales growth indicates an increase or decrease in sales compared to the previous year. A significant increase in sales will also lead to a substantial profit for the company. Companies with high sales growth are likely to implement tax avoidance strategies to minimise their tax burden in order to maximise their profits (Prawati & Hutagalung, 2020).

Research conducted by Maryam et al. (2023) shows that tax avoidance can be significantly influenced by sales growth. Additionally, the study by Satria & Lunardi (2023) also states that, in a partial context, tax avoidance can be influenced by sales growth. Based on the presentation of theory and several previous studies, the hypothesis is:

H3: Sales growth affects tax avoidance.

In this study, profitability, leverage, and sales growth are the independent variables examined for their collective influence on tax avoidance, the dependent variable. Research by Ariska et al. (2020) found that leverage, company size, and profitability can simultaneously affect tax avoidance. Similarly, Maryam et al. (2023) identified corporate governance, profitability, and sales growth as factors that can influence tax avoidance together. Additionally, Ivena & Handayani (2022) argued that inventory intensity, leverage, and profitability also have a simultaneous impact on tax avoidance. Based on several previous research findings, the author concludes as follows:

H4: Profitability, leverage, and sales growth simultaneously affect tax avoidance.

3. Population and Sample

The research focused on companies in the non-cyclical consumer sector listed on the Indonesia Stock Exchange (IDX) from 2020 to 2022. Non-cyclical consumer companies provide essential goods to the community. The author utilized purposive sampling, a non-probability sampling method, with specific criteria: companies must be listed on the IDX consecutively from 2020 to 2022, generate profits each year during that period, report financial statements in Indonesian rupiah, and make tax payments. This approach identified 34 suitable companies, yielding a total of 102 samples across the three years.

4. Analytical Method

The preparation of this study processes secondary data obtained from the Indonesia Stock Exchange (IDX) in the form of financial reports for companies in the consumer non-cyclicals sector for the 2020-2022 period. The author processes the data using IBM SPSS 27 software.

The research results are tested using a quantitative method. The author conducts hypothesis testing to determine whether the independent variables have an effect on the dependent variable. Multiple regression analysis is employed to assess the strength of the relationship between several independent variables and a dependent variable (Ghozali, 2018).

The testing can then apply the multiple linear regression model as follows:

$$Y = a + b1.\ X1 + b2.\ X2 + b3.\ X3 + e$$

Description:
Y = Tax Avoidance (CETR) a
= Constant
b1 – b3 = Regression coefficients of each independent variable
X1 = Profitability (ROA)
X2 = Leverage (DAR)
X3 = Sales Growth (Sales Growth) e
= Error term

RESULTS

A. Descriptive Statistical Analysis

This study employs two types of variables, namely dependent and independent variables. Tax avoidance, assessed using the CETR (Cash Effective Tax Rate), will serve as the dependent variable. Profitability, leverage, and sales growth, represented through ROA (Return On Asset), DAR (Debt to Asset Ratio), and the difference between the current year's sales and the previous year's sales, will be the independent variables. From the tests conducted, the author obtained the following descriptive analysis results.

Table 1 Descriptive Analysis Results

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	102	.78	34.89	9.3710	6.55276
DAR	102	.10	.89	.4235	.18529
SALES GROWTH	102	-.21	.90	.1294	.16578
CETR	102	.01	.51	.2144	.08855
Valid N (listwise)	102				

From the data, the minimum value for the ROA variable is 0.78, the maximum value is 34.89, the mean value is 9.3710, and the standard deviation is 6.55276. The minimum value for the DAR variable is 0.10, the maximum value is 0.89, the mean value is 0.4235, and the standard deviation is 0.18529. The minimum value for the sales growth variable is
-0.21, the maximum value is 0.90, the mean value is 0.1294, and the standard deviation is 0.16578. Furthermore, the tax avoidance variable, measured by CETR, has a minimum value of 0.01, a maximum value of 0.51, a mean value of 0.2144, and a standard deviation of 0.08855.

B. Classical Assumption Test

The classical assumption test is conducted to assess whether the regression model of a study is appropriate. The classical assumption tests used in this research are normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

1. Normality Test

The normality test is conducted to check the distribution of the test data to determine whether it is normal or not. Good data is data with a normal distribution, with an asymptotic

significance (2-tailed) value > 0.05. The author employs the Kolmogorov-Smirnov test (K-S test) to perform the normality test. The following are the results of the normality test.

Table 2 Normality Test

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
			102
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		.08281355
Most Extreme Differences	Absolute		.044
	Positive		.044
	Negative		-.031
Test Statistic			.044
Asymp. Sig. (2-tailed)[c]			.200[d]
Monte Carlo Sig. (2-tailed)[e]	Sig.		.899
	99% Confidence Interval	Lower Bound	.892
		Upper Bound	.907

Based on the normality test table, the resulting Asymp. Sig. (2-tailed) value is 0.200, which is > 0.05. Therefore, the conclusion is that the data in this study passes the normality test, as it is normally distributed.

1. Multicollinearity test

The correlation between independent variables can be determined by conducting a multicollinearity test. Data that is free from multicollinearity is indicated by tolerance values close to 1 and VIF values < 10. The results of the multicollinearity test are as follows.

Tabel 3 **Multicollinearity test**

Model		T	Sig.	Collinearity Statistics	
				Tolerance	VIF
1	(Constant)	11.036	.000		
	ROA	-2.022	.046	.987	1.013
	DAR	-1.508	.135	.986	1.014
	SALES GROWTH	-2.875	.005	.998	1.002

Based on the data above, the tolerance value for ROA is 0.987, for DAR it is 0.986, and for SALES GROWTH it is 0.998. These values are close to 1. Additionally, the VIF value for ROA is 1.013, for DAR it is 1.014, and for SALES GROWTH it is 1.002. The VIF values for each variable are below 10. From the results of the multicollinearity test conducted, we can conclude that the processed data is free from multicollinearity, as it has tolerance values close to 1 and VIF values less than 10.

2. Autocorrelation Test

The autocorrelation test is conducted to determine the correlation of a variable with changes over time. The autocorrelation test is implemented using the Durbin-Watson Test (DW Test). A DW value that falls within the range of dU and 4-dU indicates that the null hypothesis (H0) is accepted, meaning there is no issue of autocorrelation.

Table 4 Autocorrelation Test

Model	R	R Square	Adjusted R Square	Durbin-Watson
1	.354[a]	.125	.099	1.771

n	k=3	
	dL	dU
100	1.6131	1.7364
101	1.6153	1.7374
102	1.6174	1.7383

Fig. 2. Durbin-Watson

Table Description:

k = 3

n = 102

dU = 1.7383

4 – dU = 4 – 1.7383 = 2.2617

Based on the autocorrelation test table, the value of Durbin-Watson is 1.771. Data is considered to pass the autocorrelation test if dU < DW < 4 - dU. If we insert the values from the data, the result is as follows: 1.7383 < 1.771 < 2.2617. The DW value lies between dU and 4 - dU. Therefore, the conclusion is that this study passes the autocorrelation test.

3. Heteroskedasticity Test

The heteroskedasticity test assesses the inconsistent variation in residuals across observations. The author

employs two methods for this test: a scatterplot and the Park test. A scatterplot is considered valid if the points are randomly scattered without a discernible pattern and are distributed both above and below the y-axis value of 0. The Park test is deemed valid if the significance value exceeds
0.05. Below are the results of the scatterplot test and the Park test.

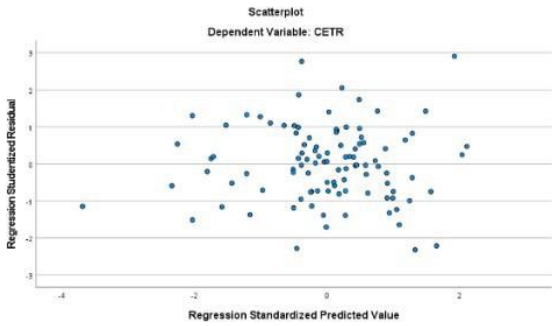

Fig. 3. Scatterplot Test

Based on the scatterplot test in Figure 3, it was found that the author's data is free from heteroscedasticity, as the distribution of points is irregular without forming a pattern and is located above and below the zero on the y-axis.

Table 5 Heteroscedasticity Test

Model		T	Sig.
1	(Constant)	-9.511	.000
	ROA	-1.526	.130
	DAR	.691	.492
	SALES GROWTH	.473	.637

Based on Table 5, ROA has a significance value of 0.130, DAR 0.492, and SALES GROWTH 0.637. This indicates that each variable has a significance value > 0.05, thus the processed data is free from indications of heteroscedasticity.

2. Hypothesis Testing

According to Sugiyono (2019), a hypothesis is an estimate or conjecture about the answer to a research problem that will be tested for validity. In statistical terms, it refers to a statement about a population's condition, evaluated based on sample data. Hypotheses are generally presented in pairs: the null hypothesis (H0) and the alternative hypothesis (Ha). If H0 is rejected, Ha is accepted, and vice versa. The null hypothesis signifies a similarity between the parameter and sample statistics, while the alternative hypothesis indicates a difference between them. The following are the tests conducted by the researcher to obtain the hypothesis results.

1. Multiple Linear Regression Analysis

The use of multiple linear regression analysis is conducted to assess the strength of the relationship between independent variables and the dependent variable. The results of the multiple linear regression analysis obtained by the author are as follows.

Table 6 Multiple Linear Regression Analysis

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1 (Constant)	.287	.026		11.036	.000
ROA	-.003	.001	-.192	-2.022	.046
DAR	-.069	.045	-.143	-1.508	.135
SALES GROWTH	-.145	.051	-.272	-2.875	.005

Based on the results from Table 6 of the multiple linear regression analysis, the following analytical calculations were obtained.

$$Tax\ Avoidance = 0{,}287 - 0{,}003ROA - 0{,}069DAR - 0{,}145SALESGROWTH + E$$

The dependent variable, or tax avoidance (Y), has a positive constant value of 0.287. If all independent variables, namely ROA (X1), DAR (X2), and SALES GROWTH (X3),
are valued at 0, the CETR (Y) will equal to 0.287.

The coefficient for the ROA (X1) variable is negative at -0.003. This value indicates that for every increase in ROA (X1), there will be a decrease in the CETR (Y) value of 0.003, assuming the other independent variables remain constant.

The coefficient for the DAR (X2) variable is negative at -0.069. This value signifies that each increase in DAR (X2) will result in a decrease in the CETR (Y) value of 0.069, with other independent variables held constant.

The coefficient for the SALES GROWTH (X3) variable is negative at -0.145. This value indicates that each increase in SALES GROWTH (X3) will lead to a decrease in the CETR (Y) value of 0.145, with the other independent variables assumed to remain constant.

1. Coefficient of Determination Test

The coefficient of determination test is used to measure the extent of the influence of independent variables on the dependent variable. An R^2 or adjusted R square value that is closer to 1 indicates that the independent variables have a strong influence on the dependent variable. The results of the test are as follows.

Table 7: Coefficient of Determination Test

Model	R	R Square	Adjusted R Square
1	.354[a]	.125	.099

Based on Table 7, the adjusted R square value is 0.099 or 9.9%. The independent variables ROA, DAR, and SALES GROWTH influence the dependent variable tax avoidance by 9.9%, while the remaining 90.1% of tax avoidance is influenced by other factors. The small adjusted R square value indicates that ROA, DAR, and SALES GROWTH are not the dominant variables affecting the dependent variable (Tax Avoidance). Although the adjusted R square value is low, the regression model remains valid for use because the results of the classical assumption testing indicate that this study's regression model is consistent and unbiased.

2. F-statistic Test

The F-statistic test is conducted to determine whether the independent variables collectively influence the dependent variable. The F-statistic is indicated through the significance value of F. A significance value of ≤ 0.05 indicates that Ha is accepted, meaning all independent variables significantly affect the dependent variable simultaneously. Conversely, a significance value of ≥ 0.05 indicates that Ha is rejected, meaning that all independent variables do not significantly influence the dependent variable simultaneously. The results of the F-test are as follows.

Table 8: F-Statistic Test

The degrees of freedom for the denominator (N2)	The degrees of freedom for the numerator (N1)		
	1	2	3
96	3.94	3.09	2.70
97	3.94	3.09	2.70
98	3.94	3.09	2.70

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.099	3	.033	4.683	.004[b]
	Residual	.693	98	.007		
	Total	.792	101			

Fig. 4. F-Table

Value Description:

df = degrees of

freedom n = number

of samples

k = number of independent

variables df1 = k = 3

df2 = n – k – 1 = 102 – 3 – 1 = 98

F-table = 2.70

Based on Table 8, the significance value is 0.004, which means it is ≤ 0.05. Furthermore, the calculated F value is 4.683, which is greater than the F table value of 2.70. Based on the criteria for testing the F test, it can be concluded that Ha is accepted. All independent variables (ROA, DAR, SALES GROWTH) have a simultaneous effect on the dependent variable (tax avoidance).

3. T-Statistic Test

The T-statistic test is conducted to assess whether the dependent variable can be influenced by the independent

variables on a partial basis. A significance value of < 0.05 indicates that H0 is rejected and Ha is accepted, meaning that the independent variables can influence the dependent variable partially. Conversely, a significance value of > 0.05 indicates that H0 is accepted and Ha is rejected, meaning the independent variables do not influence the dependent variable partially. The results of the T test are as follows.

Table 9 T-Test

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1 (Constant)	.287	.026		11.036	.000
ROA	-.003	.001	-.192	-2.022	.046
DAR	-.069	.045	-.143	-1.508	.135
SALES GROWTH	-.145	.051	-.272	-2.875	.005

df \ Pr	0.025 / 0.050
96	1.98498
97	1.98472
98	1.98447

Fig. 5. T-Table Values

Description:

df = degrees of freedom n

= sample size

k = number of independent variables

df = n – k – 1 = 102 – 3 – 1 = 98

T table = 1.98447 (positive t calculated value) T

table = -1.98447 (negative t calculated value)

Based on the results above, ROA has a significance value of 0.046, which means it is < 0.05. Additionally, the calculated t value is -2.022 < the t table value of -1.98447. According to the criteria for the t test, we conclude that H0 is rejected and Ha is accepted. ROA can be considered an indicator that significantly influences tax avoidance on a partial basis. The significance value for DAR is 0.135 or > 0.05. Moreover, the calculated t value is -1.508 > the t table value of -1.98447, meaning that H0 is accepted and Ha is rejected. DAR cannot be considered an indicator that significantly influences tax avoidance on a partial basis. SALES GROWTH has a significance value of 0.005 or < 0.05. Furthermore, the calculated t value is -2.875 < the t table value of -1.98447, which means H0 is rejected and Ha is accepted. SALES GROWTH can be considered an indicator that significantly influences tax avoidance on a partial basis.

CONCLUSION

The research was conducted to examine whether profitability, leverage, and sales growth indicators influence tax avoidance practices. Below are the results and analysis provided by the author:

a. Profitability affects tax avoidance

This conclusion is drawn from the t-test significance value of 0.046, which is below the threshold of 0.05, indicating that profitability has an effect on tax avoidance. The result suggests that as a company's profitability increases, its tax burden also rises. With a heavier tax burden, the company is more likely to engage in tax avoidance practices.

b. Leverage does not affect tax avoidance

This conclusion is based on the t-test significance value of 0.135. This value exceeds the 0.05 threshold, indicating that leverage does not influence tax avoidance. Whether a company's leverage is high or low does not determine its decision to engage in tax avoidance practices.

c. Sales growth affects tax avoidance

This conclusion is based on the t-test significance value for sales growth, which is 0.005. This value is below the threshold of 0.05, indicating that sales growth influences tax avoidance. High sales growth increases a company's tax burden, which encourages the company to engage in tax avoidance.

d. Profitability, leverage, and sales growth affect tax avoidance simultaneously

This conclusion is based on the F-test significance value of 0.004, which is below the 0.05 threshold. This indicates that profitability, leverage, and sales growth collectively influence tax avoidance. Companies tend to engage in tax avoidance when they have high profits, as this increases their tax burden. Furthermore, companies that finance operations through debt are also inclined to avoid taxes due to interest expenses. Additionally, companies experiencing sales growth

may resort to tax avoidance as their tax burden increases along with sales growth.

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