Abstract
The objective of this research was to analyze the effect of the tax aggressiveness on the corporate social responsibility of the mining companies listed on Indonesia Stock Exchange in the period of 2013 - 2015. The independent variable used in this research was the tax aggressiveness measured by the effective tax rate (ETR); while, the dependent variable used in this research was the corporate social responsibility (CSR). This research used three control variables (return on assets, leverage, and company size). The sampling technique used in this research was a purposive sampling technique so that the sample of this research was all mining companies (27 companies) which had published the annual financial reports in the period of 2013 – 2015. The sample was collected through 81 observations. Data analysis technique used in this research was a multiple linear regression using SPSS version 20. The result of this research showed that (1) the tax aggressiveness and the company size had an effect on the CSR; while, the return on asset (ROA) and leverage had no effect on the CSR.

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The Influence of Tax Aggressiveness on Corporate Social Responsibility

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ABSTRACT

The objective of this research was to analyze the effect of the tax aggressiveness on the corporate social responsibility of the mining companies listed on Indonesia Stock Exchange in the period of 2013 - 2015. The independent variable used in this research was the tax aggressiveness measured by the effective tax rate (ETR); while, the dependent variable used in this research was the corporate social responsibility (CSR). This research used three control variables (return on assets, leverage, and company size). The sampling technique used in this research was a purposive sampling technique so that the sample of this research was all mining companies (27 companies) which had published the annual financial reports in the period of 2013 – 2015. The sample was collected through 81 observations. Data analysis technique used in this research was a multiple linear regression using SPSS version 20. The result of this research showed that (1) the tax aggressiveness and the company size had an effect on the CSR; while, the return on asset (ROA) and leverage had no effect on the CSR.

Keywords: Corporate Social Responsibility, Tax Aggressiveness, ROA, Leverage, Size

Introduction

Disclosure of Corporate Social Responsibility is an obligation for every company regulated in the Law of the Republic of Indonesia No. 40 of 2007 article 74 paragraph 1 concerning "companies which carry out their business activities in the fields and / or relating to natural resources are required to carry out social and environmental responsibilities" and paragraph 3 concerning "companies which do not carry out the obligations referred to in paragraph (1) are subject to sanctions in accordance with the laws and regulations ". In addition to the above law, there is another Investment Law no. 25 of 2007 article 15 (b) states that every investor is obliged to carry out corporate social responsibility and in article 34 it is also stated that companies which do not fulfill the obligations set out in article 15 will be subject to sanctions. The company's activities are basically inseparable from social contracts with the community. Therefore the majority of companies in various parts of the world carry out corporate social responsibility or CSR as a form of caring for the community. Corporate Social Responsibility is defined as a serious effort by business entities to minimize negative impacts and maximize the positive impact of company operations for all stakeholders in the economic, social and environmental sphere to achieve sustainable development goals. This statement is also in accordance with the concept of a triple bottom line (Elkington, 1997) which uses "3P", namely Profit, People, and Planet where the company will succeed if not only pay attention to profits, but pay attention to people's welfare and care for the environment (Wibisono, 2007).
Data below is a breakdown of the percentage of CSR disclosures in mining companies in 2010 - 2015 shown in table 1.1 as follow:

### Table 1.1

<table>
<thead>
<tr>
<th>Year</th>
<th>Mining Companies Listed on the Indonesia Stock Exchange</th>
<th>Mining Companies Listed on the Stock Exchange Indonesia that Reveals CSR</th>
<th>Mining Companies Listed on the Indonesia Stock Exchange which Reveals CSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>23</td>
<td>13</td>
<td>56.25%</td>
</tr>
<tr>
<td>2010</td>
<td>29</td>
<td>22</td>
<td>75.86%</td>
</tr>
<tr>
<td>2011</td>
<td>31</td>
<td>29</td>
<td>93.54%</td>
</tr>
<tr>
<td>2012</td>
<td>37</td>
<td>33</td>
<td>89.18%</td>
</tr>
<tr>
<td>2013</td>
<td>39</td>
<td>35</td>
<td>89.74%</td>
</tr>
</tbody>
</table>

Source: [www.idx.co.id](http://www.idx.co.id), the data is reprocessed.

From table 1.1 above shows that the CSR report has not been optimally utilized, it is very likely due to the low awareness of the company in expressing social and environmental problems that occur. The low level of corporate awareness to disclose environmental and social problems is due to the present time that social disclosure is a form of voluntary disclosure, so the perception arises that it does not become a problem if a company does not do social disclosure.

### Literature Review

**Legitimacy Theory**

Community legitimacy is a strategic factor for companies in order to develop the company going forward. That, can be used as a vehicle to construct a company's strategy, especially related to efforts to position themselves in the midst of an increasingly advanced community environment (Hadi, 2011).

**Stakeholder Theory**

Company not merely responsible to the owners (shareholders) as has happened so far, but has shifted to a wider extent, namely in the social domain (stakeholders), hereinafter referred to as social responsibility (Social responsibility). This phenomenon occurs, due to demands from the community due to negative externalities that arise and social inequality that occurs (Hadi 2011: 93).

**Corporate Social Responsibility (CSR)**

General definition according to the World Business Council in Sustainable Development, corporate social responsibility is the commitment of companies to behave ethically and contribute to sustainable economic development by improving the quality of life of employees and their families, local communities and the
wider community. With CSR the company is expected to increase attention to the environment, workplace conditions, public company relations, corporate social investment, and a good public image of the company, improve corporate financial performance and access to capital. In its activities each company will interact with its social environment.

**Tax Aggressiveness**

Hlaing (2012) defines tax aggressiveness as the tax planning activity of all companies involved in efforts to reduce effective tax rates. (in Balakrishnan, et.al. 2011) argues that tax aggressiveness is a more specific activity, which includes transactions whose main purpose is to reduce corporate tax obligations.

**Return On Assets (ROA)**

Return On Assets according to (On Cash 2012: 201) ROA is a ratio that shows the results (returns) on the amount of assets used in the company. In addition, ROA provides a better measure of company profitability because it shows the effectiveness of management in using assets to earn revenue.

**Leverage**

Leverage is the amount of debt used to finance / buy company assets. Companies that have debts greater than equity are said to be companies with a high degree of leverage (Fakhrudin, 2008: 109).

**Size**

size of the company shows the size of the wealth (assets) owned by a company. Measurement company aims to quantitatively distinguish between large companies (large firm) with small companies (small firm) the size of a company that could affect management's ability to operate the company with a variety of conditions faced situaisi (Kris, 2013).

**Tax Aggressiveness and Corporate Social Responsibility**

Actions to minimize the tax burden or tax aggressiveness among large companies often occur, especially in Indonesia. The company feels burdened by the many burdens borne, for example the case that is currently happening is the company is trying to reduce the burden of corporate CSR by minimizing its tax burden. These actions are basically not in line with community expectations and have a negative impact on society because it affects the ability of the government to provide public goods (Lanis and Richardson, 2013). Based on the description above and the absence of direction consistency clear about the relationship aggressiveness taxes on CSR, then the hypothesis is:

H1: Aggressiveness Tax effect on CSR (Corporate Social Responsibility)

**Conclusion**

This study aims to determine the effect of aggressiveness taxes on Corporate Social Responsibility (CSR) in mining companies in Indonesia in 2013-2015. Determination of sampling with a purposive sampling method in mining. 27 companies were taken as samples for 3 years of observation. Thus the
number of samples used in this study were 81 samples. Based on the results of hypothesis testing using testing tools in the form of SPSS for windows version 20 and the data used in this study are data in the form of financial statements of mining companies published through the Indonesia Stock Exchange website namely www.idx.co.id and ICMD (Indonesian Capital Market Directory ) 2013-2015. Based on the results of research and discussion concluded as follows:

1. Tax Aggressiveness affects corporate social responsibility (CSR) in mining companies in Indonesia.
2. Return on assets (ROA) and leverage have no effect on corporate social responsibility (CSR) in mining companies in Indonesia.
3. Size affects corporate social responsibility (CSR) in mining companies in Indonesia.
4. This study uses one independent variable, namely Tax Aggressiveness and three control variables namely, Return On Assets (ROA), Company Size and Leverage.
5. The population in this study uses one type of company, namely Mining Companies that are listed on the Indonesia Stock Exchange.
6. This study uses time series data for three years of annual financial reporting namely.. 2013-2015.

Based on the results of the study as well as matters related to the limitations of the study, there are a number of things that must be considered, namely: 1). The independent variable Tax aggressiveness in this study is expected to be reused in subsequent studies, because this study shows the influence of these variables on Corporate Social Responsibility (CSR); 2). Return on Asset (ROA) and Leverage control variables are expected to be reused in future studies because it does not rule out the possibility for ROA variables to have an influence on Corporate Social Responsibility (CSR); 3). Variable Control The size of the company (Size) in the study is expected to be used again in subsequent studies, because this study shows the influence of Corporate Social Responsibility (CSR); 4). For further researchers, because the variables used in this study are still small, it is hoped that in subsequent studies, it can consider other factors not examined in this study that affect corporate social responsibility (CSR) so that the research model becomes better; 5). In the next research it is expected to use the population of all companies listed on the Indonesia Stock Exchange or use companies other than mining companies so that the research results obtained are better than previous studies; 6). It is expected that further researchers to extend the study period so that the results and obtained better and research results will be consistent with previous studies.

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