

Conference Paper

Failure to Comply Corporate Social Responsibility (CSR) and Tax Avoidance Behavior: Evidence From Listed Indonesian Companies

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Abstract

The objective of this study is to analyze whether the failure to comply corporate social responsibility (CSR) has a negative or a positive association with tax avoidance or tax aggressiveness. This can be measured by content analysis of disclosure of CSR from the Listed Company Annual Report. Tax Avoidance is measured using 12 different tools. Data Processing and Analysis is done using various tools of econometrics for robustness testing for the result of this research. This research finds that there are significant positive effects of failure to comply CSR to tax avoidance behavior for selected samples of this research. Future researches will be conducted measure the same through another tools.

Keywords: Irresponsibility CSR, tax avoidance, tax aggressiveness, annual reports, CSR disclosure

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1. Introduction

Tax definition according to Law is a mandatory contribution a citizen to country either as a personal or a corporations. Law stated that tax defined as a mandatory contribution to country either as an individual or a corporation that have rights to pushed them, without any direct benefit received and used to social warfare. This is agreed to Law No. Nomor 28/2007 about general requirements and tax administrations Zain (2003). Prof Dr. H. Rochman Soemitro S.H. defined tax as a contribution to country cash based on regulations (have right to enforced) without any exceptions those can be used to pay general expenditures.

Waluyo (2011) tax can be viewed from multi facet aspects, such as: economy, finance and sociology. From economy aspects, tax as a country's income that will be used to social life to welfare. From the point of view of law, taxes is the burden of the

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countries. Principles of the government to manage countries financial problem is art No. 23A Amendment UUD 1945 (Tax and others obligation to pay that have right to enforce in order for national needed by law). Meanwhile, in the financial aspects tax viewed as part of country receipt. As expected, tax can increased each year so, it will create independency for national financing. From aspect of social, tax can be viewed from society as impact of obligation to pay and result of what have been delivered to society. Next, consequence that periodically the company should give part of their income to government, we called as tax on income as an expense of company and the owner. Because the goal of the company is to raised higher profit and decreased its expenditures. Company and the owner prefer to do a tax avoidance behavior and earnings management (Chen et al., 2010). Frank et al. (2009) based on some prior researches have concluded aggressively tax is an action achieved to decreased taxable income through tax planning either by tax evasion or non-tax evasions.

Currently, corporation should achieved best financial performance from investor side that forced company to reached higher profit in the financial statements. Meanwhile, the other side company tends to do tax aggressiveness to get higher profit which have adverse impact because company should reported lower profit (Kamila and Martani, 2014). Based on this statement all of company usually do earning management to maintained their performance from investor side or stakeholder. Company efforts on earnings management in related to tax aggressiveness behavior in the financial statements. Aggressiveness in reporting is efforts to earnings management agreed to or disagreed to accounting principles Frank et al. (2009). A good company on investor side and *stakeholder* side basically not only about stock *return* or *return on investment* as expected by shareholder. But also, regulation demands, and also law of Perseroan Terbatas Nomor, for example: every company demand to maintain corporate governance regarding management of company not only through manager as an executive/companies but also a manager as management controlling in the structure of organizations.

In the research by Preuss (2010) which unit analysis USA company has concluded that company with higher disclosure will do more tax avoidance by investing in the free tax rate country. This is showed that company by foreign country ownership have interest to do tax avoidance by investing abroad. The problem statement of the research is: the influence of Irresponsibility CSR to tax avoidance. This research used CSR disclosure on listed companies' annual report and the relationship to tax avoidance behavior.

2. Literature Review

There were so many Research on Corporate Tax Avoidance since 1983 (Zimmerman) but still little research on management role on the Corporate Tax Avoidance. Until now so many researches about *Corporate tax Avoidance* and related to its *Firm-level* characteristic such as *Size*, *Economies of Scale*, through its overseas operations such as, tax-planning and other factors as determinant of *Corporate Tax Avoidance*, and measurement of *tax avoidance* by various measurements (Gupta and New Berry, 1997; Mills et al., 1998; [16]; Sieg Fried, 1974; Porcano, 1986; Stickney and McGee, 1982; Shevlin and Porter, 1992; Callihan, 1994).

Phillips (2003) concluded that manager compensations based pretax or after-tax earnings and its effects on GAAP ETRs. Next, Bertrand and Schaefer (2003) studied focused on determinations whether top management influenced company performance and in decision-making process. Phillips (2003) researched through executive construction as a sample of research. Construction of top management by assumption that they can transfer from one company to another, and at least one year in the position on top management. By tracing track record of top executive Phillips (2003) try to isolated firm effect on influenced of top management to tax avoidance behavior.

The company in generally want to pay income tax at minimum amount. There are three benefits of tax management: tax planning, tax controlling and implementation tax obligations.

2.1. Tax planning

Tax planning defined as a process to organize tax payer business or group of tax payer, so tax payable either income tax or other tax in the minimum amount, as long as allowed by law or commercial (Zain, 2003). According to Mardiasmo (2009) benefit of tax planning such as, cost containment, because tax treated as expense so company try to decreased it. Additionally, tax planning able to manage cash flow because through proper tax planning, company can estimated cashflow bed in the future especially cash for tax payment.

2.1.1. Tax avoidance

Hanlon and Heitzman (2010) got difficulties to defined tax avoidance by concept. So, They defined it as minimize tax payment explicitly. According to Rego (2003), tax

avoidance is decreasing tax payment through tax planning method recognized by law. Tax avoidance by Salihu et al. (2014) earn benefit in cost containment, and then by have more cash flow, company can invest cashflow. According to Danny and John (2010) understanding tax avoidance is adalah a transaction scheme to achieved minimum tax expense by using its loophole in the tax regulation. Tax avoidance has 3 (three) primary characteristic there are (1) Transactions agreed to law (2) did not based on 'bonafide and adequate consideration' and (3) did not agreed to goal of law (the intention of parliament) (Danny and John, 2010, p. 198). Then, Danny and John (2010) said that tax avoidance classified into 2 (two), that is, (1) acceptable tax avoidance or defensive tax planning) and (2) Tax rule of grouping between unacceptable tax avoidance or aggressive tax planning Grouping/acceptable tax avoidance or defensive tax planning) and unacceptable tax avoidance/aggressive tax planning cross country is different and unique.

Acceptable tax avoidance/defensive tax planning has several characteristics such as (1) allowed by law (2) have bonafide and adequate consideration (3) Goal of transaction agreed to goal of law. Contrarily, unacceptable tax avoidance or aggressive tax planning have characteristics (1) Transactions allowed by law (2) transaction did not have bonafide and adequate consideration (3) Primary goal of transactions is to avoid tax (4) existence of complex transactions in order to create expense or loss by designed transaction to tax avoidance objective. According to Australian Taxation Officer as quoted by Danny and John (2010), characteristic of unacceptable tax avoidance or aggressive tax planning, *such as* (1) transactions not only just for tax avoidance. On the other words, those transactions not for business if any the amount is insignificant (2) Try to get tax dispensation in the real meaning to tax subjects (3) preparing transaction scheme yang back and forth and finally back to initial (4) To markup value of assets in order to markup depreciations expense in the future (5) get benefit from business entity as long as its income is classified as non-taxable income (6) business transactions in the *tax haven country*. Prebble (2012) differentiate tax avoidance and tax evasion. Tax evasion is illegal action to minimize tax payment and not agreed to tax law. Meanwhile Tax Avoidance is an illegal action by get benefiting tax law to decrease obligation of tax payer.

2.2. Tax avoidance measurements

According to Hanlon and Heitzman (2010) there are twelve formulas to measured tax avoidance. The followings is table of measurements of tax avoidance.

TABLE 1: Measurements of *tax avoidance*.

Measures	Calculation (Perhitungan)	Effect on accounting profit
GAAP ETR	$\frac{\text{Worldwide total income tax expense}}{\text{Worldwide total pre-tax accounting income}}$	Yes
Current ETR	$\frac{\text{Worldwide current income tax expense}}{\text{Worldwide total pre-tax accounting income}}$	Maybe
Cash ETR	$\frac{\text{Worldwide cash taxes paid}}{\text{Worldwide total pre-tax accounting income}}$	No
Long-run cash ETR	$\frac{\sum \text{Worldwide cash taxes paid}}{\sum \text{Worldwide total pre-tax accounting income}}$	No
ETR Differential	Statutory ETR – GAAP ETR	Yes
DTAX	Error term from the following regression: $\text{ETR differential} \times \text{pre-tax book income} = a + b \times \text{Controls} + e$	Yes
Total BTD	$\text{Pre-tax book income} - ((\text{U.S. CTE} + \text{Fgn CTE}) / \text{U.S.STR}) - (\text{NOLt} - \text{NOLt-1})$	Yes for a portion, no for a portion
Temporary BTD	Deffered tax expense / U.S STR	No
Abnormal total BTD	Residual from $\text{BTD} / \text{TA}_{it} = \beta \text{TA}_{it} + \beta m_i + e_{it}$	Yes for a portion, no for a portion
Unrecognized tax benefits	Disclosed amount post-FIN48	Yes
Tax Shelter Activity	Indicator variable for firms accused of engaging in a tax shelter	Depends on type of shelter
Marginal Tax Rate	Simulated Marginal Tax Rate	No

Source: Hanlon and Heitzman (2010).

2.3. Measurement of failure to comply CSR

Based on researched by Hoi et al., 2013, Measurements of irresponsibility CSR by content analysis of CSR disclosure from Annual export of listed company in the BEI. First step of content analysis is to classified CSR activities which provided negative effect either on stockholder or stakeholder. The Categorizations of these activities consists of: Corporate Governance, Employee Relations, Community, Human Rights, product Quality and Safety. This study will focused on the followings irresponsibility CSR activities [8]:

1. Inconsistencies activities to CSR criteria
2. Company prevent this activity, but finally viewed these activities will benefit stockholder and stake holder voluntarily

3. Empirical evidence suggested these activities as Irresponsibly CSR (Chatterji et al., 2009)

In Indonesia context, Irresponsibly CSR definition referred to UU No. 40/2007 and thus, all of requirements also based on UU No. 40/2007. There are some principles should comply to, such as compliance, fairness, transparent and accountable. And to simplified research process, so we used only one indicator to continue the Activity of CSR, it means CSR activities which held only one year, we categorized as non-CSR activities or Irresponsibility CSR (IR_CSR) or in the model of research equation symbols as NEG_CSR (Negative CSR). Based on introduction and literature review on the previous paragraph and also prior studies, the followings are hypotheses to answer the research questions of this article:

Research hypotheses

H₁: *Disclosure of activities of Irresponsible CSR have negative influenced to tax avoidance behavior.*

3. Method

3.1. Research sample and data

Research sample is all of the listed company in the capital market of Indonesia, industry: constructions and real estate, electricity, financial service, food and Beverages, media, mining and metal, and oil and gas. And as research media for annual report. Variable CSR disclosure measured by content analysis through disclosure index without weighted (Cahaya et al., 2011), by giving the score 1 if we found keyword in the disclosure of financial statements in the annual report and vice versa, by giving score 0 if keyword did not exist in the notes to financial statement in the annual report. Variable tax avoidance is measured by DTAX (Frank, Lynch and Rego, 2009). Control variable in this research model such as ownership structure, size, leverage [12]. Regression test to know the influence of dependent variable against independent variable, then we did *t*-test to know the different influence between all CSR disclosure to tax avoidance behavior. The result expected to broaden research in the topic of CSR disclosure by giving the evidence different effect of Irresponsibility CSR disclosure to tax avoidance behavior. This chapter describes about research framework, research model, operationalization of research concept which consists of detail explanations about research

variable such as dependent variables, independent variables, control variables and also about data, sample, unit analysis and technique. Basic regression equations referred to research of Hoi et al. (2013) as follows:

$$\begin{aligned}
 \text{AGGRESSIVE}_{it} = & \beta_0 + \beta_1 \text{NEG_CSR}_{it} / \text{HIGH_NEG_CSR}_{it} + \beta_2 \text{POS_CSR}_{it} \\
 & + \beta_3 \text{ABS_DA}_{it} + \beta_4 \text{IO}_{it} + \beta_5 \text{CASH}_{it} + \beta_6 \text{ROA}_{it} \\
 & + \beta_7 \text{LEV}_{it} + \beta_8 \text{NOL}_{it} + \beta_9 \Delta \text{NOL}_{it} + \beta_{10} \Delta \text{FI}_{it} \\
 & + \beta_{11} \text{PPE}_{it} + \beta_{12} \text{INTANG}_{it} + \beta_{13} \text{EQINC}_{it} + \beta_{14} \text{R\&D}_{it} \\
 & + \beta_{15} \text{EMP}_{it} + \beta_{16} \Delta \text{SALE}_{it} + \beta_{17} \text{SIZE}_{it-1} + \beta_{18} \text{MB}_{it-1} \\
 & + \beta_{19} \text{Lag}(\text{Dependent Variable}) \\
 & + \text{Year Dummies} + \text{Industry Dummies} + \epsilon_{it};
 \end{aligned}$$

3.2. Operationalization of research concept

This research consists of three kinds of variables, they are, independent variables, dependent variables and control variables. The explanations about those variables are the followings:

Independent variables of this research is tax avoidance. Measurements of Tax avoidance used three proxies by using symbols CTA. First proxy is CTA 1 defined as total tax expense before tax. Second proxy is *Proxy* is CTA 2 defined as non-current tax on profit before non-current tax. The third *Proxy* is CTA 3 defined as total tax expense to cash-flow from operational activities. Those three proxies is common used by researchers to calculate tax avoidance. Salihu et al. (2013) also did statistical testing on the three proxies and will have different measurement result, although those are the same measurements for tax avoidance. This research used Irresponsibility of CSR as independent variable.

4. Results and Discussions

4.1. Results

Table 2 describes descriptive statistics for numerical data (BTD, Current ETR, ROA and AGE), presents maximum value and minimum value for primary variable and control variable. Then, there are no significant different between mean value and deviation

standard, which have a meaning mean value of data of this research more or less the same with deviation standard value.

TABLE 2: Descriptive Statistics-numeric.

	N	Minimum	Maximum	Mean	Std. Deviation
BTD_Lag_Asset	203	-4.075	0.483	-0.02723	0.296094
Current_Etr	203	-26.413	4.602	0.07288	1.960662
ROA	203	-3.580	1.117	0.09721	0.299284
AGE	203	4	33	16.28	6.859
Valid N (listwise)	203				

TABLE 3: Categorical data (IR_CSR); descriptive statistic IR_CSR.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	There are no disclosure of IR_CSR	22	10.8	10.8	10.8
	There are disclosure of IR_CSR	181	89.2	89.2	100.0
	Total	203	100.0	100.0	

Table 3 showed that there are 181 from 203 companies which have irresponsibility CSR activities due to not continued so we categorized as irresponsibility CSR (IR_CSR). And only 22 companies of 203 sample of companies which have continued CSR activities.

4.1.1. BTD/Lag asset with IR_CSR, ROA and AGE

Interpretation:

Determination coefficient value (R^2) 0.813. It means independent variable can explained variant amounting of 81.3% BTD/lag Asset, and remains 18.7% explained by other variables not including in the model of research.

Linear regressions result showed that the significance value < 0.05 , it means the model is fit.

Based on the significance value of each independent variable, the most significant influence variable to BTD/lag assets is ROA variable because significant value (P -value) < 0.05 . Meanwhile, variable IR_CSR and AGE p -value > 0.05 so does not have insignificant influence to BTD/lag Asset.

TABLE 4: Correlations (N = 203).

		IR_CSR	BTD_Lag_Asset	Current_Etr	ROA	AGE
IR_CSR	Pearson Correlation	1	0.176*	-0.026	0.147*	0.141*
	Sig. (2-tailed)		0.012	0.717	0.037	0.044
BTD_Lag_Asset	Pearson Correlation	0.176*	1	0.028	0.901**	0.062
	Sig. (2-tailed)	0.012		0.693	0.000	0.381
Current_Etr	Pearson Correlation	-0.026	0.028	1	0.038	0.005
	Sig. (2-tailed)	0.717	0.693		0.590	0.939
ROA	Pearson Correlation	0.147*	0.901**	0.038	1	0.079
	Sig. (2-tailed)	0.037	0.000	0.590		0.264
AGE	Pearson Correlation	0.141*	0.062	0.005	0.079	1
	Sig. (2-tailed)	0.044	0.381	0.939	0.264	

Note: * = Correlation is significant at the 0.05 level (2-tailed); ** = Correlation is significant at the 0.01 level (2-tailed).

TABLE 5: Model Summary.^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.902 ^a	0.813	0.810	0.128918	1.812

Note: a = Predictors: (Constant), AGE, ROA, IR_CSR; b = Dependent Variable: BTD_Lag_Asset.

TABLE 6: ANOVA.^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.402	3	4.801	288.856	0.000 ^b
	Residual	3.307	199	0.017		
	Total	17.710	202			

Note: a = Dependent Variable: BTD_Lag_Asset; b = Predictors: (Constant), AGE, ROA, IR_CSR.

Assumptions test:

TABLE 7: Coefficients.^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-0.142	0.033		-4.305	0.000		
	IR_CSR	0.044	0.030	0.046	1.480	0.140	0.961	1.040
	ROA	0.885	0.031	0.895	28.849	0.000	0.975	1.026
	AGE	-0.001	0.001	-0.015	-0.492	0.623	0.977	1.024

Note: a = Dependent Variable: `BTD_Lag_Asset`.

TABLE 8: Residuals Statistics.^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-3.31945	0.87610	-0.02723	0.267018	203
Std. Predicted Value	-12.330	3.383	0.000	1.000	203
Standard Error of Predicted Value	0.010	0.112	0.016	0.009	203
Adjusted Predicted Value	-0.94555	0.93269	-0.01534	0.150337	203
Residual	-0.810982	0.142011	0.000000	0.127957	203
Std. Residual	-6.291	1.102	0.000	0.993	203
Stud. Residual	-11.923	1.133	-0.031	1.243	203
Deleted Residual	-3.128957	0.150332	-0.011884	0.250614	203
Stud. Deleted Residual	-22.251	1.134	-0.088	1.831	203
Mahal. Distance	0.128	152.259	2.985	10.926	203
Cook's Distance	0.000	111.730	0.558	7.842	203
Centered Leverage Value	0.001	0.754	0.015	0.054	203

Note: a = Dependent Variable: `BTD_Lag_Asset`.

Existence Assumptions

Existence assumptions measured by residual value, if residual value showed that mean value near to zero. Output result describes residual value and mean is 0,000000 and deviation standard value is 0,127957. So, existence assumptions fulfill the requirements.

Independent Assumptions

TABLE 9: Model Summary.^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.902 ^a	0.813	0.810	0.128918	1.812

Note: a = Predictors: (Constant), AGE, ROA, IR_CSR; b = Dependent Variable: BTDLag_Asset.

Independent assumptions measured by Durbin-Watson value. If Durbin-Watson value is between -2 and 2, it means independent assumptions can be fulfilled. Nilai Durbin-Watson value is 1.812, that is, independent assumptions can be fulfilled.

Linearity Assumptions

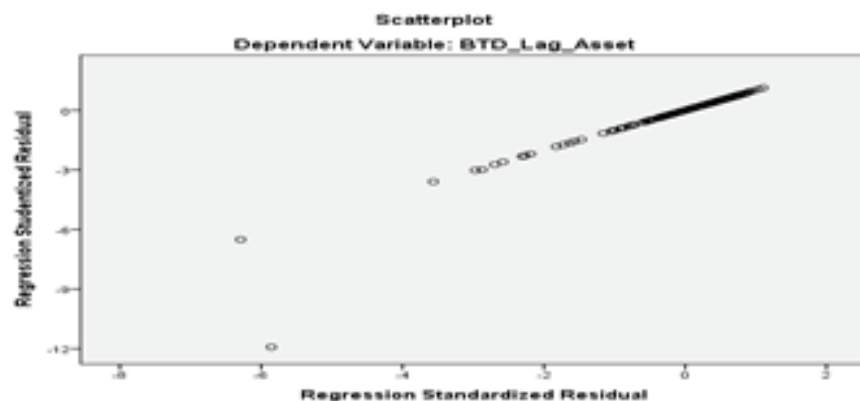
TABLE 10: ANOVA.^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.402	3	4.801	288.856	0.000 ^b
	Residual	3.307	199	0.017		
	Total	17.710	202			

Note: a = Dependent Variable: BTDLag_Asset; b = Predictors: (Constant), AGE, ROA, IR_CSR.

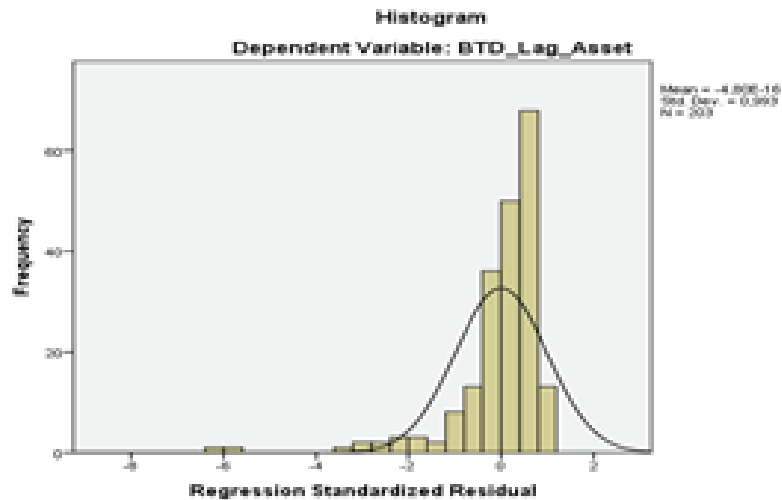
In order to know the linearity assumptions by ANOVA test, if significant test (p -value) < 0.05, it means the model is linear. If ANOVA test result is above significant value < 0, it means linearity assumptions are fulfilled.

Homoscedasticity Assumptions



Homoscedasticity assumptions showed from residual plot. If scattered plot is unpatterned and scattered distributed on average so meet the homoscedasticity. From residual plot, scattered pattern so, homoskedasticity assumption is fulfilled.

Normality Assumptions



Histogram showed abnormal distributions and showed left skewness.

Multicollinearity Diagnostic

TABLE 11: Coefficients.^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-0.142	0.033		-4.305	0.000		
	IR_CSR	0.044	0.030	0.046	1.480	0.140	0.961	1.040
	ROA	0.885	0.031	0.895	28.849	0.000	0.975	1.026
	AGE	-0.001	0.001	-0.015	-0.492	0.623	0.977	1.024

Note: a = Dependent Variable: BTD_Lag_Asset.

To detect multicollinearity by using VIF value, if value of VIF > 10 is an indication of collinearity exist. Assumptions test showed all of VIF value < 10, it means multicollinearity has been fulfilled.

4.1.2. Current Etr

TABLE 12: Model summary.^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.050 ^a	0.002	-0.013	1.972926	2.335

Note: a = Predictors: (Constant), AGE, ROA, IR_CSR; b = Dependent Variable: Current_Etr.

TABLE 13: ANOVA.^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.932	3	0.644	0.165	0.920 ^b
	Residual	774.595	199	3.892		
	Total	776.527	202			

Note: a = Dependent Variable: Current_Etr; b = Predictors: (Constant), AGE, ROA, IR_CSR.

TABLE 14: Coefficients.^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.199	0.504		0.394	0.694		
	IR_CSR	-0.206	0.454	-0.033	-0.454	0.650	0.961	1.040
	ROA	0.277	0.470	0.042	0.591	0.556	0.975	1.026
	AGE	0.002	0.020	0.007	0.094	0.925	0.977	1.024

Note: a = Dependent Variable: Current_Etr.

Assumptions test

Existence Assumptions

Independence Assumptions

Linearity Assumptions

TABLE 15: Residuals statistics.^a

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	-0.77346	0.39636	0.07288	0.097810	203
Std. Predicted Value	-8.653	3.307	0.000	1.000	203
Standard Error of Predicted Value	0.147	1.718	0.240	0.139	203
Adjusted Predicted Value	-3.09674	0.42171	0.06121	0.236488	203
Residual	-26.439302	4.585617	0.000000	1.958221	203
Std. Residual	-13.401	2.324	0.000	0.993	203
Stud. Residual	-13.445	2.334	0.002	0.997	203
Deleted Residual	-26.612551	4.624103	0.011675	1.982777	203
Stud. Deleted Residual	-44.304	2.361	-0.150	3.130	203
Mahal. Distance	0.128	152.259	2.985	10.926	203
Cook's Distance	0.000	0.457	0.004	0.038	203
Centered Leverage Value	0.001	0.754	0.015	0.054	203

Note: a = Dependent Variable: Current_Etr.

TABLE 16: Model summary.^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.050 ^a	0.002	-0.013	1.972926	2.335

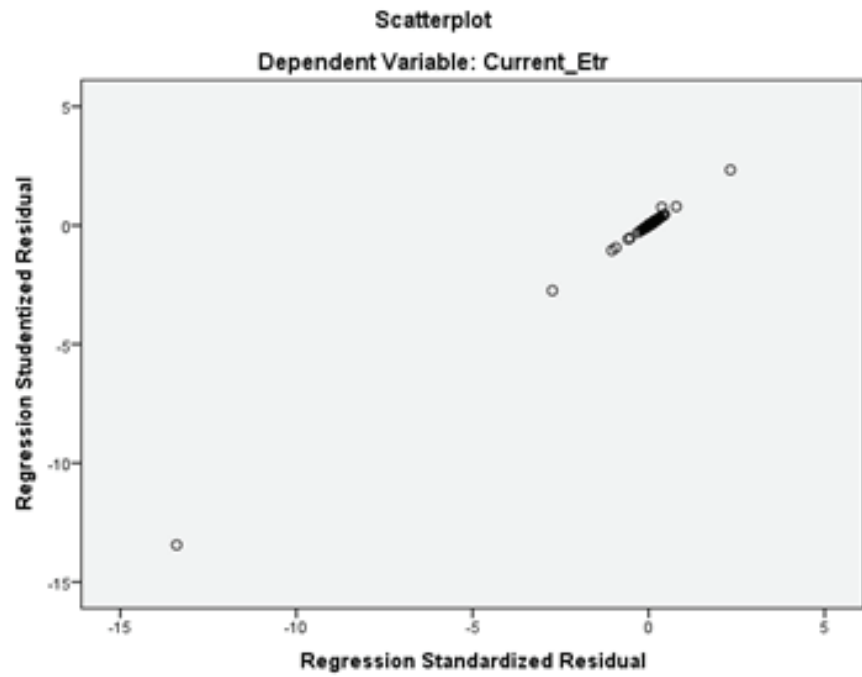
Note: a = Predictors: (Constant), AGE, ROA, IR_CSR; b = Dependent Variable: Current_Etr.

TABLE 17: ANOVA.^a

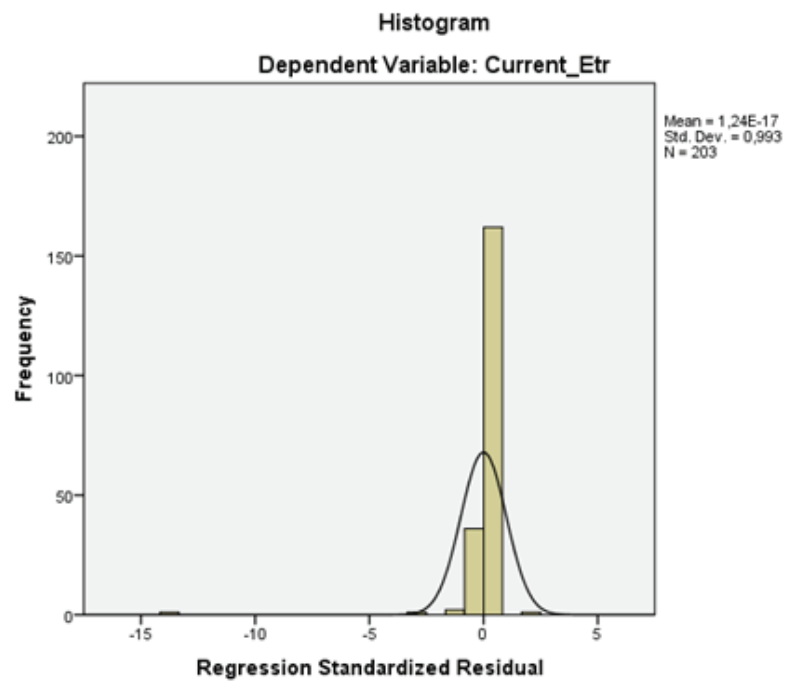
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.932	3	0.644	0.165	0.920 ^b
	Residual	774.595	199	3.892		
	Total	776.527	202			

Note: a = Dependent Variable: Current_Etr; b = Predictors: (Constant), AGE, ROA, IR_CSR.

Homoscedasticity test



Normality Assumptions



Multicollinearity Diagnostic

TABLE 18: Multicollinearity analysis by current_ETR dependent variable.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.199	0.504		0.394	0.694		
	IR_CSR	-0.206	0.454	-0.033	-0.454	0.650	0.961	1.040
	ROA	0.277	0.470	0.042	0.591	0.556	0.975	1.026
	AGE	0.002	0.020	0.007	0.094	0.925	0.977	1.024

4.2. Discussions

Based on regressions result by using BTD measurements (*Book Tax Difference*) Tables 3–11 provided result all of data fit to classical test assumptions, so there are no multicollinearity variable and no heteroscedasticity. It showed disclosure IR_CSR has significant positive effect to tax avoidance behavior, in the company which did CSR activities classified as not CSR (Negative CSR) in adverse pushed company to do tax avoidance. This result contrast with previous study result which have negative effect to tax avoidance behavior.

The explanations of the research result is there are doubt in the management that each rupiah that has been invest in the significant amount in the environmental maintenance will give benefit in the future (Towari, 2016). So, research result showed that investment in corporate social in the company usually discontinued and classified as a moment/philanthropist activities showed that disclosure CSR unfortunately increased tax avoidance behavior. The company reason is they thought that company already invest in CSR activities by yearly/philanthropic, and they reluctant to pay tax in the significant amount, in the form of tax avoidance behavior.

But, in doing test by different measurement such as current ETR (Tables 11–17) proved that test result agreed to the research hypotheses that CSR disclosure which categorized as CSR (IR_CSR) have negative effect, unfortunately the result in insignificant. The one reason is amount of the sample data is not large enough, that will give possibility invalid conclusions, so in the future research that there are an opportunity for future research by increasing observations periods. The meanings rejected

hypotheses, so the research provided evidence that disclosure of not CSR activities pushed company to do tax avoidance behavior.

5. Conclusions and Recommendations

5.1. Conclusions

Research conclusions, there are positive effect of CSR Irresponsible (IR-CSR) disclosure to tax avoidance behavior, and the difference with previous research which used over all disclosure of CSR including Irresponsible CSR component (Angelia, 2012) and (Lanis and Richardson (2011). Contributions of this research, **first**, enriched literature of tax avoidance and the relationships with disclosure of Irresponsible CSR. **First**, this is recognized as initial research on effects of disclosure of Irresponsible CSR which come to different result with prior conclusions. **Third**, contributions to tax regulator. **Fourth**, provided different measurement on proxy of Irresponsible CSR compared with prior overseas research, that is used discontinued indicator activities of CSR.

Limitations of this research: **first**, there are time limitations and data limitations, only used 1 (one) independent variable and only 2 (two) control variables. **Second**, by increasing observation periods. **Third**, by not doing sensitivity analysis by using the third measurements that is ABTD (*Abnormal Book Tax Difference*).

Implications of this research are, basically in deciding policy of tax regulator, the regulator should provide focused regulations and strict in avoiding tax avoidance. Conclusions, limitations and implications which provided an opportunity for research in the future related to topic of this article, such as:, the next research by increasing control variable, different way to measures disclosure of Irresponsible CSR, and also doing analysis based in industry of variable disclosure Irresponsible CSR, different proxy measurement for tax avoidance.

5.2. Recommendations

Research in the future after topic irresponsibilities CSR disclosure and tax avoidance is to separate CSR into Irresponsible CSR dan CSR Social by different measurements and by using different data or sample, so we will know which component of CSR will have most relevant role in the irresponsibilities CSR disclosure to tax avoidance behavior in the company in listed company in Indonesia.

Contribution of this research, first, provided measurement of tax avoidance which related to corporate social responsibility (CSR), second, enriched literature about tax avoidance in Indonesia. Benefit of this research especially for government of Indonesia, specific to Direktorat Jenderal Pajak could maximize income through tax and could anticipated tax avoidance behavior related to irresponsibility CSR.

Future research by divided variable disclosure CSR and tax avoidance ini adalah memilah CSR menjadi CSR environmental (lingkungan) and CSR Social. So, we will find which CSR component will be the most influenced in tax avoidance behavior in the listed company in Indonesia.

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