THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON TAX AGGRESSIVENESS

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Abstract

In the last decade, national tax revenue experienced unperformed results. This situation led researchers to investigate factors affect it. One of the most discussed factors is tax aggressiveness. This study aims to explore how corporate social responsibility (CSR) influence firm's tax aggressiveness. We used 54 manufacturing companies that listed in Indonesia Stock Exchange (IDX) for period 2012-2016. Using random effect, we obtained several findings. Tax aggressiveness behavior influenced by CSR characteristics and dimensions. Social and environment CSR activity has no impact on tax aggressiveness. In contrast, economic CSR activity significantly negative affect the firms' behavior to apply tax aggressiveness.

Keywords: CSR, Social, Environment, Economic, Tax Aggressiveness

INTRODUCTION

The realization of tax revenues over the past five years has not succeeded in meeting the targets set previously. In 2012, tax receipts were valued at Rp 835.83 trillion. Then in the following year it rose to Rp 921.40 trillion. Furthermore, in 2014 and 2015 the tax revenues collected amounted to Rp 985.13 trillion and Rp 1,235.8 trillion. And finally, in 2016 realized tax revenue fell again to Rp 1,105 trillion, or 81.54 percent of the revised Budget target of Rp. 1,355 trillion. The realization of only 81.54 percent was the worst tax revenue achievement in the last five years (www.pajak.go.id).

There are several factors that cause the tax revenue target not to be achieved. According to Maftuchan and Saputra (2013, 1) the root of the problem of not achieving the tax revenue target is the tax authority that is still weak both in terms of human resources owned and the system of planning, implementation and supervision carried out. The second cause is the unfavorable global economic conditions that have an impact on the weakening of economic growth in Indonesia. Then the third is the high practice of tax evasion and embezzlement by taxpayers. The same thing also expressed by Murni, et al. (2016, 1) that one of the obstacles in optimizing state revenue from the tax sector is the act of tax evasion in the form of tax avoidance. According to Murni, the number of companies that practice tax avoidance is not small and the problem is that tax avoidance is not always legal.

The statement was supported by data according to Global Financial Integrity (GFI) released in December 2015 which stated that Indonesia was ranked the ninth largest in the world with regard to IFF (illicit financial flow) or cash flow with suspicious transactions. Within a period of ten years (2004-2013), the total outflow of illegal finance from Indonesia was US \$ 180.71 billion or around Rp. 2,363 trillion (GFI, 2015). If averaged according to GFI calculations, every year Indonesia exports illicit funds of US \$ 18,071 million or equivalent to Rp 236 trillion. This leak is enormous, because it reached 20% of the 2015 tax revenue realization. You can imagine how big the actual potential tax revenue in Indonesia if all of these funds can be prevented abroad by the Government of Indonesia (www.gatra.com, 18 April 2016). There are

also research results from Perkebunan Prakarsa which states that during the 2010-2014 period, the accumulation of illicit funds from Indonesia abroad reached Rp 914 trillion or around Rp 183 trillion per year. Furthermore the Secretary General of the Indonesian Forum for Budget Transparency (FITRA), Yenny Sucipto admitted that data avoidance and tax evasion were difficult to access by the public. According to him, this aggressive tax action is a serious problem in Indonesia with estimated funds from tax avoidance reaching Rp 110 trillion annually (www.suara.com, 30 November 2017).

According to Mackey et al. (2007, 2) CSR activities are voluntary activities and are carried out to improve social and environmental conditions. The statement is in line with tax regulations, which according to Law No. 36 of 2008 concerning Income Taxes, CSR funds come from corporate profits (after profit) and are voluntary. But according to Law No. 40 of 2007 concerning Limited Liability Companies mandates the obligation of CSR funds to be included in the company's budget so that they adhere to the concept of before profit and mandatory and can be charged by the Company. More specifically, in Article 108 of Law No. 4 of 2009 concerning Mineral and Coal Mining also requires companies holding Mining Business Permits (IUP) and Special Mining Business Permits (IUPK) to develop community development and empowerment programs. The lack of synchronization of these regulations can be a form of loophole that can be used by taxpayers.

Most of the previous studies used a single (unidimensional / aggregated measure) measure of CSR (Johnson & Greening, 1999 in Stagliano et al., 2015). Furthermore, Johnson and Greening (1999) also state that the use of unidimensional measurement is of doubtful quality because it can confuse the impact of each different CSR dimension, which should not be as important and not as relevant to the company's aggressive tax behavior. This statement is supported by the results of the research of Huseynov et al. (2012, 1) which states that there are differences in the influence of CSR on tax avoidance when companies as research objects are grouped according to the level of CSR. Richardson et al. (2014, 1) state that CSR on the dimensions of public relations and diversity has an important role in relation to tax avoidance practices. The results of previous studies are clearly a recommendation to consider each dimension of CSR separately in a study (Stagliano et al., 2015). According to Stagliano et al. (2015, 3), CSR can be measured in multidimensional perceptions which include social dimensions; governance dimensions; economic dimension; and the environmental dimension as a proxy for measurement to better illustrate how the activities of certain CSR dimensions carried out by the company influence tax avoidance efforts.

Based on the phenomena above coupled with previous research that has made the authors interested in conducting research on the influence of CSR dimensions on corporate tax aggressive behavior by using multidimensional variables which include social, economic, and environmental dimensions.

LITERATURE REVIEW

Stagliano et al. (2015), quoting the statement of Jensen and Meckling (1976) which explains that between management and owners have different interests. Agency theory assumes that every human being has a selfish nature that is selfish. Shareholders will focus on increasing the value of their shares while managers focus on meeting personal interests, namely maximizing the fulfillment of their economic and psychological needs. It is this conflict of interest between the two that triggers the emergence of agency theory (Godfrey, 2010). Distrust that arises from shareholders or company owners of management who have the potential to commit fraud in order to get higher profits gave birth to this theory. Agency theory in relation to taxation problems can arise because of the problem of non-compliance of taxpayers (Allingham & Sandmo, 1976 quoted from Prabowo, 2016: 17). According to Porta (1999); Chessens (2000); Faccio et al. (2002) quoted from Prabowo (2016, 17), agency problems can occur in 2 (two) forms of relationships, namely: (1) between owners and management, (2) between controlling and non-controlling shareholders. The difference in interests between the owner and management lies in maximizing the benefits (utility) of the owner (principal) with the constraints (utility) benefits (utility) and incentives that will be received by management (agent). Because of these different interests, conflicts of interest often arise between shareholders or owners and management.

Tax aggressive action is a way for companies to minimize taxes paid by using tax planning and tax avoidance activities (Chen et al., 2010: 1). This was stated also by Frank et al. (2009, 2) that aggressive tax action is a manipulation of lower taxable income due to tax planning either legally or illegally or both. Tax aggressiveness is defined as the extent to which the Taxpayer takes a position to survive if challenged by the Tax Authority with actions in the form of tax sheltering (Guenther, 2013). To ward off tax aggressiveness, taxpayers usually do earnings management. Taxpayers as much as possible reduce the incidence of book-tax income difference (BTD) or fiscal correction in terms of tax audits. If there is a fiscal correction, the tax authorities will tend to mark (red flag) the problem to be examined further. Therefore, taxpayers reduce the existence of the audit finding gap in the form of book-tax income difference (Cloyd, Pratt, & Stock, 1996). Corporate tax aggressiveness is an act of manipulating taxable income that is carried out by the company through tax planning, either by using methods that are classified as legal (tax avoidance) or illegal (tax evasion) (Frank et al., 2009 quoted from Pratomo, 2016: 1).

Tax avoidance can be defined as an explicit tax reduction (Hanlon & Heitzman, 2010). According to Slemrod and Yitzhaki (2002) tax avoidance is an effort to reduce taxes without reducing consumption. Furthermore, Prebble & Prebble (2012) revealed that tax avoidance is designing transactions and structures to reduce taxes in a way that is contrary to policy or the spirit of the Act. So, it can be concluded that tax avoidance is an effort to reduce tax deliberately by utilizing the unsynchronization or loophole of existing regulations.

According to Mackey, Mackey, & Barney (2007) CSR is an activity that is voluntary and carried out to improve social and environmental conditions. UU no. 40 of 2007 concerning Limited Liability Companies defines social and environmental responsibility (CSR) as the Company's commitment to participate in sustainable economic development in order to improve the quality of life and the environment that is beneficial, both for the Company itself, the local community, and society in general. Furthermore, Marnelly (2012, 51) revealed that CSR consists of two types of concepts, namely in the broad sense and in the narrow sense. In a broad sense, CSR is closely related to the goal of achieving sustainable economic activity that includes social responsibility and also accountability for society and the nation and the international world. Whereas in the narrow sense of CSR is the company's contribution to the surrounding environment.

CSR activities themselves can be divided into various dimensions. As Dahlsrud (2006) revealed that there are five dimensions of CSR, including: stakeholder dimension, social dimension, economic dimension, voluntariness dimension, and environmental dimension. Meanwhile, according to the Global Reporting Initiative (GRI) G4, CSR activities are divided into three dimensions, namely the social dimension, the economic dimension, and the environmental dimension.

The studies that have been carried out are the author's references in carrying out this research. Some similarities and differences with previous research are: (1) Equations of this study with research conducted by Stagliano et al. (2015) lies in the similarity of the model and the variables used. In this study, the authors use CSR disclosure on social, economic, and environmental dimensions as an independent variable and use the GAAP ETR as the dependent variable to measure the tax aggressiveness proxy (Dyrenge, et al., 2008). The use of three dimensions of CSR (multidimensional measurement) is intended to avoid prejudice, given the relevance and influence of each dimension of CSR on tax aggressiveness can be different. While the difference lies in the research object used. The object of research in this study is manufacturing companies listed on the Indonesia Stock Exchange which make the company's annual report from 2012-2016. As a result of differences in the object of the study also made researchers not use CSR disclosure on the dimensions of governance as an independent variable. Because the CSR disclosure criteria in this study use GRI G4 which only covers three dimensions, namely social, economic, and environmental. Not what is required by Vigeo as the research of Stagliano et al. (2015); (2) Broadly speaking, the similarity of this research with the third to eighth research lies in the similarity of research objectives to determine the effect of CSR on tax aggressiveness and / or avoidance. The difference of this study with previous research lies in the measurement of CSR, which in this study uses a multidimensional measurement consisting of social dimensions, economic dimensions, and environmental dimensions. Whereas in other studies measuring CSR as a whole (aggregate measurement). Research related to CSR in Indonesia

itself that uses multidimensional measurement of CSR is still very rarely done.

HYPOTHESIS

Some researchers such as Huseynov & Klamm (2012, 824) suggest that CSR has a positive effect on tax avoidance. The opposite evidence was presented by Lanis and Richardson (2014, 16) which stated that CSR had a negative effect on tax avoidance. The "neutral" view is given by Watson (2014, 22) where he argues that the influence of CSR on tax avoidance can be either a positive or negative effect depending on the profits generated by the company. In connection with this phenomenon, it can be explained that most of the previous studies used a single (unidimensional / aggregated measure) of CSR (Johnson & Greening, 1999 in Stagliano et al., 2015). Furthermore, Johnson and Greening also mentioned that the use of unidimensional measurement is of doubtful quality because it can confuse the impact of each different CSR dimension, which should not be as important and not as relevant to the company's aggressive tax behavior. This statement is supported by the results of the research of Huseynov et al. (2012, 1) which states that there are differences in the influence of CSR on tax avoidance when companies as research objects are grouped according to the level of CSR. Richardson et al. (2014, 1) state that CSR on the dimensions of public relations and diversity has an important role in relation to tax avoidance practices. The results of previous studies are clearly a recommendation to consider each dimension of CSR separately in a study (Stagliano et al., 2015). According to Stagliano et al. (2015, 3), CSR can be measured in multidimensional perceptions which include social dimensions; governance dimensions; economic dimension; and the environmental dimension as a proxy for measurement to better illustrate how the activities of certain CSR dimensions carried out by the company influence tax avoidance efforts.

Referring to the results of previous studies and accompanied by several reasons that have been mentioned, the hypothesis of this study are:

H1: Social dimension has a significant effect on corporate tax aggressiveness

H2: Economic dimension has a significant effect on corporate tax aggressiveness

H3: Environmental dimension has a significant effect on corporate tax aggressiveness

RESEARCH METHOD

The object of this research is manufacturing companies listed on the Stock Exchange since 2012-2016. The reason for choosing a manufacturing company as an object of research is the complexity of the company's business processes from the acquisition of raw materials to the goods ready for use, as well as having a direct relationship to the environment and natural resources in its business processes. Manufacturing companies are also the biggest contributors to Indonesia's economic growth in 2015 and 2016 (www.bps.go.id). The selection of the 2012-2016 research period, with the hope that the five-year data can describe the current conditions. Another consideration for selecting the research period is the availability of data in the financial statements, annual reports, and the company's social responsibility report.

The research model that will be used is the panel data model because the data is in the form of data from companies with an 2012-2016 observation year. Regression models that will be used to determine the relationship of CSR in the social dimension; economy; and the environment towards tax aggressiveness are:

$$ETR = \beta_0 + \beta_1 CSR_S_{it} + \beta_2 CSR_ECO_{it} + \beta_3 CSR_ENV_{it} + \beta_4 ROA_{it} + \beta_5 ROE_{it} + \beta_6 CINT_{it} + \beta_7 LEV_{it} + \beta_8 Size_{it} + \varepsilon_{it}$$

ETR	: tax aggressiveness measurement (ETR)
β_0	: constant coefficient
$\beta_1 - \beta_8$	: Variables coefficient
CSR_S_{it}	: corporate social responsibility index (social dimension)
CSR_ECO_{it}	: corporate social responsibility index (economy dimension)
CSR_ENV_{it}	: corporate social responsibility index (environment dimension)
ROA_{it}	: return on asset
ROE_{it}	: return on equity

CINT_{it} : capital intensity
 LEV_{it} : leverage
 Size_{it} : Company size
 ε_{it} : residual

Based on 54 selected companies, data relevant to the variables used for five years (2012 to 2016) were taken so that the total observations in this study were 270 observations. Observation data has the nature of time series because it consists of several years of observation and the nature of the cross section because it consists of several companies so it is classified as panel data. The steps and the results of a purposive sample can be seen in Table 1.

Table 1. Purposive Sample result.

No	Criteria	Total	
1	Listed manufacture companies 2012 - 2016	129	
2	Unpublish AR & FR 2012-2016	(2)	
3	Incomplete data	(2)	
4	Loss companies	(59)	
5	Companies with ETR > 1 and/or < 0	(9)	
6	Companies use other than Rupiah	(3)	
	sample	54	companies
	observation	5	years
	Total observation	270	observation

source: processed by the authors

RESULT AND DISCUSSION

Based on data, we found descriptive statistics is shown in table 2 below

Table 2. Descriptive Statistical.

Variabel	Mean	Median	Maximum	Minimum	Std. Dev.
ETR	0.279864	0.252769	0.937151	0.02938	0.135665
CSR S	0.114043	0.104167	0.375	0.020833	0.065627
CSR ECO	0.331687	0.333333	0.666667	0.222222	0.104938
CSR ENV	0.10305	0.058824	0.588235	0	0.108689
ROA	0.139529	0.10964	0.884856	0.001619	0.125444
ROE	0.253807	0.189187	1.947244	0.002154	0.309949
CINT	0.34071	0.31406	0.799617	0.040279	0.163439
LEV	0.098406	0.058986	0.43805	0.006276	0.089955
SIZE	7.644742	7.212329	12.47555	4.8563	1.722025

source: processed by the authors

We conducted classical assumption test consists of multicollinearity test, autocorellation test, heteroscedasticity test, and normality test. Based on Table 3 below, it showed that there is no correlation score above 0,90 among variables. It can be concluded that this study has no multicollinearity.

Table 3. Multicollinearity Test

	CSR_ECO	CSR_ENV	CSR_S	CINT	LEV	ROA	ROE	SIZE
CSR_ECO	1.000000							
CSR_ENV	0.486786	1.000000						
CSR_S	0.400971	0.777773	1.000000					
CINT	-0.034390	0.178392	0.092549	1.000000				
LEV	-0.101703	-0.103025	0.043334	0.225061	1.000000			
ROA	0.138629	0.200352	0.092924	-0.039377	-0.219608	1.000000		
ROE	0.180126	0.152309	0.033521	0.099385	-0.114300	0.878043	1.000000	
SIZE	0.143050	0.376489	0.475683	0.074563	0.288366	0.238275	0.222656	1.000000

Source: processed by the authorss

Furthermore, based on Table 4 below, it showed that the Durbin-Watson stat score is 1.919025. meanwhile, dU score is 1.86174 and 4-dU score is 2.13826. Hence, we may conclude there is no autocorrelation in this research.

Table 4. Autocorellation test

R-squared	0.125028	Mean dependent var	0.071472
Adjusted R-squared	0.098209	S.D. dependent var	0.067304
S.E. of regression	0.063913	Sum squared resid	1.066165
F-statistic	4.661895	Durbin-Watson stat	1.919025
Prob(F-statistic)	0.000024		

Source: processed by the authors

In addition, the Table 5 below showed that the probability score of all independent variables are higher than alpha, 0.05. CSR_ECO 0.63, CSR_0.25, CSR_S 0.72. However, three out of five variable controls have probability score lower than alpha. Hence, we may conclude that heteroscedasticity is occurred in the research. Facing this situation, we argued that heteroscedasticity is not a problem since this research used generalized least square (GLS) model. Our argument is supported by Gujarati (2004). It is stated that GLS is a way out to tackle heteroscedasticity problem.

Table 5. Heteroscedasticity test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CSR_ECO	0.013615	0.029065	0.468434	0.6399
CSR_ENV	-0.048215	0.041970	-1.148785	0.2517
CSR_S	-0.023763	0.067361	-0.352762	0.7246
CINT	0.077213	0.017450	4.424928	0.0000
LEV	-0.146054	0.033277	-4.389069	0.0000
ROA	-0.106142	0.046907	-2.262831	0.0245
ROE	0.005390	0.018767	0.287226	0.7742
SIZE	0.000643	0.001875	0.343039	0.7318
C	0.015067	0.016664	0.904141	0.3668

Source: processed by the authors

Finally, we used jarque-Bera score to decide whether the data is normally distributed. It is found that the probability score is 0.00 lower than alpha 0.05. This condition showed that data in this research

is not normally distributed. However, we argued that the abnormal data is still can be used. Our argument is supported by Hildebrand (1987). It is said that the abnormal data is assumed normally distributed since the data is higher than 25 based on central limit theorem. In addition. Gujarati (2004) argued that normality test for sample data higher than 100 observation is not necessarily important. Since we used 270 observation, we assumed that the data is normal

Graph 1. Normality test
Source: processed by the authors

Simultaneous significance test results (F statistical test) in this study as shown in table 3. Table 3 shows that the F-statistic value is 4.661895 with a probability value of 0.000024 or less than the significance of 0.05. This means that H0 is rejected and Ha is accepted. So it can be concluded that the independent variable and the control variable together have a significant effect on the dependent variable and the model can be said to be feasible.

Table 6. F Test.

R-squared	0.125028	Mean dependent var	0.071472
Adjusted R-squared	0.098209	S.D. dependent var	0.067304
S.E. of regression	0.063913	Sum squared resid	1.066165
F-statistic	4.661895	Durbin-Watson stat	1.919025
Prob(F-statistic)	0.000024		

source: processed by the author

t-test results

Based on Table 4 below, the resulting CSR_S variable t-value is -0.191212 with a probability value of 0.8485 or more than a significance level of 0.05. This means that H01 is accepted and Ha1 is rejected. So it can be concluded that CSR on the social dimension does not have a significant effect on corporate tax aggressiveness. Furthermore, the t-statistic variable CSR_ECO is -2.483130 with a probability value of 0.0137 or less than the significance level of 0.05. This means that H02 is rejected and Ha2 is accepted. So it can be concluded that CSR on the economic dimension has a significant effect on corporate tax aggressiveness. Furthermore, the t-statistic variable CSR_ENV is 0.344286 with a probability value of 0.7309 or more than the significance level of 0.05. This means that H03 is accepted and Ha3 is rejected. So it can be concluded that CSR on the environmental dimension does not significantly influence corporate tax aggressiveness.

Table 7. t-test.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
CSR S	-0.027749	0.145123	-0.191212	0.8485
CSR ECO	-0.169768	0.068369	-2.483130	0.0137
CSR ENV	0.038261	0.111131	0.344286	0.7309
CINT	0.216080	0.069417	3.112763	0.0021
LEV	-0.319232	0.106849	-2.987683	0.0031
ROA	-0.255536	0.115379	-2.214745	0.0276
ROE	-0.021379	0.056668	-0.377276	0.7063
SIZE	-0.004162	0.009113	-0.456700	0.6483
C	0.366086	0.072171	5.072505	0.0000

source: processed by the author

After analyzing the random model regression which is the most suitable model in this study using the Eviews 9 application, the resulting regression equation is like this:

$$\text{ETR} = 0,366086 - 0,027749 \cdot \text{CSR_S}_{it} - 0,169768 \cdot \text{CSR_ECO}_{it} + 0,038261 \cdot \text{CSR_ENV}_{it} - 0,255536 \cdot \text{ROA}_{it} - 0,021379 \cdot \text{ROE}_{it} + 0,216080 \cdot \text{CINT}_{it} - 0,319232 \cdot \text{LEV}_{it} - 0,004162 \cdot \text{SIZE}_{it} + 0,063913$$

This coefficient of determination can be seen from the R-squared value of the regression results. However, according to Gujarati (2004) because this R-squared is sensitive to changes in the number of samples, a more accurate measure is used that is Adjusted R-Squared. The test results show the adjusted R-squared value of 0.098209. This means that the ability of the model in explaining the variation of the dependent variable (ETR) is only 9.82%. The remaining 90.18% is explained by other influences outside the variables used in this study.

Table 8. Determination test.

R-squared	0.125028	Mean dependent var	0.071472
Adjusted R-squared	0.098209	S.D. dependent var	0.067304
S.E. of regression	0.063913	Sum squared resid	1.066165
F-statistic	4.661895	Durbin-Watson stat	1.919025
Prob(F-statistic)	0.000024		

source: processed by the author

The R-squared value of only 10% is indeed relatively small. However, if we trace further previous studies analyzing the factors that influence tax aggressiveness, we will find that the value of R-squared (R²) in these studies is in the range of only 5% to 20an%. This can happen because there are indeed many factors that become the motive or background why companies or taxpayers act aggressively in taxation. As research by Huseynov and Klamm (2012) who analyzed the relationship between tax avoidance, tax management, and CSR. In their research, Huseynov and Klamm used six different regression models with the lowest R-squared value of 4.7% and the highest of 9.9%. Then there is also Watson's research (2014) which analyzes the relationship of CSR, tax avoidance, and earnings performance. R-squared values for some regression models in his research are in the range of 11.7% to 20.1%. And finally Wahyudi (2015) analyzes the effect of CSR activities on tax avoidance in Indonesia. The adjusted R-squared value for the two regression models he used in his study was only 5.8% and 24.6%.

The purpose of this study is to find out how CSR activities affect corporate tax aggressiveness. This study also provides empirical evidence regarding the impact of different dimensions of CSR on corporate tax aggressiveness. The regression model selection test shows that of the three panel data regression models, the most suitable model used in this study is the random model. After testing the classical assumptions, then proceed with the research hypothesis test to determine the relationship between various dimensions of CSR with corporate tax aggressiveness.

The results show that the company's tax aggressiveness depends on the nature of its CSR activities. This can be proven from the differences in the level of influence between each dimension of CSR on corporate tax aggressiveness. When CSR social and environmental dimensions do not have a significant effect on tax aggressiveness, it is different with CSR

economic dimensions that have a significant effect and have a negative correlation with ETR. This shows that companies involved in CSR activities in the economic dimension are more likely to be involved in tax aggressiveness. This is occurred because of several possibilities. Companies that spent more in CSR economy tend to have a transparent in financial report. It has implication with the compliance to tax regulation. The other possibilities is companies considering the tax regulation in spending money on CSR economy. They understand, that the tax authority will pay more attention on their spending. Therefore, those companies tend to obey the regulations.

The results of this study also have theoretical implications, namely the aggressiveness of corporate taxes depends mainly on economic CSR. A finding that strongly supports the premise that CSR dimensions should not be combined into one measure because interesting and clear information is lost when such methods are used. Overall, this study provides a unique insight into the relationship between CSR dimensions and corporate tax aggressiveness. One of them is for the Directorate General of Tax (DJP) as a tax administration agency in Indonesia that seeks to identify conditions where the risk of corporate tax aggressiveness is higher and can help them design efficient tax regulations so as to improve tax compliance and corporate CSR activities. More specifically, the results of this study can also provide an overview of the high or low risk of aggressive taxation actions of the company based on the dimensions of CSR so that it becomes one of the alternative instruments for the Tax Auditor Functional and Account Representative when conducting inspections, extracting potentials, and other taxation tasks.

CONCLUSION

Then based on the regression analysis in this study the following conclusions can be obtained. First, only CSR economic dimension has a significant influence on corporate tax aggressiveness. Whereas CSR social and environmental dimensions have no significant effect on corporate tax aggressiveness. Second, even though the five control variables used, there are differences in the effect on corporate tax aggressiveness. The variable ROA, CINT, LEV significantly influence the aggressiveness of corporate taxes. While the ROE and SIZE variables do not have a significant effect on corporate tax aggressiveness.

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