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Вплив комітетів при Раді уповноважених, прибутковості та інтенсивності запасів на податкову оптимізацію

(Емпіричне дослідження виробничих компаній, що мали лістинг акцій на Індонезійській фондовій біржі у 2014-2018 рр.)

Мета дослідження – надати емпіричні докази про вплив комітетів при Раді уповноважених, прибутковості та інтенсивності запасів на податкову оптимізацію. В руслі представленого дослідження під податковою оптимізацією мається на увазі спроба компанії зменшити виплати податку на прибуток державі. Тобто це зменшення розміру податкового зобов'язання шляхом цілеспрямованих правомірних дій платника податку, що включають в себе повне використання всіх наданих законодавством пільг, податкових звільнень та інших законних переваг. Комітети при Раді уповноважених у цьому дослідженні представлені аудиторським комітетом, комітетом з питань призначення та / або оплати праці, комітетом з ризику та комітетом з корпоративного управління. Усі названі підрозділи ідентифікуються авторами як комітети. Рентабельність визначається показником доходності активів (Return on assets / ROA). Фінансовий коефіцієнт ROA дозволяє оцінити наскільки ефективно керівництво компанії використовує свої активи для отримання прибутку. Податкова оптимізація виражається через показник ефективної податкової ставки (Effective tax rate / ETR). Ефективна податкова ставка (ЕТР) – це показник, що використовується в науковій літературі як міра активного податкового планування, та виражається відношенням податкового зобов'язання до доходу. У цьому дослідженні використовується розмір компанії як контрольна величина, яка виражена природним логарифмом загальних активів (Ln SIZE). Інформаційною базою для здійснення розрахунків є дані, отримані з річних фінансових звітів 29 виробничих компаній, що мали лістинг акцій на Індонезійській фондовій біржі у 2014-2018 роках. Для перевірки гіпотези автори використовують метод панельної регресії (панельного аналізу). Як свідчать результати проведеного дослідження, аудиторський комітет, рентабельність, що виражається показником ROA, та інтенсивність запасів впливають на податкову оптимізацію. У той же час, комітет з питань призначення та оплати праці, комітет з ризику та комітет з корпоративного управління не впливають на податкову оптимізацію.

Ключові слова: *комітети при Раді уповноважених, податкова оптимізація, прибутковість, інтенсивність запасів, розмір компанії.*

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The Effect of Committees Under the Board of Commissioners, Profitability and Inventory Intensity on Tax Aggressiveness

(The Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange 2014-2018)

The purpose of this study is to provide empirical evidence about the influence of committees under the board of commissioners, profitability, and inventory intensity on tax aggressiveness. The committees under the board of commissioners in this study consist of the audit committee, the nomination and/or remuneration committee, the risk committee, and the Corporate Governance Committee. All of them are proxied as a committee. Profitability is proxied by Return on Assets (ROA). ROA gives a manager, investor, or analyst an idea as to how efficient a company's management is at using its assets to generate earnings. Then, tax aggressiveness in this study is proxied by the Effective Tax Rate (ETR). Tax aggressiveness *is an attempt by the company to reduce the income* tax*payments to the state. The firms' effective tax rate (ETR), defined as some measure of tax liability divided by income, has long been used in the literature as a measure of active tax planning. This study uses firm size as a control variable, which is proxied by the Natural Logarithm of total assets (Ln SIZE). Whereas, the data used are secondary data obtained from the annual reports of 29 manufacturing companies listed on the Indonesia Stock Exchange in 2014-2018. The sampling method used in this study is purposive sampling. Testing the hypothesis in this study uses panel data regression. The results showed that the Audit Committee, Profitability proxied by Return on Assets (ROA), and inventory intensity affect tax aggressiveness. At the same time, the Nomination and Remuneration Committee, Risk Committee, and Corporate Governance Committee do not affect tax aggressiveness.*

Keywords: *Committees under the board of commissioners, tax aggressiveness, profitability, inventory intensity, firm size.*

Introduction

Indonesia is a large country with a large population. Indonesia has abundant natural wealth with geographical conditions, and the strategic country location where located on the global trade route. Indeed, those beneficial conditions cause many companies, both from domestic and abroad, interested in establishing their company in Indonesia. As a result, it can increase the country's income, especially from the tax.

One of the tax collection systems implemented by Indonesia is the self-assessment system. The implementation of the self-assessment system demands that taxpayers be more independent by calculating, reporting, and paying their tax debts (KNKG, 2006). According to Damayanti (2004), the level of compliance of taxpayers will affect the effectiveness of the self-assessment system. Taxpayers in Indonesia have a low level of compliance with an estimated 10.3% tax ratio rate in 2018.

The tax is the largest source of state revenue, reaching 74% to 85% considered the State Budget (APBN) of Indonesia in the last five years from 2014 to 2018. As much as 81% of Indonesia's state revenue in 2018 was obtained from taxes, 1.618.1 trillion. However, Indonesia's tax ratio of 11.5%. It considers as a meager tax ratio when compared to the average Southeast Asia tax ratio 15%. The low tax ratio in Indonesia is caused by the large number of Indonesian taxpayers who practice tax avoidance by reducing the amount of tax, or it called tax aggressiveness.

According to Lanis and Richardson (2012), tax aggressiveness is all efforts made by management to reduce the amount of tax that should be paid by firms. Meanwhile, according to Frank et al. (2009), tax aggressiveness is an act of reducing taxable income by legal tax planning methods such as tax avoidance or tax evasion. There are many cases of tax aggressiveness by companies in Indonesia, especially in the manufacturing sector, such as PT. Kimia Farma Tbk. This firm is suspected of financial statements fraud related to the company's net profit. That fraud causes PT. Kimia Farma Tbk. subject to administrative sanctions (fine) of Rp. 500,000,000. Another aggressive tax case is the case of PT. Coca Cola Indonesia. Based on the news in kompas.com (2014) PT. Coca Cola Indonesia is accused of tax avoidance of Rp. 49.24 billion.

The tax aggressiveness is still widely happened in Indonesia. It shows that 70 % of state revenue derived from taxes, especially corporate income tax is still not optimal. Moreover, the tax aggressiveness is a management act based on their interests without thinking of the long-term impact for the firm. The tax aggressiveness can lead to conflict between management and shareholders, or it commonly called agency conflict (Jensen & Meckling, 1976). Therefore, in purpose to minimize this conflict, it needs good corporate governance (KNKG, 2006). Then, according to Desai and Dharmapala (2006), weak corporate governance trigger managers to carry out tax aggressiveness. Corporate governance is the management of a company that shows the relationship between various participants to determine the prospects for the company's future performance (Haruman, 2008).

According to the Guidelines of Good Corporate Governance (KNKG, 2006), some elements influence the implementation of good corporate governance. Those all are the *RUPS* (Annual General Meeting), the board of commissioners, and the board of directors. The board of commissioners proxied some committees such as the audit committee, the nomination and or remuneration committee, the risk committee, and the corporate governance committee. The firm is required to form at least an audit committee. In contrast, other supporting committees are formed following company needs. These supporting committees are committees under the Board of Commissioners. These committees have a responsibility and collectively assisting the Board of Commissioners in conducting the supervisory function and providing advice to the Directors. That function is in purpose to realize a system of good corporate governance.

Good corporate governance is needed to minimize fraud in the firm (KNKG, 2006). Indonesia realized the importance of corporate governance during the crisis that occurred in 1997-1998. The financial crisis shows that the capital market and banking have an essential role in corporate investment. Since that time, Indonesia has sought to make economic improvements by implementing good corporate governance. Based on the Financial Services Authority Regulation No.29/POJK. 04/2016 about the Annual Report Public Companies states that the company obligates to present annual financial statements by reporting its corporate governance report. Good corporate governance can make investors interested in investing their capital in these companies. Therefore, this system can trigger the company to improve its corporate governance.

Desai and Dharmapala (2006), in their research, argue that there are two conditions, well-managed companies have a higher chance to do tax aggressive and poorly managed companies have less chance to do tax aggressiveness. Poor-managed companies will do less tax aggressiveness than well-managed companies. Therefore, some improvement and the inlining interest between shareholders and management could be reduced the tax aggressive.

Puspitaningrum and Syafiqurrahman (2017) found that audit committee, risk committees, and corporate governance committees had a positive effect on legal tax aggressiveness. The risk committees harmed legal tax aggressiveness. Indeed, the research results conducted by Richardson and Lanis (2013) show that the interaction among the board directors' composition, the effective risk management system and an internal control can reduce the tax aggressiveness.

The indicators that can be used to assess a company's financial performance are Return on Assets (ROA). Return on Assets is a ratio of net income to total assets. It measures the company's ability to generate profits. High Return on Assets indicates that of the total assets used for the company's operations can provide high profits for the company. The higher Return on Assets means, the higher the net profit gained by the company. The higher the profit obtained by the company, the tax that must be paid by the company is also higher. This system can encourage profit orientation companies to take stringent tax planning actions to reduce the amount of tax that must be paid.

Halioui et al. (2016) show that the return on assets has a significant positive impact on tax aggressiveness. The return on assets causes problems between the company and the government, where the company targets to pay as little tax as possible they can. However, the government wants the maximum tax revenue. The different purpose sometimes causes conflict. Kurniasih and Sari (2013) in their research stated that "companies that have high profitability have a low tax burden." In the companies' point of view, taxes are considered as an expense that will reduce the company's profits, so the company will carry out various strategies to reduce taxes. Therefore, there are different results from this existing research, so that it is needed to overcome this problem.

In Indonesia, the manufacturing industry is one of the most significant tax contributors industries and always experiences an increase every year. In 2017 there was a tax growth from this industry of 17.1%. Manufacturing companies are the companies or business entities that processing raw materials or semi-finished materials on a large scale or an industrial scale. The manufacturing companies are inseparable from inventory. Inventory is a significant asset for the company. According to Richardson and Lanis (2007), inventory intensity is one form of investment owned by companies. Darmadi (2013), in his research, stated that PSAK explained that the higher inventory causes various extra costs, such as the cost of storing goods. It means that the cost will reduce company profits and also reduce the tax amount paid by the company.

Moreover, the other theory states that companies must face various risks when companies invest in inventory. One of the company risks that may face is damaged inventory, which means the company loss. These problems drive the company to overcome the problem. The company will prepare a reserve for impairment losses in inventory value. Those funds do not include in reserve funds that may be used as costs. That statement is following Minister of Finance Regulation No.219 of 2012 concerning the formation of a reserve fund that may be deducted as a cost. It means the company will pay higher taxes. Indeed, there are differences in research theories, so that this topic is interesting for further research.

The lack of research examining the relationship between the composition of the board directors and corporate tax aggressiveness is surprising. The tax authorities have recognized the importance of the board as an internal control mechanism to reduce tax aggressiveness. This study refers to the Lanis and Richardson research regarding the effect of the board director's composition on tax aggressiveness. The board of directors referred to in the study is the supervisory board. In contrast, in Indonesia, the board directors are defined as *dewan direksi* that have different responsibilities with the supervisory board. Indonesia implements a two-board system, which is to separate the board of commissioners from the board of directors. The board commissioner plays a role in overseeing the board of directors. In contrast, the board of directors plays the responsibility of managing the company (KNKG, 2006). The independent variable used in the study of Lanis and Richardson (2011) is an independent board of commissioners, which is proxied by the proportion of independent boards of commissioners.

This research is different from Lanis and Richardson's research (2011). This research focuses on the committees that support the board of commissioners. Those are the audit committee, the nomination, and the remuneration committee, the risk committee, and the corporate governance committee. Then, this research also examines company profitability and Inventory Intensity. This research measures the effectiveness of the committees under the board of commissioners in assisting the board of commissioners and in managing the profitability and inventory intensity related to tax aggressiveness. The control variable used is firm size as a control variable, which is proxied by the Natural Logarithm of total assets (Ln SIZE), while the proxy used to measure tax aggressiveness is the Effective Tax Rate (ETR).

Theoretical Framework

Agency Theory

The agency theory focuses on the relationship between management and shareholders (Desai & Dharmapala, 2006). The agency theory arises when the shareholders do not manage their own company, but proxied their authority to the party. It possibly causes problems if the related parties have different goals. This case is called agency conflict (Jensen & Meckling, 1976). The difference in interests between principle and agent can affect various things related to company performance; one of them is the company's policy regarding corporate tax.

The taxation system in Indonesia, which uses a self-assessment system, authorizes companies to calculate and report their taxes. The use of this system can provide an opportunity for agents to manipulate lower taxable income so that the burdened tax by the company is getting smaller. This manipulation is done by the agent because of the asymmetric information with the principle so that the agent can take their advantage outside the cooperation agreement with the principle due to the agent's tax management. Therefore, one way to minimize information asymmetry that can lead to agency conflict is by implementing good corporate governance in managing companies.

Good Corporate Governance

Good corporate governance (GCG) is one of the foundations used to increase trust in companies (KNKG, 2006). Good corporate governance can minimize the occurrence of tax aggressiveness. The Cadbury Committee states that GCG is a principle that focuses on achieving a balance between strength and company authority by transferring responsibility to shareholders and the pointed parties concerned as a whole. This step is taken to arrange the order of authority, both shareholders, managers, directors, and other parties that have a relationship with the development of the company in a particular environment. Companies must apply ethical principles to achieve good corporate governance.

Audit Committee

Following Regulation No. 33 / POJK.04 / 2014 issued by the Financial Services Authority regarding Directors or Board of Commissioners or Public Companies. This committee is a supporting committee that must be formed by the board of commissioners. The Audit Committee assists the board of commissioners in overseeing several matters, namely financial statements, the company's internal control structure, and internal and external audits. That regulation discussed the provisions of the audit committee head, which is an independent commissioner. At the same time, the members may consist of commissioners and or professionals from outside the company. Also, one member of the audit committee must have an educational background on accounting and/or financial skills.

Nomination and Remuneration Committee

In the Financial Services Authority Regulation No. 34 / POJK.04 / 2014, the nominations committee authorized to propose the candidates for directors and commissioners, while remuneration is an incentive given to directors and commissioners following their responsibilities and authority. Provisions on the nomination and remuneration committee (KNKG, 2006), namely the nomination and remuneration committee, are responsible for determining the conditions needed to become a member of the board commissioners and directors. Besides, they have to establish a remuneration system for those councils.

Risk Committee

According to the General Guidelines for Corporate Governance, the risk committee has a role in reviewing the risk management system. That system was previously prepared by the directors to assess the company's risk tolerance. The members of the Risk Committee consisting of members of the board of commissioners. However, this committee member can be recruited from professionals outside the company if it is needed. The risk committee helps commissioners provide professional feedback and independence to ensure that managers fully implement the company's risk policy.

Corporate Governance Committee

In the General Guidelines for Corporate Governance (KNKG, 2006), the corporate governance committee has the responsibility to assist the board of commissioners. They have to analyze and evaluate good corporate governance policies that have been prepared by directors.

Also, they have to assess the consistency of their application, including business ethics and corporate social responsibility. The corporate governance committee can be combined with the nomination and remuneration committee if needed.

Profitability Ratio

According to Horne and Wachowicz (2012), profitability ratios consist of two types, namely, a ratio that shows profitability concerning selling and ratios that show profitability relates to investment. These ratios show the overall operational effectiveness of the company. The company's profitability in sales can be shown by Gross Profit Margin and Net Profit Margin. While return shows profitability related to investment on Assets. Therefore, it can be said that the financial ratios or indexes can be used as a benchmark in evaluating the company's financial condition and performance.

Inventory Intensity

Inventory intensity is a form of investment decision made by a company. Inventory intensity describes how much a company invests in inventory. The companies with high inventories have a risk such as damaged or lost goods that endanger the company. The company will establish a reserve fund to reduce inventory valuation and overcome that problem. Reserve Funds, according to PMK No. 219 of 2012, excludes reserves that can be deducted as expenses, and this method will cause companies to pay more taxes.

Tax Aggressiveness

The tax aggressiveness can be categorized as active tax resistance. It means one effort of taxpayers to reduce or not pay their tax debt intentionally. Tax aggressiveness is an effort made by a company to minimize its tax payment by tax avoidance and tax evasion planning (Chen et al., 2010). According to Boussaidi and Hamed (2015), tax aggressiveness can be interpreted as a management activity used in tax planning and has the opportunity to carry out tax evasion. Indeed, the tax aggressiveness is a tax resistance act carried out by managers. That act can be legal or illegal to maximize corporate profits by reducing their tax debt.

Hypothesis

H_1: The size of the Audit Committee influences tax aggressiveness.

H_2: The size of the nomination and or Remuneration Committee influences the tax aggressiveness.

H_3: The size of the Risk Committee influences tax aggressiveness.

H_4: The size of the Corporate Governance Committee influences tax aggressiveness.

H_5: Profitability proxied by Return on Assets (ROA) affects the tax aggressiveness.

H_6: Inventory intensity affects tax aggressiveness.

Methodology

The purpose of this research is to analyze the tax aggressiveness proxied by the Effective Tax Rate (ETR). The four committees under the board of commissioners influence the ETR. The other variables in the study that affect tax aggressiveness are profitability proxied by Return on Assets and inventory intensity. Then, the control variable is the size of the company proxied by the natural logarithm of total assets. This study focuses on objects of manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2014-2018. The population in this study consisted of 141 manufacturing companies listed on the Indonesia stock exchange. The total sample of this study consisted of 29 companies. The sampling technique used in this study was purposive sampling. The data collection method used annual reports of manufacturing companies. The obtained data were then tested using panel data regression with a random effect model. Then, the hypothesis tested using panel data regression with the following equation:

$$ETR = \alpha + \beta1UKA + \beta2UKNR - \beta3UKKR + \beta4UKKCG + \beta5ROA + \beta6INVENTORY\ INTENSITY + \beta7LnSIZE + \varepsilon$$

Note:

ETR : Tax aggressiveness variable (*Effective Tax Rate)*
α : Constant
β : Coefficient
UKA : Audit Committee Size
UKNR : Nomination and Remuneration Committee Size
UKKR : Risk Committee Size
UKKCG : Corporate governance committee size
ROA : Return on Assets variable
INVENTORY INTENSITY: Inventory Intensity Variable
LnSIZE : Company Size Variable
ε : Error

In this study, the variable of audit committee, nomination and remuneration committees, risk committees and corporate governance committees were measured using the size of the audit committee (UKA), the size of the nomination and remuneration committee (UKNR), the size of the risk committee (UKKR) and the size of the committee corporate governance (UKKCG). The size of the committees here is the number of members in each committee at the company. Then, profitability variables that are proxied by Return on Assets (ROA) are measured by comparing net profit with total assets over a specified period. This method is used to measure the company's ability to generate profits using the formula below. (Kurniasih & Sari, 2013)

$$ROA = \frac{\text{Net Profit after Tax}}{\text{Total Asset}} \times 100\%$$

Inventory intensity variable is a measure of the amount of inventory invested in a company's business. The large company inventory is burdensome and requires high management costs. The formula for calculating inventory intensity is as follows:

Inventory Intensity = Total Inventory / Total Asset

Tax aggressiveness in this study is proxied by the Effective Tax Rate (ETR), and it can be calculated by comparing the total income tax burden with profit before tax. ETR is a proxy that is widely used in previous studies. The Effective Tax Rate (ETR) can be formulated as follows:

ETR = Total Income Tax Expense / Profit before the tax

Control variables are variables that are used to control external variables that are not required for the dependent and independent variables. The control variable in this study is company size, which is proxied by the natural logarithm of total assets. Total assets are used because total assets have long-term stability if it is compared to sales. The greater the total assets of the company, the greater the size of the company. According to Mangoting and Hadi (2014), if the company has large total assets, and the company has a higher profit, those can be used to pay tax planner professionals to do good tax planning.

Firm size = Ln x Total Asset

Results and Discussion

Descriptive Statistic

Descriptive statistical analysis is used to provide an overview or description of the researched data by measuring the mean, standard deviation, and maximum-minimum values (Ghozali, 2016). The sample used in this study was 29 manufacturing companies listed on the Indonesia Stock Exchange from 2014-2018. The following is a descriptive analysis of each research data using a statistical program (Table 1).

Table 1

Descriptive Statistics Test Results

	ETR	UKA	UKNR	UKKR	UKKCG	ROA	INVENTORY_INTENSITY	SIZE
Mean	0.246288	3.034483	1.275862	0.537931	0.537931	0.114246	0.214675	17.81120
Median	0.249300	3.000000	0.000000	0.000000	0.000000	0.075000	0.192400	14.94510
Maximum	0.402300	4.000000	4.000000	3.000000	3.000000	0.590100	0.564300	45.39130
Minimum	0.092100	0.000000	0.000000	0.000000	0.000000	0.011100	0.042400	11.98010
Std. Dev.	0.059626	0.670963	1.534251	1.154825	1.154825	0.115545	0.110615	6.925181
Observations	145	145	145	145	145	145	145	145

Source: Data processed with eviews 10, 2020.

Based on the results of the descriptive statistical analysis above, all observations can be explained as follows. Tax aggressiveness proxied by Effective Tax Rate (ETR) shows the highest score of 0.402300 obtained from PT. Ricky Putra Globalindo, Tbk (RICY), and the lowest of 0.092100 obtained from PT. KMI Wire and Cable, Tbk (KBLI). Audit Committee (UKA) with a minimum score and a maximum score of 3 and 4. PT owns the maximum score. Indofood Sukses Makmur, Tbk (INDF), PT. Steel Pipe Industry of Indonesia, Tbk (ISSP), PT. Multi Bintang Indonesia, Tbk (MLBI), and PT. Pyridam Farma, Tbk (PYFA), while almost all samples own the minimum score. The nomination and remuneration committee is proxied by the nomination and remuneration committee size (UKNR). This committee has a minimum and maximum score of 0 and 4. PT. Steel Pipe Industry of Indonesia, Tbk (ISSP) gets a maximum score by while almost all samples own the minimum score. The risk committee, which is proxied by the size of the risk committee (UKKR), has the highest score of 3 and the lowest of 0. PT. Garudafood Putra Putri Jaya, Tbk (GOOD), gets the maximum score is owned, PT. Kimia Farma, Tbk (KAEF), and PT. Kalbe Farma, Tbk (KLBF), while almost all samples own the lowest score. Corporate governance committee size (UKKCG) with the highest score of 3 and the lowest of 0. PT. Kimia Farma, Tbk (KAEF), gets a maximum score for this committee, PT. Kalbe Farma, Tbk (KLBF), and PT. Phapros, Tbk (PEHA). Independent is a Return on Asset (ROA) Variable.

The average value of ROA during the study period is 0.114246 or 11.42%, which means that every 1% of company assets, 11.42% of profits earned after the interest and the taxes. The minimum Return on Assets score is 0.011100, and the maximum score is 0.590100, with a standard deviation of 0.115545. The maximum score indicates that a company can obtain a net profit from the assets used.

The independent variable of inventory intensity has a maximum score of 0.564300 and a minimum score of 0.042400. The mean and median scores of inventory intensities are 0.214675 and 0.192400. It means that the average inventory turnover of sample companies is 21% in one accounting period.

The firm size control variables that are proxied by natural firm size (Ln SIZE) logarithms have a minimum, maximum, mean, and standard deviation scoreof 11.98010, 45.39130, 17.81120, and 6.925181. PT. Pyridam Farma, Tbk (PYFA), gets the minimum score and PT. Sumi Indo Kabel, Tbk (IKBI) get a maximum score. In determining whether a company categorized as a company with total significant assets or total small assets is determined from the median score. The median score of the sample company of 14,94510 is smaller than the average score of 17,81120, indicating that the sample company is included in the company with significant total assets.

Hypothesis Test

The results of the estimated equation that have been done after going through the chow test, the Hausman test, and the Lagrange multiplier test. The model used in this study is the random effect model with the estimation results as follows:

Table 2

Random EffectModel

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.074312	0.043851	1.694656	0.0924
UKA	0.025766	0.012295	2.095683	0.0380
UKNR	-0.008001	0.006129	-1.305459	0.1939
UKKR	0.012707	0.008985	1.414254	0.1596
UKKCG	-0.010860	0.008410	-1.291301	0.1988
ROA	0.146215	0.036771	3.976409	0.0001
INVENTORY_INTENSITY	0.233210	0.054541	4.275854	0.0000
SIZE	0.002035	0.000862	2.360032	0.0197

Source: Data processed with eviews 10, 2020.

Based on the table above, the equation model for the equation using the random effect model can be formulated as follows:

ETR = 0.074312 + 0.025766 UKA - 0.008001 UKNR + 0.012707 UKKR 0-0.010860 UKKCG + 0.146215 ROA + 0.233210 INVENTORY INTENSITY +0.002035 SIZE

The Effect of Audit Committee Size on Tax Aggressiveness

Based on table 2, the Audit Committee coefficient shows a positive effect of 0.025766 with a significance score of 0.0380. It is smaller than the level of significance (α) = 0.05 (0.0380 <0.05). Then, it can be concluded that the audit committee size partially has a positive effect on tax aggressiveness. The audit committee size has a positive effect on tax aggressiveness. It indicates that the audit committee can increase legal tax aggressiveness action. Then, the audit committee is a committee under the board commissioners, which has a responsibility to shareholders. Whereas the tax aggressiveness that they do is legal.

According to Puspita & Harto (2014), the larger audit committee shows that there are also increasing suggestions regarding legal tax aggressiveness. However, the results of this study are not consistent with research conducted by Sanjaya (2008). That research states that the audit committee harms tax aggressiveness because supervision and recommendations are still lacking and have the possibility of ineffective communication between management and the audit committee.

The Effect of Nomination and Remuneration Committee Size on Tax Aggressiveness

The nomination and remuneration committee coefficient shows a negative score of -0.008001 with a significance score of 0.1939. That score is higher than the significance score of (α) = 0.05 (0.1939> 0.05). Therefore, from those statements, it can be concluded that the nomination and remuneration committee size variable does not affect the tax avoidance.

Even though the number of the nominating committee does not indicate the number of candidates for the board of directors and directors is appropriate for the existing criteria. Also, those method aims to get directors and board of commissioners candidates for the company who have adequate knowledge, the director and commissioner are expected to do a legal tax aggressiveness. However, the company cannot fully control if the tax aggressiveness carried out will be completely clean or breaking the rules.

The presence of the remuneration committee does not positively influence tax aggressiveness. The remuneration committee has the job to determine the directors' incentives. The higher the remuneration committee means, more advice and more interest, which is given regarding the amount of remuneration. The remuneration committee increases the possibility of illegal tax aggressiveness. The results of this study are not consistent with research conducted by Puspitaningrum & Syafiqurrahman (2017), which found that the nomination committee had a positive effect on tax aggressiveness. There is no research to support this research because similar studies are still minimal.

The Effect of Risk Committee Size on Tax Aggressiveness

The Risk Committee coefficient shows a positive effect but not significant if it is seen from the regression coefficient of 0.012707 with a significance score of 0.1596. It means that greater than the level of significance (α) = 0.05 (0.1596> 0.05). Therefore, it can be concluded that the Risk Committee variable does not affect the tax aggressiveness.

The higher number of members of the risk committee does not affect the smaller tax aggressiveness actions, both legal and illegal. The risk committee causes consider that the risks faced by the company, such as costs that have related to the company's reputation and fines from the tax authorities due to the higher tax aggressiveness than the tax, must be paid. Then, there has been no previous research on the risk committee effect on tax aggressiveness, so that the results of this research cannot be compared. These research results are in line with research conducted by Puspitaningrum & Syafiqurrahman (2017), which explains that the risk committees negatively affect tax avoidance. It means that the higher score risk committee means the smaller tax avoidance actions, both legal and illegal. There is no research to support this research because similar studies are still minimal.

The Effect of Corporate Governance Committee Size on Tax Aggressiveness.

The Corporate Governance Committee coefficient shows a negative score of -0.010860 with a significance score of 0.1988. It is higher than the level of significance (α) = 0.05 (0.1988> 0.05). Indeed, it can be concluded that the variable size of the Corporate Governance Committee does not affect tax aggressiveness.

This result shows that the existence of a corporate governance committee that plays a role in overseeing the tasks of the primary and supporting company element as well as analyzing and evaluating good corporate governance. The excellent corporate governance method cannot run well if there is no support from all elements of the company. Based on these results, the corporate governance committee indicated that in its implementation, it was not supported by other elements within the company. It causes the committee to fail to conduct excellent and neutral supervision. The number of corporate governance committee members in the company does not guarantee that the company will not do tax aggressiveness. The corporate governance committee responsible is to help the board of commissioners supervising the board director's compliance and fulfilling all the provisions of the applicable laws and regulations relating to the business company. Then, the rest of the decision is authorized by the company owner or upper-level management of the company. However, the results of this study contradict the research conducted by Puspitaningrum & Syafiqurrahman (2017), which states that the corporate governance committee has a positive effect on tax aggressiveness. Also, there are no other studies that support the results of this study because this is the new research, and there are few references obtained as a comparison.

The Effect of Profitability Proxied by Return on Assets (ROA) Against Tax Aggressiveness

The profitability coefficient, which is proxied by Return on Assets, shows a positive direction of 0.146215 with a significance score of 0.0001, which means it is smaller than the level of significance (α) = 0.05 (0.0001 <0.05). It can be concluded that the Return on Assets variable is a partially positive effect on tax aggressiveness.

ROA has a relationship with the company's net profit and the imposition of income tax for the company (Kurniasih & Sari, 2013). The higher the profitability of the company means, the higher the company's net profit generated. The companies that have high profitability have the opportunity to place themselves in tax planning, which reduces the amount of tax liability burden (Chen et al. 2010). The agency theory will spur agents to increase company profits. When the profits are increased, the amount of income tax will increase as the increase of the company profits so that the tendency to tax aggressively will increase. Agents in agency theory will try to manage their tax burden so as not to reduce agent performance compensation as a result of reduced corporate profits by tax burden

The results of this study are in line with the research result by Adisamartha & Noviari (2015) and Luke and Zulaikha (2016), which state that Return on Assets (ROA) affects the tax aggressiveness. However, these results are not consistent with the research conducted by Siregar and Widyawati (2015), which shows that ROA does not affect tax aggressiveness.

The Effect of Inventory Intensity on Tax Aggressiveness

Inventory Intensity Coefficient shows a positive score of 0.233210 with a significance score of 0.0000, which means it is smaller than the score of significance level (α) = 0.05 (0.0000 <0.05). It can be concluded that the Inventory Intensity variable partially has a positive effect on tax aggressiveness.

This case happens because of the high intensity of the inventory turnover. It will be more efficient if the companies manage their inventory. The better the company manages its inventory, the more efficient the company spent a cost incurred in managing high inventories. These costs are material, wage costs, or labor costs, storage costs, administrative costs, and selling costs. PSAK No. 14 concerning inventories regulates costs incurred in ownership of inventories that must be paid from inventory costs and categorized as expenses in a certain paid period.

In the agency theory, an agreement occurs between the capital owner and the manager to manage the company. The manager bears significant responsibility for the success of their company operation. The differences interests between principals and agents can affect company performance; one of them is the company's tax policy. The tax self-assessment system in Indonesia can open the opportunity for the agents to calculate the lowest possible taxable income. Then, the tax burden borne by the company goes down. The agent does this method because of the asymmetric information of the principal. The agent will get its benefits by doing tax management that cannot be obtained from cooperation with the principal.

The companies with a high level of Inventory Intensity will cause agents to act more aggressively towards taxes. The companies will allocate current period profits to future periods so that the paid tax burden will be reduced. That method is done by agents who are morally responsible for optimizing the profits of the owners, and they will get compensation according to the contract. The results of this study have similarities with research conducted by Tanoto and Soepriyanto (2013), where inventory intensity has a positive effect on the tax avoidance level. The other research with the same results is research conducted by Adisamartha and Noviari (2015), which says that there is an effect of inventory intensity on corporate tax aggressiveness. Meanwhile, the results of this study contradict the research with Imelia and Rusli's research (2015), which states that inventory intensity does not affect the level of aggressiveness in corporate taxpayers.

Conclusion

Based on the analysis and testing about the effect of the committees under the board of commissioners, profitability (ROA), and inventory intensity on tax aggressiveness. It can be concluded that the size of the audit committee has a positive score and a significant effect on tax aggressiveness. The greater the size of the audit committee, the higher the supervision of financial statements. This move is made to minimize the occurrence of errors in financial statements. Profitability, which is proxied by Return on Assets (ROA), has a positive score and significant effect on tax aggressiveness. The higher the profitability of the company, the higher the company's net profit generated and drove the company to conduct the tax aggressiveness. Inventory intensity has a positive score and a significant effect on increasing tax aggressiveness. The companies with high levels of inventory intensity cause more aggressive towards taxes because the company will allocate current period profits to future periods. They try to reduce the burden of paid tax paid. Then, the nomination and remuneration committee size, the risk committee size, and the corporate governance committee size have proven that it has no significant influence in increasing tax aggressiveness.

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