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DETERMINING TAX AVOIDANCE IN COMPANIES: AN EMPIRICAL TEST OF CAPITAL INTENSITY, LEVERAGE, AND TAX HAVEN UTILIZATION IN LQ45 INDEXED COMPANIES ON THE INDONESIA STOCK EXCHANGE IN 2022-2024

Hetti Herawati[1], Eksa Ikhsan Nuraliah[2], Muhammad Taofik Ismail[3]
[123]Sangga Buana YPKP University
Email: hetti.herawati@usbypkp.ac.id[1], eksaikhsann@gmail.com[2], muhammad.taofik@usbypkp.ac.id[3]
Alamat: Jl. PH.H. Mustofa No.68, Cikutra, Kec. Cibeunying Kidul, Kota Bandung, Jawa Barat 40124
Koresprodensi Penulis: hetti.herawati@usbypkp.ac.id

Abstrak

Penghindaran pajak merupakan salah satu persoalan dalam perpajakan perusahaan yang muncul dari perbedaan kepentingan antara perusahaan dan otoritas pajak. Bagi perusahaan, pajak dapat dipandang sebagai komponen biaya yang perlu dikelola untuk menjaga efisiensi keuangan, sedangkan bagi negara penerimaan pajak merupakan sumber penting dalam pembiayaan pembangunan. Kondisi tersebut dapat mendorong perusahaan menyusun strategi perpajakan dengan memanfaatkan ruang yang tersedia dalam ketentuan perpajakan. Penelitian ini bertujuan menganalisis pengaruh capital intensity, leverage, dan pemanfaatan tax haven terhadap tax avoidance pada perusahaan yang tergabung dalam indeks LQ45 di Bursa Efek Indonesia selama periode 2022–2024. Penelitian menggunakan pendekatan kuantitatif dengan desain deskriptif asosiatif. Dari total 58 perusahaan dalam populasi, sebanyak 38 perusahaan ditetapkan sebagai sampel berdasarkan kriteria purposive sampling. Pengujian hipotesis dilakukan menggunakan regresi data panel dengan bantuan perangkat lunak EViews 14. Hasil analisis menunjukkan bahwa capital intensity dan leverage secara parsial berpengaruh signifikan terhadap tax avoidance. Sebaliknya, pemanfaatan tax haven tidak menunjukkan pengaruh yang signifikan secara individual. Meskipun demikian, ketika diuji secara simultan, capital intensity, leverage, dan tax

haven terbukti secara bersama-sama berpengaruh signifikan terhadap tax avoidance. Hasil tersebut menunjukkan bahwa keputusan perusahaan dalam mengalokasikan investasi pada aset tetap serta menentukan sumber pendanaan berbasis utang memiliki keterkaitan dengan praktik penghindaran pajak. Sementara itu, keberadaan entitas perusahaan pada yurisdiksi tax haven tidak secara otomatis menunjukkan adanya praktik tax avoidance. Oleh karena itu, pemanfaatan tax haven perlu dipahami bersama dengan kondisi keuangan dan tata kelola perusahaan lainnya dalam mengidentifikasi praktik penghindaran pajak.

Kata Kunci: *Capital Intensity, Leverage, Tax Haven, Tax Avoidance, LQ45*

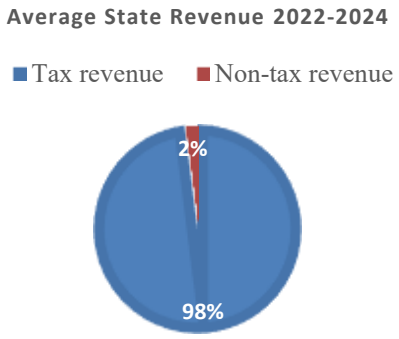
Abstract

Tax avoidance remains a significant issue in corporate taxation because companies generally seek to minimize tax expenditures, whereas tax authorities consider tax payments an essential source of public revenue. Differences in these interests may encourage firms to adopt tax planning strategies that exploit gaps within applicable tax regulations. This study investigates whether capital intensity, leverage, and tax haven utilization influence tax avoidance among firms included in the LQ45 Index on the Indonesia Stock Exchange over the 2022–2024 period. The research adopts a quantitative approach using a descriptive-associative design. From a population of 58 companies, 38 firms were selected as the research sample based on predetermined purposive sampling criteria. The hypotheses were examined through panel data regression using EViews 14. The empirical results demonstrate that capital intensity and leverage individually exert a significant effect on tax avoidance, whereas tax haven utilization does not show a statistically significant influence. When examined simultaneously, however, capital intensity, leverage, and tax haven utilization significantly affect tax avoidance. These findings imply that decisions concerning fixed-asset investment and debt financing are more closely associated with corporate tax avoidance behavior. Meanwhile, the existence of subsidiaries or entities in tax haven jurisdictions alone does not necessarily indicate that a company engages in tax avoidance. Therefore, tax haven utilization should be considered alongside other corporate financial and governance factors when assessing tax avoidance practices.

Keywords: Capital Intensity, Leverage, Tax Haven, Tax Avoidance, LQ45

INTRODUCTION

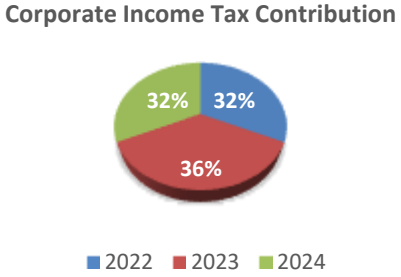
Taxes constitute a fundamental component of Indonesia's fiscal system and serve as one of the main instruments for financing government expenditure through the State Budget (APBN). Their substantial contribution to national revenue demonstrates the strategic importance of taxation in maintaining fiscal capacity, with tax revenues accounting for approximately 98% of total state revenue. The trend in state revenue realization during the 2022–2024 period is presented in Figure 1.



(Source: https://www.kemenkeu.go.id)

Figure 1 Graph of Average State Revenue Realization 2022-2024

Given the significant role of taxation in financing government expenditure, continuous improvements in tax administration and supervisory systems have become an important priority. These efforts are aimed at enhancing tax compliance while reducing opportunities for tax avoidance and tax evasion. Among all tax categories, Income Tax (PPh) remains one of the largest contributors to state revenue. In 2023, it accounted for approximately 36% of total government revenue, surpassing the contribution of Value-Added Tax (PPN) and other tax sources. Furthermore, fluctuations in tax revenue throughout the 2022–2024 period were influenced by various interrelated factors, including fiscal policy adjustments, changes in tax rates, and taxpayer behavior.



(source: DJP Annual Report https://pajak.go.id/)

Figure 2 Corporate Income Tax Contribution Graph

Corporate income tax represents one of the government's primary sources of fiscal revenue. To support economic growth while maintaining tax competitiveness, the Indonesian government set the corporate income tax rate at 22% through Law No. 7 of 2021 on the Harmonization of Tax Regulations. This policy reduced the previous corporate tax rate of 30%, reflecting the government's effort to balance revenue generation with a more favorable business environment (Basniwati, 2024).

Indonesia applies a Self-Assessment System, which assigns taxpayers the responsibility to calculate, pay, and report their own tax obligations. While this system promotes voluntary compliance and administrative efficiency, it also provides companies with greater flexibility in managing their tax affairs, including the implementation of tax planning strategies. One such strategy is tax avoidance, which refers to efforts to minimize tax liabilities by taking advantage of provisions or loopholes within existing tax regulations without violating the law (Pangestuti, 2020). From a corporate perspective, tax payments are generally viewed as costs that reduce net profit, creating incentives for management to improve tax efficiency (Marchel & Kanti, 2023). This difference between corporate objectives and the government's interest in maximizing tax revenue may encourage companies to adopt various tax planning strategies. A well-known example is PT Adaro Energy Tbk, which was reported to have engaged in transfer pricing practices that allegedly resulted in estimated state losses of IDR 1.75 trillion.

Corporate financial characteristics are frequently associated with a company's tax planning decisions. One of the factors commonly examined is capital intensity, which reflects the proportion of investment allocated to fixed assets such as buildings, machinery, and land (Amendy & Afandi, 2024). Companies with higher fixed-asset investments generally recognize greater depreciation expenses, which reduce taxable income and may increase opportunities to manage corporate tax liabilities. Another financial characteristic is leverage, which represents the extent to which a company's operations are financed through debt. As interest expenses arising from debt financing are tax deductible, companies with higher leverage may have greater incentives to reduce their effective tax burden through tax planning strategies (Yino, 2025).

Besides internal financial factors, the geographical structure of a company's operations may also influence its tax planning practices. One aspect frequently discussed in the literature is the use of tax havens, which are jurisdictions offering preferential tax regimes, including low or zero tax rates, to attract foreign investment and business activities (Ayuningtyas & Pratiwi, 2022). The

existence of subsidiaries or affiliated entities in these jurisdictions may provide companies with additional flexibility in organizing cross-border transactions. Nevertheless, empirical evidence regarding the relationship between tax haven utilization and tax avoidance remains inconclusive, particularly among companies listed in the LQ45 Index. Therefore, this study includes tax haven utilization together with capital intensity and leverage to provide further evidence on the factors associated with corporate tax avoidance.

To improve tax administration and strengthen supervision, the Indonesian government introduced the Core Tax Administration System (CTAS) as part of its fiscal reform program. The implementation of CTAS replaced many conventional administrative procedures with an integrated digital system designed to improve data quality and enhance tax monitoring. Although this reform has increased the effectiveness of tax supervision, it has also encouraged companies to adopt more prudent tax planning practices to avoid administrative sanctions and reputational risks.

These developments make it important to examine how large corporations manage their tax obligations. Accordingly, this study focuses on companies included in the LQ45 Index, which consists of publicly listed firms with high market capitalization and stock liquidity on the Indonesia Stock Exchange. Companies within this index generally demonstrate strong financial performance and actively traded shares (Romadhan, 2017). Consequently, their tax compliance practices are expected to have implications not only for government revenue but also for investor confidence.

Previous studies have reported inconsistent findings regarding the determinants of tax avoidance. Situmeang (2025), for example, found that capital intensity does not significantly influence tax avoidance. In contrast, evidence on leverage remains mixed, with (Situmeang, 2025) reporting a significant relationship, while Zahro (2024) found no significant effect. Similar inconsistencies are also found in studies examining tax haven utilization. Ayuningtyas & Pratiwi (2022) concluded that tax havens significantly influence tax avoidance decisions, whereas Pramudya & others (2021) reported a negative relationship. These inconsistent findings indicate that the relationship between corporate financial characteristics and tax avoidance has not yet reached a clear empirical consensus, highlighting the need for further investigation.

RESEARCH METHOD

This study uses companies listed in the LQ45 Index during the 2022–2024 period as its research population, consisting of 58 companies. The sample was determined using a purposive

sampling technique, whereby companies were selected according to predetermined criteria to ensure their suitability for the objectives of this research (Sugiyono, 2021). Based on these selection criteria, the final research sample was obtained as presented below.

Table 1 Purposive Sampling Criteria

No.	Criteria	Criteria Violation	Accumulation
1.	Companies included in the LQ45 index for 2022–2024.		58
2.	Companies that did not publish financial statements during the study period.	(1)	
3.	Companies that incurred losses during the study period.	(6)	
4.	Companies that have not been included in the LQ45 for three consecutive years, specifically from 2022 to 2024.	(13)	
Number of Samples		**38**	
Observation Period		**3**	
Number of Observations		**114**	

Source : http://www.idx.co.id/ Data reprocessed, 2026.

This study examines one dependent variable and three independent variables. Tax Avoidance (Y) is employed as the dependent variable, while Capital Intensity (X1), Leverage (X2), and Tax Haven Utilization (X3) serve as the independent variables.

Table 2 Operational Definitions and Variable Indicators

Variable	Definition/Concept	Indicators	Scale
Capital Intensity (X_1)	This is the ratio that allows a company to increase its expense specifically, the depreciation expense on fixed assets minus revenue such that as fixed assets increase, the profit earned will decrease (Prihatini et al., 2022).	$\boldsymbol{CI} = \frac{\boldsymbol{Total\ Fixed\ Assets}}{\boldsymbol{Total\ Assets}}$	Ratio
Leverage (X_2)	Leverage ratio refers to the degree to which a company's assets are financed through debt. It shows the proportion	$\boldsymbol{DAR} = \frac{\boldsymbol{Total\ Liabilitas}}{\boldsymbol{Total\ Assets}}$	Ratio

	of debt used to support business operations in relation to equity. (Kasmir, 2019:113).		
Tax Haven (X3)	A tax haven is a country's tax policy that intentionally provides tax incentives, such as setting low tax rates or even imposing no taxes at all. The goal is to attract income from residents of other countries to that country(Nataherwin et al., 2023:196).	The number 1 indicates a company that has at least one subsidiary located in a tax haven country, while the value 0 indicates a company that has no subsidiaries in a tax haven country.	Nominal
Tax Avoidance (Y)	According to Heriyah (2025:24), tax avoidance refers to strategies employed to reduce tax liabilities without violating legal statutes. This practice is considered lawful and is therefore permissible for taxpayers. The techniques involved typically exploit weaknesses or loopholes in tax laws and regulations to minimize the amount of tax owed.	$\mathbf{ETR}=\frac{Tax\ Expense}{profit\ before\ tax}$	Ratio

Descriptive Statistic Analysis

Table 3 Descriptive statistic of Research Variabel

	X1	X2	Y
Mean	0.295842	0.492544	0.174565
Median	0.239500	0.462000	0.163121
Maximum	0.798000	0.874000	0.289715
Minimum	0.009000	0.075000	0.102516
Std. Dev	0.237520	0.226584	0.041854
Observations	114	114	144

Source: Secodary data processed using EViews 14, 2026.

Based on the descriptive statistical analysis conducted on 114 observations during the 2022–2024 period, the findings summarized in Table 3 show that the Capital Intensity (X1) variable has a mean value of 0.2958. This result indicates that fixed assets account for approximately 29.58% of total corporate assets, while the standard deviation of 0.2375 reflects a moderate level of variation among the sampled companies.

The descriptive results also indicate that Leverage (X2) has an average value of 0.4925, suggesting that debt finances nearly half of the companies' capital structure. With a standard deviation of 0.2266, the leverage values exhibit a moderate level of dispersion across the observed companies.

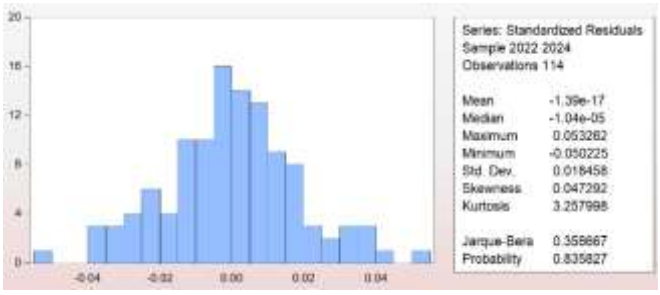
Tabel 4 Variable Frequency of Tax Havens

Dummy Value	Frequency	Percentage
0	30	26%
1	84	74%
Total	**114**	**100%**

Sumber: Output Microsoft Excel, 2026.

As presented in Table 4, 84 observations, representing 74% of the total sample, are assigned a dummy value of 1, while 30 observations (26%) have a dummy value of 0. A value of 1 denotes companies that utilize tax havens, whereas a value of 0 denotes companies that do not.

Normality Tes



Source: Secodary data processed using EViews 14, 2026.

Figure 3 Normality Test

To verify whether the regression residuals satisfy the normality assumption, the Jarque-Bera test was applied. The statistical output summarized in Figure 3 reports a probability value of 0.308649, exceeding the 0.05 significance level. Accordingly, the residuals are considered normally distributed, indicating that the regression model satisfies the normality assumption and is suitable for the subsequent classical assumption tests.

Heteroscedaticity Test

Panel Period Heteroskedasticity LR Test
Equation: UNTITLED
Specification: Y C X1 X2 X3
Null hypothesis: Residuals are homoskedastic

	Value	df	Probability
Likelihood ratio	12.48890	38	1.0000

LR test summary:

	Value	df
Restricted LogL	293.8594	110
Unrestricted LogL	300.1038	110

Source: Secodary data processed using EViews 14, 2026.

Figure 4 Heteroscedaticity Test

An assessment of heteroscedasticity was carried out to determine whether the regression residuals exhibit unequal variance. As reported in Figure 4, the estimated probability value is 1.0000, which is above the 0.05 significance level. These findings indicate that heteroscedasticity is not present in the panel data regression model, confirming that the homoscedasticity assumption has been satisfied.

Multicollinearity Test

Variance Inflation Factors
Date: 06/11/26 Time: 16:27
Sample: 1 114
Included observations: 114

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	3.10E-05	10.09185	NA
X1	5.93E-05	2.772827	1.080977
X2	6.22E-05	5.949071	1.031545
X3	1.67E-05	3.999808	1.052581

Source: Secodary data processed using EViews 14, 2026.

Figure 5 Multicollinearity Test

The multicollinearity assumption was evaluated using the VIF and Tolerance criteria. The statistical output in Table 5 shows that the Tolerance values for all independent variables are above 0.80, whereas the corresponding VIF values remain below 1.25 (X1 = 1.0810, X2 = 1.0315, and

X3 = 1.0526). These findings indicate that multicollinearity is not present in the regression model, allowing the analysis to proceed.

Autocorrelation Test

Dependent Variable: Y
Method: Least Squares
Date: 06/11/26 Time: 20:08
Sample: 1 114
Included observations: 114

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.102561	0.005566	18.42533	0.0000
X1	0.155960	0.007704	20.24474	0.0000
X2	0.041397	0.007889	5.247553	0.0000
X3	0.007430	0.004082	1.820144	0.0715

R-squared	0.805505	Mean dependent var	0.174565
Adjusted R-squared	0.800201	S.D. dependent var	0.041854
S.E. of regression	0.018708	Akaike info criterion	-5.085252
Sum squared resid	0.038500	Schwarz criterion	-4.989245
Log likelihood	293.8594	Hannan-Quinn criter.	-5.046288
F-statistic	151.8558	Durbin-Watson stat	1.964817
Prob(F-statistic)	0.000000		

Source: Secodary data processed using EViews 14, 2026.

Figure 6 Autocorrelation Test

Autocorrelation was evaluated using the Durbin-Watson (DW) statistic, with the results summarized in Figure 6. Based on the Durbin-Watson decision criteria, a regression model is considered free from autocorrelation when the DW value lies between dU and (4 − dU). At the 5% significance level, the critical values obtained from the Durbin-Watson table are dL = 1.318 and dU = 1.656, resulting in a value of (4 − dU) = 2.344. The estimated DW statistic of 1.9648 falls within this acceptance interval (1.656 < 1.9648 < 2.344), indicating that the regression model is free from both positive and negative autocorrelation. Accordingly, the autocorrelation assumption is fulfilled, allowing the regression model to be used for hypothesis testing.

Panel Data Regression Analysis

The selection of the panel data regression model involved three statistical procedures, namely the Chow test, Hausman test, and Lagrange Multiplier (LM) test. Each test was applied to evaluate the suitability of alternative panel data models. All statistical analyses were performed using EViews 14, and the results are discussed in the following section.

The model selection was initially planned to begin with the Chow test, which is commonly used to compare the Common Effects Model (CEM) and the Fixed Effects Model (FEM). However, this procedure could not be applied because the dataset contained time-invariant variables, causing the fixed-effect redundancy test to become inapplicable. Consequently, the final model selection relied on the results of the Hausman test and the Lagrange Multiplier (LM) test.

Correlated Random Effects - Hausman Test
Equation: MODEL_REM
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.741782	2	0.2539

Source: Secodary data processed using EViews 14, 2026.

Figure 7 Hausman Test Results

Following the model selection procedure, the Hausman test was conducted to compare the Fixed Effects Model (FEM) and the Random Effects Model (REM). As presented in Figure 7, the test produced a Chi-Square value of 2.741782 and a probability value of 0.2539. Since the probability exceeds 0.05, H_0 is accepted, indicating that the REM is preferred. This outcome confirms that no statistically significant difference exists between the FEM and REM estimators, making the REM the more appropriate model for subsequent analysis.

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.891080 (0.3452)	0.779608 (0.3773)	1.670688 (0.1962)
Honda	-0.943971 (0.8274)	-0.882954 (0.8114)	-1.291831 (0.9018)
King-Wu	-0.943971 (0.8274)	-0.882954 (0.8114)	-1.073783 (0.8585)
Standardized Honda	-0.567474 (0.7148)	-0.592437 (0.7232)	-6.168373 (1.0000)
Standardized King-Wu	-0.567474 (0.7148)	-0.592437 (0.7232)	-3.653414 (0.9999)
Gourieroux, et al.	--	--	0.000000 (1.0000)

Source: Secodary data processed using EViews 14, 2026.

Figure 8 lagrange Multiplier Test Results

Following the Hausman test, the Lagrange Multiplier (LM) test was performed to determine whether the Random Effects Model (REM) was preferable to the Common Effects Model (CEM). As summarized in Figure 8, the Breusch-Pagan probability values for the cross-section (0.3452), time (0.3773), and both effects (0.1962) all exceed the 0.05 significance level. These results

indicate that the random effect is not statistically significant, meaning that the null hypothesis cannot be rejected.

Because the dataset contained a time-invariant variable, the Chow test could not be applied during the model selection stage. Consequently, the choice of the panel data model was determined using the Hausman and LM tests. Although the Hausman test initially favored the REM over the FEM, the LM test indicated that the REM did not provide a better fit than the CEM. Based on these findings, the Common Effects Model (CEM) was selected as the regression model for this study.

Dependent Variable: Y
Method: Panel Least Squares
Date: 06/12/26 Time: 09:24
Sample: 2022 2024
Periods included: 3
Cross-sections included: 38
Total panel (balanced) observations: 114

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.102561	0.005566	18.42533	0.0000
X1	0.155960	0.007704	20.24474	0.0000
X2	0.041397	0.007889	5.247553	0.0000
X3	0.007430	0.004082	1.820144	0.0715

Source: Secodary data processed using EViews 14, 2026.

Figure 9 Panel Data Regression Analysis

The estimated regression coefficients obtained from the panel data analysis are summarized in Figure 9. The regression constant of 0.102561 represents the estimated level of Tax Avoidance when the explanatory variables are held at zero. The estimated coefficients for X1 (0.155960), X2 (0.041397), and X3 (0.007430) are all positive, indicating that increases in these variables are associated with higher levels of Tax Avoidance, while the remaining variables are held constant. Although all three variables exhibit a positive direction of association, the magnitude of their estimated effects differs according to their respective regression coefficients.

t-Test

1. The hypothesis test for X1 (Capital Intensity) produced a t-statistic of 20.24474 with a probability value of 0.0000. Since the probability value is below the 0.05 significance level and the calculated t-value exceeds the critical value (20.24474 > 1.981), H_1 is accepted. These findings confirm that Capital Intensity has a positive and statistically significant effect on Tax Avoidance.

2. For X2 (Leverage), the estimated t-statistic is 5.247553, accompanied by a probability value of 0.0000. Because the probability value is less than 0.05 and the calculated t-value is greater than the critical value (5.247553 > 1.981), H_2 is accepted. Accordingly, Leverage has a positive and statistically significant effect on Tax Avoidance.
3. The hypothesis test for X3 (Tax Haven) resulted in a t-statistic of 1.820144 with a probability value of 0.0715. As the probability value exceeds 0.05 and the calculated t-value is lower than the critical value (1.820144 < 1.981), H_3 is rejected. Therefore, Tax Haven does not have a statistically significant effect on Tax Avoidance.

Overall, the partial hypothesis testing demonstrates that Capital Intensity and Leverage significantly influence Tax Avoidance, whereas Tax Haven does not exhibit a statistically significant relationship with Tax Avoidance among the companies observed during the 2022–2024 period.

F Test

R-squared	0.805505	Mean dependent var	0.174565
Adjusted R-squared	0.800201	S.D. dependent var	0.041854
S.E. of regression	0.018708	Akaike info criterion	-5.085252
Sum squared resid	0.038500	Schwarz criterion	-4.989245
Log likelihood	293.8594	Hannan-Quinn criter.	-5.046288
F-statistic	151.8558	Durbin-Watson stat	2.128184
Prob(F-statistic)	0.000000		

Source: Secodary data processed using EViews 14, 2026.

Figure 10 Simultasn Test Results (F Test)

The simultaneous effect of the independent variables was evaluated using the F-test, with the statistical output summarized in Figure 10. The estimated Prob (F-statistic) is 0.0000, which is below the 0.05 significance level. Based on this result, H_0 is rejected and H_4 is accepted, indicating that X1, X2, and X3 jointly have a statistically significant effect on Tax Avoidance.

These findings also suggest that the regression model is appropriate for assessing the combined influence of the independent variables on Tax Avoidance. Therefore, the model can be used to explain the simultaneous relationship between Capital Intensity, Leverage, Tax Haven, and Tax Avoidance among the companies observed during the 2022–2024 period.

Testing the Coefficient of Determination (R2)

R-squared	0.805505	Mean dependent var	0.174565
Adjusted R-squared	0.800201	S.D. dependent var	0.041854
S.E. of regression	0.018708	Akaike info criterion	-5.085252
Sum squared resid	0.038500	Schwarz criterion	-4.989245
Log likelihood	293.8594	Hannan-Quinn criter.	-5.046288
F-statistic	151.8558	Durbin-Watson stat	2.128184
Prob(F-statistic)	0.000000		

Source: Secodary data processed using EViews 14, 2026.

Figure 11 Coefficient of Determination

The explanatory power of the regression model was evaluated using the adjusted R-squared coefficient. Based on the statistical output, the adjusted R-squared value is 0.800201, indicating that approximately 80.02% of the variation in Tax Avoidance is jointly associated with X1, X2, and X3 throughout the observation period.

The remaining 19.98% of the variation is attributable to factors beyond the scope of this regression model. This suggests that variables not included in the present study may also influence corporate Tax Avoidance.

CONCLUSION

1. The findings confirm that Capital Intensity has a positive and statistically significant effect on Tax Avoidance. Companies with greater investment in fixed assets tend to recognize higher depreciation expenses, which reduce taxable income and create greater opportunities to improve tax efficiency. This result indicates that the composition of corporate assets plays an important role in shaping tax avoidance practices among the companies included in this study.
2. The analysis also demonstrates that Leverage significantly influences Tax Avoidance. Higher levels of corporate debt generate larger interest expenses that reduce taxable income, thereby encouraging companies to adopt tax planning strategies aimed at improving tax efficiency while maintaining financial performance. These findings suggest that financing decisions constitute an important consideration in corporate tax avoidance practices.
3. The empirical results indicate that Tax Haven utilization does not have a statistically significant effect on Tax Avoidance. Although companies may establish entities in tax haven jurisdictions, their presence alone does not necessarily reflect the use of aggressive tax avoidance strategies.

This finding suggests that governance mechanisms, shareholder oversight, and financial reporting transparency may constrain the use of tax havens for tax-related purposes

4. The simultaneous hypothesis test confirms that Capital Intensity, Leverage, and Tax Haven jointly influence Tax Avoidance. This finding is consistent with Agency Theory, which explains that management has the authority to determine corporate financing, investment, and tax-related policies in pursuit of organizational objectives. Although Tax Haven does not show a significant individual effect, the combined influence of the three explanatory variables indicates that corporate tax avoidance is shaped by multiple financial decisions rather than by a single factor alone.

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