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FROM ETHICS TO OWNERSHIP: DECODING THE DRIVERS OF CORPORATE TAX AGGRESSIVENESS

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ABSTRACT

The purpose of this research is to analyze how tax aggressiveness is influenced by related party transactions, corporate social responsibility, and managerial ownership. Companies listed on the Indonesia Stock Exchange (IDX) engaged in the consumer non-cyclicals industry that have financial statements and annual reports covering 2018-2022, are used as samples in this research. This study uses purposive sampling techniques and gets 14 companies as samples. Secondary data, including financial statements and annual reports from each issuer sampled, were used in this research. The panel data regression approach was used in this research. Using Eviews 12 Student Lite Version, analyze research findings. From what can be known, the Fixed Effect Model (FEM) is the right way for this research. Related party transactions, corporate social responsibility, and managerial ownership have an influence on tax aggressiveness together. Related party transactions have no effect at all on tax aggressiveness, Corporate Social Responsibility has a large negative effect, and Managerial Ownership has no effect on tax aggressiveness. This study can explain the tax aggressiveness of 61.47%.

Keywords: Tax Aggressiveness, Related Party Transaction, Corporate Social Responsibility, Managerial Ownership

ABSTRAK

Tujuan penelitian ini adalah menganalisis bagaimana agresivitas pajak dipengaruhi oleh related party transaction, corporate social responsibility, dan kepemilikan manajerial. Perusahaan-perusahaan yang terdaftar di Bursa Efek Indonesia (BEI) yang bergerak dalam industri consumer non-cyclicals yang mempunyai laporan keuangan serta laporan tahunan yang mencakup tahun 2018-2022, dijadikan sebagai sampel dalam riset ini. Studi ini memakai teknik purposive sampling dan mendapatkan 14 perusahaan sebagai sampel. Data sekunder, termasuk laporan keuangan serta laporan tahunan dari setiap emiten yang menjadi sampel, digunakan dalam riset ini. Pendekatan regresi data panel dipakai dalam riset ini. Dengan menggunakan Eviews 12 Student Lite Version, menganalisa temuan riset. Dari apa yang dapat diketahui, Fixed Effect Model (FEM) ialah cara yang tepat untuk riset ini. Related party transaction, corporate social responsibility, dan kepemilikan manajerial memiliki pengaruh terhadap agresivitas pajak secara bersama-sama. Related party transaction tidak memiliki efek sama sekali terhadap agresivitas pajak, Corporate Social Responsibility mempunyai efek negatif yang besar, serta Kepemilikan Manajerial tidak memiliki efek terhadap agresivitas pajak. Studi ini dapat menjelaskan agresivitas pajak sebesar 61,47%.

Kata Kunci: Agresivitas Pajak, Related Party Transaction, Corporate Social Responsibility, Kepemilikan Manajerial

1. INTRODUCTION

Taxes are the largest state revenue of the three sources of income applicable in Indonesia, namely tax revenue, non-tax income, and grants. This can happen because all Indonesian people are required by law to pay taxes. The realization of national revenue in 2018-2022 published by the Central Statistics Agency can be seen in the following figure (Aprianingsih et al., 2021). Taxes are undoubtedly the main source of government revenue, but there is an inevitable conflict of interest between the government and the community, focusing more on business actors or companies. For taxpayers, paying taxes is a nuisance that cuts off their hard-earned money, while the government sees it as a source of funds needed to run the country (Nurwati et al., 2023) (Nurariza et al., 2019) . Although the government actively continues to implement regulations that make it easier for taxpayers to fulfill their tax obligations, it is undeniable that the difference in perception between the government and the tax authorities is one of the motivations for aggressive tax avoidance. This estimate is supported by the percentage of tax revenue realization from 2018-2022 in the following figure. New tax revenues reached this target in 2021 and 2022. Although the realization of tax revenues in 2021 and 2022 has exceeded the target, the figure is nominally lower than in 2018 and 2019 due to the COVID-19 pandemic that halted the country's economy (Vitaloka et al., 2023) .

Aggressive tax avoidance is carried out by taking advantage of opportunities in the applicable tax law (Setia Darma, 2019) . Economic activities around the world will inevitably be affected by technological advances and increasingly massive globalization. This encourages the company to enrich its resources and form subsidiary entities in the international realm by building groups. The existence of a business group can open opportunities for entities to transfer their tax burden to subsidiaries whose location is in countries with lower tax rates. This is considered a strategy of tax aggressiveness through related party transactions (Setia Darma, 2019) (Nurariza et al., 2019).

According to , taxes have an important role for society, so every action taken by an entity to avoid aggressive taxes will have a negative influence on society. This triggers the company to maintain the company's image and good name among the public through the disclosure of (Vivin Mardianti & Ardini, 2020) corporate social responsibility. By disclosing CSR information and showing that the entity is a multi-purpose entity or not only aiming to make a profit, the entity is seen as having contributed to society and the environment (Thomas Sumarsan et al., 2019).

Another thing that is suspected of triggering the level of tax aggressiveness is managerial ownership. Stock ownership by the management will encourage the tendency to take managerial policies because managers have interests as well as shareholders, so managers will certainly be affected by the company's policies taken. The emergence of (Nurwati et al., 2023) conflicts of interest faced by shareholders who are members of the company's management team has the potential to carry out aggressive tax avoidance.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

Agency Theory

Agency theory states that in a company there is a contract between the principal and the capital manager (*agent*) (Jamaluddin & Enre, 2023). The *principal* will delegate to the *agent* to manage the capital owned by the *principal* through the management of the company. This theory also shows the emergence of information asymmetry conflicts because the management obtains more information than the capital owners (Maywulan Megawati et al., 2022).

Teori *Stakeholder* (*Stakeholder Theory*)

Stakeholder theory explains that a company not only aims to achieve profits, but also benefits all stakeholders. Stakeholders in this case are not only shareholders and internal parties of the company, but also customers, the community, the government, and so on. One form of corporate communication to stakeholders is to disclose *Corporate Social Responsibility* (Manurung, 2019) (Gustiawan & Setyawati, 2024).

Tax Aggressiveness

Tax aggression refers to the deliberate reduction of taxable income by using legitimate tax planning strategies (tax avoidance) or illegal (tax evasion). According to , there is no clear understanding of tax aggressiveness because it includes all tax evasion actions that make the position of tax aggressiveness in the grey area (Rohmansyah et al., 2021) (Siska et al., 2022). The formula used in this study is ETR (*Effective Tax Rate*), where this formula is used to calculate the value of the ideal tax rate (Aulia & Ernandi, 2022).

$$ETR = \frac{Beban\ Pajak\ Penghasilan}{Laba\ Sebelum\ Pajak\ Penghasilan}$$

Related Party Transaction

According to PSAK 224 (formerly PSAK 7), related parties are parties who directly or indirectly control other parties, or have a substantial influence on the financial and operational decision-making of the other party. Related party transactions can be carried out through sales transactions, purchase transactions, debt transactions, and receivables transactions with the aim of increasing the burden incurred by the company so that the profits obtained are not so large. In this research, the proxies used for the *related party transaction* variable only use related debt transactions, namely.

$$SPEC_{LIAB} = \frac{RPT\ Hutang}{Total\ Aset}$$

Corporate Social Responsibility

Companies that carry out aggressive tax evasion have the potential to form a bad image among the public. This is what attracts companies to build a good reputation through CSR disclosure. CSR is a form of the company's commitment to stakeholders, especially parties affected by the company's operational activities, so that it can form trust between the company and the surrounding community. On the other hand, companies that have earned a good reputation will certainly always maintain relationships with stakeholders and are reluctant to carry out aggressive tax avoidance because they risk damaging the reputation that has been built. The formulation of the CSR variable is taken using (Pratama & Widarjo, 2022) *the dummy* method by calculating the total disclosure of the company's CSR with the total CSR indicator, in this case using the GRI G4 indicator. The proxies for this CSR variable are.

$$CSR\_LK = \frac{\sum X_i}{n_i}$$

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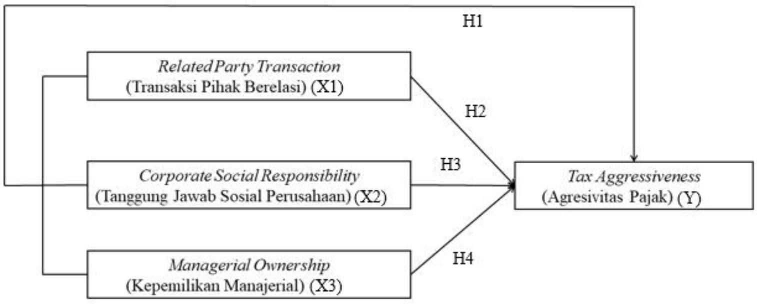
Managerial Ownership

Management ownership refers to shareholders in a company. This means that managers in a company have a dual role, namely as a management agent who (Febrianti & Helmy, 2023) is responsible for managing the company, as well as a shareholder (*principal*) who is the supervisor of operational activities in the company. It is believed that managerial ownership will bring shareholders and management closer together, thus reducing opportunistic tendencies. Because they will also feel the impact of policy decisions, managers will be more careful in making policies and running businesses when they own shares in them. The formula for managerial ownership is as follows (Fahmi & Nabila, 2020) (Maharani Krishna, 2019).

$$\boldsymbol{Kepemilikan\ Manajerial} = \frac{\boldsymbol{Jumlah\ saham\ manajerial}}{\boldsymbol{Total\ saham\ beredar}}$$



Picture 1. Frame of Mind
Source: Data processed, 2024

Hypothesis 1: *Related party transaction*, *corporate social responsibility*, and managerial ownership simultaneously influences tax aggressiveness.
Hypothesis 2: *Related party transactions* influences tax aggressiveness.
Hypothesis 3: *Corporate social responsibility* influences tax aggressiveness.
Hypothesis 4: Managerial ownership influences tax aggressiveness.

3. RESEARCH METHOD

To measure the degree of interconnectedness of various variables, this research uses an associative quantitative approach (Scott, 2022) . This research uses associative quantitative techniques to see how tax aggressiveness is influenced by related party transactions, CSR, and management ownership. A total of 118 companies included in the *consumer non-cyclicals* sector listed on the Indonesia Stock Exchange are the focus of this research. This sample selection method uses *a purposive sampling* strategy that considers the following factors:

1. Non-cyclical consumer *sector companies* listed on the IDX between 2018 and 2022 that did not experience cyclical fluctuations in their share prices.
2. There was no *delisting* from the IDX between 2018 and 2022.
3. Financial statements that have been audited by the auditor and annual reports are published by the company.
4. There were no losses incurred by the company from 2018 to 2022.
5. All information related to research variables is published in full in the annual report as well as the financial report.

The sample elimination process using *purposive sampling* resulted in 14 companies that passed the criteria test and were used as the final sample in this study.

4. DATA ANALYSIS AND DISCUSSION

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Table 1. Descriptive Statistical

Results

	X1	X2	X3	Y
Mean	0.010637	0.341601	0.040113	0.230674
Median	0.003510	0.307690	0.006730	0.225570
Maximum	0.062850	0.670330	0.252520	0.363890
Minimum	0.000000	0.054950	0.000000	0.142610
Std. Dev.	0.016275	0.159231	0.067824	0.039279
Skewness	1.756944	0.378071	2.227967	0.906020
Kurtosis	4.972774	2.147601	7.186076	4.461118
Jarque-Bera	47.36448	3.786813	109.0208	15.80354
Probability	0.000000	0.150558	0.000000	0.000370
Sum	0.744570	23.91207	2.807940	16.14717
Sum Sq. Dev.	0.018277	1.749467	0.317404	0.106454
Observations	70	70	70	70

Source: *Output Eviews 12* (data processed, 2024)

The descriptive statistical findings mentioned above show that:

1. *Related Party Transaction* has an average number of 0.010637, a median number of 0.003510, a maximum number of 0.062850 which originates from PT Tigaraksa Satria Tbk. in 2022, a minimum number of 0.000000 from PT Siantar Top Tbk. in 2021, and a standard deviation of 0.016275. This indicates that the findings of the descriptive analysis *of Related Party Transaction* vary widely.
2. *Corporate Social Responsibility* has an average number of 0.341601, the median number is 0.307690, the maximum number is 0.670330 sourced from PT Indofood Sukses Makmur Tbk. in 2022, the minimum is 0.054950 from PT Tigaraksa Satria Tbk in 2018, and the standard deviation value which touches 0.159231 is the highest standard deviation compared to other variables. This shows that the findings of the descriptive analysis for *Corporate Social Responsibility* vary widely.
3. Managerial Ownership has an average number of 0.040113, a median value of 0.006730, a maximum of 0.252520 arising from PT Mayora Indah Tbk. in 2022, a minimum of 0.000000 from PT Unilever Indonesia Tbk. in 2019, and a standard deviation value of 0.067824, showing that the descriptive analysis for Managerial Ownership varies greatly.
4. On the other hand, Tax Aggressiveness has an average figure of 0.230674, the median is 0.225570, the maximum is 0.363890 sourced from PT Dharma Satya Nusantara Tbk. in 2019, the minimum is 0.142610 contributed from PT Midi Utama Indonesia Tbk. in 2021, and the standard deviation value is 0.039279. It shows that the findings of the descriptive analysis of Tax Aggressiveness as a dependent variable vary.

Model Regression Panel Data

Chow Test

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Table 2. Test Results Chow

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	9.357216	(13,53)	0.0000
Cross-section Chi-square	83.471961	13	0.0000

Source: *Output Eviews 12* (data processed, 2024)

The results of *the chow test* showed the number Fcal > the Ftable value, namely with the number 9.357216 > 3.410534. On the other hand, *the Prob.* F is 0.0000, less than the standard significance level of 0.05 (0.0000 < 0.05). The findings *of the Chi Square cross-section* obtained more numbers than *the Chi-Square table* (83.471961 > 22.368). In addition, *the Prob. Chi-Square* obtained findings that were less than the standard significance level (0.0000 < 0.05). This result means that the selected model is the *Fixed Effect Model* (FEM).

Hausman Test

Table 3. Test Results Hausman

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

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	11.092268	3	0.0112

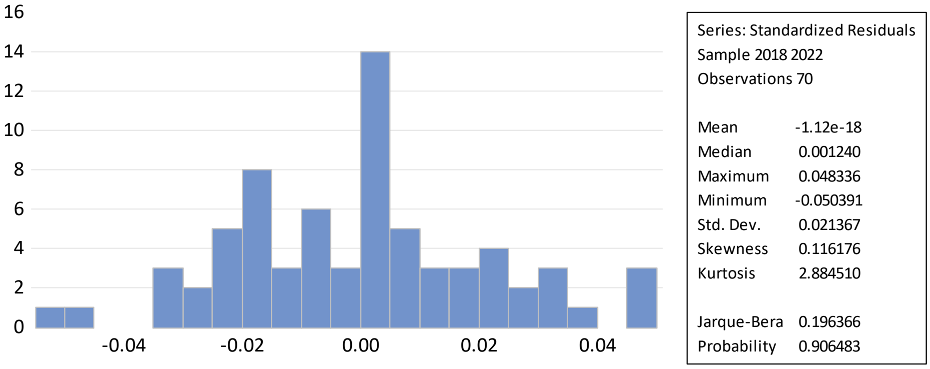
Source: *Output Eviews 12* (data processed, 2024)

The findings of *the thirst* test showed that the *statistical Chi-Square* number was obtained at 11.092268, larger than the *Chi-Square number* in the table (11.092268 > 7.815). Prob Numbers. *Chi-Square* is 0.0112, smaller than the standard significance (0.0112 < 0.05). This result means that the model selected in the *thirst* test is *the Fixed Effect Model* (FEM).

From *the chow* test and *the hausman test* carried out, the same selected model was produced, so no more lagrange multiplier tests were needed.

Classic Assumption Test

Normality Test



Picture 2. Normality Test Results
Source: Output Eviews 12 (data diolah, 2024)

The *Jarque-Bera* (JB) finding shows a number of 0.196366, meaning that this value is smaller than the *Chi-Square (Jarque-Bera)* number (0.196366 < 22.368) and *the Prob number. Jarque-Bera* is larger than the standard significance level (0.906483 > 0.05). This concludes that the residual model in this study has passed the test and it is said that the data has been distributed normally.

Multicollinearity Test

Table 4. VIF Multicollinearity Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.000141	6.261980	NA
X1	0.090914	1.514250	1.056463
X2	0.000941	5.931000	1.046203
X3	0.005024	1.373544	1.013785

Source: *Output Eviews 12* (data processed, 2024)

By looking at this, the *centered VIF* of each independent variable is less than 10 (1.056463 < 10), (1.046203 < 10), (1.013785 < 10). From the findings obtained, this study model has no symptoms of multicollinearity.

Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.014013	0.015378	0.911211	0.3663
X1	-0.219335	0.336892	-0.651055	0.5178
X2	-0.002459	0.012812	-0.191947	0.8485
X3	0.143275	0.330194	0.433913	0.6661

Source: *Output Eviews 12* (data processed, 2024)

By looking at this, the probability number of all variables is above 0.05 which is the level of significance in this study (0.5178 > 0.05), (0.8485 > 0.05), (0.6661 > 0.05). This shows that this study model has no symptoms of heteroscedasticity.

Autocorrelation Test

Table *6.* Autocorrelation Test Results

Effects Specification			
Cross-section fixed (dummy variables)			
R-squared	0.704073	Mean dependent var	0.230674
Adjusted R-squared	0.614736	S.D. dependent var	0.039279
S.E. of regression	0.024380	Akaike info criterion	-4.382587
Sum squared resid	0.031503	Schwarz criterion	-3.836524
Log likelihood	170.3906	Hannan-Quinn criter.	-4.165684
F-statistic	7.881136	Durbin-Watson stat	2.205157
Prob(F-statistic)	0.000000		

Source: *Output Eviews 12* (data processed, 2024)

The decision that there is no Autocorrelation in this study because it has met the criteria that are categorized as not Autocorrelated occurs, namely:

1. dU < DW < 4 – dL = 1.7028 < 2.205157 < 2.4755
2. dL < DW < 4 – dU = 1.5245 < 2.205157 < 2.2972

Multiple Regression Model

Table 7. Multiple Regression Model Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.286102	0.032055	8.925373	0.0000
X1	-0.075239	0.702244	-0.107140	0.9151
X2	-0.123451	0.026707	-4.622369	0.0000
X3	-0.310537	0.688281	-0.451178	0.6537

Source: *Output Eviews 12* (data processed, 2024)

By looking at this, the regression equation is:

$$\boldsymbol{Y = 0.286102 - 0.075239X1 - 0.123451X2 - 0.310537X3 + \varepsilon}$$

By looking at this, the relationship between multiple linear regressions *of Related Party Transactions*, *Corporate Social Responsibility*, and Managerial Ownership on Tax Aggressiveness. The relationship is described in more detail, namely:

1. The constant number **is 0.286102**, this means that if there is no increase in the number of *Related Party Transactions*, *Corporate Social Responsibility*, and Managerial Ownership, then the Tax Aggressiveness number is **0.286102**.
2. The regression coefficient of *the Related Party Transaction* is **-0.075239**, this means that *the Related Party Transaction* influences the Tax Aggressiveness of **-0.075239**, or it can be said, the Tax Aggressiveness will decrease by **0.075239** if there is an increase of 1 unit in the *Related Party Transaction*, assuming the other free variables are constant.
3. The regression coefficient of *Corporate Social Responsibility* is **-0.123451**, this means that *Corporate Social Responsibility* influences Tax Aggressiveness of **-0.123451**, or it can be said, if there is an increase of 1 unit in *Corporate Social Responsibility*, then the level of Tax Aggressiveness will decrease by **0.123451** assuming other independent variables constant.
4. The regression coefficient of Managerial Ownership is **-0.310537**, this means that Managerial Ownership influences Tax Aggressiveness of **-0.310537**, or it can be said, if there is an increase of 1 unit in Managerial Ownership, then there will be a decrease in the value of Tax Aggressiveness by **0.310537** assuming that other independent variables are constant.

Determination Coefficient Test

The number of determination coefficients can be seen in the *Adjusted R-squared number*, which is at 0.614736. This finding is that the relationship between *Related Party Transaction*, *Corporate Social Responsibility*, and Managerial Ownership on Tax Aggressiveness is 61.47% with a strong relationship level status. The other 38.53% were explained by other things that were not studied in this study.

1. **The Influence of *Related Party Transactions*, *Corporate Social Responsibility*, and Managerial Ownership on Tax Aggressiveness**

The results of the F test show that there is a Fcal value greater than Ftabel (7.8811336 > 2.735541) and the significance probability value is below 0.05 (0.000000 < 0.05), which means that Related Party Transactions, Corporate Social Responsibility, and Managerial Ownership are suspected to influence Tax Aggressiveness. In other words, the variables of Related Party Transactions, Corporate Social Responsibility, and Managerial Ownership together have a positive and significant effect on Tax Aggressiveness, which means that H0 is rejected and H1 is accepted.

This result is in line with the results of the research, and where each independent variable has a significant influence on Tax Aggressiveness. Different from the three previous researches, the results of the research from and obtained the opposite results that there was no significant influence on Tax Aggressiveness. This indicates that agency (Ellyani & Hudayati, 2019) (Vitaloka et al., 2023) (Wijaya & Saebani, 2019) (Nurariza et al., 2019) (Scott, 2020) *theory* is not necessarily proven in all research, but it is certain that there will be practices where the company or management tries to maximize profits and provide rewards to the principal (the party that has capital) by one of them carrying out aggressive tax avoidance, because after all, the company certainly has a vision to get as much profit as possible.

2. **The Effect *of Related Party Transactions* on Tax Aggressiveness**

The results of the t-test of the Transactions of Related Parties show that the alleged influence of the transaction on tax aggressiveness can be seen partially. The t-value is calculated below the table t-value (-0.107140 < 1.99444) and the significance probability value is above 0.05 (0.9151 > 0.05). This means that the variable of the Transaction of Related Parties partially has no significant effect on Tax Aggressiveness, and H0 is accepted while H2 is rejected.

This finding agrees with research carried out by and where the two researchers also research in the (Nurariza et al., 2019) (Aprianingsih et al., 2021) *consumer non-cyclicals* sector by taking the sub-sector of food and beverage consumer goods. However, on the other hand, different results were obtained by and in their research which proved that a significant influence of (Wijaya & Saebani, 2019) (Prasetyo Hadi Santoso & Utami, 2023) *Related Party Transactions* was found on Tax Aggressiveness. These different results can be influenced by the number of samples used as observation objects, where in the study and using more samples than the sample than this study (81 and 200 samples) which makes the results more significant. (Wijaya & Saebani, 2019) (Prasetyo Hadi Santoso & Utami, 2023)

This result also shows that the agency theory is not proven for the *Related Party Transaction* variable in this study, but it is possible for the theory to be applied in a form of action other than *the Related Party Transaction*, because independently, *the Related Party Transaction* does not have an influence on Tax Aggressiveness, but simultaneously has an effect. This indicates that there is still a possibility for companies to carry out policies that can reduce tax burden and maximize profits.

3. **The Influence *of Corporate Social Responsibility* on Tax Aggressiveness**

In the results of the t-test for the Corporate Social Responsibility variable, partially, we can see the alleged influence of CSR on Tax Aggressiveness, where the t-value is greater than the t-table value (-4.622369 > 1.99444) and the significance probability value is less than 0.05 (0.0000 < 0.05). This means that H3 is better accepted than H0, meaning that CSR is a major predictor of tax aggressiveness, but at a lower rate than before. The Corporate Social Responsibility variable also has an inverse correlation with Tax Aggressiveness, as seen from the negative t-value calculated. Thus, tax aggressiveness decreases when corporate social responsibility initiatives are explained more comprehensively.

This finding has one voice with the research, , and , where the *Corporate Social Responsibility* variable has a significant impact on Tax Aggressiveness (Wijaya & Saebani, 2019) (Vitaloka et al., 2023) (Dwi Cahya & Nursita, 2023) . Meanwhile, the opposite result was obtained and where it was stated that the high and low of a company in disclosing (Scott, 2020) (Pratama & Widarjo, 2022) *its Corporate Social Responsibility did not affect the* Tax Aggressiveness measures carried out by the company. This difference in results can also be obtained due to the difference in the population taken from each study and the number of samples used as research objects. The results obtained in this research prove *the stakeholder* theory that *Corporate Social Responsibility activities* are a form of communication and corporate commitment to stakeholders in order to gain trust and good reputation, which makes companies reluctant to carry out aggressive tax avoidance actions.

4. The Influence of Managerial Ownership on Tax Aggressiveness

The results of the t-test of Managerial Ownership partially show the influence of managerial ownership on tax aggressiveness. The calculated t-value is smaller than the table t-value (-0.451178 < 1.99444) and the significance probability value is greater than 0.05 (0.6537 > 0.05). This caused H4 to be rejected and H0 to be accepted. This indicates that there is only a partial relationship between Tax Aggressiveness and the Managerial Ownership variable.

This finding is supported by previous research conducted by confirming that there is no correlation between managerial ownership and tax aggressiveness. On the other hand, the results of the study came to a different conclusion, namely that Managerial Ownership has a significant negative contribution to Tax Aggressiveness, which means that the higher the percentage of share ownership by the management, the lower the level of tax aggressiveness.(Makarim & Gani Asalam, 2021) (Wijaya & Saebani, 2019)

The results in this study certainly do not prove the agency theory used with the assumption that with managerial shareholding, the management will be more careful in carrying out aggressive tax avoidance actions. This theory may be proven if the sample used is more numerous and more comprehensive, considering that the value of Managerial Ownership in this study is relatively small (no issuer has more than 30% managerial ownership), which makes the Managerial Ownership variable have no impact on Tax Aggressiveness actions.

5. CONCLUSION & SUGGESTION

CONCLUSION

From 2018 to 2022, the researchers sought to measure tax aggressiveness as a function of related party transactions, corporate social responsibility, and managerial ownership. In the *consumer non-cyclicals* sector, the sample approach of this study uses *purposive sampling*. Of the 118 populations listed on the Indonesia Stock Exchange (IDX), 14 issuers meet research needs and pass the elimination criteria.

Conclusions that can be drawn from the study and the discussion that have been presented include:

1. There is a substantial and significant impact between Tax Aggressiveness and Related Party Transactions, Corporate Social Responsibility, and Managerial Ownership.
2. Tax aggressiveness is not affected by the Transaction variable of Related Parties.
3. There is a significant negative correlation between tax aggressiveness and CSR variables. Simply put, corporate tax aggressiveness is declining along with increasing Corporate Social Responsibility disclosures.
4. The managerial ownership variable does not affect tax aggressiveness.
5. The independent variables of this study, namely Transactions of Related Parties, Corporate Social Responsibility, and Managerial Ownership have a strong relationship with the dependent variable, namely Tax Aggressiveness and can explain 61.47%, according to the value of the determination coefficient (61.47%). Other factors that were not explained or investigated in this research explained the remaining 38.53%.

SUGGESTIONS

Based on the conclusions and limitations that have been described, the researcher would like to convey recommendations for future researchers as follows:

1. Examine more variables and use other variables besides free and bound variables, such as moderation or *intervening* variables.

2. Maximizing the population and sample used to obtain a more maximal and comprehensive determination coefficient value in explaining dependent variables.
3. Expand the sectors of the company that are taken or choose sectors that have not been researched much to get different results.
4. Extending or shortening the observation year period to get results that are more in line with the research hypothesis, considering that during the 2018-2022 period there was a major event, namely COVID-19 from the end of 2019 to mid-2022, which makes the results in this study may be less than optimal due to major events that have a significant impact on the economy and business actors both globally and nationally.

For companies, they should be able to reduce aggressive tax avoidance and carry out *tax planning* in accordance with applicable provisions (not violating regulations) so that there are no indications of aggressive tax avoidance. For government agencies, they should pay more attention to regulatory loopholes, especially taxation, so that there are no aggressive tax avoidance actions for taxpayers, especially corporate taxpayers. In addition, it is also hoped that government agencies can be more transparent in the use of the budget derived from taxes to create trust from taxpayers, especially companies, to be willing to spend their tax burden properly without having to do aggressive tax avoidance.

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