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Analysis of Corporate Social Responsibility and Good Corporate Governance to Tax Aggressiveness

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Abstract

This study aims to examine and analyze the impact of Corporate Social Responsibility and Corporate Governance on tax aggressiveness. The dependent variable used is tax aggressiveness which is measured by using effective tax rate (ETR). The independent variable used in this research is Corporate Social Responsibility which is measured by using Corporate Social Responsibility Disclosure Index (CSDI) and Corporate Governance as measured by Corporate Governance Perception Index (CGPI). The population in this study is a company listed on the Indonesia Stock Exchange and included in CGPI year 2012-2016.The sample of this research was chosen by purposive sampling method. Hypothesis testing uses multiple regression analysis with t-test, f and coefficient of determination. Based on the results of research on multiple linear regression it is known that Corporate Governance has no significant effect on tax aggressiveness, while CSR has a significant effect on tax aggressiveness.

Key words Corporate Social Responsibility, Corporate Governance, Tax Aggressiveness

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1. Introduction

Taxes have a very important contribution. Income from the tax sector is the main source of the Government using funds from this sector for sustainable development to improve people's welfare. Because taxes are an important instrument for the state and society as taxpayers, the levied provisions are stipulated in the 1945 Amendment III Act article 23A. In article 23A of the 1945 Constitution reads "taxes and other levies that are forced for state purposes are regulated by law". Therefore the level of tax compliance in carrying out its tax obligations properly and correctly is an absolute requirement for the achievement of the revenue redistribution function. (http://www.pajak.go.id).

In fact, the implementation of tax collection by the government is not always welcomed by taxpayers, especially companies, who always try to pay taxes as low as possible because the tax will reduce the company's income or net income. This difference in interests causes the objectives of the company as a taxpayer to conflict with the government's goal to maximize revenue from the tax sector.

The company as one of the taxpayers has an obligation to pay taxes whose amount is calculated from the net income earned. The greater the tax paid by the company, the more state revenues. But on the contrary for the company, tax is a burden which will reduce net income. The aim of the government to maximize revenue from the tax sector is contrary to the objectives of the company as taxpayer, where the company tries to streamline the tax burden a thus gaining greater profits in order to prosper the owner and continue the survival of his company (Yoehana, 2013).

Aggressive tax actions do not always start from the behavior of non-compliance with tax regulations, but also from tax savings that are carried out in accordance with regulations. The more companies take advantage of regulatory loopholes to save the tax burden, the company is considered to have carried out tax aggressiveness even though these actions do not violate existing regulations (Bey, 2016).

The phenomenon of tax avoidance in Indonesia can be seen from Indonesia's tax ratio, namely the ratio of taxes to gross domestic product (GDP). This ratio shows the ability of the government to collect tax revenues or re-absorb Gross Domestic Product from the community in the form of taxes. As shown in figure 1 below.

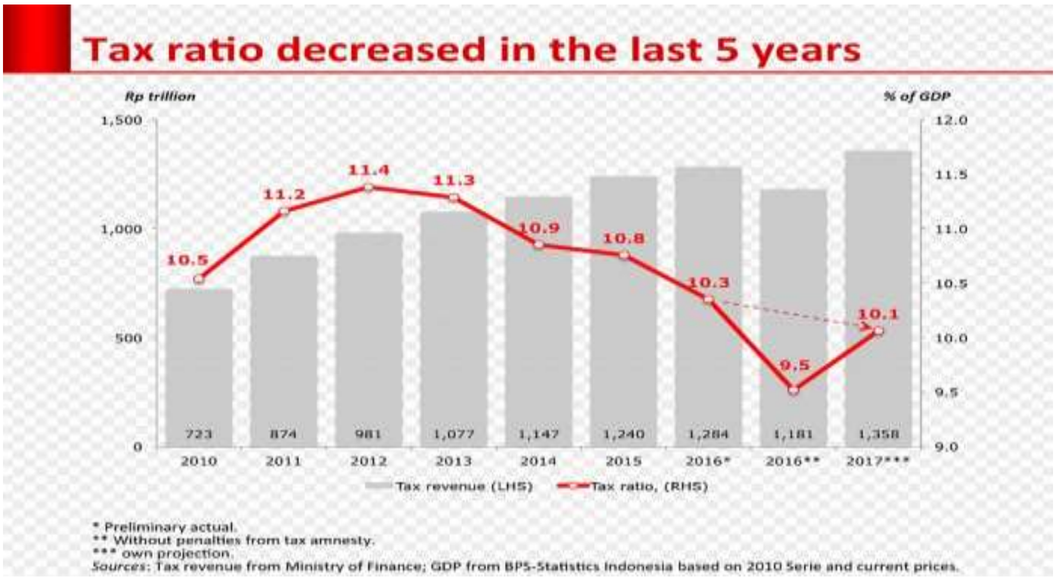

Figure 1. Tax Rasio in year 2010 -2017

In the figure above, it can be seen that the tax ratio tends to decline since 2012. Although the tax ratio is not the only indicator used to measure tax performance, until now the tax ratio has become a measure that is considered to provide a general picture of the state of taxation.

According to Finance Minister Sri Mulyani, Indonesia's tax ratio is at the level of 11%. This ratio is the lowest ratio in the world. In Indonesia around 70% of revenue is generated from taxes. Public compliance and awareness of taxes are needed to Indonesia’s advances. (http://beritasatu.com/home/penerimaan-pajak-2017/161467).

Actions taken by aggressive tax companies can change people's perceptions to be negative. This is because the company is burdened with corporate social responsibility or CSR which will have a negative impact on the eyes of the public if the company does not carry out its responsibilities where the company acts as a moral agent in a community (Sagala, 2015).

The obligation to implement CSR of a company is regulated in the Law of the Republic of Indonesia Number 40 of 2007 concerning Limited Liability Companies. In Law No. 40 of 2007 CHAPTER V article 74 paragraph 1 concerning responsibility and environment reads "The company that carries out its business activities in the field of and or related to natural resources must carry out social and environmental responsibilities". Then it was clarified again in the Government Regulation of the Republic of Indonesia Number 47 of 2012 concerning Social Responsibility and Environmental Limited Liability Company Article 2 which reads "Every Company as a legal subject has social and environmental responsibility".

The disclosure link between Corporate Social Responsibility and tax aggressiveness lies in the company's main goal to obtain maximum profit without eliminating social and environmental responsibility, so the greater the profit the company gets, the greater the taxable income. But according to

Freise *et al.* (2008) in Jessica and Toly (2015) when companies carry out tax aggressiveness, they are generally considered not to pay the real tax burden for the country's development.

Good Corporate Governance in a company is very important as one of the processes to maintain the company's business continuity in the long term that prioritizes the interests of shareholders and stakeholders (https://www.jasaraharja.co.id/tata- manage/destination). Corporate governance is corporate governance that can explain the relationship between various parties within the company which can then determine the direction of the company's performance(Roy Budiharjo, 2019). Good corporate governance with tax aggressiveness is related, because companies are taxpayers and the rules of the structure of Good Corporate Governance affect the way a company fulfills its tax obligations, but on the other hand tax planning depends on the dynamics of Good Corporate Governance in a company (Friese *et al.*, 2006).

The relationship between Corporate Social Responsibility and tax aggressiveness has been studied by several researchers. Research on tax aggressiveness in Indonesia has been carried out by Pradipta and Supriyadi (2015), the results of the study indicate CSR has a positive effect on tax avoidance, similar to Lanis and Richardson (2013), where the results of his research show that tax aggressiveness has a positive effect on CSR. Different results are shown from the results of the research of Winarsih (2014) and Jessica and Toly (2015) which revealed that Corporate Social Responsibility had no effect on the company's aggressive tax actions. Research that relationship of Good Corporate Governance with acts of tax aggressiveness has been investigated by Fahriani and Maswar (2016). This research is motivated from previous studies which only examined separately between Corporate Governance and Corporate Social Responsibility on Tax Aggressiveness. This study also tries to continue previous research by measuring Corporate Governance using the Corporate Governance Perception Index (CGPI) conducted by the Indonesian Institute for Corporate Governance (IICG) in the hope of producing more comprehensive results. Thus, this study aims to determine how the influence of Corporate Governance and Corporate Social Responsibility on Tax Aggressiveness.

2. Literature review

2.1. Stakeholder Theory

The definition of stakeholders according to Freeman (1983) is an individual or group that can influence and or be influenced by the organization as a result of its activities. The stakeholder concept was first developed by Freeman (1983), to explain corporate behavior and social performance. Stakeholder theory deals with the concept of corporate social responsibility where the survival of the company is affected by its stakeholders. The responsibility of the company is not only limited to obtaining profits and interests of shareholders, but also must pay attention to the community, customers and suppliers as part of the company's own operations. This theory explains the importance of companies to satisfy the desires of stakeholders (Bey, 2016).

2.2. Agency Theory

Agency theory is the basis for understanding the influence of the implementation of Good Corporate Governance on tax aggressiveness actions and is closely related to accounting research. Agency theory is introduced by Jensen and Meckling (1976) wherein this theory assumes that each individual involved in the contract aims to maximize their own interests.

2.3. Legitimacy Theory

Legitimacy theory is a company management system that is oriented towards alignments with society (society), government, individuals, and community groups (Gray *et al.*, 1995). This theory explains the existence of social contracts that occur between companies and communities where companies operate and use economic resources.

2.4.Tax Aggressiveness

According to Frank *et al.* (2009) in his paper defines tax aggressiveness as an action that creates an engineering tax burden or tax that is paid by reducing taxable income through tax planning using either legal methods (tax avoidance) or by illegal means (tax evasion). This action provides a big advantage for the company but will have a negative impact on the state income from the tax sector. The action of tax aggressiveness can take any form as long as the company's tax burden becomes lower than it should be (Hidayat, 2016). This study uses the Effective Tax Rate (ETR) proxy in measuring tax aggressiveness, because the ETR proxy is the proxy most widely used in the literature and previous research. A low value from ETR can be an indicator of tax aggressiveness. So it is expected that Effective Tax Rate (ETR) proxy can identify a company to do aggressiveness or not. ETR proxy can be calculated from:

$$\text{Effective Tax Rate (ETR)} = \frac{\textbf{Tax Expense}}{\textit{Earnings before tax}} \quad (1)$$

2.5. Corporate Social Responsibility

According to the World Business Council in Sustainable Development, CSR is defined as the company's ongoing commitment to behave ethically and contribute to sustainable economic development and improve the quality of life for employees and their families, local communities and society. CSR is a collection of policies and practices that relate to stakeholders, values that are in accordance with legal regulations, respect for society and the environment and commitment of the business community to contribute to sustainable development (Kartika, 2013).

2.6. Disclosure Corporate Social Responsibility

In general, companies in Indonesia use the GRI (Global Reporting Initiative) concept as the basis for preparing Corporate Social Responsibility reports. By using this concept, it is expected that more items can identify things related to disclosure of Corporate Social Responsibility companies in Indonesia.

The Global Reporting Initiative (GRI) revises guidelines for sustainability reports in a certain period of time and generally uses specific naming or coding. Global Reporting Initiative G2 or version 2 was published in 2002. Then the Global Reporting Initiative G3 or version 3 was published in 2006, the G3.1 Global Reporting Initiative in 2011. The latest Global Reporting Initiative, G4 or version 4, was launched on May 22, 2013 in Amsterdam, the Netherlands. (https://www.tempo.co/read/kolom/2013/06/05/735/ reporting-sustainability-and-indonesia)

To identify matters relating to disclosure of Corporate Social Responsibility, this research is based on the G4 (Global Reporting Initiative) standard G4. with the number of items as many as 91 items consisting of economic categories (9 items), environmental categories (34 items), social categories sub-categories of employment practices and work convenience (16 items), social categories sub-categories of human rights (12 items) , social categories of sub-categories of society (11 items), and social categories sub-categories of responsibility for products (9 items). For 2012, researchers used the GRI G3.1 standard with 84 items. This is because the standard that applies in 2012 is G3.1 which applies from 2011 to 2012.

In this study the proxy for measuring Corporate Social Responsibility Disclosure is using the Corporate Social Responsibility Disclosure Index (CSDI). The formula that can be used to calculate CSDI as follows:

$$CSDI = (\sum Xyi)/n \quad \text{Bey (2016)} \quad (2)$$

Where:
CSDI: a broad index of corporate social and environmental responsibility disclosures.
∑Xyi: value 1 = if item y is expressed; value 0 = if item yi is not disclosed.
n: number of items for the company, n ≤ 91

2.7. Good Corporate Governance

The Indonesian Institute for Corporate Governance (2012) defines Good Corporate Governance as a structure, system and process used by corporate organs as a process and structure of efforts to provide sustainable value added to the company in the long term while taking into account the interests of other stakeholders based on norms, ethics, applicable culture and rules. The benefits of implementing Good Corporate Governance are, maintaining the sustainability of the company, increasing company value and market trust, reducing agency cost and cost of capital, increasing performance, efficiency and service to

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stakeholders, protecting organs from political intervention and lawsuits, and helping to create good corporate citizen (The Indonesian Institute for Corporate Governance, 2012).

2.8. Corporate Governance Perception Index

The Corporate Governance Perception Index (CGPI) is a program organized by the Indonesian Institute for Corporate Governance (IICG) in collaboration with SWA Magazine as an annual routine program since 2001.

3. Conceptual and Hypotheses Development

The relationship between the company and the community environment is through corporate social responsibility (Corporate Social Responsibility), which will later create a good image for the company.

Disclosure of Corporate Social Responsibility is needed by companies as a form of reciprocity to the community, because in carrying out its operational activities it cannot be separated from the surrounding community environment. According to Lanis and Richardson (2013) the view of the public regarding companies that commit acts of aggressiveness is considered to have formed an activity that is not socially responsible and illegal. Indirectly these actions can change people's perceptions of the company to be negative if the company does not carry out its responsibilities as expected by the community.

Good Corporate Governance is also an effort to control tax aggressiveness because it can oversee the management of the company by management, including in terms of corporate tax policies. In terms of improving company performance and to maximize returns to shareholders, managers take more aggressive actions if the quality of the company's Good Corporate Governance is still poor (Bey, 2016).

3.1. Effect of Corporate Social Responsibility Disclosures on Tax Aggressiveness Measures

Companies that have a high level of tax aggressiveness will disclose information on Corporate Social Responsibility greater because the corporate tax burden that should have been spent is shifted to the burden of Corporate Social Responsibility (Octaviana, 2014). The sensitivity of tax aggressiveness influences CSR disclosure (Rini *et al.*, 2015). Likewise, the research of Lanis and Richardson (2013), Pradipta and Supriyadi (2015) which showed significant results between CSR disclosure and tax aggressiveness. This means that companies that carry out aggressive tax actions carry out broader CSR disclosures than companies that do not carry out tax aggressiveness.

3.2. Effect of the Implementation of Good Corporate Governance on Measures of Tax Aggressiveness

With the existence of good corporate governance, the community can assess whether the company is obedient in paying taxes or not, and whether the company also does tax deviations or not. In terms of improving company performance and to maximize returns to shareholders, managers take more aggressive actions if the quality of the company's Good Corporate Governance is still poor (Bey, 2016). The better the Corporate Governance, the more the company will reduce its aggressive tax actions. Likewise stated in the study (Timothy, 2010) that Corporate Governance influences tax aggressiveness.

Based on the theoretical foundation and previous research, this study uses the dependent variable (Y) tax aggressiveness while the independent variable is the disclosure of Corporate Social Responsibility (X1) and the application of Corporate Governance (X2). The thought framework is described as follows:

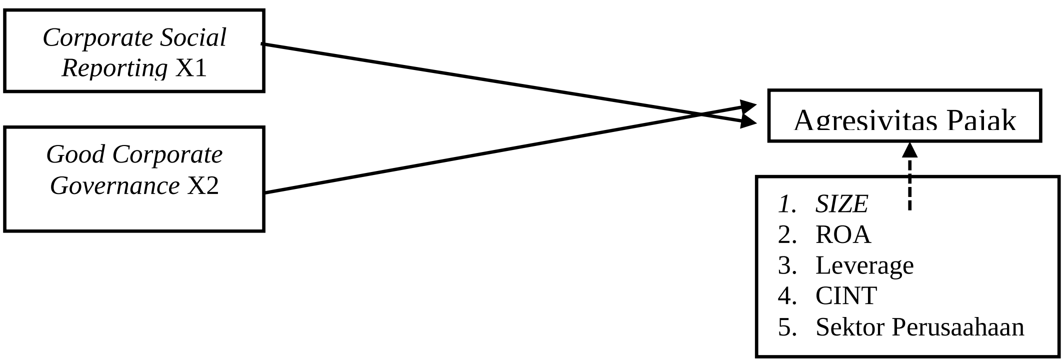

Figure 2. Conceptual Framework

3.3. Hypothesis

Based on theoretical studies, previous relevant research and the framework of the above thinking, the hypotheses presented in this study are as follows:

H1: Corporate Social Responsibility has a significant effect on Corporate Tax Aggressiveness
H2: Corporate Governance has a significant effect on Corporate Tax Aggressiveness

4. Methodology of research

This type of research is causal research, namely research that aims to test hypotheses about the effect of one or several variables on other variables. The population in this study is companies listed on the Indonesia Stock Exchange (IDX) and companies that follow the CGPI by the Indonesian Institute for Corporate Governance (IICG) for the period 2012-2016 documented in www.idx.co.id, the results of CGPI research by IICG. The selection of a sample of 20 companies was carried out by purposive judgment method. In addition, the data analysis technique uses multiple linear regression analysis with the help of SPSS version 21.0 software.

The research variables used consisted of dependent, independent, and control variables. The dependent variable in this study is tax aggressiveness, the independent variables are disclosure of corporate social responsibility and Implementation of Good Corporate Governance and as a control variable firm size (SIZE), ROA, DAR, Capital Intensity (CINT) and the Corporate Sector. Operational variables used by researchers are as follows:

Table 1. Operational Variabel

No	Variable		Measurement	Scale
1	ETR	Dependen	$\frac{\text{Tax Expense}}{\text{Earnings Before Tax}}$	Ratio
2	CSDI	Independen	$\frac{\Sigma Xyi}{n}$	Ratio
3	CGPI	Independen	Index CGPI	Ratio
4	SIZE		Ln (total asset)	Ratio
5	ROA	Control	$\frac{\text{Earnings Before Interest (EBIT)}}{\text{Total Asset}}$	Ratio
6	DAR	Control	$\frac{\text{Total Liabilities}}{\text{Total Assets}}$	Ratio
7	CINT	Control	$\frac{\text{Total Net of Fixed Assets}}{\text{Total assets}}$	Ratio
8	Company Sector	Control	Financial – non Financial	Nominal

The analytical method used in this study is to first perform a classic assumption test with four tests of normality test, autocorrelation test, multicollinearity test and heteroscedasticity test. The hypothesis testing are using the coefficient of determination test (R2), F statistical test and statistical test t. This study uses multiple linear regression research method that describes the relationship of several variables, so that a variable can be predicted from other variables. The multiple regression equation for testing the hypothesis in this study is formulated by:

$$ETRt = \alpha_0 + \beta_1 \, CSDIt + \beta_2 \, CGPIt + \beta_3 \, \mathit{SIZE}t + \beta_4 \, ROAt + \beta_5 \, DERt + \beta_6 CINTt + \beta_6 SEKTORt + e \quad (3)$$

Where:
ETRt : Actions of corporate tax aggressiveness that are measured using year ETR proxy
α0 : Constants
β1-5: Regression coefficient
CSDIt: t-year Corporate Social Responsibility Disclosure Index
CGPIt: t-year Corporate Governance Perception Index
SIZEt: Total assets of the t-year company

ROAt: The company's profitability is measured using the t-year Return on Assets (ROA) proxy
DER: Total liabilities to total t-year Equity
CINTt: Capital Intensity year t
SECTOR: financial and non-financial are measured nominal
E: error (interfering error)

5. Results and Discussions

5.1. Results

Table 2. F-Test

ANOVA[a]

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	,137	7	,020	2,826	,013[b]
	Residual	,422	61	,007		
	Total	,558	68			

a. Dependent Variable: ETR
b. Predictors: (Constant), SEKTOR, CSDI, CGPI, CINT, ROA, SIZE, DAR

Based on the F test table above, it shows a significance value of 0.013 <0.05, this indicates that all independent variables and control variables together have a significant effect on the dependent variable.

Table 3. Hasil T-Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,112	,343		-,328	,744
	CSDI	,130	,058	,307	2,231	,029
	CGPI	,001	,003	,064	,366	,715
	SIZE	,007	,011	,168	,663	,510
	ROA	-,953	,261	-,723	-3,651	,001
	CINT	,072	,064	,188	1,124	,265
	DAR	-,115	,122	-,287	-,946	,348
	SEKTOR	,069	,052	,385	1,320	,192

a. Dependent Variable: ETR

Based on the table above, shows that:

a. The CSDI variable has a significance value (α) of 0.029 because the significance value is 0.029 <0.05, then the independent variable CSDI has a positive effect on the Act of Tax Aggressiveness through ETR.

b. CGPI variable has a significance value (α) of 0.715> 0.05, meaning that the independent variable CGPI has no significant effect on Tax Aggressiveness Measures through ETR.

c. Size control variable has a significance value (α) of 0.510 <0.05, meaning that the size control variable has no significant effect on Tax Aggressiveness Measures through ETR.

d. The ROA control variable has a significance value (α) of 0.001 <0.05, meaning that the ROA control variable has a significant negative effect on Tax Aggressiveness Measures through ETR.

e. The CINT control variable has a significance value (α) of 0.265> 0.05, meaning that the CINT control variable has no significant effect on Tax Aggressiveness Measures through ETR.

f. Leverage control variable has a significance value (α) of 0.348> 0.05, meaning that the Leverage control variable has no significant effect on Tax Aggressiveness Measures through ETR.

g. Sector control variables have a significance value (α) of 0.192> 0.05, meaning that the Sector control variable has no significant effect on Tax Aggressiveness Measures through ETR.

Multiple Regression Analysis

Based on the results of the above calculations, the regression coefficient results can be interpreted as follows:

ETR = -0,112 + 0,130 CSDI + 0,001 CGPI + 0,007 *SIZE* - 0,953 ROA + 0,072 CINT - 0,115 DAR + 0,069 SEKTOR + e

The multiple linear regression equation above shows the constant value (α) of -0,112. This explains that if all the independent variables and control variables are considered constant, then the tax aggressiveness is -0,112. The results of this regression test are also meaningful as follows:

a. The regression coefficient (β1) Corporate Social Responsibility Disclosure Index of 0.0130 means that if there is a 1 point increase in CSDI and the other variable is considered zero, it will add an ETR value of 0.130.

b. Regression coefficient (β2) CGPI is 0.001 means that if there is a 1 point increase in CGPI and the other variable is considered zero, it will add an ETR value of 0.0130.

c. The regression coefficient (β3) SIZE is 0.007, meaning that if there is an increase of 1 SIZE point and the other variable is considered zero, then it will add an ETR value of 0.007.

d. The coefficient value (β4) ROA is -0953 means that if there is an increase of 1 ROA point and the other variable is considered zero, then the ETR value is -0,015

e. CINT (β5) coefficient value of 0.072 means that if there is an increase of 1 CINT point and the other variable is considered zero, it will add an ETR value of 0.072.

f. Regression coefficient (β6) LEVERAGE -0.115, means that if there is an increase of 1 point LEVERAGE and the other variable is considered zero, then the ETR value is -0.115.

g. The regression coefficient (β7) SECTOR is 0.069, meaning that if there is an increase of 1 SECTOR point and the other variable is considered zero, then the ETR value will increase by 0.069.

5.2. Discussions

The effect of Corporate Social Responsibility disclosures on Tax Aggressiveness Measures

In this study the first hypothesis proposed states that Disclosure of Corporate Social Responsibility has a positive effect on Actions of Tax Aggressiveness. Based on the results of these tests indicate that CSR has a positive effect on tax avoidance. Which means that the higher the level of CSR disclosure of a company, the higher the level of corporate tax avoidance. This illustrates that companies that disclose CSR in their annual reports still carry out tax avoidance measures. CSR which should be an obligation for companies still assume that CSR is a burden not as part of community development (Rusydi and Veronica, 2014). Rusydi and Veronica (2014) also explained that the company that had stated that it had carried out CSR activities, in fact many were involved in the problem of criminal taxation in this case tax evasion as well as the case of PT. Asian Agri which provides scholarships through the Tanoto Foundation turned out to carry out tax avoidance measures through transfer pricing. The results of this study are inversely proportional to the researcher Nyoman and Naniek (2017) which result that CSR has a negative effect on tax aggressiveness.

The Influence of the Implementation of Good Corporate Governance on Actions of Tax Aggressiveness

In this study the second hypothesis proposed states that the Implementation of Good Corporate Governance has no significant effect on the Act of Tax Aggressiveness. This can be caused because the fulfillment of governance terms and principles is only considered as a mandatory, which is merely fulfilling the laws and regulations in Indonesia.

According to Juniati (2017), based on the results of the study, companies in Indonesia have started to implement the ASEAN CG scorecard but many companies have not disclosed information regarding the results of CG assessments with the ASEAN CG scorecard in detail according to the principles developed by the OECD both in the Annual Report and presented on the company's website. This shows that companies still assume that the application of CG is still limited to documentation. Supposedly, a good implementation of CG will have a significant impact in increasing the value of the company to attract investors and provide a positive perception for the public. Thus it can be concluded that not only the application is important but the results of the assessment and other important information must also be presented in the annual report and company website so that the company can have good added value in the eyes of investors, and other stakeholders.

Effect of Control Variables on Dependent Variables

Based on the results of the test it was found that the effect of the Company Size control variable had no significant effect on the Tax Aggressiveness Act. According to Liana, Yanti and Viriany (2018), these results indicate that there is a possibility that medium and small companies also carry out tax aggressiveness, so not only large companies do it. This is because tax is still considered a burden both for the company and by individuals. Based on the test results, the Profitability control variable negatively affects the Profitability Tax Aggressiveness Act describes the company's ability to earn profits. According to Putu and Ery (2016), companies with high profitability will be more obedient in paying taxes because the company has no difficulty in fulfilling its obligations, whether it is an obligation to investors, to creditors, or to the government, namely paying taxes. Companies with low profitability will have a high possibility of disobeying paying taxes. This is because companies with low profitability will choose to maintain the financial condition and assets of the company rather than paying taxes, so the company becomes aggressive towards taxes.

The results of this study are in accordance with Agusti's research (2014), which proves that there is a negative relationship between the ability to generate corporate profits and corporate tax aggressiveness. If the company's ability to generate profits increases, then the company's operating profit will also increase and the amount of tax paid by the company also increases. This gives a reason for companies to be aggressive towards taxes because taxes are considered as costs by the company. This shows that profitability has an effect on tax aggressiveness, but if profits increase and the tax aggressiveness decreases this is because the company is honest in paying and reporting taxes and does not take efficiency measures in paying taxes. The influence of the Capital Intensity control variable on Tax Aggressiveness in this study shows that Capital Intensity has no significant effect on Tax Aggressiveness Measures. Capital intensity describes how much the company's assets are invested in the form of fixed assets. The higher the capital intensity, the higher the aggressiveness of the tax will be due to the depreciation costs of fixed assets which reduce the deductible expense.

The results of this study indicate that the leverage proxy by DAR is not significant effect, which means that between the leverage variable and tax aggressiveness does not have a significant relationship between the two, although the results show a negative relationship which means that the increase in interest costs will be associated with increased tax cost. The company uses the debt obtained for investment purposes so as to generate income outside the company's business. This make the profits obtained by the company rise and affect the increase in tax burden borne by the company. The classification of the corporate sector is intended to distinguish between the financial and non-financial sectors because of the different regulations between the two sectors. Based on the results of the testing of the Company Sector there is no significant effect on ETR. This shows that companies in the financial and non-financial sectors both have the opportunity to carry out tax aggressiveness.

6. Conclusions

Based on the formulation of the problem, objectives, theoretical basis, hypothesis, and the results of the tests performed, it can be concluded as follows:

1. Corporate Governance as measured by the Corporate Governance Perception index has a significant effect on Tax Aggressiveness Measures. The results of this study prove the proposed hypothesis.

2. Implementation of Good Corporate Governance has no significant effect on Tax Aggressiveness Acts. The findings of this study do not support the proposed hypothesis. This shows that the implementation of Good Corporate Governance as measured by the CGPI proxy does not determine the extent of the Tax Aggressiveness Act taken by the company.

3. Company Size, Capital Intensity, Leverage and Company Sectors have no significant effect on Tax Aggressiveness Measures while Profitability has a significant effect on Tax Aggressiveness Measures.

7. Suggestions

Based on the conclusions above, the suggestions that can be conveyed by researchers are as follows:

1. Measurements for Corporate Social Responsibility using the checklist method so that researchers possess weaknesses in the subjectivity of researchers, therefore for further research can use other methods such as observation and direct interviews with sample companies related to the measurement of Corporate Social Responsibility Disclosures.
2. The results of this study show adjusted R2 value of 15.8%, thus for the next researcher can develop other variables other than Corporate Governance and Corporate Social Responsibility that can affect the behavior of a company's Tax Aggressiveness.
3. This research uses an issuer company that follows the Corporate Governance Perception Index and is listed on the Indonesia Stock Exchange. It is hoped that the next researcher will also include listed companies outside the Indonesia Stock Exchange.
4. This research is limited to the use of ETR (Effective Tax Rate) proxy in measuring Tax Aggressiveness Measures. It is expected that the next researcher will add another proxy measure of tax aggressiveness measures to get more comprehensive results.

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