THE EFFECT OF PROFITABILITY, LIQUIDITY, LEVERAGE, CAPITAL INTENSITY AND FIRM SIZE ON TAX AGGRESSIVENESS WITH MARKET PERFORMANCE AS AN INTERVENING VARIABLE

(Banking Companies Listed on the Indonesia Stock Exchange in 2014 - 2018)

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Abstract

This study aims to determine the effect of profitability, liquidity, leverage, capital intensity and firm size on tax aggressiveness with market performance as an intervening variable. The sample used in this study was 43 banks registered on the Indonesia Stock Exchange in 2014 - 2018. This study uses secondary data taken from the banking financial statements. Profitability is proxied with Return On Asset (ROA), liquidity with current ratio, leverage with Debt to Equity Ratio (DER), capital intensity with CAP, Size with (Ln total assets), market performance with tobin's q and tax aggressiveness proxied with Effective Tax Rate (ETR). The results of this study indicate that profitability, leverage, firm size affect market performance while liquidity and capital intensity do not affect market performance. Profitability, liquidity, leverage, capital intensity and firm size affect tax aggressiveness, tax aggressiveness affect market performance, moderating market performance is not able to strengthen the effect of liquidity and capital intensity on tax aggressiveness and moderating market performance can strengthen the effect of profitability, leverage, firm size towards tax aggressiveness.

***Keywords**: banking, market performance, tax aggressiveness*

INTRODUCTION

Development is an attempt by the Indonesian government to develop and utilize available resources aimed at the prosperity and prosperity of the people. To carry out the development needed a large funding support, development funds can be obtained from various government and private sources both domestically from abroad, one of the sources of these funds comes from taxes. Tax is a mandatory contribution paid by the public to the state treasury based on laws that are forcing and the benefits are not felt directly. Benjamin Franklin argues that in life, what is certain is death and taxes nothing is certain but tax and dead (Pohan, 2017)

Since tax reform carried out with the issuance of laws new taxation in 1983, the taxation system changed from office assessment becomes self-assessment for example for income tax and tax value added. By this new system, taxpayers have rights and liabilities, both in calculating, paying and reporting the amount of liabilities themselves the taxation. Seen from the perspective of the government, if the tax paid by taxpayers are smaller than they should pay, then state income from the tax sector will decrease. On the contrary, from the entrepreneur's side or taxpayer, if tax those who are paid more than the amount that would result in a loss. That difference causes non-compliance by companies to avoid tax or tax aggressiveness. According to Kovermann (2018), tax aggressiveness is one of the actions aims to engineer corporate taxable profits through tax planning, both using legal methods (tax avoidance) or illegal methods (tax evasion). Lots factors are influenced companies to take tax aggressiveness, including profitability, liquidity, leverage, capital intensity, and firm size. According to Susilowati, Widyawati, Nuraini, (2018) profitability is the company's ability to benefit from the activities carried out by the company. profitability and effective tax rate is direct and significant. Income level tends to be directly proportional to the tax paid, so the company has High profit rates tend to have high tax burdens. This liquidity is a company's ability to fulfill Short-term obligations, liquidity is very important for a company because relating to turning assets into cash. Suyanto and Supramono (2012) states that companies experiencing liquidity problems may not will comply with tax regulations and tend to avoid tax. Leverage shows the use of debt to finance investments. The higher it is the value of leverage in a company, the higher the level of tax aggressiveness at the company. The trades off theory reveals that companies tend utilize debt to minimize the tax burden that leads to action aggressive towards corporate tax.

Capital Intensity is an investment activity carried out by companies that associated with investment in the form of fixed assets or how big the company invest its assets in fixed assets. Proportion of fixed assets of the company can minimize the tax burden owed from the depreciation of fixed assets that they cause. According to Ardyansah (2014), the size of the company can determine the size of the assets owned by the company, the greater the assets owned the more productivity increases. Large companies tend to have more room for tax planning and adopting effective accounting practices to reduce corporate ETR. Market performance is a measure of a company's success, if performance a good market will also increase profits, if stock demand increases showing better market performance, due to the return on investment (return) company long-term or stock return is a measure of performance corporate market. Research Krisnawati and Miftah (2019), succeeded in proving that companies that are suspected of tending to manipulate real activities through cash flow operating activities have a higher market performance than companies that allegedly tends not to manipulate real activities through activity cash flows operation. The differences between this research and previous research are there a market performance as an intervening variable and the banking as an objective of the research. Based on the description above there are effects of profitability, liquidity, leverage, capital intensity firm size on tax aggressiveness with market performance as an intervening variable. There are 4 objectives of this research. The first objective is analysis whether profitability, liquidity, leverage, capital intensity and firm size affected to the market performance. The second objective is to analysis whether the profitability, liquidity, leverage, capital intensity, and firm size affected to the tax aggressiveness. The third objective is to analysis whether tax aggressiveness affected to the market performance. And the last objective is to analysis whether market performance moderated the relation between profitability, liquidity, leverage, capital intensity, and firm size affected to the tax aggressiveness.

THEORETICAL FRAMEWORK

Grand Theory (Agency Theory)

Taxpayers always want a small tax payment, that's why not a few taxpayers who do tax evasion both legal and illegal. Legal tax avoidance is called tax avoidance, while illegal tax avoidance is tax evasion. Tax avoidance is related to the regulation of an event in such a way as to minimize or eliminate the tax burden by paying attention to the presence or absence of the tax consequences it causes (Halioui, Neifar & Abdelaziz, 2016). Tax avoidance is not a violation of tax legislation ethically is not considered wrong in the framework of business taxpayers in order to reduce, avoid, minimize or alleviate the tax burden in the manner made possible by tax law.

Agency theory explains the existence of a relationship between the authority grantor and the party that is authorized. Devi and Dewi, (2019) states that in agency or agency theory there is a contract or agreement between the owner of the resource and the manager to manage the company and achieve the company's main goal of maximizing the profits to be gained, so that sometimes the manager does a variety of ways to achieve these goals both ways good or ways that hurt many parties. Agency theory arises when there is an employment relationship agreement between the principle that has the authority and the agent or party authorized to run the company. In the agency literature, tax avoidance can facilitate managerial opportunities to manipulate inappropriate reports. Where this activity raises opportunities for management to cover up bad news or mislead investors. The manager can justify this activity by saying ignorance in minimizing the detection of tax avoidance activities by tax inspectors or tax authorities (Wang, 2015). This makes it clear that tax avoidance is a major problem for the government, because corporate tax is the main and biggest contribution to government revenue from the tax sector (Panjaitan, 2016).

H_1: Effect of Profitability on Market Performance

Companies that have increased profits reflect that the company has a good performance, giving rise to a positive perception of investors and can make the company's share price increase. Rising stock prices in the market result in increasing company value in the eyes of investors. Increased market prices due to reflection of high ROA levels will increase stock returns and Tobin's value. Results of research conducted by Mohanadas, Salim, and Pheng, (2019), Rizqia, Aisjah and Sumiati, (2013) show that profitability has a positive effect on market performance.

H_2: Effect of Liquidity on Market Performance

Low current ratio will give an unfavorable image. The low the company's current ratio reflects the problems in liquidity. However, the current ratio that is too high is also not good because it shows the large number of unemployed funds can ultimately affect ability the company in making a profit. If profits in the company are low, they will reduce share prices and affect the value of the company. This is in line with Anzlina and Rustam (2013) state that the current ratio has a positive influence on Company Value.

H_3: The Effect of Debt to Equity Ratio on Market Performance

Debt to Equity Ratio shows the risk of the company, which is increasingly Low DER reflects the greater ability of a company to guarantee debt with equity owned. The higher proportion of DER causes profit the company is increasingly uncertain and increases the likelihood that it does not can fulfill its debt payment obligations. Debt to Equity Ratio will affect the value companies where investors will choose a high DER value because it shows the small financial risk borne by the company. This is in accordance with research conducted by Richardson, Taylor and Lanis, (2016), who stated that the variables Debt to Equity Ratio has a positive effect on Company Value

H_4: Effect of Capital Intensity on Market Performance

The company's fixed assets allow the company to deduct tax due to depreciation of fixed assets annually. Company with a high level of fixed assets has a lower tax burden than 4 companies that have low fixed assets. In research (Neifar et al., 2016) concluded that there was a significant relationship between capital intensity and tax aggressiveness.

H_5: Effect of Firm Size on Market Performance

The total value of a company's assets is a reflection of the size company. The larger the sizes of the company, the more investors tend to be pay attention to the company. The size of the company can make materials consideration for shareholders in investing that will raise prices shares and increase the value of the company. According to (Halioui et al., 2016) states that company size has a significant effect and has positive implications on value company.

H_6: Effect of Profitability on Tax Aggressiveness

The level of income tends to be directly proportional to the tax paid, so companies that have a high level of profit tend to have a high tax burden. According to Ayem and Setyadi, (2019), as corporate profitability increases, the tax burden also increases, so companies tend to take tax aggressiveness.

H_7: Effect of Liquidity on Tax Aggressiveness

Companies that have high liquidity describe good cash flow so the company is not reluctant to pay all of its obligations including paying taxes according to applicable regulations. This is in line with (Suyanto & Supramono, 2012) if liquidity affect the tax aggressiveness.

H_8: The Effect of Leverage on Tax Aggressiveness

Leverage reflects the complexity of corporate financial transactions. So companies with a high degree of leverage have more ability to avoid taxes through financial transactions. Companies with higher levels of leverage require less tax shield that is not derived from debt, thereby reducing the aggressive tax behavior of Wahab, Ariff, Marzuki and Sanusi (2017).

H_9: Effect of Capital intensity on Tax Aggressiveness

The company's fixed assets allow the company to withhold taxes as a result of the depreciation of the company's fixed assets annually. Basically, fixed assets will experience depreciation which will be the cost of depreciation in the report corporate finance. Depreciation can be deducted from income in the calculation of company tax. This is in line with the research of Ayem and Setyadi, (2019) which says that profitability affects tax aggressiveness.

H_{10}: Effect of Firm Size on Tax Aggressiveness

The larger the size of the company, the company's effective tax rate will the greater the lower the level of tax avoidance and the results of research conducted by (Ardyansah, 2014) with the results of the study of company size has a positive effect on tax avoidance.

H_{11}: Effect of Market Performance on tax aggressiveness

Tax planning arrangements can cause a decline in market performance a company value when managers have the opportunity to downplay reports accounting income and incentives to reduce corporate income tax obligations with understate taxable income. (Susilowati et al., 2018) concluded and found that tax planning has a negative effect on market performance in a company's value.

H_{12}: Intervening Market Performance Over the relationship of Profitability to Aggressiveness tax

Share price is the market value which is the price of the shares in the stock market at a certain time determined by market participants. The closing price is the price requested by the seller or the last trade price for a period. One of the factors that influence stock prices is the company's ability to pay dividends, the amount of this dividend will affect the price of its shares and the company's ability to stabilize profits in the company.

H_{13}: Intervening Market Performance of Liquidity's relationship to aggressiveness tax

Low current ratio will give an unfavorable image. If profit in a company that is low, it will reduce share prices and influence to the value of the company. If the value of the company is high and has high liquidity describe good cash flow so the company is not reluctant to pay all obligations including paying taxes according to regulations applicable.

H_{14}: Intervening Market Performance of the Leverage relationship to tax aggressiveness

Companies whose capital structure is bigger sourced from debt than equity, then the ETR value will be lower than a structured company more capital comes from equity. This is because interest expense can be reducing taxes, while dividend payments cannot reduce (Kurniasih & Ratna Sari, 2013)

H_{15}: Intervening Market Performance of Capital Intensity's relationship to aggressiveness tax

The company uses its resources efficiently and effective so as to produce a competitive advantage. Competitive advantage that is able to make the company become superior compared to other company. With increasing market perception of a company provide value to the company, then the market Recapitulation ratio will also increase.

H_{16}: Intervening Market Performance Over the Firm Size relationship to tax aggressiveness

The company's total assets are a reflection of the size company. The larger the size of the company, the more investors tend to be pay attention to the company. The size of the company can make materials consideration for shareholders in investing that will raise prices shares and increase the value of the company. Rising stock prices will affect performance market. The larger the size of the company, the company's effective tax rate will the greater the lower the level of tax avoidance, this means that the higher the size of the company and the value of the company tax avoidance measures will be high.

Framework

The following is a complete research framework that describes the independent variables of profitability, liquidity, leverage, capital intensity, the intervening variables market performace and dependen variables tax aggressiveness as shown in Figure 1.

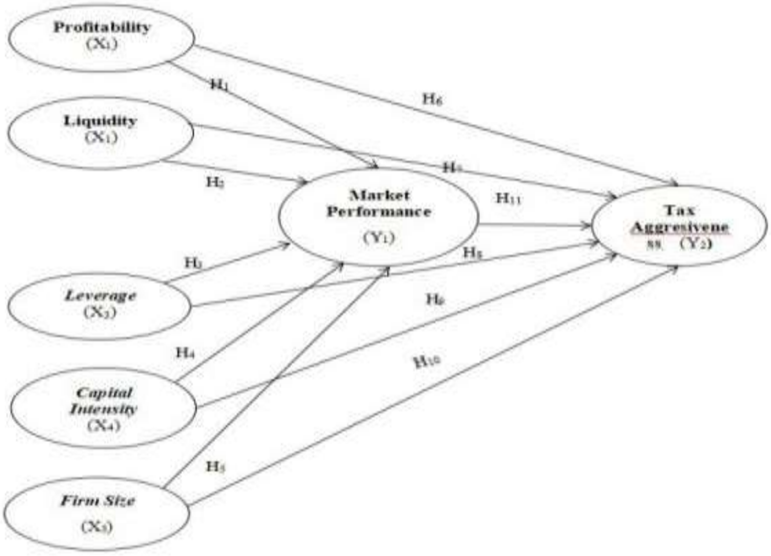

Figure. 1 Research Framework

RESEARCH METHOD

In this study, the sample used was registered banking on the Indonesia Stock Exchange in 2014 - 2018 there were 43 companies. Data used in this study are secondary data taken from financial statements banking from 2014 - 2018. Financial reports are obtained through the site https://idx.co.id/. Data collection techniques in this study were carried out with library study method. This research is descriptive and verification. Analysis technique used in this study are Structural Equation Model (SEM) path analysis and self-test with the software amos.

Definition of Operational Variable

The dependent variable in this study is tax aggressiveness which is proxied with Effective Tax Rate (ETR). Intervening variables in this study are market performance which is posited with Tobins'q. Independent variables in this study the first is profitability proxied by Return of Assets (ROA), second is liquidity proxied by Current ratio (CR), third is leverage proxied by Debt to Equity Ratio (DER), the fourth is Capital Intensity proxied by Capital Intensity (CAP) and the last independent variable is firm Size proxied by Ln Asset.

RESULTS AND DISCUSSION

Classical Assumption Testing.

The data analysis technique used in this study is SEM path analysis to be able to use the analysis tool normally distributed data is needed, the underlying classical assumptions this technique needs to be tested so that the conclusions drawn are

https://doi.org/10.35760/eb.2020.v25i3.2853

statistically precise. This study uses two normality tests, namely one sample Kolmogorov Smirnov on SPSS and amos test. After testing, the results of asymp were found. Sig. (2-tailed), amounting to 0.200 is greater than the value of 0.05 which means the results of the residual data normally distributed. Where as in SEM the data distribution is said to be normal at a significance level of 0.05 if the critical ratio of CR skewness or CR kurtosis is not more than ± 2.58 (Widhiarso, 2010), and in this study found 1,775 so that the data can still be done said to be normally distributed. A very small determinant value indicates there are multicollinearity or singularity problems, so the data cannot used for research. Amos output results for this study were 14,203, data above has a value that is far from the number 0 so that it can be concluded there is none multicollinearity and singularity problems in the analyzed data.

Structural Model Testing

According (Widhiarso, 2010)stated that the main criteria of testing the whole model (overall model fit) is the Chi-Square (CMIN) calculation. The test results can be seen in the amos output as in Table 1.

Table 1. The Result of Goodness of Fit Test

No	Goodness of Fit Indeks	Cut of Value	Analysis Result	Evaluation Model
1	Chi-Square	Small	7,479	*Fit*
2	Probability	>0.05	0,113	*Good Fit*
3	GFI	>0.90	0.990	*Good Fit*
4	AGFI	>0.90	0.932	*Good Fit*
5	CFI	>0.90	0.966	*Good Fit*
6	TLI	>0.90	0.823	*Fit*
7	NFI	>0.90	0.940	*Good Fit*
8	RMSEA	<0.08	0.064	*Good Fit*

Based on the test results above, it appears that 8 criteria for goodness of fit test has fulfilled the requirements, which indicates that the above research model is feasible for studied, because of the suitability of the model with the data.

Model Interpretation

In the interpretation of the model, hypothesis testing is based on SEM analysis. This test is done by comparing the value of P (Probability) on regression weights output results, if P> 0.05 then H0 is accepted, and if P <0.05 then H1 received. From the results of testing the hypothesis the model can be seen in Table 2.

Hypothesis 1

Profitability has a significant effect on market performance. Estimated value between profitability variable with market performance is 0.541 which means that if the effect of profitability has increased by 1, then market performance will also an increase of 0.541. One measure of investors is related to company performance is an increase in corporate profits. Bigger and more stable an increase in corporate profits is a positive value for investors, because of an increase in profits reflects that the company has a good performance, besides increasing company profits can make the company's share price increase. Rising stock prices on the market means increasing company value in the eyes of investors, more investors are interested in buying shares, indirectly increase stock prices. The results of this study are in line with the research conducted by Natalya (2018), Rizqia et al. (2013), which states that profitability has a positive effect on the market performance.

Table 2. The Result of Hypothesis

			Estimate	S.E.	C.R.	P	Label	Hypothesis
TOBINSQ	<---	ROA	,541	,050	2,862	***	par_1	H_1 Accepted
TOBINSQ	<---	CR	,012	,044	-,074	,778	par_2	H_0 Accepted
TOBINSQ	<---	DER	,404	,060	7,514	***	par_3	H_1 Accepted
TOBINSQ	<---	CI	,080	,071	-,482	,067	par_4	H_0 Accepted
TOBINSQ	<---	SIZE	,301	,077	3,908	***	par_5	H_1 Accepted
ETR	<---	ROA	,058	,043	1,985	***	par_6	H_1 Accepted
ETR	<---	CR	1,414	,145	9,725	***	par_7	H_1 Accepted
ETR	<---	DER	1,342	,163	8,230	***	par_8	H_1 Accepted
ETR	<---	CI	,514	,094	5,474	***	par_9	H_1 Accepted
ETR	<---	SIZE	1,240	,157	7,891	***	par_10	H_1 Accepted
ETR	<---	TOBINSQ	,221	,063	3,536	***	par_11	H_1 Accepted

Hypothesis 2

Liquidity has no significant effect on market performance. Estimated value between liquidity variables and market performance is 0.012, which means if the effect of liquidity has increased by 1, then market performance will also suffered a setback of 0.012. The greater the current ratio shows the more high company's ability to pay cash dividends owed to investor. When the value of the current ratio increases, the investor will easily take the decision to buy the company's shares. On the other hand when it happens increased liquidity but did not increase dividends but instead increased free cash flow company then agency costs will increase. But in this study the current ratio only shows the company's ability to cover current debt with assets 9 smoothly company, so investors when investing do not pay attention to current ratio when investing. The results of this study are in line with Nurjanah, Hanum, and Alwiyah, (2018) which states that the current ratio has no effect on stock prices.

Hypothesis 3

Leverage has a significant effect on market performance. Estimated value between Leverage variable with market performance is 0.404, which means if the influence leverage increases by 1, then market performance will also experience an increase of 0.404. The lower the DER reflects the greater the company's ability to guarantee its debt with the equity it owns. The magnitude of this ratio shows the proportion of company capital obtained from debt compared to other sources of capital. The higher the proportion of DER causes company profits to become more uncertain and increase possibilities that the company cannot fulfill its debt payment obligations. Therefore that, the higher the proportion of debt ratio, the higher the financial risk company. High and low risks of corporate finance can indirectly affect the company's stock price. The results of this study are in line with (Rompas, 2013) which states that variable DER partially has a positive effect and significance on the company value.

Hypothesis 4

Capital intensity does not significantly influence market performance. Score the estimate between the variable capital intensity with market performance is 0.080 means that if the effect of capital intensity has increased by 1, then the performance the market will also decline by 0.080. Companies with capital high intensity will face difficulties in investment financing. Company with high capital intensity will tend to have high liquidity, and resulting in information asymmetry and agency problems that will incur costs. The results of this study are in line with (Natalya, 2018) which states that capital intensity has no effect on market performance

Hypothesis 5

Firm size has a significant effect on market performance. Estimated value between firm size variable with market performance is 0.301 which means that if firm size influence has increased by 1, then market performance will also an increase of 0.301. The value of the company's total assets is a reflection for the size of the company. The larger the size of the company, the investor tends to pay more attention to the company. Company size can make a consideration for shareholders in investing that will raise the stock price and increase the value of the company. The results of this study are in line with (Halioui et al., 2016), which states that firm size has an effect and positive implication for firm value.

Hypothesis 6

Profitability has a significant effect on tax aggressiveness. Estimated value between the profitability variable with tax aggressiveness is 0.058, which means if the effect of profitability has increased by 1, then tax aggressiveness will also increase by 0.058. Companies that have profitability the high will manage its resources to get tax rates lower. Companies that have large profits will take advantage applicable tax laws to manage the tax burden due to the company with large profits tend to have broader corporate operating activities, so it will be easier to find ways or loopholes to avoid the burden the tax. The result of this study is in line with Ayem & Setyadi, (2019) which states that profitability has an effect on market performance.

Hypothesis 7

Liquidity has a significant effect on tax aggressiveness. Estimated value between Liquidity variable with tax aggressiveness is 1,414 which means that if the effect of Liquidity has increased by 1, the tax aggressiveness will also an increase of 1,414. High liquidity shows the company able to meet short-term debt so that the company's financial condition it is healthy and able to bear the tax burden. Companies that have liquidity the bad ones will tend to avoid taxes to maintain the flow the cash. The results of this study are in line with Li, Luo, Wang and Foo (2016), which states that liquidity has an effect on firm value.

Hypothesis 8

Leverage has a significant effect on tax aggressiveness. Estimated value between Leverage variable with tax aggressiveness is 1,342 which means that if Leverage influence has increased by 1, the tax aggressiveness will also an increase of 1,342. Leverage reflects transaction complexity corporate finance. So companies with high leverage have more ability to avoid taxes through financial transactions companies are level higher leverage requires less tax shield that is not derived from debt thereby reducing tax aggressive behavior (Susanto, Yanti and Viriany, 2018). The result of this study is in line with Natalya (2018), which states that leverage has an effect on tax aggressiveness.

Hypothesis 9

Capital intensity has a significant effect on tax aggressiveness. Estimated value between the capital intensity variable with tax aggressiveness is 0.514 means that if the influence of capital intensity has increased by 1, then tax aggressiveness will also increase by 0.514. In the report corporate finance depreciation costs can reduce corporate taxes, that is the greater the cost of depreciating child eating the smaller the tax rate that must be paid by the company. The result of this study is in line with Ayem & Setyadi (2019), which states that capital intensity has an effect tax aggressiveness

Hypothesis 10

Firm Size has a significant effect on tax aggressiveness. Estimated value between firm size variable with tax aggressiveness is 1,240 which means if firm size influence has increased by 1, the tax aggressiveness will also an increase of 1,240. The greater the value of firm size, the more it will be the large cash effective tax rate of the company will indicate the level of avoidance tax. According to Luke and Zulaikha, (2016) revealed that large companies tend to do tax management. This is based on the theory of political power which revealed that large companies tend to be easier to influence government regulations. The result of this study is in line with Ayem & Setyadi (2019), which states that firm size has a significant effect on tax aggressiveness.

Hypothesis 11

Market performance has a significant effect on tax aggressiveness. Estimated value between Market Performance variables and tax aggressiveness is 0.221 which means if the effect of Market Performance has increased by 1, then tax aggressiveness will also increase by 0.221. Tax planning arrangements can be lead to a decrease in market performance in a company's value when the manager have the opportunity to downplay the accounting income statements and incentives for reduce corporate income tax obligations by reducing taxable income tax. This is because managers cover the tax planning they do to shareholders According to the research of (Natalya, 2018) stated that Tax aggressiveness actions can increase or decrease the value of shares in a company company. If tax aggressiveness is seen as an attempt to tax planning and tax efficiency, the positive effect on internal market performance a company value. if it is seen as a non-complience act, it will increase risk thereby reducing company value.

Table 3. Sobel Test Results

	Z Sobel	Details
ROA - TOBINS'Q - ETR	3,33	Z sobel $\geq$ 1,96 (The indirect effect is significant)
CR - TOBINS'Q - ETR	0,27	Z sobel $\leq$ 1,96 (The indirect effect is not significant)
DER - TOBINS'Q - ETR	3,50	Z sobel $\geq$ 1,96 (The indirect effect is significant)
CI - TOBINS'Q - ETR	1,07	Z sobel $\leq$ 1,96 (The indirect effect is not significant)
SIZE - TOBINS'Q - ETR	2,61	Z sobel > 1,96 (The indirect effect is not significant)

Hypothesis 12

Profitability has a significant effect on tax aggressiveness through performance market, which means if the effect of profitability has increased by 1, then the tax aggressiveness will also increase by 3.33. Profitability shows the company's ability to generate profits. According to (Susanto et al., 2018) The price of a stock is the market value which is the price of shares in the stock market at certain times determined by market participants. Stock price closing price is the price requested by the seller or trade price last for a period. One of the factors that influence stock prices is the ability of companies to pay dividends, the amount of this dividend will affect its share price and the company's ability to stabilize profits within his company. Market performance, profitability and tax aggressiveness have a relationship direct and significant.

Hypothesis 13

Liquidity has no significant effect on tax aggressiveness through performance market, which means if the effect of liquidity has increased by 1, then tax aggressiveness will also decrease by 0.27. Current ratio is the most commonly used measure for knowing ability to fulfill short-term liabilities because this ratio shows how far the demands are from Short-term creditors are filled with assets that are estimated to be cash in the same period with maturity. A low current ratio will give bad image. If the profit in the company is low, it will decrease stock prices and affect the value of the company. If the value of the company is high and having high liquidity will illustrate good cash flow so that the company It is not reluctant to pay all of its obligations including paying taxes in accordance with applicable regulations. In line with this, (Suyanto & Supramono, 2012) who found that companies have flow slow cash will disobey taxes to maintain company cash flow rather than having to pay taxes.

Hypothesis 14

Leverage has a significant effect on tax aggressiveness through market performance, which means that if the leverage effect increases by 1, then tax aggressiveness will also increase by 3.50. Corporate leverage ratios can be used to describe Capabilities Company in meeting its long-term obligations. Reduced resources funding in companies can lead to conflicts between principals and management. Companies whose capital structure is greater sourced from leverage than equity, then the value of tax aggressiveness will be lower than a structured company more capital comes from equity. According to (Kurniasih & Ratna Sari, 2013), This is due to interest expense liabilities can reduce taxes, while dividend payments cannot reduce. Market performance, leverage and tax aggressiveness have a direct relationship significant.

Hypothesis 15

Capital Intensity has no significant effect on tax aggressiveness through market performance, which means that the effect of capital intensity has increased by 1, the tax aggressiveness will also decrease by 1.07. The company uses its resources efficiently and effectively so as to produce a competitive advantage. These competitive advantages which are able to make the company become superior compared to the company the other. It also has an impact on increasing market perception of the company and competitive advantage due to having a direct influence on performance the market in the company's value will get better. With increasing perception market in a company will provide value for the company, then the ratio. Market recapitulation will also increase. Significant relationship between capital intensity with tax aggressiveness and capital intensity also shows how much capital is issued by the company to generate revenue from sales. Market performance, capital intensity and tax aggressiveness have a direct and significant relationship. The result of this study is in line with (Natalya, 2018).

Hypothesis 16

Firm size has a significant effect on tax aggressiveness through market performance, which means if the influence of firm size has increased by 1, then tax aggressiveness will also increase by 2.61. The company's total assets is a reflection of the size of the company. The bigger the size companies then investors tend to pay more attention to the company. The size of the company can be considered for shareholders in investing that will raise share prices and increase company value. Rising stock prices will affect market performance. The bigger the size the company the greater the company's effective cash tax rate indicates a lower level of tax avoidance, this means that the higher the company size and company value, the tax avoidance action will be high. The result of this study is in line with Ayem & Setyadi (2019).

Squared Multiple Correlations

Profitability, leverage, firm size affect market performance while liquidity and capital intensity do not affect market performance. Profitability, liquidity, leverage, capital intensity and firm size affect tax aggressiveness, tax aggressiveness affect market performance, moderating market performance is not able to strengthen the effect of liquidity and capital intensity on tax aggressiveness and moderating market performance can strengthen the effect of profitability, leverage, firm size towards tax aggressiveness.

Table 4. Squared Multiple Correlations

	Estimate
TOBINSQ	,881
ETR	,768

Tobins'q has an estimate value 0.881 (R^2), which means the variability of Tobins'q that can be explained by variability of ROA, CR, DER, CI dan Firm Size is 88,1% while 11,9% is another variable. ETR has a meaningful value estimate 0.768 (R^2), which means the variability of ETR that can be explained by variability of ROA, CR, DER, CI and Firm Size is 76,8 %, while 23,2% is another variable.

CONCLUSIONS AND SUGGESTIONS

Based on the analysis and discussion that has been done, the conclusion of this study shows that profitability, leverage, firm size affect market performance while liquidity and capital intensity do not affect market performance. Profitability, liquidity, leverage, capital intensity and firm size affect tax aggressiveness, tax aggressiveness affect market performance, moderating market performance is not able to strengthen the effect of liquidity and capital intensity on tax aggressiveness and moderating market performance can strengthen the effect of profitability, leverage, firm size towards tax aggressiveness.

Based on the results of the research, discussion, and limitations of the study, here are some suggestions that can be applied by various parties, namely: (1) management of the company. Market performance will affect the quality and number of shares outstanding in the market and good market performance is proven to increase the value of the company. If management can maintain stability and even improve market performance in each period, the company will be more attractive to investors. Companies can reduce aggressive taxes by improving the performance of their companies with good tax management; (2) for tax officials, if there are indications that banking companies that have high leverage values and there is an allegation that management manages earnings management by having a high level of tax aggressiveness, the government should look for efforts to prevent tax aggressiveness by imposing tax intensive limits on debt and providing education so that companies can be more transparent in reporting their finances; (3) researchers can then use research objects other than the banking sector listed on the Indonesian stock exchange and use other intervening variables such as Corporate Social Responsibility (CSR) or earnings management; (4) for the unaffected variable to the market performance such as liquidity and capital intensity need further research, thus it will get liquidity affected to market performance.

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