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Analysis of Profitability, Sales Growth, and Determinants of Tax Avoidance in PT Indofood CBP Sukses Makmur Tbk Period 2016-2020

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Abstract

This study aims to determine the effect of profitability and sales growth on the tax avoidance of PT. Indofood CBP Sukses Makmur Tbk period between 2016-2020. Increased sales make the company earn big profits; therefore, the company will tend to practice tax avoidance. Tax avoidance is a legal activity that is often carried out by companies in an effort to reduce tax payments. The data in this study is secondary data in the form of company financial statements. Profitability is measured by Return On Assets (ROA), which is the ratio between net income after tax and total assets. Sales Growth is measured by the formula for the difference between the current and previous year's sales divided by the previous year's sales. While the assessment of tax avoidance behavior is measured by the Cash Effective Tax Rate (CETR), which is the ratio between cash for taxes and profit before tax. The data processing technique in this study used multiple linear regression with the Ordinary Least Square (OLS) method. The results of the classical assumption test carried out explain that the data is normally distributed, there is no multicollinearity disorder between independent variables, the data is linear data and there is no heteroscedasticity, and there is no autocorrelation between residual values. While the results of multiple linear regression indicate that profitability and sales growth have a significant positive effect on tax avoidance. This is in line with the CETR value which tends to be small, which is close to 0, which means that the tax avoidance that occurs is quite large.

Keywords: *Profitability Return on Assets* (ROA). *sales growth*, *Cash Effective Tax Rates* (CETR), penghindaran pajak.

1. INTRODUCTION

Background

Taxpayers and the government have different interests regarding the payment of taxes. For taxpayers, tax is one of the obligations that will reduce the profit or income earned, so that taxpayers want a minimum tax payment. Meanwhile, the government wants tax revenues to continue to increase. This difference in interests causes taxpayers to tend to do tax evasion to reduce tax payments. Tax evasion can be done by means of Tax Avoidance and Tax Evasion. In some literature on Indonesian taxation, tax avoidance is always defined as a legal activity in an effort to reduce tax payments, while tax evasion is defined as an illegal activity in an effort to reduce tax payments. Companies will prefer to carry out tax reduction efforts through tax avoidance, because the tax reduction efforts carried out still comply with the provisions of tax regulations, such as taking advantage of allowed exceptions and deductions, as well as postponing taxes that have not been regulated in the applicable tax regulations (Susanti, 2018: 2) .

Tax avoidance behavior can be measured in several ways, one of which is by using Cash Effective Tax Rates (CETR). CETR is a comparison between cash issued for tax expenses with pre-tax profit. (Susanti, 2018:5). With the CETR, the company will get a real picture of how the company is trying to reduce its tax obligations. The higher the percentage level of CETR indicates that the lower the level of corporate tax avoidance, (Astuti, 2016).

One of the factors that causes companies to take tax avoidance actions is profitability which can be seen from the Return on Assets (ROA). The higher level of company profitability affects the high level of tax avoidance. This happens because companies that have large profits will find it easier to take advantage of loopholes in managing their tax costs (Dewinta & Setiawan, 2016).

Profitability itself is one of the ratios used to measure company performance, where this ratio can provide an overview of a company's ability to generate profits. Profitability can be calculated in several ways, but in this study profitability is calculated by the Return On Assets (ROA) ratio, which is the profitability ratio to assess the percentage of profits / profits obtained by companies related to resources or total assets so that the efficiency of a company in managing its assets can be seen from percentage of this ratio. Return On Assets can be calculated by dividing the net profit after tax by the total assets owned.

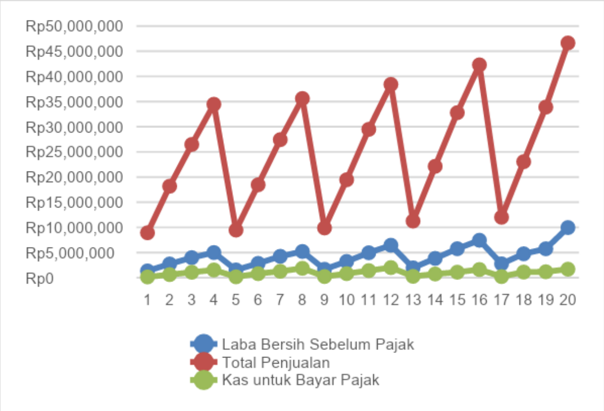
Meanwhile, Sales Growth is a change in sales in the financial statements per period that can reflect the company's prospects and profitability in the future. Sales growth can be measured by comparing current sales minus previous sales with previous sales.

The author in this study chose PT. Indofood CBP Sukses Makmur, Tbk, as the object of research. PT Indofood CBP Sukses Makmur Tbk, is one of the big companies in Indonesia, where the products produced are consumed by almost all people in Indonesia, even these products are also famous in various countries in the world. This is in accordance with the vision of PT. Indofood CBP Sukses Makmur, Tbk is becoming a leading consumer goods manufacturer. PT Indofood CBP Sukses Makmur Tbk ("ICBP" or the "Company") was established on 02 September 2009 and started its commercial operations on 01 October 2009. PT Indofood CBP Sukses Makmur, Tbk offers a wide selection of everyday solutions for consumers of all ages and market segments, through more than 30 leading product brands. Many of these brands have significant market positions in Indonesia, backed by the trust and loyalty of millions of consumers over the years, (Mubarok: 2014).

ICBP is the result of the transfer of business activities of the Instant Noodles Division and the Seasoning Division of Indofood Sukses Makmur, Tbk (INDF), the controlling shareholder, with diversified business activities, including instant noodles, dairy, snacks, food seasonings, nutrition and special foods, and drinks. In addition, ICBP also operates a packaging business that produces both flexible packaging and cardboard, to support its main business activities. The holding company of Indofood CBP Sukses Makmur, Tbk is INDF, where INDF owns 80.53% of ICBP's issued and fully paid shares, while the last holding company of ICBP is First Pacific Company Limited (FP), Hong Kong, (Simamora 2021).

PT. Indofood CBP Sukses Makmur Tbk, which is one of the largest food and beverage sub-sector manufacturing companies in Indonesia, which is one of the mainstay manufacturing sectors, contributes greatly to national economic growth, as well as tax revenue. Argo (2019) explains that the realization of tax revenue is in line with national economic growth. However, there is a positive relationship between economic growth and tax revenue. Increased economic growth will encourage an increase in tax revenue, and vice versa.

The following is quarterly data regarding profit before tax, sales, and cash for taxes during the 2016 to 2020 period that occurred at PT. Indofood CBP Sukses Makmur, Tbk.



Source: Data Processed.

Figure 1. Profit Before Tax, Sales, and Cash for Taxes at PT. Indofood CBP Sukses Makmur, Tbk

Figure 1 above illustrates that the tax payments made by PT Indofood CBP Sukses Makmur follow sales and profit movements, but tend to be the same as the sales movement pattern. The picture above also shows a graph of tax payments which tend to be more sloping than sales and profits.

The authors in this study are interested in analyzing the profitability and sales growth of Indofood companies during the period 2016 to 2020, and assessing how much tax avoidance occurs during that period, then analyzes whether profitability and sales growth affect tax avoidance.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS ANALYSIS

2.1 Profitability and *Sales Growth*

Profitability is one measure of the performance of a company. The profitability of a company describes the ability of a company to generate profits for a certain period at a certain level of sales, assets and share capital (Susanti, 2018: 18). The better the profitability ratio, the better the company's ability to generate profits. One of the proxies of profitability is Return on Assets (ROA), where ROA can be measured by comparing the profits earned by the company with the total assets owned (Sudana, 2009).

Meanwhile, sales growth is the change in sales in the financial statements per year that can reflect the company's prospects and profitability in the future. Sales growth reflects the investment success of the past period and can be used as a prediction of future growth. Brigham and Houston state that companies with relatively stable sales can be more secure in obtaining more loans and bear higher fixed costs than companies with unstable sales (Susanti, 2018).

The company's sales growth can be seen from the business opportunities available in the market that must be taken by the company. Sales growth is the ratio between current year's sales minus last year's sales and last year's sales (Hidayat, 2016:21).

If the company's sales growth increases, the profitability will increase and the company's performance will get better, because with the increasing profitability of the company, the profit of a company will also increase which can encourage increased sales growth from year to year. Companies can properly optimize existing resources by looking at sales from the previous year. Measurement of sales growth can describe the good or bad level of sales growth of a company. The company can predict how much profit will be obtained by looking at the amount of sales growth. Increased sales growth tends to make the company earn a large profit; therefore, the company will tend to practice tax avoidance, (Susanti, 2018: 24).

2.2 Tax Assessment

Basically, there are two approaches in the strategy of reducing tax payments, namely by reducing revenues or increasing company expenses. Efforts to minimize tax payments made as long as they are still allowed by applicable tax regulations are called Tax Avoidance. Tax avoidance behavior is included in tax planning or tax planning. Tax Planning (Tax Planning) is the process of organizing the taxpayer's business in such a way that his tax debts, both income taxes and other taxes are in the most minimal position, as long as it is possible by the provisions of tax laws and commercially (Susanti, 2018):14).

Santoso and Rahayu explained that tax evasion can be done in three ways, namely: a)

Refraining, namely the taxpayer does not do something that can be taxed, for example, such as not smoking to avoid tobacco excise; b) Moving Location, is moving the location of the business or domicile with a high tax rate to a location with a low tax rate. For example, the granting of waivers for investors who wish to invest in Eastern Indonesia; and c) Juridical Tax Avoidance, this act is carried out in such a way that the acts committed are not subject to tax. This is usually done by taking advantage of the void or ambiguity of the law (loopholes). Tax avoidance can be done by taking advantage of the opportunities that exist in the tax law in this case are tax loopholes and gray areas. Tax loopholes are a legal way to avoid paying taxes or part of a tax bill due to gaps in tax provisions. Meanwhile, the gray area arises because of unclear tax regulations, as a result, the unclear tax regulations become a weakness that can be exploited by taxpayers to avoid tax (Susanti, 2018:15).

The existence of loopholes or gaps in taxation can be beneficial for taxpayers in avoiding their tax obligations. Taxpayers can take advantage of loopholes and gray areas to minimize their tax payments, because this method is legalized by the Taxation Law. Taxpayers can also take advantage of several expense accounts that can be used as tax deductions, as regulated in the Income Tax Law number 36 of 2008 article 6, such as buying raw materials at high prices from group companies that are established in low-tax countries, taking advantage of fiscal loss compensation to reduce the company's tax burden in future periods, owe or sell bonds to affiliates of the parent company and repay the installments with very high interest, or by moving location, namely moving the location of business or domicile with high tax rates to another locations with low tax rates. In addition, minimizing taxes can also be done by using exceptions to tax objects regulated in Law number 36 of 2008 article 4, such as the formation of joint ventures using a profit-sharing system to its members.

Tax avoidance activities in a company can be measured using several ways, including:

a. *Effective Tax Rate* (ETR)

ETR is an income statement-based outcome measure that generally measures the effectiveness of tax reduction strategies and leads to high after-tax profits. ETR is used because it is considered to reflect the fixed difference between the calculation of book profit and fiscal profit. ETR can be calculated by comparing tax expense with pre-tax profit.

b. *Cash Effective Tax Rate* (CETR)

CETR is formulated with cash issued for tax costs divided by profit before tax (Susanti, 2018:17). CETR is used to identify the aggressiveness of tax planning by the company using fixed and temporary differences.

c. *Book Tax Difference* (BTD).

Book Tax Differences (BTD) as the difference in the amount of profit calculated based on accounting with profit calculated in accordance with tax regulations. The large difference between accounting profit and taxable income in companies generally indicates a greater aggressive behavior in avoiding tax payments. Book Tax Differences can arise due to tax planning and earnings management activities within the company (Susanti, 2018:17).

From these three measures, it is hoped that tax avoidance actions can be identified and it is known whether a company does it or not. Although the actions taken by the company do not violate regulations, they will result in losses for the state.

Based on the background of the problem and related theories, the framework of thinking in this study is as follows,

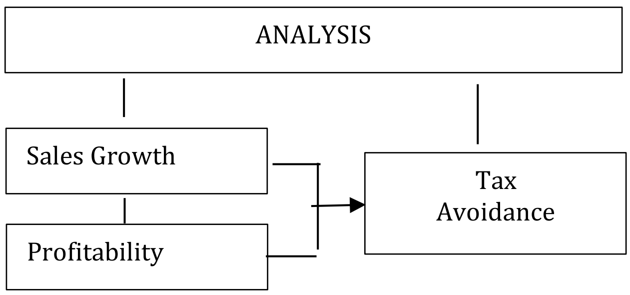


Figure 2. Framework

The author puts forward a tentative conclusion to prove the truth and validity. The hypotheses in this study are:

H_0: Profitability and Sales Growth have a significant effect on tax avoidance at PT. Indofood CBP Sukses Makmur Tbk, during the 2016-2020 period.

H_a: Profitability and Sales Growth have no significant effect on tax avoidance at PT. Indofood CBP Sukses Makmur Tbk, during the 2016-2020 period.

3. RESEARCH METHOD

The data analysis method used in this research is a descriptive quantitative method. Analysis of the data obtained in this study will use the application program Statistical Program and Service Solution (SPSS) version 26. The data processing technique used in this study is multiple linear regression with the Ordinary Least Square method (OLS with classical assumption test. Classical assumption test must be performed) in order to get good regression results (Ghozali, 2013:105).

3.1 Profitability Analysis

Profitability analysis in this study is proxied by Return on Assets (ROA), namely by using the following formula:

Return On Assets = Net Profit After Tax / Total Asset

3.2 Sales Growth Analysis

Sales Growth in this study was measured by the following formula:

$$\textit{Sales Growth} = \frac{\text{Current year's sales} - \text{Previous year's sales}}{\text{Previous year's sales}}$$

3.3 Tax Assessment

The measurement of tax avoidance in this study uses the calculation of the Cash Effective Tax Rate (CETR). The higher the percentage level of CETR indicates that the lower the level of corporate tax avoidance. The Cash Effective Tax Rate (CETR) is measured by the following formula:

$$\text{CETR} = \frac{\textit{Paid Tax Cash}}{\text{Net Profit after Tax}}$$

The CETR value ranges from 0 to 1. The smaller the CETR value indicates the greater the tax avoidance by the company. Vice versa, the greater the CETR value, the smaller the tax avoidance by the company (Astuti, 2016).

3.4 Research Model in Multiple Regression

This study uses a causal research design that aims to analyze the causal relationship between the independent variable and the dependent variable. According to Juliandi (2014:14), causal research (causal relationship) is research that wants to see whether a variable that acts as an independent variable has an effect on other variables that are the dependent variable. Multiple regression is used to predict the effect or state of ups and downs of a dependent variable (tax avoidance) based on independent variables (profitability and sales growth). Multiple regression analysis tested the level of confidence in the model with a determination test. The small value of the coefficient of determination indicates the ability of the independent variables in explaining the dependent variable is very limited. Ghozali (2015: 97) states, the fundamental weakness of the use of the coefficient of determination is the bias towards the number of independent variables included in the model. Every additional one independent variable, then R2 must increase.

The model in this study is described as follows:

$$Y = a + b_1x_1 + b_2x_2 + e$$

Where:
Y = Tax Avoidance as measured by CETR
a = Constant
X_1 = Profitability as measured by ROA
X_2 = *Sales Growth*
b_1b_2 = Regression Coefficient
e = *Error Term*

Multiple regression models must meet the classical assumption test. If the regression model obtained deviates from one of the classical assumptions tested, then the regression equation obtained is inefficient, because there will be a bias which means that the research results are not only the influence of the variables studied, but there are other confounding factors that also influence it. .

To perform linear regression analysis, it is required to test the classical assumptions in order to get good regression results (Ghozali, 2013: 105). There are several kinds of tests carried out in the classical assumption test, namely as follows:

1) Linearity Test

Linearity defines the dependent variable (response) as a linear function of the independent variable (predictor) (Darlington, 1968). That is, a change in the value of one of the independent variables will result in a constant change in the dependent variable. Linearity tests can be done in two ways. First, through a visual assessment through a scatter plot. The second way is to do a quantitative linearity test, using a statistical test called the lack-of-fit test (Puput, 2020).

2) Normality Test
According to Sugiyono (2011: 199), the use of parametric statistics requires that the data for each variable to be analyzed must be normally distributed. The technique used in this study to test the normality of the data is the One Sample Kolmogrov-Smirnov Test using SPSS 26. The basis for decision making is by looking at the significant value of a = 5%, with the following conditions:

- Significant value > 0.05, then the data is normally distributed
- Significant value < 0.05, then the data is not normally distributed

3) Multicollinearity Test
The multicollinearity test was first proposed by Regner Frish who stated that multicollinearity is more than one perfect linear relationship. If there is a perfect multicollinearity (correlation coefficient between independent variables = 1), then the regression coefficient of the independent variable cannot be determined and the standard error is infinite. Multicollinearity testing is done by looking at the value of the Variance Inflation Factor (VIF) and the value of Tolerance. If the VIF value is less than 10 and the Tolerance value is more than 0.1 then this shows that there is no multicollinearity problem.

4) Heteroscedasticity Test
Heteroscedasticity test is the spread of different population data points in the regression. In this heteroscedasticity test, the researcher will use the Scatterplot Graph. The basis that can be used to determine the heteroscedasticity test is as follows:

- If there is a certain pattern, such as the dots that form a certain regular pattern (wavy, widened then narrowed), it indicates that heteroscedasticity has occurred.
- If there is no clear pattern, and the points spread above and below the number 0 on the Y axis, then there is no heteroscedasticity.

5) Autocorrelation Test
According to Ghozali (2015: 110), the autocorrelation test aims to test whether in the linear regression model there is a correlation between the confounding error in period t and the confounding error in period t-1 (previous). Autocorrelation arises because successive observations over time are related to each other. A good regression model is a regression that is free from autocorrelation. One way to detect autocorrelation problems is to use a Run Test. Run Test is used to see whether the residual is random or not. The data can be said that there is no autocorrelation if the significant value is more than 0.05.

4. RESULTS AND DISCUSSIONS

a. Indofood Company Profitability and Sales Growth During the 2016 to 2020 Period

PT. Indofood CBP Sukses Makmur, Tbk has the following missions:

1. Constantly innovating, focusing on customer needs, offering top brands with unmatched performance.
2. Providing quality products that are the customer's choice.
3. Always improve the potential of employees, production processes, and owned technology.
4. Contribute to the welfare of society and the environment in a sustainable manner
5. Increasing stakeholder values on an ongoing basis (CBP, 2018).

PT. Indofood CBP Sukses Makmur, Tbk has values that are used as a reference in all activities in the company, namely, with discipline as a philosophy of life, we run our business by upholding integrity; we value all stakeholders and together build unity to achieve sustainable excellence and innovation (CBP, 2018).
The results of the calculation of the profitability of PT. Indofood CBP Sukses Makmur, Tbk which is calculated by the ratio of Return on Assets (ROA) for 2016-2020 based on quarterly reports at PT. Indofood CBP Sukses Makmur, Tbk is shown in the following table:

Table 1. Profitability Calculation Results (ROA)

	Quarter			
Year	I	II	II	IV
2016	0,04	0,07	0,1	0,13
2017	0,04	0,07	0,1	0,11
2018	0,03	0,07	0,11	0,14
2019	0,04	0,07	0,11	0,13
2020	0,05	0,08	0,04	0,07

Source: Data Processed

Table 1 describes the Return On Assets (ROA) value in the quarterly financial statements of PT.

Indofood CBP Sukses Makmur, Tbk for 5 years. The highest ROA value is found in the fourth quarter 2018 report data of 0.14 and the lowest value is in the first quarter 2018 report data of 0.03.

While the calculation of sales growth during 2016-2020 based on quarterly reports at PT. Indofood CBP Sukses Makmur, Tbk is shown in the following table,

Table 2. *Sales Growth* Calculation Results

Year	Quarter			
	I	II	III	IV
2016	0,12	1,04	0,46	0,3
2017	-0,73	0,95	0,49	0,3
2018	-0,72	0,97	0,51	0,3
2019	-0,71	0,97	0,48	0,29
2020	-0,72	0,92	0,47	0,38

Source: Data Processed

Table 2 describes the value of sales growth in the quarterly financial statements of PT. Indofood CBP Sukses Makmur, Tbk for 5 years. The highest sales growth value is found in the second quarter 2016 report data of 1.04 and the lowest value is found in the 2017 first quarter report data of -0.73.

b. Tas Assessment on PT Indofood CBP Sukses Makmur Tbk.

Based on Law number 28 of 2007 article 1 paragraph 1, tax is a mandatory contribution to the state owed by an individual or entity that is coercive under the law, without causing direct compensation and is used for the needs of the state for the greatest prosperity. Tax is a mandatory contribution for individuals or entities (companies) that must be paid to the state. However, the owners of capital are reluctant to sacrifice some of the profits obtained from the company's operating results. The owners of the company also cannot completely avoid their obligation to pay taxes, but can only reduce the amount of tax paid without any implications of tax refunds or tax underpayments.

Assessment of taxes at PT. Indofood CBP Sukses Makmur, Tbk is done by calculating the CETR. This calculation is carried out to find out how much tax avoidance acts by companies during 2016-2020 based on quarterly reports, and the results are shown in the following table,

Table 3. Tax Avoidance Calculation Results (CETR)

Year	Quarter			
	I	II	III	IV
2016	0,11	0,22	0,27	0,31
2017	0,11	0,28	0,3	0,36
2018	0,14	0,25	0,28	0,31
2019	0,14	0,19	0,19	0,22
2020	0,08	0,23	0,2	0,17

Source: Data Processed

Table 3 explains the value of the Cash Effective Tax Rate (CETR) in the quarterly financial statements of PT. Indofood CBP Sukses Makmur, Tbk for 5 years. The higher the CETR value (the closer to 1), the lower the tax avoidance that is carried out. On the other hand, the smaller the CETR value (the closer to 0), the greater the tax avoidance that has been carried out. The biggest tax avoidance by the company was in the first quarter of 2020, which was at a CETR value of 0.08. While the highest CETR value is found in the fourth quarter 2017 report data of 0.36, meaning that this year tax avoidance has slightly decreased. The results of the assessment show that the CETR value is close to 0, and is classified as very small, which means that the tax avoidance actions taken by the company in the period concerned are quite large. This concludes that Indofood companies have evaded tax during the period 2016 to 2020.

c. The Effect of Profitability and Sales Growth on Tax Avoidance

4.3.1 Classic Assumption Test Results

a. Normality Test

The results of the normality test in this study can be seen in the following table:

Table 4. Normality Test Result

	One Sample Kolmogorov-Smirnov Test
N	20
Test Statistic	0,112
Asymp. Sig. (2 tailed)	0,200[c,d]

Source: Data Processed

Based on the results of the normality test in table 4, it can be seen that the Kolmogorov-Smirnov value is 0.200 greater than 0.05. This means that the data is normally distributed.

b. Multicollinearity Test

The results of the multicollinearity test in this study can be seen in the following table:

Table 5. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
Profitability	,841	1,190
Sales Growth	,841	1,190

Source: Data Processed

Based on table 5, it can be seen that the profitability and sales growth variables have a tolerance value of 0.841 which is greater than 0.1 and a VIF value of 1.190 is smaller than 10, so it can be concluded that there is no multicolonearity disorder between independent variables in this study.

c. Linearity and Heteroscedasticity Test

The results of linearity and heteroscedasticity tests in this study can be seen in the following figure:

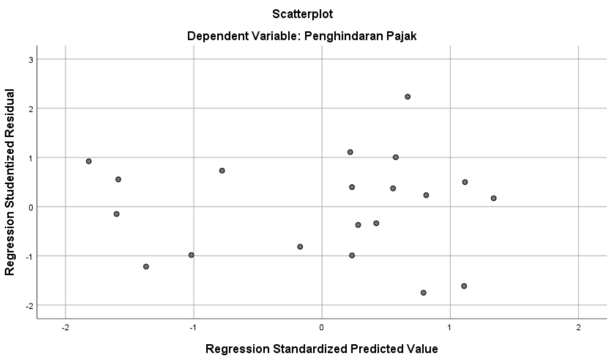


Figure 3. Heteroscedasticity Test Results

Based on the scatterplot image above, it can be seen that the points spread randomly and are spread both above and below the number 0 on the Y axis. This shows that the data is linear data and there is no heteroscedasticity in the regression model, so the regression model is feasible to use to predict tax avoidance based on the input of the independent variables (profitability and sales growth).

d. Autocorrelation Test

The results of the autocorrelation test in this study can be seen in the following table:

Table 6. Autocorrelation Test Results

Runs Test	
	Unstandardized Residual
Test Value[a]	,00869
Asymp. Sig. (2-tailed)	,491

Source: Data Processed

Based on table 6, the results of the run test show a test value of 0.00869 with an Asymp.Sig (2-tailed) of 0.491 this value is above 0.05 so it can be concluded that the data in this study is random or there is no autocorrelation between residual values.

4.3.2 Regression Results and Discussion

The regression results are shown in the following table,

Table 7. Regression Result

	Coefficient B
(Constant)	,091*
Profitability	1,420*
Sales Growth	,044*

*Description: * significant at α=0,05*

The results of multiple linear regression show that profitability and sales growth have a significant positive effect on tax avoidance. Novriyanti (2020) has conducted a similar study with a sample of 240 companies using panel data regression analysis techniques. The results of his research show that profitability also has a positive effect on tax avoidance, and leverage has a negative effect. While the size of the company, the intensity of fixed assets and sales growth do not affect tax avoidance. Deanna (2017) also conducted a similar study using multiple regression analysis techniques which stated that company size, ROA and sales growth had an effect on tax avoidance. Meanwhile, leverage, capital intensity and composition of independent commissioners have no effect, Wahyuni (2019) produced research with different results. The data processing technique uses Multiple Linear Regression analysis. The results of the study conclude that firm size has a negative effect on tax avoidance, while leverage and return on assets have no effect on tax avoidance. This research with

previous research has similarities where one of the variables raised is ROA. Meanwhile, the difference between this research and the previous one is seen in the model that was built. The model in this study only uses 2 exogenous variables, namely profitability (ROA) and sales growth.
The multiple linear regression equation model in this study is as follows:

Tax Avoidance = 0,091 + 1,420 Profit+ 0,044 *Sales Growth*

The regression equation above shows that the constant of 0.091 means that if the Profitability (X_1) and Sales Growth (X_2) the value is 0 or fixed, the Tax Avoidance (Y) value is 0.091. effect on tax avoidance. Based on the results of the coefficient of determination test, the value of R Square is 0.672, which means the ability of the independent variable to explain the dependent variable in this research model is 67.2% while 32.8% is influenced by other variables outside the model.

Profitability b1 coefficient has a positive value of 1.420 which is assumed for every increase in Profitability of 1 then Tax Avoidance will increase by 142%. The coefficient results are positive indicating that if Profitability increases, Tax Avoidance will also increase.

The coefficient b2 Sales Growth is a positive value of 0.044 which is assumed for every change in Sales Growth of 1 then Tax Avoidance will increase by 4.4%. The coefficient results are positive indicating that if Sales Growth has increased the Tax Avoidance will also increase. The pattern of both can be seen from the following figure,

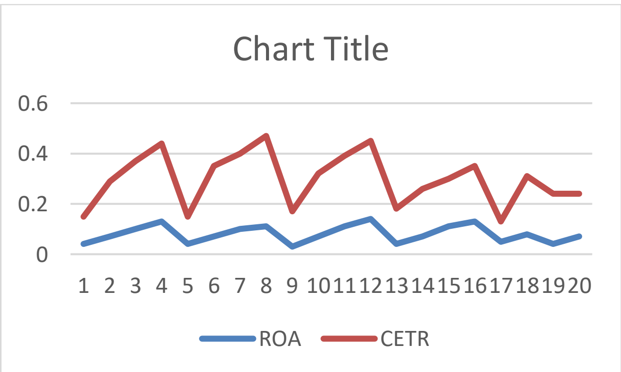


Figure 4. Fluctuation Graph of ROA and CETR

If it is observed from the results, the effect of profitability on tax avoidance at Indofood is greater than the effect of sales growth. Profitability in this study is measured by ROA where the profit after tax data is divided by total assets. The greater the value of profit after tax, the greater the value of ROA. This shows that the amount of profit after tax greatly affects the company's desire to avoid taxes. This argument is reinforced by Figure 3 which shows the similarity of the pattern between the fluctuations in ROA and CETR.

Likewise, sales growth is able to positively affect tax avoidance by 4% even though it is relatively small. Sales growth is obtained from the difference in sales from the two periods divided by the first period, which shows that the greater the difference in sales, the greater the value of sales growth. The increase in the difference in sales between the two periods also had a significant effect on Indofood's tax avoidance behavior. This is reinforced by fluctuations that form the same pattern between sales growth and CETR as shown in the following figure,

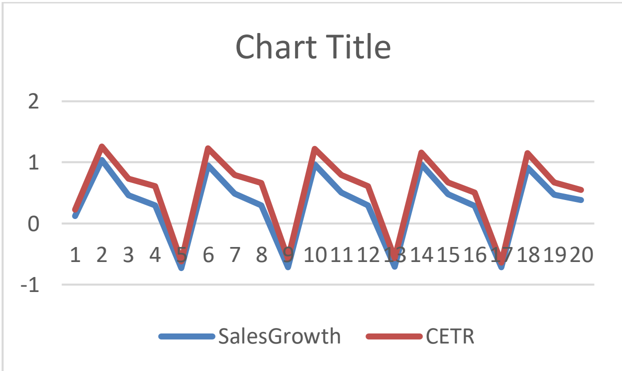


Figure 5. Graph of Sales Growth and CETR . Fluctuations

The picture above concludes that the movement of tax avoidance behavior is the same as the movement that occurs in sales growth. The two figures above 3 and 4 clearly show that the effect of ROA on tax avoidance is much greater. The magnitude of the ROA effect can be seen from the CETR pattern which follows the ROA pattern where the increase in the pattern is much higher than in Figure 4.

The results of the simultaneous regression hypothesis test (F test) the effect of profitability and sales growth on tax avoidance at PT. Indofood CBP Sukses Makmur Tbk are as follows,

Table 8. F Test of the Effect of Profitability and Sales Growth on Tax Avoidance

Model	F	Sig.
regression	17,447	0,000

Source: Data Processed

Based on the results of the F test analysis above, it is known that the F_{count} value is 17.447 while the F_{table} value is 3.592 which is obtained from the F distribution table with a significance level of 5% or 0.05 so that the $F_{count} > F_{table}$ value is 17.447> 3.592 with a significance value of 0.000 less than probability 0.05 (0.000 < 0.05), then H_0 is accepted which means Profitability and Sales Growth significantly affect tax avoidance.

5. CONCLUSION

The results of the analysis show that, Return On Assets (ROA) and sales growth in the quarterly financial statements of PT. Indofood CBP Sukses Makmur Tbk for 5 years fluctuated with almost the same pattern every year. The highest ROA value occurred in the fourth quarter of 2018 and the lowest in the first quarter of 2018. Meanwhile, the highest sales growth value occurred in the second quarter of 2016 and the lowest was in the first quarter of 2017. The tax assessment conducted with the CETR shows a fairly small value, which is close to 0, which means that the tax avoidance that occurs is quite large. The largest tax evasion by companies occurred in the first quarter of 2020. In contrast, the smallest tax avoidance occurred in the fourth quarter of 2017. Profitability and sales growth proved to have a positive effect on PT Indofood CBP Sukses Makmur Tbk's tax avoidance. The influence of profitability is much greater in influencing the behavior of companies to avoid taxes compared to sales growth.

6. IMPLICATIONS AND LIMITATIONS

This research can provide insight for academics about the effect of profitability and sales growth on tax avoidance. The higher level of company profitability due to increased sales can affect the high level of tax avoidance. Companies will prefer to carry out tax reduction efforts through tax avoidance while still complying with the provisions of tax regulations. The limitation of this research is that the model built only uses 2 exogenous variables, namely profitability and sales growth. Future researchers are expected to be able to develop this research by adding other exogenous variables in the model.

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