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EFFECT OF *CORPORATE SOCIAL RESPONSIBILITY*, *CAPITAL INTENSITY* AND DEBT COSTS ON *TAX AVOIDANCE*

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ABSTRACT
This study aims to examine and obtain empirical evidence of the effect of Corporate Social Responsibility, Capital Intensity, and Debt Costs on Tax Avoidance. In relation to tax avoidance practices, there are companies in Indonesia that carry out tax avoidance by PT Indofood Sukses Makmur Tbk. Informed tax avoidance practices worth Rp. 1.3 billion, due to expansion of the business to avoid taxes. The dependent variable used is Tax Avoidance as measured by the Cash Effective Tax Rate (CETR) ratio. The independent variables used are Corporate Social Responsibility, Capital Intensity, and Debt Costs. This empirical research used a purposive sampling method to obtain a sample of 13 companies with 65 data. The population in this study are primary consumer goods sector companies listed on the Indonesia Stock Exchange during the period 2017 – 2021. The regression model in this study is multiple linear regression analysis. The results showed that there was no significant effect of corporate social responsibility on tax avoidance, meaning that the size of a CSR disclosure obtained within the company did not affect the level of tax evasion in primary consumer goods sector companies. And the results of the study show that there is a significant effect of capital intensity on tax avoidance. Meanwhile, the cost of debt has no significant effect on tax avoidance.

Keywords: CSR, CAPIN, COD, Tax Avoidance.

1. INTRODUCTION

Indonesia is a country that continues to strive to realize community welfare by carrying out national development. Sources of national development funding come from tax and non-tax. Tax is a mandatory contribution paid to the state that is coercive in nature based on the Law, but does not get compensation directly and is used for state purposes for the greatest prosperity of the people, this is based on tax efficiency according to Law Number 16 of 2009 Article 1 concerning General Provisions and Tax Procedures by Agustina (2020).

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Table 1 : Tax Realization and Target 2017 – 2021

Keterangan	Tahun 2017	Tahun 2018	Tahun 2019	Tahun 2020	Tahun 2021
Target	1.283 T	1.424 T	1.578 T	1.019 T	1.230 T
Realisasi	1.151 T	1.315 T	1.332 T	1.312 T	1.277 T
Persentase	**89,67%**	**92,00%**	**84,40%**	**85,60%**	**103,90%**

Source : Ministry of Finance of the Republic of Indonesia, January 4, 2022

Referring to the table above, it can be explained that tax realization has not been in accordance with the target set, one of the factors that have not achieved the tax revenue target is due to efforts from companies to minimize tax costs through tax avoidance. According to Lim (2011) tax planning carried out to reduce tax costs is a form of tax avoidance.

Related to the practice of tax avoidance, there are companies in Indonesia that carry out *tax avoidance* carried out by PT Indofood Sukses Makmur Tbk. Tax *avoidance* practices are informed worth Rp. 1.3 billion, the matter began when PT. Indofood Sukses Makmur Tbk (INDF) established a new company and transferred the assets, passiva and operations of the Noodle Division (instant noodle factory) to PT Indofood CBP Sukses Makmur Tbk (ICBP), it can be said to be expanding its business to avoid taxes, but with this expansion, the DGT still gave a decision that the company must continue to pay taxes owed worth Rp. 1.3 billion (www.gresnews.com).

Does *corporate social responsibility* affect *tax avoidance* ? The more cases of companies that practice tax avoidance, of course, the greater the losses experienced by a country. Besides being responsible for the economy of a country and government regulations, companies also have social responsibility to the environment around the company, a form of social responsibility that we commonly know as *Corporate social responsibility*. *Corporate social responsibility* has four dimensions of responsibility, namely, *Economic* responsibilities, legal responsibilities, ethical responsibilities, and *philanthropic responsibilities* (Pratiwi, 2019; Robbins and Coulter, 2007).

Does *capital intensity* affect *tax avoidance*? *Tax avoidance* is also influenced by *capital intensity*. *Capital intensity* can be defined as how much a company invests its assets in fixed assets and inventory (Dharma & Noviari, 2017). Companies that have a large proportion in fixed assets will pay their taxes lower, since the company benefits from the inherent depreciation of fixed assets that can reduce the tax burden of the company. Therefore, companies tend to be able to do tax avoidance (Setiawan, 2019).

Does the *Cost of Debt* affect *Tax Avoidance* ? Debt is another mechanism that can be used to reduce or control agency conflicts. With debts, the company must make periodic payments on interest and principals. This can reduce managers' desire to use *free cash flow* to finance activities that are not optimal. The use of debt will also increase risk, therefore managers will be more cautious because the risk of debt is greater than that of public investors. In other words, a company that uses debt in its funding and is unable to repay the debt will be threatened with liquidity so that in turn it will threaten the management position.

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2. LITERATURE REVIEW

a. Agency Theory

The concept of *agency theory* according to Supriyono (2018) is the contractual relationship between principals and agents. This relationship is carried out 12 for a service where the principal authorizes the agent regarding the best decision making for the principal by prioritizing the importance of optimizing the company's profits so as to minimize expenses, including tax burdens by doing tax avoidance. Agency theory is the granting of authority by the owner of the company (shareholders) to the company's management to carry out the company's operations in accordance with the agreed contract, if both parties have the same interest in increasing the value of the company then the management will act in accordance with the interests of the owner of the company.

b. *Stakeholder Theory*

Stakeholder Theory explains the importance of implementing *Corporate Social Responbilty* as a form of accountability to stakeholders, which is expected to minimize tax avoidance actions . This is because if a company that implements *Corporate Social Responbilty* is too aggressive in taxation, it can result in damage to reputation in the eyes of stakeholders.

Stakeholder theory is generally used to meet the interests of all parties. This theory shows that companies not only have a responsibility to the welfare of their company, but also to all parties, such as shareholders, institutions, and the government as parties who will be affected by the company's strategic actions and policies (Pradipta and Supriyadi, 2015)

c. *Tax Avoidance*

Tax avoidance is a form of tax avoidance that is legal by taking advantage of loopholes in the weaknesses of tax provisions to minimize the tax burden on the company. According to Dyreng, et al (2010), Tax *avoidance* is measured using the *Cash Effective Tax Rate* (CETR) based on the amount of corporate income tax paid by the company during a certain period compared to income before tax burden. The dependent variable is Tax Avoidance which is measured using a CETR (*Cash Effective Tax Rate)* proxy, namely by comparing the amount of tax paid with net. profit before tax (Irawati et al, 2020). *Cash Effective Tax Ratio* is calculated using the following formula:

$$\text{CETR} = \frac{\text{Pembayaran Pajak } (\mathit{Cash\ Tax\ Paid})}{\text{Laba sebelum pajak } (\mathit{Pre\ Tax\ Income})}$$

d. *Corporate social responsibility* (X1)

Corporate social responsibility can be defined by how the company pays attention to social impacts and curvature in its operational scope, as well as maximizing benefits and minimizing losses (Wiguna & Jati, 2017).

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$$\text{CSRDI} = \frac{\text{Jumlah pengungkapan yang dilakukan Perusahaan}}{\text{Total item Pengungkapan perusahaan}}$$

e. *Capital Intensity*

Capital intensity is defined as how much a company invests its wealth in fixed assets. Agency theory explains the existence of differences in interests between shareholders and management. The interest of management is to obtain the desired compensation by means of improving the performance of the company.

f. Cost Of Debt

The cost of debt is defined as the effective rate of current debt repayment of the enterprise (Khobaldalov, 2012). This study uses Cost of Debt (COD) as a proxy for variable debt costs. This research in calculating the cost of debt follows the formula developed by Kholbadalov (2012) by calculating the interest expense in that year divided by the average short-term debt plus long-term debt for the same year. The formula can be written as follows:

$$\text{BIAYA HUTANG (Cost Of Debt)} = \frac{\text{Beban Bunga}}{\text{Rata} - \text{rata pinjaman berbunga}}$$

3. DATA AND RESEARCH TECHNIQUE ANALISYS

The type of research used in this study is a type of quantitative research. Quantitative research can be interpreted as a form of scientific research that examines a problem of a phenomenon that occurs, and sees possible relationships between variables in the problem set. This method is called quantitative because the research data in the form of numbers and analysis of the use of statistics

A population is a generalized region consisting of objects or subjects that have certain qualities and characteristics that the researcher sets out to study and then to draw conclusions. In this study, the population used by researchers amounted to 87 companies from all Primary Consumer Goods Sector companies listed on the Indonesia Stock Exchange in 2017 - 2021.

The data collection method used in this study is secondary data. Secondary data is data that has been collected for the purpose of solving the problem at hand. The source of data used in this study is secondary data taken from the official website of the Indonesia Stock Exchange www.idx.co.id.

The dependent variables used in this study are tax avoidance, the independent variables are Sales Growth, Capital Intensity and Corporate social Responsibility. The analysis design is the steps taken in analyzing data with in using *soft ware* Eviews version 9 with multiple linear regression method.

4. RESULT AND DISCUSSION

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Descriptive Statistics

Descriptive statistical analysis describes a summary of research data such as *mean*, minimum, maximum and standard deviation values of each variable contained in the study. There are 13 companies that meet the criteria of this study. The following descriptive analysis results according to the sample of this study are as follows:

Table 2 : Descriptive Statistical Results

Sample: 2017 2021				
	Tax Avoidance	CSR	*Capital Intensity*	Biaya Hutang
Mean	0.354087	0.425459	0.356614	0.093450
Median	0.238536	0.407080	0.390247	0.103902
Maximum	2.124725	0.495575	0.634074	0.250400
Minimum	0.014727	0.353982	0.059199	0.003063
Std. Dev.	0.410976	0.041370	0.144379	0.049950
Observations	65	65	65	65

Source : Processed by the author from various references

Based on the results of descriptive statistical testing of the table above, it can be seen that:

1. The *Corporate Social Responsibility* variable (X1) has a minimum of 0. 353982 is found in ULTJ (PT. Ultra Jaya Milk Industry & Trading Company, Tbk.) year 2017 and maximum value 0. 495575 is found in DSNG (PT. Dharma Satya Nusantara Tbk.) the year is 2021. With *a mean* (average) value of 0. 42545 and a standard deviation of 0. 041370, it can be said that the distribution of data is already quite good.
2. The *Capital Intensity* variable (X2) has a minimum of 0.059199 contained in the DLTA (PT. Delta Djakarta Tbk.) year 2018 and the maximum value of 0.634074 is contained in BUDI (PT. Budi Starch & Sweetener Tbk) in 2018. With a *mean* value (average) of 0.356614 and a standard deviation of 0.144379, it can be said that the distribution of data is quite good.
3. Variable Debt Fee (X3) has a minimum of 0. 003063 is found in ULTJ (PT. Ultra Jaya Milk Industry & Trading Company, Tbk.) year 2017 and maximum value 0. 250400 is in CAMP (PT. Campina Ice Cream Industry Tbk.) year 2017 With *mean* value (average) 0. 093450 and a standard deviation of 0.049950, it can be said that the distribution of data is already quite good.

Panel Data Regression Model Results

Panel data regression can be done with three models, namely common effect, fixed effect and random effect. Each model has its own advantages and disadvantages. The

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selection of the model depends on the assumptions used by the researcher and the fulfillment of the correct statistical data processing requirements so that they can be statistically accounted for. From the three models in panel data regression, what must be done is to choose from these three models. The following data for each model:

Common Effect Model **(CEM)**

Table 3 : Common Effect Model

Sample: 2017 2021
Periods included: 5
Cross-sections included: 13
Total panel (balanced) observations: 65

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.728436	0.538599	1.352464	0.1812
CSR	-0.590715	1.197588	-0.493254	0.6236
Capital Intensity	-1.066122	0.374586	-2.846132	0.0060
Biaya Hutang	2.751950	1.073834	2.562732	0.0129

Sumber : Output E-views 9, 2022

Based on table 3, it shows that the common effect model has a constant coefficient of 0.728436, the coefficient of variable X1 is *Corporate Social Responsibility* of -0.590715, the coefficient of variable X2 is Capital Intensity of -1.066122, the coefficient of variable X3 is *Cost of Debt* of 2.751950.

Fixed Effect Model **(FEM)**

Table 4 : Fixed Effect Model

Date: 12/04/22 Time: 14:08
Sample: 2017 2021
Periods included: 5
Cross-sections included: 13
Total panel (balanced) observations: 65

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.546967	1.679090	0.921313	0.3614
CSR	-3.839463	3.917817	-0.980001	0.3319
Capital Intensity	0.673548	1.014659	0.663817	0.5099
Biaya Hutang	2.145094	1.259365	1.703314	0.0948

Sumber : Output E-views 9, 2022

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Based on table 4, it shows that the fixed effect model has a constant coefficient of 1.546967, the coefficient of variable X1 is Corporate Social Responsibility of -3.839463, the coefficient of variable X2 is Capital Intensity of 0.673548, the coefficient of variable X3 is Cost of Debt of 2.145094.

Random Effect Model (REM)

Table 5 : Random Effect Model

Sample: 2017 2021
Periods included: 5
Cross-sections included: 13
Total panel (balanced) observations: 65
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.244196	1.105237	-0.220944	0.8259
CSR	-1.748252	2.457522	-0.711388	0.4796
Capital Intensity	-2.140784	0.768673	-2.785038	0.0071
Biaya Hutang	3.723146	2.203572	1.689596	0.0962

Sumber : Output E-views 9, 2022

Based on table 4.6, it shows that the random effect model has a constant coefficient of -0.244196, the coefficient of the X1 variable, namely Corporate Social Responsibility, is -1.748252, the coefficient of the X2 variable, namely Capital Intensity, is -2.140784, the coefficient of the X3 variable, namely the Cost of Debt, is 3.723146.

Regression Model Selection Test Results

Chow Test

The Chow test was conducted to see which model is more appropriate to use between the common effect test and the random effect test. The results of the Chow test data are as follows:

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Table 6: Chow Test

Equation: MODEL_FEM Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.691858	(12,49)	0.7511
Cross-section Chi-square	10.173822	12	0.6007

This test is carried out by seeing if the prob value is > a 5% = 0.05 then the common effect model is good to use and vice versa if the prob <a 5% = 0.05 then the fixed effect model should be used. Judging from the results of table 4.3 above, it can be seen that the probability value of F is 0.6007, which means that the value is greater than 0.05 (0.6007 > 0.05), so the common effect model is appropriate for use in this study.

Hausman Test

This test uses the selection of an estimation model between fixed effects and random effects which is more appropriate to use. The results of the multiplier lagrange test data are as follows:

Table 7: Hausman Test

Correlated Random Effects - Hausman Test Equation: MODEL_REM_Y Test cross-section random effects			
Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	6.256609	3	0.0998

This test is done by looking at if the prob value is > a 5% = 0.05 then the random effect model is good to use and vice versa if the prob <a 5% = 0.05 then the fixed effect model should be used. Judging from the results of table 4.3 above, it can be seen that the probability value of F is 0.0998, which means that the value is greater than 0.05 (0.0998 > 0.05), so the random effect model is right for use in this study.

Lagrange Multiplier Test

This test uses the selection of an estimation model between random effect and common effect which is more appropriate to use. The results of the multiplier Lagrange test data are as follows:

Table 8: Lagrange Multiplier test

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

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	2.600426	1.333427	3.933853
	(0.1068)	(0.2482)	(0.0473)

This test is carried out by looking at if the prob value (both) > α 5% = 0.05 then a random effect model is good to use and vice versa if the prob < α 5% = 0.05 then a good fixed effect model is used. Judging from the results of table 4.4, the statistical results for the chi-square are 0.0473, which means that the value is less than 0.05 (0.0473 <0.05), so the random effect model is the most appropriate to use in this study.

Thus based on the results of the Chow test, Hausman test and Lagrange multiplier test it can be concluded that the selected model is the Random Effect Model as presented in the following table:

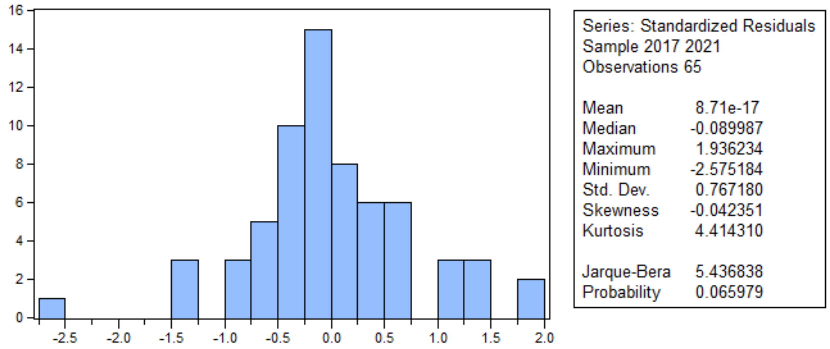
Table 9 : Model Fit Conclusion

No.	Metode	Pengujian	Hasil
1.	Uji Chow	CEM vs FEM	*Common Effect Model*
2.	Uji Hausman	FEM vs REM	*Random Effect Model*
3	Uji Lagrange Multiplier	REM vs CEM	*Random Effect Model*

Test Classical Assumptions

Normality Test

Normality tests performed in tests using *EViews* 9 by looking at the *Probability* value. Residuals are said to have a normal distribution if the significant value of *Probability* is above 5% (0.05) and not normally distributed if the value of *Probability* is below 5% (0.05). From the data processing, the normality test results were obtained as follows:



Draw 1 : Normality Test

Based on Figure 1.1, the normality test results show the probability value (0. 065979 > 0.05) which means that more than the significance value used is 0.05 or 5%, then H0 is accepted and Ha is rejected and it can be concluded that the residual is normally distributed.

Multicollinearity Test

Multicollinearity testing seen from the *Correlation Matrix* value, can be said to be free from the symptoms of multicollinearity if the correlation value between independent variables is smaller than 0.8 (*correlation* < 0.8) then there is no multicollinearity problem. From the data processing, the results of the multicollinearity test were obtained as follows:

Table 10: Multicollinearity Test

	X1	X2	X3
X1	1.000000	-0.141024	0.059805
X2	-0.141024	1.000000	0.404726
X3	0.059805	0.404726	1.000000

Source : Output E-views 9, 2022

Based on Table 3, the multicholinearity test results show the values of the correlation coefficient for each independent variable *Corporate Social Responsibility* (X1) of -0.141024, Capital Intensity (X2) of 0.059805 and Cost of Debt (X3) of 0.404726,, where each variable is independent, there is no correlation coefficient value smaller than 0.8 (< 0.8) so that this test can be concluded that there is no occurrence multicollinearity problem.

Autocholeration Test

The results of the autocorrelation test analysis with the Durbin Watson test and looked at the Prob value. Chi-Square (2) is as follows:

Table 11 : Autocorrelation Test

Breusch-Godfrey Serial Correlation LM Test:			
F-statistic	1.717636	Prob. F(2,59)	0.1883
Obs*R-squared	3.576387	Prob.Chi- Square(2)	0.1673

Source : Output E-views 9, 2022

Based on table 4 autocorrelation test results on the table, the value of Prob. Chi-Square shows a value of 0. 1673 with a total sample of 65 (n=65). The value of pob. Chi-square is greater than 0.05 (0. 1673 > 0.05), then that means there is no Autocorrelation.

Heteroskedasticity Test

The heteroskedasticity test aims to test whether in the regression model there is a variant inequality from the residual of one observation to the observation of another. The heteroskedasticity test in this study used a white test by looking at Obs*R-Squared and the Chi Squares value. From the data processing, the results of the heteroskedasticity test were obtained as follows :

Tabel 12 : Uji Heteroskedastisitas

Heteroskedasticity Test: White			
F-statistic	1.172563	Prob. F(9,55)	0.3307
Obs*R-squared	10.46403	Prob. Chi-Square(9)	0.3142
Scaled explained SS	41.94877	Prob. Chi-Square(9)	0.0000

Source : Output E-views 9, 2022

Based on table 5 of the output heteroskedasticity test results from the *White* test above, it can be seen that the Prob Obs*R-Squared value is 0. 3142 which means greater than 0.05 (0. 3142 > 0.05). Thus, it means that in the model there is no longer a deviation in the assumption of heteroskedasticity.

F-Statistical Test

The F test is used to see the simultaneous significance of an independent variable to its dependent variable. The F test in this study was looked at the probability value of F-statistics.

Tabel 13 : Uji F-Statistic Test

F-statistic	2.795129	Durbin-Watson stat	1.863421
Prob(F-statistic)	0.047690		

Simultaneous Effect of *Corporate Social Responsbility*, *Capital Intensity*, and Debt Costs on *Tax Avoidance*.

Based on table 6 above, the results of the multiple linear regression test are known that the probability value (*F-statistic*) is 0. 04769 which is less than 0.05 (0.0 4769 < 0.05). Thus it can be concluded that the model in this study is accepted, that is, there is a linkage or influence of *independent* variables on *dependents.*

Statistical Test t

The t test is used to determine whether in the regression model *corporate social responsibility*, *capital intensity* and debt costs partially have a significant effect on tax aggressiveness by determining "t count" and "t table". The statistical test t in this study can be seen in the t-statistical probability value. Based on the results of *Eviews* 9, the output is obtained as follows:

Tabel 14 : Uji Statistik t

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.244196	1.105237	-0.220944	0.8259
X1	-1.748252	2.457522	-0.711388	0.4796
X2	-2.140784	0.768673	-2.785038	0.0071
X3	3.723146	2.203572	1.689596	0.0962

The Effect of *Corporate Social Responsibility* on *Tax Avoidance*

Based on table 7 of the calculation results, it can be seen that *Corporate Social Responsibility* shows a$_{t\ count}$ of -0. 711388 when compared with t_{table} at significance level α = 0.05 with df (n-k-1) or df (65-3-1) = 61, i.e. 1. 99962, then t_{count} less than t_{table} (0. 711388 < 1.99962). Prob. value of 0. 4796, the result shows that the *Corporate Social Responsibility* variable is greater than 5% = 0.05 (0. 4796 > 0.05). Thus, the independent variable *Corporate Social Responsibility* does not have a significant effect on the dependent variable (*tax avoidance*) in the primary consumer goods sector for the period 201 7 – 2021.

In Law no. 36 of 2008, several CSR activities can reduce corporate income tax, so that with CSR costs, companies can reduce fiscal profits and reduce taxes payable. This research proves that *Corporate Social Responsibility* does not have a significant effect on *tax avoidance.* This research is not in line with the research (Sandra and Anwar, 2018), (Dharma and Noviari, 2017), (Muzakki and Darsono, 2015), (Hidayat et al., 2018), (Sari and Adiwibowo, 2017), which states that *corporate social responsibility* affects tax avoidance.

Effect of *Capital Intensity* on *Tax Avoidance*

Based on table 7, the calculation results show that *capital intensity* shows a$_{calculated\ t\ of}$ -2.785038 when compared to t_{table} at the significance level of α = 0.05 with df (n-k-1) or df (65-3-1) = 61, which is 1. 99962, then t_{count} greater than t_{table} (2.785038 > 1.99962). Prob Grade. by 0. 0071, the result shows that the *Capital Intensity* variable is smaller than 5% = 0.05 (0. 0071 < 0.05). Thus, the independent variable *Capital Intensity* has a significant effect on the dependent variable (*tax avoidance*) in the primary consumer goods sector for the period 2017 - 2021. Companies that have a large proportion of fixed assets will pay lower taxes, because companies benefit from depreciation attached to fixed assets which can reduce the company's tax burden. This is possible because companies that emphasize capital intensity or tend to choose to invest more in fixed assets will have a lower effective tax rate. This study proves that *Capital Intensity* has a significant effect on dependent variables (*tax avoidance*). This research is not in line with Marlinda et al (2020) and Agustina et al, (2020) who state that *Capital Intensity* has no effect on tax avoidance.

Effect of Debt Costs on *Tax Avoidance*

Based on table 7 the calculation results show that the cost of debt shows a calculated t of -1.689596 when compared with t_{table} at the significance level of $\alpha = 0.05$ with df (n-k-1) or df (65-3-1) = 61 , which is 1. 99962, then t_{count} smaller than t_{table} (1.689596 < 1.99962). Prob Grade. by 0. 0962, the result shows that the variable Debt Cost is greater than 5% = 0.05 (0. 0962 > 0.05). Thus, the independent variable Debt Cost does not have a significant effect on the dependent variable (*tax avoidance*) in the primary consumer goods sector for the period 201 7 – 2021.

For companies, the cost of debt provided by creditors for funding is very important, for example, if you apply for a debt to the bank, the creditor will also be less burdened by the company so that it will have a positive impact on the profits generated (Fabozzi, 2007). . Even though the interest expense is high, the company continues to do tax evasion at the encouragement of company management with the aim that the company can use the funds obtained from the tax evasion as an investment in the future so that it can provide benefits to the company. This research proves that Debt Costs do not have a significant effect on *tax avoidance.* This research is not in line with previous research conducted by (Idawati and Wisudarwati 2020), (Fahreza et al 2019), (Heryawati et al 2018), showing that there is an influence *of Cost Of Debt* on *Tax avoidance.* No discovery of influence between Debt costs to tax avoidance, this happens the greater the *tax avoidance*, the more it will reduce the cost of debt. If the company does not use debt financing, it will cause the company to use less debt and will lower the company's *debt* costs (Simanjuntak and Sari, 2014). When the company has a debt conflict of interest arises between the holders andcreditors which will become financial distress and affect the company's agency costn (Dewi & Ardiyanto 2020).

5. CONCLUSION

This study aims to determine the effect of Corporate Social Responsibility, Capital Intensity and Cost of Debt on tax avoidance in Primary Consumer Goods Sector companies listed on the Indonesia Stock Exchange for the period 2017 – 2021. Based on the results of data analysis and discussion that has been carried out, it can be concluded that the research to answer the formulation of the problem Corporate Social Responsibility, Capital Intensity, and Cost of Debt have a significant effect on tax avoidance. Corporate Social Responsibility has no significant effect on tax avoidance. No influence was found between Corporate Social Responsibility on tax avoidance, this happened because there were still very few Corporate Social Responsibility disclosures made by each company, from the data collected by researchers, the average percentage of CSR disclosure for each company only reached 48.6% of the 113 items that should be disclosed. Capital Intensity has a significant effect on tax avoidance. The greater the capital intensity owned by the company, the greater the company's tax avoidance, because companies that have fixed assets will have a depreciation expense or depreciation

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expense which can be a deduction from pre-tax profit. So that way the company will utilize fixed assets to minimize the tax burden by investing fixed assets in the company. The cost of debt has no significant effect on tax avoidance. This happens the greater the tax avoidance, the more it will reduce the cost of debt. If the company does not use debt financing, it will cause the company to use less debt and will lower the cost of the company's debt.

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