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# Does Sales Growth Have an Effect on The Relationship Business Strategy, Multinational Companies and Tax Avoidance?

**[1] Sapta Setia Darma, [2] Apriliana Oxadina**
Accounting Department, Universitas Pamulang
*Email: [1] saptasdarma@gmail.com, [2] aprilianaoxadina@gmail.com*

***ABSTRACT***
*This research aims to empirically prove the effect of business strategy and multinationals on tax avoidance, with sales growth as a moderating variable. This research was conducted in property and real estate companies. The type of research used is quantitative with an associative method approach. The data type used is secondary data in the form of annual financial reports published on the Indonesia Stock Exchange (IDX) for 2017-2021. Samples were collected using a purposive sampling method. The amount of data collected is 60 observational data. The data were processed using the Eviews 9 Statistical Program to test the hypothesis using panel data regression analysis—the results of the F statistical test show that business strategy and multinationals simultaneously influence tax avoidance. The results of the t-statistical test show that business strategy has a positive effect on tax avoidance, but multi-nationality hurts tax avoidance. The MRA test results show that sales growth moderates the effect of business strategy and multinationals on tax avoidance. The novelty of this research is that in this research period, 2017-2021, by taking data for the last five years, then the result conclusions are more generalizable and better reflect the conditions that occur at the moment.*

**Keywords:** *Business Strategy, Multinational, Tax Avoidance, Sales Growth*

## 1. INTRODUCTION

Taxes, according to Law Number 16 of 2009, are mandatory contributions to the state owed by individuals or entities that are compelling based on law, with no direct reward, and are used for state purposes for the greatest prosperity of the people. Meanwhile, according to Siddiq, taxes are contributions imposed by the government of a country in a certain period to taxpayers that are mandatory and must be paid by taxpayers to the state, and the form of compensation is indirect. Taxes are a source of state finances (budgetary) and regulation (regulated).

Every year various potentials are explored to increase state revenue. The thing that proves to be essential and has a significant influence on state revenue is tax. However, tax collection is challenging to implement because many companies often carry out tax planning to choose tax savings options (Claudia & Mulyani, 2020). One of the strategies that can be done is by doing tax avoidance (Claudia & Mulyani, 2020).

Tax avoidance is considerably defined as a legal action because, in practice, taxpayers take advantage of loopholes in tax laws or regulations (Claudia & Mulyani, 2020). It makes tax avoidance a complicated and unique problem. The number of phenomena that occurs in connection with tax avoidance makes many researchers discover what factors can affect tax avoidance. (Humaniora, 2020).

*Table 1: Indonesia's Tax Revenue Realization*

| Year | Target | Realization | Percentage Achievements |
|---|---|---|---|
| 2016 | 1.355,20 | 1,105,73 | 81,59 % |



*Corresponding author’s e-mail: saptasdarma@gmail.com
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| | | | |
|---|---|---|---|
| 2017 | 1.283,57 | 1.151,03 | 89,67 % |
| 2018 | 1.424,00 | 1.315,51 | 92,23 % |
| 2019 | 1.577,56 | 1.332,06 | 84,44 % |
| 2020 | 1.198,82 | 1.069,89 | 89,25 % |
| 2021 | 1.229,60 | 1.277,53 | 103,90 % |

*Source: Data processed by the author, 2023*

Based on Table 1, the percentage of achievements per year increased until 2019. There was a decrease in the percentage of achievements, then the percentage of achievements rose again in 2020 and exceeded the percentage in 2021. However, if viewed from the tax revenue realization figures, it fluctuates yearly. In 2020 it had the lowest realization value, and in 2021 the realization of the tax revenue value exceeded its target. Realization figures that do not reach the target are caused by business strategies that are planned to minimize taxes paid and even strategies to avoid taxes and tax manipulation carried out by multinational companies by establishing vehicle companies in countries with low or no tax rates with a high level of confidentiality (Anggraini et al., 2020).

The government's efforts to optimize the tax sector are with obstacles. One of the government's obstacles to optimizing the tax sector is Tax Avoidance or various policies implemented by the company to minimize the amount of tax paid by the company Performance Report of the Directorate General of Taxes (2021). Tax Avoidance carried out by the company is, of course, through policies taken by the company leader. In this case, the company leader as a decision and policymaker certainly has different characteristics. A company leader may have a risk-taker or risk-averse character, reflected in the size of the company's risk (Dewi, 2015). Tax avoidance can be illegal if the transaction is carried out to avoid taxes or if the transaction does not have a good business (Ayem & Tarang, 2022). The initial process of a company to start a business is to make decisions regarding business strategies carried out by company managers to achieve good performance amid environmental uncertainty. The right strategy is needed (Anggraini et al., 2020).

One factor influencing the company's choice to do tax avoidance is business strategy. According to Haryadi (2008) (Humaniora, 2020), business strategy is a way companies use to compete, including attaining achievements and maintaining profits in their industry. Business strategies are usually included as guidelines to run the company's survival. Its business strategy will determine all company activities, and all operational processes and company transactions carried out must be adjusted to the previously set business strategy (Anggraini et al., 2020). Research that explains the relationship between business strategy and tax avoidance has previously been conducted by several researchers, namely Herianti & Ritnawati (2021) and Purba et al. (2018), where the results of their research indicate an influence between business strategy and tax avoidance. However, this research differs from those conducted by Herianti & Ritnawati (2021) and Wardani & Khoiriyah (2018), where research shows no influence between business strategy and tax avoidance.

In addition to business strategy, other factors, such as multinationals, affect tax avoidance. Multinational companies are companies that operate across countries. Companies operating across countries have a higher possibility of tax avoidance than domestic ones. It is because of transfer pricing to companies in other countries, where the country levies a lower tax rate than other countries (Puspita et al., 2018). A company becomes a multinational company due to the consideration of higher profit potential by establishing production and activities abroad. Because the more comprehensive the activities and the market, the higher the potential profit that can be obtained.

Research that explains the relationship between multi-nationality and tax avoidance has previously been conducted by several researchers, namely Puspita et al. (2018) where the results of their research I n indicate an influence between multi-nationality on tax avoidance, but this research is not in line with research conducted by Anggraini et al., (2020)



*Corresponding author’s e-mail: saptasdarma@gmail.com
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and Ridwan (2019) where the results of his research indicate no influence between multi-nationality on tax avoidance. In previous studies, researchers only examined the direct effects of business strategy and multi-nationality; no research has looked at the moderating effect of sales growth on the relationship between business strategy, multi-nationality, and tax avoidance.

The difference between this research and previous research, namely research by Anggraini et al. (2020), is that it used the business strategy variable ($X_1$), capital intensity (X2), and multinational ($X_3$) to tax avoidance (Y). While in this study, researchers did not use the independent variable (X2) capital intensity and added sales growth as a moderating variable (Z). Researchers use sales growth as a moderating variable because sales growth is a ratio that shows the volume of profit increase from sales generated so that if the profit earned by the company increases, the company's actions to manipulate taxes will also increase. In addition (Anggraini et al., 2020) used an observation time of 4 years starting from 2014-2018, while in this study, the researchers increased the observation time, namely for five years starting from 2017 to 2021, because that year has the latest and updated data and the research period will be longer with the same research object, namely property and real estate companies listed on the Indonesia Stock Exchange (IDX).

The reason the researchers chose property and real estate companies listed on the Indonesia Stock Exchange (IDX) as the object of research is due to its exceptionally rapid development in Indonesia with the development of houses, apartments so there are many indications of tax avoidance because the types of taxes in the sector are diverse such as Land and Building Tax, Fees on Acquisition of Rights to Land and Buildings, Income Tax, Value Added Tax, Luxury Goods Sales Tax, Article 22 Income Tax, and Transfer of Name Tax. So, the measurements of the variables in this study are in property and real estate companies. Based on the data above, this study has entitled the effect of business strategy and Multinationals on tax avoidance with sales growth as a moderating variable (empirical study of property and real estate companies listed on the Indonesia Stock Exchange 2017 - 2021).

## 2. LITERATURE REVIEW

According to Jensen and Meckling (1976) in (Ariawan & Setiawan, 2017), agency theory is a design that describes the relationship between the principal and the agent. The principal is the party with the right to decide for the company's future and assign responsibility to another party (agent). The primary purpose of agency theory is to evaluate the results of the employment contract relationship between the principal and the agent, whether the cooperation contract has run with what has been agreed upon or not, and improve the ability of the principal or agent to evaluate the conditions under which a decision must be made.

Business strategy is a way that companies use to compete, including achieving and maintaining profits in their business. Where the company owner (principal) wants as much profit as possible, the management (agent) carries out a strategy to minimize the tax that will be paid so that the company's profit does not decrease to pay for the tax. Furthermore, additional profits can also be caused by sales growth, where companies can also see sales growth from business opportunities available in the market that must be taken by the company using a business strategy that has been designed. With this theoretical explanation, business strategy affects tax avoidance and is moderated by sales growth related to agency theory.

Multinational is a multinational company that operates across countries. Where the owner of the company (principal) wants as much profit as possible because cross-country companies have incentives and a broader scope in the company, the directors of the company (agent) do tax avoidance by setting up a vehicle company in countries that include tax haven country that provides tax subsidies in the form of low tax rates or even tax exemptions for investors investing in the country (Anggraini et



*Corresponding author's e-mail: saptasdarma@gmail.com
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al., 2020). With sales growth that increases company profits, company directors (agents) transfer company assets to companies in tax haven countries to avoid taxes. With this theoretical explanation, it can be seen that multi-nationality affects tax avoidance and is moderated by sales growth related to agency theory.

Tax avoidance is the effort of avoiding tax that is carried out legally for taxpayers because it is carried out in ways that do not violate and do not conflict with tax provisions, where the methods and techniques used tend to take advantage of the weaknesses contained in the tax provisions (Mahanani et al., 2017). One of the reasons taxpayers can take tax avoidance actions is because the tax collection system in Indonesia adheres to a self-assessment system, where taxpayers are authorized to determine the amount of tax payable by measuring the Cash Effective Tax Rate (CETR) (Mahanani et al., 2017).

Business strategy is how a company competes, including achieving and maintaining profits in its business (Ayem & Tarang, 2022). Business strategies include geographic expansion, acquisition, diversification, market penetration, product development, divestment, liquidation, and joint ventures (Dinda et al., 2020). Business strategies are usually included in company documents that are used as a guideline for the company's survival (Humaniora, 2020).

A multinational is a company operating in various countries, with the main level of control being in the country of origin where the business began. Besides that, this multinational company also has different characteristics from one country to another. The differences include economic, cultural, political, and social (Ridwan, 2019). It causes multinational companies to be able to utilize debt and income in tax planning to reduce the tax burden by recognizing interest expense as a fiscal cost (Ridwan, 2019).

Sales growth is a ratio that shows the volume of profit increase from sales generated ((Humaniora, 2020). Sales Growth is a ratio that describes the company's ability to maintain its economic position during economic growth and its business sector. The growth ratio is measured by how much the company can survive in the industry and general economic development (Permata et al., 2018).

Operational variables are anything researchers set to study so that information about it is then drawn to conclusions (Sugiyono, 2016: 38). The research variables are dependent, independent, and moderating variables. The variables are needed to support the hypothesis: independent variables, dependent variables, and moderating variables.

Mulyani (2020) states that business strategy can positively influence tax avoidance because business strategy influences management in making decisions on how to avoid taxes. (Wardani and Khoiriyah, 2018). Companies that belong to the prospector strategy type are constantly looking for new market opportunities by competing through new products and market development and experimenting with potential responses to environmental trends that arise so that competitors must always respond. According to D. Purba et al. (2020), business strategy significantly affects Tax Avoidance. It is because it is included in one factor that dominates the amount of tax avoidance. According to Ayem and Tarang (2022), business strategy positively affects tax avoidance. Based on the description of the theory and previous research, then:

**$H_1$: Business Strategy Affects Tax Avoidance**

Multinational companies have the potential to manipulate taxes by establishing vehicle companies in tax haven countries by providing tax subsidies in the form of low tariffs or even exempt taxes for investors investing in their country (Anggraini et al., 2020). According to Puspita et al. (2018), multi-nationality affects tax avoidance, which is used to maximize tax avoidance opportunities. Falbo and Firmansyah (2021) state that multi-nationality hurts tax avoidance. Based on the description of the theory and previous research, then:

**$H_2$: Multinational Affects Tax Avoidance.**

Sales growth occurs due to increased sales each year the company runs. If sales growth increases, the company will get a significant profit. A large profit will also cause an enormous tax burden. It can encourage



*Corresponding author's e-mail: saptasdarma@gmail.com

management to do tax avoidance. This research is in line with the research of Astuti et al. (2020), which states that sales growth affects tax avoidance. Research from Puspita et al. (2018) shows that sales growth affects tax avoidance. Furthermore, based on research from Masrullah et al. (2018), sales growth significantly affects tax avoidance. Based on the description of the theory and previous research, then:

**$H_3$: Sales Growth Moderates the Relationship between Business Strategy and Tax Avoidance**

## 3. RESEARCH METHOD

Data collection techniques are the most essential step in research because the primary goal of this research is to get data. With knowing data collection techniques, researchers will get data that meets the established data standards (Sugiyono, 2017, p. 296). Data analysis techniques in this study used statistical calculations. The data analysis technique used is the E-Views application version 10.

### 3.1. Data Collection Techniques

In this study, data were collected through Literature Study to collect data regarding research and to find previous research, supporting theories, and other supporting data such as books, journals, issues, literature, and others. Furthermore, Internet Searching is a data collection technique through technological assistance using tools or search engines to obtain annual report data and company financial reports published on the IDX.co.id website and each company's website.

### 3.2 Operational Definitions of Variables

*Table 1: Variable Measurement*

| Variables | Measurement |
|---|---|
| **Dependent Variables**: | |
| *Tax Avoidance* *Mahanani et. al (2017)* | $ETR = \frac{Cashtax\ Paid\ i - t}{Pretax\ Income\ i - t}$ |
| **Independent Variables:** | |
| *Business Strategy* *Herianti and Ritnawati (2021)* | $SB = EMP + MTBR + Market + PPEINT$ |
| *Multinational* *Oktaviani et.al (2023)* | $Multinational = \frac{Account\ Receivables\ Related}{\text{Total Account Receivables}}$ |
| **Moderating Variables:** | |
| *Sales Growth* *Mahanani et.al (2017)* | $Growth = \frac{Sales\ t - Sales\ t - 1}{Sales\ t - 1}$ |

### 3.2. Sample Collection Techniques

In this study, the population used was all Property and Real Estate companies listed on the Indonesia Stock Exchange for 2017-2021. In this study using a purposive sampling method from this method obtained as many as 12 companies with a research period of five years so that as many as 60 observation data were obtained with the following specific criteria:

*Table 2: Sample Selection*

| Description | No. of companies |
|---|---|
| Property and real estate sector companies listed on the IDX in the 2017-2021 period. | 81 |
| Property and real estate sector companies that are conducting an IPO (Initial Public Offering) for the 2017-2021 period. | (29) |



*Corresponding author's e-mail: saptasdarma@gmail.com
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| | |
|---|---|
| Property and real estate sector companies that have experienced delisting for the 2017-2021 period. | (6) |
| Companies that have complete variable data needed in the 2017-2021 research period | (34) |
| Final sample | 12 |
| Duration study | 5 years |
| Total observations | 60 |

### 3.3. Data Analysis Techniques

Data analysis techniques in this study use calculations and statistics. The data analysis technique used is the E-Views application version 10. The stages of data analysis that will be carried out to do the tests are as follows: Descriptive Statistical Test, Panel Data Regression Model Test, Classical Assumption Test, Coefficient of Determination Test (R^2), Multiple Regression Analysis Test, Hypothesis Test, and Moderated Regression Analysis (MRA) Test. The general regression equation is as follows:

$$y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X1Z + \beta 4X2Z + \varepsilon$$

Information:
Y : Tax Avoidance
a : Constant
b1 : Regression Coefficient
X1 : Business Strategy
X2 : Multinational
Z : Sales Growth
E : Error Term

## 4. RESULTS AND DISCUSSIONS

### 4.1. Results

*Table 3: Statistic Descriptive*

| Variables | N | Mean | SD | Min | Max |
|---|---|---|---|---|---|
| **Dependent variables:** | | | | | |
| *Tax Avoidance* | 60 | 0.027223 | 0.043627 | 0.000073 | 0.214550 |
| **Independent variables:** | | | | | |
| *Business Strategi* | 60 | 0.386595 | 0.410166 | 0.036930 | 2.272679 |
| *Multinational* | 60 | 0.114593 | 0.101557 | 0.006844 | 0.354002 |
| **Moderating variables:** | | | | | |
| *Sales Growth* | 60 | 0.030776 | 0.283047 | -0.452046 | 1.557595 |

*Source: Proceed by E-views, 2022*

The results of the descriptive statistical analysis in Table 3 show that the tax avoidance variable on property and real estate listed on the Indonesia Stock Exchange (IDX) from 2017 to 2021 has a minimum value of 0.000073 at PT Roda Vivatex Tbk (RDTX) in 2021, a maximum value of 0.214550 at PT Kawasan Industri Jababeka Tbk (KIJA) in 2018, an average value of 0.027223 which is smaller than the standard deviation value of 0.043627. It shows that the data deviation in the high tax avoidance variable is caused by the uneven distribution of data, which causes bias, which means that it can be said that the tax avoidance variable is heterogeneous. The results of the descriptive statistical analysis in Table 3 show that the business strategy variable in property and real estate companies listed on the Indonesia Stock Exchange (IDX) in 2017-2021 has a minimum value of 0.036930 at PT Summarecon Agung Tbk (JRPT) in 2021, a maximum value of 2.272679 at PT Puradelta Lestari Tbk (DMAS) in 2021, an average value of 0.386595 smaller than the standard deviation value of 0.410166. It shows that the data deviation in the high business strategy variable is caused by uneven data distribution, causing bias, which means that the business strategy variable is heterogeneous. The results of the descriptive statistical analysis in Table 3 show that the multinational variable in property and real estate companies listed on the Indonesia



*Corresponding author's e-mail: saptasdarma@gmail.com

Stock Exchange (IDX) in 2017-2021 has a minimum value of 0.006844 at PT Puradelta Lestari Tbk (DMAS) in 2019, a maximum value of 0.354002 at PT Roda Vivatex Tbk (RDTX) in 2020, an average value of 0.114593 greater than the standard deviation value of 0.101557. It shows that the data deviation in the multinational variable is low due to the even distribution of data so that it does not cause bias, which means that it can be said that the multinational variable is homogeneous. The results of descriptive statistical analysis in Table 3 show that sales growth in property and real estate companies listed on the Indonesia Stock Exchange (IDX) in 2017-2021 has a minimum value of - 0.452026 in 2021, a maximum value of 1.557595 at PT Puradelta Lestari Tbk (DMAS) in 2019, an average value of 0.030776 smaller than the standard deviation value of 0.283047. It shows that the data deviation in the high sales growth variable is caused by the uneven distribution of data, causing bias, which means that it can be said that the sales growth variable is heterogeneous.

*Table 4: Multicollinearity test*

| | Business Strategi | Multinationalism | Sales Growth |
|---|---|---|---|
| Business Strategi | 1.000000 | | |
| Multinationalism | -0.179079 | 1.000000 | |
| Sales Growth | 0.119305 | -0.078208 | -0.013766 |

How to detect whether there is a multicollinearity problem by doing the correlation matrix test, which is calculated by the way if the correlation < 0.90 independent variables, then there is no multicollinearity, otherwise if the correlation value > 0.90, it can be concluded that there is multicollinearity between the independent variables. Based on testing the correlation coefficient value in Table 4.11, it can be seen that each independent variable produces a coefficient value smaller than 0.90 or <0.90, this study does not experience multicollinearity problems.

*Table 5: Regression test*

| Variables | Coefficient | Sig. |
|---|---|---|
| **Independent variables:** | | |
| *Business Strategi* | 0.381420 | 0.0000*** |
| *Multinational* | -1.464570 | 0.0342** |
| **Moderating variables:** | | |
| *Sales Growth* | -0.306255 | 0.4976 |
| *Business Strategy*Sales Growth* | 0.884804 | 0.0201** |
| *Multinational*Sales Growth* | -4.636301 | 0.0001** |
| *R-square* | 42.51% | |
| *Prob(F-statistic)* | 0.000 | |
| *Observations* | 60 | |

*Source: Proceed by E-views, 2022*

Based on the results of the F statistical test in table 4.16, it can be seen that the F-count is 21.00717 and the probability of the F-statistic is 0.000000, while to find F-table with the number of samples (n) = 60 and the number of variables (k) = 2. F-table can be seen in the F distribution table with a significance level of 0.05, so the F-table is obtained at 3.15. Based on the F-table value obtained, it can be concluded that business strategy and multi-nationality simultaneously affect tax avoidance.

The coefficient of determination measures how far the model is in explaining variations in dependent variables (Ghozali, 2017). The coefficient of determination (R2) essentially measures how far the model can explain variations in the dependent variable. The coefficient of determination is between zero and one. A small coefficient of determination (R2) means that the ability of the independent variables to explain the dependent variable is minimal. A value close to one means that the independent variables provide almost all the



*Corresponding author's e-mail: saptasdarma@gmail.com
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information needed to predict the variation in the dependent variable. Based on the results of the R2 coefficient of determination test in Table 4.13, it can be seen that the result of the Adjusted R-Squared is 0.404968, these results indicate that the independent variables of business strategy and multi-nationality can explain the dependent variable tax avoidance by 40.4%, and the remaining 59.6% can be explained by other variables that are not included in the research model.

Based on the results of the t-statistical test in table 4.15, the probability of the business strategy variable is 0.0000 < 0.05 and obtained the count of 5.276390 and has a positive value, while the table is 2.00247, then from these results, it means that count> table, namely 5.276390 > 2.00247, so it can be concluded that Ho1 is rejected and Ha1 is accepted, meaning that partially business strategy has a positive effect on tax avoidance.

Based on the results of the t-statistical test in table 4.15, the probability of the multinational variable is 0.0342 < 0.05 and obtained the count of 2.170114 and has a negative value, while the table is 2.00247, then from these results, it means count> table, namely 2.170114 > 2.00247, so it can be concluded that Ho2 is rejected and Ha2 is accepted, meaning that partially multi-nationality hurts tax avoidance.

Based on the results of the Moderated Regression Analysis (MRA) test model I in Table 4.18, it can be seen that the probability of business strategy moderated by sales growth is 0.0201 smaller than 0.05 or 0.0201 < 0.05, so it can be concluded that Ho3 is rejected and Ha3 is accepted, meaning that sales growth moderates the effect of business strategy on tax avoidance.

Based on the results of the Moderated Regression Analysis (MRA) test model II in Table 4.19, it can be seen that the probability of multi-nationality moderated by sales growth is 0.0001 smaller than 0.05 or 0.0001 < 0.05, so it can be concluded that Ho4 is rejected and Ha4 is accepted, meaning that sales growth moderates the effect of multi-nationality on tax avoidance.

## 4.2. Discussion

The results of this study prove the influence of business strategy on tax avoidance, which means that the higher the company's strategy will increase the company's potential for tax avoidance so that it supports research (Humaniora, 2020). Business strategy can positively influence tax avoidance because business strategy affects management in making decisions on how to do tax avoidance.

A defender strategy is followed by a company emphasizing cost efficiency as essential competition (Wardani & Isbela, 2018). Companies that belong to the prospector strategy type are constantly looking for new market opportunities by competing through new products and market development and experimenting with potential responses to environmental trends that arise so that their competitors must always respond. According to (Purba1 et al., 2018), business strategy significantly affects Tax Avoidance.

The results of this study prove the negative effect of multinationals on tax avoidance, which means that the greater the company's operational activities in various countries will reduce the level of tax avoidance because multinational companies have the potential to manipulate taxes by establishing vehicle companies in countries that are tax havens countries by providing tax subsidies in the form of low rates or even exempting taxes for investors who invest in their country. According to (Puspita et al., 2018), multi-nationality affects tax avoidance, which is used to maximize tax avoidance opportunities. According to (Deasvery et al., 2021), multinationals hurt tax avoidance.

The results of this study prove that sales growth can moderate the effect of business strategy on tax avoidance, which means that the company's sales growth rate will strengthen the company's motivation to carry out tax avoidance activities through business strategies because sales growth occurs due to an increase in sales in each year the company runs. If sales growth increases, the company will get a significant profit. A large profit will also cause an enormous tax burden. It can encourage management to do tax avoidance.

Sales growth in this study is measured using the calculation of the final sales period in the year I minus the final sales period in the previous year, divided by the final sales period



*Corresponding author's e-mail: saptasdarma@gmail.com
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in the previous year, and the results showed that sales growth affects tax avoidance. This research aligns with research (Astuti et al., 2020), which states that sales growth affects tax avoidance. Research from (Puspita et al., 2018) sales growth affects tax avoidance.

The results of this study prove that sales growth moderates the effect of multi-nationality on tax avoidance, which means that sales growth will strengthen the company's motivation to carry out tax avoidance activities through multi-nationality because increased sales growth also provokes an increase in taxes that the company must pay. Tax avoidance is inseparable from multinational companies that operate in many countries, so various ways are used to carry out tax avoidance activities.

When companies continue to pay small amounts of tax even though their sales capacity increases, they usually get more supervision from the government, so multinational companies can easily do transfer pricing by choosing countries with low or no tax rates. This research is supported by Aprianto & Dwimulyani (2019) (Humaniora, 2020), where the higher sales growth ratio makes companies reluctant to do tax avoidance.

## 5. CONCLUSIONS

This research aims to see how much influence the business strategy and multinationals on tax avoidance with sales growth as a moderating variable in property and real estate companies listed on the Indonesia Stock Exchange (IDX) in 2017 - 2021. Based on the results of research and hypothesis testing that has been carried out, it can be concluded that business strategy has a positive effect on tax avoidance, so the first hypothesis is accepted. Multinational hurts tax avoidance, so the second hypothesis is accepted. Sales growth moderates the effect of business strategy on tax avoidance, so the third hypothesis is accepted. Sales growth moderates the effect of multinationals on tax avoidance, so the fourth hypothesis is accepted.

This study has several limitations that can be used as a reference for further research. These limitations include that the official website of the Indonesia Stock Exchange (IDX) only publishes financial reports for the last 4 (four) years, so researchers must take financial report data from the sample company website—limited company information regarding the completeness of data related to research variables.

Investors are expected to be selective in assessing the company's financial statements. Investors can see information on corporate governance and whether it has followed the predetermined rules that can reduce the act of fraudulent financial reports. Companies must have an effective and efficient policy system to maximize company value and meet stakeholder expectations. The ranks of commissioners and directors as parties who carry out management functions within the company so that they can consider making decisions and that accurate decisions are obtained to maintain the continuity of the company and strengthen investor confidence.

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*Corresponding author's e-mail: saptasdarma@gmail.com

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*Corresponding author's e-mail: saptasdarma@gmail.com