Faculty of Economics and Business
Universitas Pamulang
INTERNASIONAL CONFERENCE & CALL FOR PAPER
ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025
Vol : 2 No.: 1 No. E- ISSN: 3025-4086

THE EFFECT OF INVENTORY INTENSITY, SALES GROWTH, AND FINANCIAL DISTRESS ON TAX AGGRESSIVENESS

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ABSTRACT

This study aims to analyze the effect of inventory intensity, sales growth, and financial distress on tax aggressiveness. This research was conducted by analyzing the financial statements of companies in the properties & real estate sector listed on the Indonesia Stock Exchange (IDX) during the period 2019 to 2023. The samples used in this study were 10 companies using purposive sampling technique. The data used in this study are secondary data in the form of financial reports from each company that has been sampled. The panel data regression method is used as a research methodology in this study. The results showed that the best model was the Random Effect Model (REM). The results in this study indicate that inventory intensity has no effect on tax aggressiveness, sales growth has a negative effect on tax aggressiveness, and financial distress has no effect on tax aggressiveness. Simultaneously inventory intensity, sales growth and financial distress affect tax aggressiveness.

Keywords: Inventory Intensity, Sales Growth, Financial Distress, *Tax Aggressiveness.*

ABSTRAK

Penelitian ini bertujuan untuk menganalisis pengaruh inventory intensity, sales growth, dan financial distress terhadap tax degradation. Penelitian ini dilakukan dengan menganalisis laporan keuangan perusahaan sektor properti & real estate yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2019 sampai dengan 2023. Sampel yang digunakan dalam penelitian ini sebanyak 10 perusahaan dengan menggunakan teknik purposive sampling. Data yang digunakan dalam penelitian ini adalah data sekunder berupa laporan keuangan dari masing-masing perusahaan yang telah dijadikan sampel. Metode regresi data panel digunakan sebagai metodologi penelitian dalam penelitian ini. Hasil penelitian menunjukkan bahwa model terbaik adalah Random Effect Model (REM). Hasil dalam penelitian ini menunjukkan bahwa inventory intensity tidak berpengaruh terhadap tax degradation, sales growth berpengaruh negatif terhadap tax degradation, dan financial distress tidak berpengaruh terhadap tax degradation. Secara simultan inventory intensity, sales growth dan financial distress berpengaruh terhadap tax degradation.

Kata Kunci: Inventory Intensity, Sales Growth, Financial Distress, Tax degradation.

Vol : 2 No.: 1 No. E- ISSN: 3025-4086

1. INTRODUCTION

A significant source of state revenue in Indonesia, which is important for development, comes from several sectors, particularly taxation. In Indonesia, tax revenue is the main source of financing the state budget (APBN). This makes taxes the main concern of the government, as it is the most significant element of the state budget (Fadli, 2016).

Taxes provide a significant revenue stream for the state, which is used to fund operational and development expenditures. In contrast, for corporations, taxes are a liability that reduces net income (Suandy, 2008). The difference in interests between the state and corporations will result in corporate taxpayer non-compliance, which has an adverse impact on corporate tax avoidance strategies (Widya et al., 2020).

The higher the company's income, the greater its tax liability. This can encourage profit-driven companies to engage in tax planning strategies to minimize their tax liabilities (Prasista & Setiawan, 2016). Companies can falsify their financial accounts for many purposes, one of which is tax avoidance. When reported profits are below average, this indicates that the company is most likely not competitive or may imply tax avoidance.

The tax collection system in Indonesia uses an independent assessment paradigm, empowering taxpayers to calculate and report their tax liabilities in accordance with the relevant laws and regulations. If the self-assessment system functions in accordance with the established rules and regulations, it will provide optimal taxation results. Tax avoidance can occur if the person does the calculation and reporting independently (Umar & Hertati, 2023).

Tax aggressiveness practices, particularly tax avoidance, are difficult for tax authorities to identify due to the confidentiality of reporting and the reliance of most companies on Professional Accountants with extensive expertise. Tax avoidance is a strategy used by companies that, while legal, is contrary to the intentions of policy makers. Tax authorities seek to reduce tax avoidance by interpreting tax regulations collaboratively (Santoso, 2021).

The property and real estate sector experiences rapid growth each year due to the fixed availability of land, juxtaposed with the growing population in Indonesia, which indicates an increasing demand for housing, offices, shopping centers, and similar facilities. Many businesses are now involved in the Real Estate sector by building residential, commercial, and industrial properties, all of which are subject to tax duties. The increasing number of established companies contributes to the country's revenue, as taxes are a significant source of national income, play an important role in the economy and serve as a mechanism to facilitate national development and fund public welfare. Therefore, taxation must receive special attention from related parties, especially in its implementation, collection, and regulation (Putri & Nuswandari, 2023).

Examples of tax aggressiveness are often practiced by companies using several methods, such as the 2016 Panama Papers Incident, which included the release of records relating to financial activities. The papers contain a list of prominent global customers, purportedly hidden to reduce the company's tax liabilities. Several Indonesian companies are engaged in this field, including PT Ciputra Development, Tbk and PT Lippo Karawaci, Tbk, which are all engaged in property and real estate. The issue of tax evasion by some stakeholders in the property and real estate sector in Indonesia relates to a property transaction conducted by Bukit Semarang Baru housing developer, PT Karyadeka Alam Sari, specifically with the sale of a Rp7.1 billion luxury apartment in Semarang. However, the notarized document only stated Rp940 million. As a result, there was a price discrepancy of Rp6.1 billion. This transaction showed a potential VAT (Value Added Tax) of 10 percent, amounting to Rp610 million, derived from Rp6.1 billion. Another shortfall is

the Delinquent Income Tax (PPh) of 5 percent imposed on Rp6.1 billion amounting to Rp300 million. The total tax deficit reached Rp 910 million.Penelitian sebelumnya menunjukkan bahwa intensitas persediaan merupakan faktor yang mempengaruhi agresivitas pajak. Intensitas inventaris mengkuantifikasi tingkat investasi inventaris oleh organisasi (Latifah & Meilani, 2018) . Perusahaan dengan persediaan yang cukup besar dapat mengurangi kewajiban pajaknya. Inventaris membebani perusahaan.

PSAK 14 stipulates that expenses associated with substantial inventory holdings should be deducted from the cost of inventory and reported as an expense in the period. High inventory levels can reduce a company's tax liability, when some expenses occur beyond the intrinsic cost of inventory. These expenses will further reduce net income and reduce tax liabilities (Pinareswati & Mildawati, 2020). The additional costs include the cost of warehousing goods and expenses incurred due to damage to these goods. Therefore, it is very important to disclose the amount of inventory held by the company in the balance sheet; a larger inventory value in the financial statements indicates a better potential wealth of the company. Radio intensity inventory will be valued in relation to the company's total assets (Arizoni et al., 2020).

According to research (Susanti & Satyawan, 2020), (Christina & Wahyudi, 2022), and (Andhari & Sukartha, 2017) state that inventory intensity has no effect on tax aggressiveness. Meanwhile, according to research (Yahya et al., 2022) states that inventory intensity affects tax aggressiveness.

Another factor that affects tax aggressiveness is sales growth. Sales growth serves as a metric of a company's past success, which can be used to predict future sales growth. As a company's sales volume increases, its sales growth increases simultaneously. An increase in sales growth allows the organization to make more money. When a company experiences a surge in sales growth, the company often commits tax evasion, because large revenues lead to sizable tax obligations (Susanti & Satyawan, 2020).

According to research (Susanti & Satyawan, 2020), (Antari & Merkusiwati, 2022), (Christina & Wahyudi, 2022) , and (Waladia & Prastiwi, 2022) state that sales growth affects tax aggressiveness. Meanwhile, according to (Nisadiayanti & Yuliandhari, 2021) states that sales growth has no effect on tax aggressiveness.

Financial distress refers to a situation where a company has financial challenges that hinder its ability to fulfill commitments when due, while maintaining operational functionality (Nugroho et al., 2020) . Companies experiencing financial distress often experience increased expenses, less access to funding sources, and the inability to meet credit obligations when due, which results in a reduced tax burden for the company (Octaviani & Sofie, 2018) . As a result, corporations refrain from bearing the risks associated with tax aggressiveness due to the reduced tax burden. Despite the small profits, companies refrain from using financial problems to gain more profits through tax aggressiveness, as this will increase the danger of bankruptcy and liquidation.

According to research (Maulida et al., 2023), (Ningsih & Noviari, 2021) and (Astika & Asalam, 2023) state that financial distress affects tax aggressiveness. Meanwhile, according to research (Permana & Maidah, 2020) states that financial distress affects tax aggressiveness.

2. LITERATURE REVIEW

Agency Theory

In agency theory, there is an agreement between resource owners (principals) and managers (agents) to run a business with the main objective of obtaining maximum profit. In order to achieve this goal, managers may implement various strategies, both legal and

illegal, which may harm many parties. When managers pursue their own interests or use unbalanced information, this can lead to conflicts of interest and potential losses for owners and other stakeholders. (Poerwati et al., 2021).

Positive Accounting Theory

Positive accounting theory is a theory introduced by Watts and Zimmerman in 1986. Positive accounting theory explains an accounting theory that seeks to reveal that certain economic factors or characteristics of a particular business unit can be related to the behavior of managers or preparers of financial statements (Arizoni et al., 2020) . This theory is based on shareholders, fiscus are rational, and seek to maximize their functions which will be directly related to the compensation received, and the welfare received. The use of accounting policies depends on the relative costs and benefits of the procedures chosen to maximize their functions (Andhari & Sukartha, 2017).

Tax Agressiveness

Actions in tax planning such as tax avoidance, tax write-offs and tax savings are part of the tax aggressiveness carried out by companies. Tax avoidance does not necessarily mean inappropriate behavior, as managing tax costs is an appropriate part of a long-term strategy (Yahya et al., 2022).

Tax aggressiveness is the Company's effort to achieve tax relief through tax planning by engineering taxable profit to minimize or reduce the tax burden which can be done legally or illegally (Maulida et al., 2023).

Inventory Intensity

Inventory is one of the most important assets for an entity, whether a retail, manufacturing, service or other entity. Inventory owned by the company has a very important role because it can support the company's operational activities to get profit or profit (Yahya et al., 2022).

In SAK-ETAP regulated by IAI, inventory is an asset that is sold in the normal course of business or in the production process for later sale, and even in the form of complementary and production materials or used in purchasing work. If the resources in a company can carry out tax management, in this case the company will look for ways to streamline taxable expenses such as utilizing PSAK No. 14 inventory that increases and is recognized as an expense and reduces profits. So it is hoped that the tax charged to the Company will be low (Syafrizal & Sugiyanto, 2022).

Sales Growth

Sales growth is an increase in the number of sales from time to time. Sales growth is also an indicator used in the demand and competitiveness of companies in an industry. With sales growth, we can review the realization of success in past investments so that it can be used as an assumption for future growth (Susanti & Satyawan, 2020).

The amount of sales growth can predict the amount of profit the company will get. The high sales growth of the company indicates that the company has a large sales volume so that it provides an opportunity for the company to get a large profit, causing a higher tax burden on the company (Nisadiayanti & Yuliandhari, 2021).

Financial Distress

Financial distress is defined as a condition where the company is experiencing financial difficulties but in this condition the company can still carry out its operational activities. Financial distress can be interpreted as a state of decreased income, usually this situation is reflected in the financial statements, where cash balances, receivables, inventory, equity, and profits show a downward trend that has the potential to become a problem for fulfilling company obligations, and on the other hand operating expenses have increased. This situation generally forces the company to do various ways so that the costs that must be incurred do not complicate the company's situation, therefore, in many cases

the company utilizes this situation to reduce the value of the tax burden (Djohar & Angelina, 2022).

In a research explained, financial distress is a condition that can trigger deviant behavior in tax payments, because companies have a strong enough reason to ignore it (Arizoni et al., 2020) . Financial distress that occurs in a company is not absolutely a disaster for the company. Because financial distress can also be intended as an early warning system for a company to face problems, such as a company with a large debt will experience financial distress earlier than a company that does not have too much debt (Wahyuni & Rubiyah, 2021).

3. DATA AND RESEARCH TECHNIQUE ANALISYS

The type of research used in this study is descriptive research with quantitative research methods. Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to research on certain populations or samples, data collection using research instruments, quantitative or statistical data analysis, with the aim of testing predetermined hypotheses. This study uses purposive sampling technique. The population used is all companies listed in the properties & real estate sector on the Indonesia Stock Exchange (IDX) for the 2019-2023 period, namely 92 companies. The study used secondary data, namely financial reports downloaded from the IDX website (www.idx.co.id) and the official website of each company. From a population of 92 companies, the number that matches the criteria is 10 companies multiplied by the number of research periods, namely a 5-year period so that 50 research samples are obtained. Data analysis and testing using Eviews 12 software. The following is an operational table of variables in the study:

No	Variabel	Indikator	Skala
1.	Inventory intensity (X1) Dewi Susanti & Made Dudy Satyawan (2020)	$\mathbf{INVINT} = \frac{\mathbf{Net\ Inventory}}{\mathbf{Net\ Asset}} \times \mathbf{100\%}$	Rasio
2.	Sales growth (X2) Dewi Susanti & Made Dudy Satyawan (2020)	$\mathbf{GROWTH} = \frac{\mathbf{Net\ Sales_t} - \mathbf{Net\ Sales_{t-1}}}{\mathbf{Net\ Sales_{t-1}}}$	Rasio
3.	Financial distress Zmijewski (1984)	**X-Score = -4,3 – 4,5 X1 + 5,7 X2 + 0,004 X3**	Rasio
4.	Agresivitas pajak (Y) Dewi Susanti & Made Dudy Satyawan (2020)	$\mathbf{ETR} = \frac{\mathbf{Income\ tax\ expense}}{\mathbf{Profit\ before\ tax}} \times \mathbf{100\%}$	Rasio

4. RESULT AND DISCUSSION

Analysis of the results of this research will be in the form of outlines in table 1 to table 6 :

Descriptive Statistical Analysis

Table 1. Descriptive Statistical Analysis

	Y	X1	X2	X3
Mean	0.008926	0.231756	1.051686	-2.615812
Median	0.004550	0.209200	1.064800	-2.568500
Maximum	0.041300	0.791700	1.385400	-1.267100
Minimum	-0.014500	0.000400	0.458500	-4.218900
Std. Dev.	0.012475	0.210235	0.220086	0.747585
Skewness	0.945343	1.125123	-0.680441	-0.297699
Kurtosis	3.353681	3.836649	2.999518	2.576502
Jarque-Bera	7.707891	12.00747	3.858332	1.112186
Probability	0.021196	0.002470	0.145269	0.573445
Sum	0.446300	11.58780	52.58430	-130.7906
Sum Sq. Dev.	0.007625	2.165737	2.373450	27.38526
Observations	50	50	50	50

Test

Source: Eviews 12 data results.

Based on table 1, descriptive statistics show data from 10 property & real estate sector companies listed on the IDX during 2019-2023, which will be explained below:

1. Tax aggressiveness
   Descriptive statistical test in Table 1. shows that the tax aggressiveness variable (Y) has a minimum value of -0.014500 (Indonesia Prima Property Tbk. 2019) and a maximum of 0.041300 (2020), with an average of 0.008926 and a standard deviation of 0.012475.
2. Inventory intensity
   Descriptive statistical test in Table 1. shows that the inventory intensity variable (X1) has a minimum value of 0.000400 (Roda Vivatex Tbk. 2019-2020) and a maximum of 0.791700 (Perdana Gapuraprima Tbk. 2020), with an average of 0.231756 and a standard deviation of 0.210235..
3. Sales growth
   Descriptive statistical test in Table 1. shows that the sales growth variable (X2) has a minimum value of 0.458500 (Indonesia Prima Property Tbk. 2020) and a maximum of 1.385400 (Duta Pertiwi Tbk. 2022), with an average of 1.051686 and a standard deviation of 0.220086.
4. Financial distress
   Descriptive statistical test in Table 1. shows that the financial distress variable (X3) has a minimum value of -4.218900 (Roda Vivatex Tbk. 2020) and a maximum of -1.267100 (Bukit Darmo Property Tbk. 2023), with an average of -2.615812 and a standard deviation of 0.747585.

Panel Data Model Selection

a. Chow Test

Table 2. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.872022	(9,37)	0.0016
Cross-section Chi-square	33.181880	9	0.0001

Source: Eviews 12 data results.

Based on Table 2, the Chow Test results show a chi-square probability value of 0.0001 < 0.05, so H_0 is accepted and H_1 is rejected. The selected model is the Fixed Effect Model (FEM), and it is necessary to conduct the Hausman Test to choose between the Fixed Effect Model (FEM) and the Random Effect Model (REM).

b. Hausman Test

Table 3. Hausman Test Result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.729348	3	0.8663

Source: Eviews 12 data results.

Based on Table 3, the Hausman Test results show a probability value of 0.8663 > 0.05, so H0 is accepted and H1 is rejected. The selected model is the Random Effect Model (REM), and it is necessary to conduct a Lagrange Multiplier (LM) Test to choose between CEM and REM.

c. Legrange Multiplier Test

Table 4. Lagrange Multiplier (LM) Test

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	11.88122	1.840616	13.72183
	(0.0006)	(0.1749)	(0.0002)

Source: Eviews 12 data results.

Based on Table 4, the Lagrange Multiplier (LM) Test results show the Breusch-Pagan Cross-section value of 0.0006 <0.05, so H_0 is rejected and H_1 is accepted. The model chosen is the Random Effect Model (REM).

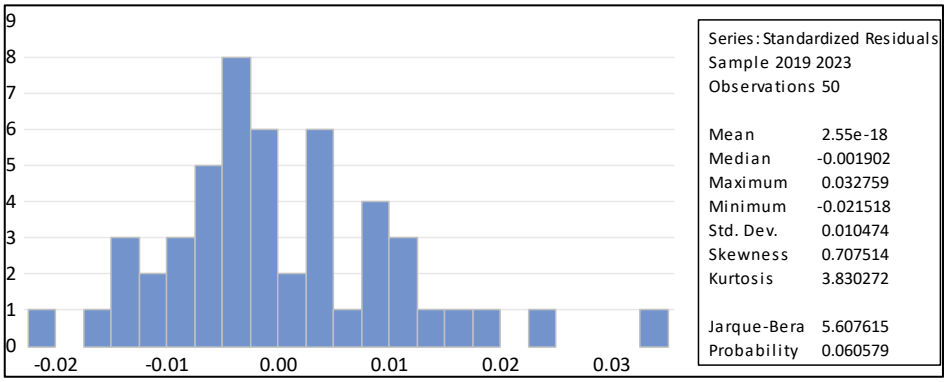
Classical Assumption Test

Based on the selection of the right model is the Random Effect Model (REM) with the Generalized Least Squared (GLS) approach. According to (Gujarati & Porter, 2009) "Although we have stated that, in cases of heteroscedasticity, it is the GLS, not the OLS, that is BLUE, there are examples where OLS can be BLUE, despite heteroscedasticity." This statement suggests that the heteroscedasticity referred to by BLUE relates to the GLS technique. The GLS method does not require a heteroscedasticity test.

Along with heteroscedasticity test, autocorrelation test in the GLS framework is also not required. Autocorrelation only exists in time series data. Testing autocorrelation using

non-time series data, such as cross-sectional or panel data, will not be effective (Basuki & Prawoto, 2016).

a. Normality Test



Source: Eviews 12 data results.

Figure 1. Normality Test Results

Figure 1, shows a Jarque-Bera value of 0.5607615 with a probability of 0.060579 > 0.05. Thus, H_0 is accepted and H1 is rejected, which means the data is normally distributed.

b. Multicollinearity test

Table 5. Multicollonearity Test Result

	X1	X2	X3
X1	1.000000	0.074283	0.259761
X2	0.074283	1.000000	0.071571
X3	0.259761	0.071571	1.000000

Source: Eviews 12 data results.

Based on table 5, the correlation coefficient between inventory intensity, sales growth, and financial distress variables are all less than 0.80, so it can be concluded that there is no multicollinearity problem.

Multiple Linear Regression Analysis

$$Y = 0.03 + 0.02*X1 - 0.01*X2 + 0.004*X3$$

Based on the function of the linear regression equation above, it can be explained as follows:

1. Constant (α): The constant value of 0.03 indicates that without the influence of independent variables (inventory intensity, sales growth, and financial distress), tax aggressiveness will increase by 3%.
2. Coefficient (β) inventory intensity: With a value of 0.02, if inventory intensity increases by 1%, then tax aggressiveness will increase by 2%. Conversely, if inventory intensity decreases by 1%, tax aggressiveness will decrease by 2%. This indicates a positive relationship between inventory intensity and tax aggressiveness.
3. Coefficient (β) sales growth: The value of -0.01 means, if sales growth increases by 1%, tax aggressiveness will decrease by 1%. Conversely, a 1% decrease in sales

growth will lead to an increase in tax aggressiveness. This indicates a negative relationship between sales growth and tax aggressiveness.

4. Coefficient (β) of financial distress: With a value of 0.004, if financial distress increases by 1%, tax aggressiveness will increase by 0.4%. A 1% decrease in financial distress will also cause a 0.4% increase in tax aggressiveness. This relationship is positive, meaning that the higher the financial distress, the higher the tax aggressiveness.

Hypothesis test

a. t test (partial)

Tabel 6. T test (partial) result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.029095	0.013051	2.229265	0.0307
X1	0.021582	0.014084	1.532323	0.1323
X2	-0.012602	0.005872	-2.146038	0.0372
X3	0.004556	0.003545	1.285089	0.2052

Source: Eviews 12 data results.

Based on the Table 6, there are variables with probability values greater than and less than 0.05. With the value of the table of 2.010635, the results of the test for each hypothesis in the current study are as follows:

1. Inventory intensity
   The value of the tabel is 2.010635 and the calculation of 1.532323 shows that the < of the table is calculated with a probability of 0.1323 > 0.05, H_0 is accepted, meaning that the variable inventory intensity does not have an effect on tax aggressiveness.
2. Sales growth
   The value of the table of 2.010635 and the calculation of -2.146038 shows that the value of the > is the of the table. With the probability of 0.0327 < 0.05, the H_0 is rejected, which means that the variable sales growth has a negative effect on tax aggressiveness.
3. Financial distress
   The value of the tabel of 2.010635 and the calculation of 1.285089 shows that the value of the < is the table of the table. With the probability of 0.2052 > 0.05, H_0 is accepted, which means that the variable financial distress does not have an effect on tax aggressiveness.

b. F test (Simultaneous)

Table 7. F test results (Simultaneous)

F-statistic	3.107833	Durbin-Watson stat	2.482726
Prob(F-statistic)	0.035435		

Source: Eviews 12 data results.

Based on the F test in Table 7, the Prob value (F-statistic) is 0.035435 < 0.05, F calculates 3.107833 > F table 2.806845, which means that inventory intensity, sales growth, and financial distress have a simultaneous effect on tax aggressiveness.

Determination Coefficient Test (R2)

Table 8. Determination Coefficient Test Results R^2

R-squared	0.168527	Mean dependent var	0.003786
Adjusted R-squared	0.114300	S.D. dependent var	0.008948

Source: Eviews 12 data results.

Based on Tabe 8, the Adjusted R-squared value of 0.114300 (11.43%) shows that the variables of inventory intensity, sales growth, and financial distress explain 11.43% of the variation in tax aggressiveness, while 88.57% are influenced by other factors.

Discussions

The effect of inventory intensity on tax aggressiveness

Based on the t test, inventory intensity has no effect on tax aggressiveness because the probability of 0.1323 > 0.05 and t table > t count. These results are in line with research (Susanti & Satyawan, 2020) and (Andhari & Sukartha, 2017) which state that inventory intensity has no effect on tax aggressiveness.

The results of this study do not support agency theory which states that managers will add additional costs to reduce tax burdens by increasing inventory costs to reduce corporate profits. The company's investment in inventory does not affect the aggressive approach to taxes, because taxes are paid based on pre-tax profits earned by the company. Managers tend to focus more on operational efficiency and optimal inventory management. This can reduce potential conflicts between agents and principals, as managers' actions become more transparent and aligned with the long-term goals of the company.

These results do not support positive accounting theory in research (Susanti & Satyawan, 2020) which states that a company's investment in inventory, regardless of the amount, has no effect on the tax to be paid. Companies prefer to invest in fixed assets because they can get tax deductions through depreciation. In this sector, inventories are generally unsold or under-construction properties, which are of high value and have long-term characteristics. Companies tend to prioritize managing inventory for the long term and ensuring smooth operations, rather than using inventory as part of a tax-saving strategy.

The effect of sales growth on tax aggressiveness

Based on the t test, sales growth affects tax aggressiveness because the probability of 0.0372 < 0.05 and t count > t table. These results are in line with research (Waladia & Prastiwi, 2022), (Christina & Wahyudi, 2022), and (Susanti & Satyawan, 2020) which state that sales growth has a negative effect on tax aggressiveness. These results contradict agency theory, which states that an increase in sales growth will increase tax avoidance practices by management (agents). In line with research (Waladia & Prastiwi, 2022) states that the increase in sales is in line with the increase in corporate income, allowing companies to pay taxes because they are not experiencing financial problems. In addition, supervision from tax authorities due to high sales growth also reduces tax aggressiveness.

These results do not support positive accounting theory in research (Susanti & Satyawan, 2020) which states that increasing sales growth reduces tax aggressiveness because greater profits facilitate tax payments. Although operational efficiency and profits increase, this leads to a higher Effective Tax Rate, indicating lower tax aggressiveness. Long-term sustainability is more important, so sales growth is more often utilized for business expansion and cash flow management rather than aggressive tax avoidance.

The effect of financial distress on tax aggressiveness

Based on the t test, financial distress has no effect on tax aggressiveness because the probability of 0.2052 > 0.05 and t table > t count. These results are in accordance with

research (Permana & Maidah, 2020) which states that financial distress has no effect on tax aggressiveness.

These results do not support agency theory in research (Ningsih & Noviari, 2021) which states that companies experiencing financial difficulties tend to focus on financial recovery rather than tax aggressiveness, because they prioritize improving financial conditions rather than tax avoidance. In addition, in this condition, the company has low taxable income or experiences losses, so it carries out tax aggressiveness.

The effect of inventory intensity, sales growth, and financial distress on tax aggressiveness

Based on the F test, the Prob (F-statistic) value of 0.035435 < 0.05 and F count > F table, so it can be concluded that inventory intensity, sales growth, and financial distress simultaneously affect tax aggressiveness. Since the sector under study has long-term characteristics, the inventory in the company reflects more operational aspects than tax strategies where the company may focus more on other elements in determining tax policy. Companies that have high sales growth tend to avoid aggressive tax strategies to maintain a good reputation in the eyes of customers or investors, conduct business expansion and manage cash flow. Companies experiencing financial distress are not the main driver of aggressive tax strategies, but rather choose to focus on operational stabilization rather than the additional risk of tax aggressiveness. So that the Company's tax policy is more influenced by revenue performance while operational factors and financial pressures do not have a significant influence on tax aggressiveness.

5. CONCLUSION

This research analyzes the effect of inventory intensity, sales growth, and financial distress on tax aggressiveness in Property & Real Estate companies listed on the IDX for the 2019-2023 period, with a sample of 10 companies and 50 samples. The research conclusions are as follows:

1. Inventory intensity has no effect on tax aggressiveness, according to previous research, with a probability of 0.1323 > 0.05 and t count < t table.
2. Sales growth has a negative effect on tax aggressiveness, in line with previous findings, with a probability of 0.0372 < 0.05 and t count > t table.
3. Financial distress has no effect on tax aggressiveness, in accordance with previous research, with a probability of 0.2052 > 0.05 and t count < t table.
4. Inventory intensity, sales growth, and financial distress simultaneously affect tax aggressiveness, because the Prob (F-statistic) value is 0.035435 < 0.05, with F count > F table (3.107833 > 2.806845).

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