

Determinants Of Tax Avoidance: A Study on Manufacturing Companies in The Food and Beverage Sector Across Six Southeast Asian Countries

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Abstract

The purpose of this study is to determine the effect of profitability, leverage, company size, and financial distress on tax avoidance in six Southeast Asian countries, namely Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Vietnam. This study was measured using quantitative methods and secondary data. The sample measurement used purposive sampling and obtained 106 manufacturing companies from six countries in Southeast Asia during the period 2020-2023, resulting in a total of 424 observations in this study. Based on the test results using SPSS vs 26, it was found that profitability had a negative effect on tax avoidance. Leverage has a positive effect on tax avoidance. Meanwhile, company size and financial distress have no effect on tax avoidance. Simultaneously, profitability, leverage, company size, and financial distress affect tax avoidance.

Keywords: *Profitability; Leverage; Company Size; Financial Distress; Tax Avoidance*

Abstrak

Tujuan dari penelitian adalah untuk mengetahui pengaruh profitabilitas, *leverage*, ukuran perusahaan, *financial distress* terhadap penghindaran pajak dengan objek penelitian enam negara di Asia Tenggara yakni Indonesia, Malaysia, Singapura, Thailand, Filipina, dan Vietnam. Penelitian ini diukur dengan metode kuantitatif dan menggunakan data sekunder. Pengukuran sampel menggunakan *purposive sampling* dan diperoleh 106 perusahaan manufaktur yang berasal dari enam negara di Asia Tenggara selama periode tahun 2020-2023, maka jumlah observasi dalam penelitian ini sebanyak 424 data. Berdasarkan hasil pengujian dengan menggunakan SPSS vs 26 diperoleh secara parsial hasil profitabilitas berpengaruh negatif terhadap penghindaran pajak. *Leverage* berpengaruh positif terhadap penghindaran pajak. Sedangkan ukuran perusahaan dan *financial distress* tidak berpengaruh terhadap penghindaran pajak. Sedangkan secara simultan profitabilitas, *leverage*, ukuran perusahaan, *financial distress* berpengaruh terhadap penghindaran pajak

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Kata Kunci: Profitabilitas; *Leverage*; Ukuran Perusahaan; *Financial Distress*, Penghindaran Pajak

1. INTRODUCTION

The Association of Southeast Asian Nations, often referred to as ASEAN, is an organization that aims to promote the welfare and advancement of countries in Southeast Asia. One of the main focuses that is an important aspect in the development of a country comes from tax revenue (Vivian, 2022). Tax revenue in ASEAN countries is the main source of funding for government programs, when compared to revenue from non-tax sources (Qibthiyyah et al., n.d.)

One example of a developing country that relies on tax revenue is Indonesia. Taxes play an important role in Indonesia as a source of state revenue for the welfare and prosperity of the nation. Taxes are mandatory contributions imposed by law and constitute a significant portion of state revenue (Berlianto, 2022). Since 1984, Indonesia has changed its tax collection system from the Official Assessment system to the Self-Assessment system. The Self-Assessment system gives taxpayers full authority to calculate, announce, and report their unpaid taxes (Sukma, 2023). With the implementation of the Self-Assessment system, taxpayer compliance plays an important role in the success of this system (Deni & Aidil, 2023). Taxpayer compliance can be measured using the tax ratio. The following is an overview of the tax ratios of Southeast Asian countries listed in the Organization for Economic Co-Operation and Development (OECD).

Table 1 Tax Ratio in Southeast Asia

No	Country	Year				
		2017	2018	2019	2020	2021
1	Vietnam	18,4	18,3	18,9	17,7	18,2
2	Filipina	16,8	17,4	18,1	17,8	18,1
3	Thailand	17,5	17,7	17,2	16,5	16,4
4	Timor Leste	10,1	12,3	22,1	12,3	14,4
5	Singapura	13,8	12,9	13,2	12,6	12,6
6	Malaysia	13,4	12,5	12,5	11,4	11,8
7	Indonesia	11,6	12	11,6	10,1	10,9
8	Laos	11	10,9	10,5	9,2	9,7

Source: Organisation for Economic Co-Operation and Development (OECD)

Table 1 shows that Indonesia ranks second lowest in terms of tax ratio among Southeast Asian countries listed in the OECD. This has created a gap, where tax revenue in Indonesia due to the implementation of an independent tax collection system is considered less than optimal because the level of taxpayer compliance in Indonesia is still considered low.

Tax avoidance is one of the problems faced by every country, which has a negative impact on the economy. In general, tax avoidance is divided into two types, namely illegal tax avoidance, which is done by deliberately violating the law (tax evasion), and legal tax avoidance, which is done by exploiting loopholes in the law (Purwanto & Indrawan, 2020). This occurs because of the difference between the government's desire for taxpayers to increase their compliance in fulfilling their tax obligations in accordance with applicable tax regulations and the fact that company management generally does not want a reduction in profits (Dewianawati & Setiawan, 2019).

One issue related to tax avoidance practices in the food and beverage sector was investigated by the Indonesian tax authorities involving a large company, PT Coca-Cola Indonesia, regarding differences in income recognition/taxable income determination, where PT Coca-Cola Indonesia was suspected of tax evasion (Kompas, 2014). The case of Philip Morris Thailand, which, although a food and beverage company, is still one of the major consumer goods companies, was involved in a major tax dispute in ASEAN, according to a ruling by the Thai Supreme Court. The court ruled that tax avoidance had occurred but significantly reduced the fine (Khaosod English, 2025).

In this study, there are four main factors that determine tax avoidance behavior. The first is profitability, which is measured using the Return On Asset (ROA) indicator. ROA reflects how a company generates profits from its assets. A high ROA value indicates good financial performance (Mellisayah, 2023). The second factor is leverage, which is used to measure a company's debt ratio. The leverage ratio is calculated by looking at interest expenses and corporate income tax deductions (Khairunnisa et al., 2023) third factor is company size. The size of a company is considered to influence the way it fulfils its tax obligations. The fourth factor is financial distress. Financial distress is a situation where the financial condition of an individual or company makes it difficult for them to pay their bills, including fulfilling their tax obligations. According to research conducted by Swandewi & Noviani (2020) financial distress has a positive effect on tax avoidance.

Based on the explanation of the phenomenon that has been presented, the researcher is interested in conducting research with the title Determinants of Tax Avoidance Practices: A Study of Manufacturing Companies in the Food and Beverage Sector in Six Southeast Asian Countries (Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Vietnam). This study aims to determine whether there is an influence of Profitability, Leverage, Company Size, and Financial Distress on Food and Beverage Manufacturing Companies in Six Southeast Asian Countries (Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Vietnam) from 2020 to 2023, both partially and simultaneously.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

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Agency theory can be defined as an agreement between one or more principals who grant authority to another individual (agent) to make decisions in the management of a company, whereby agency theory focuses on the relationship between two parties with differing interests, namely the agent and the principal (Jensen & Meckling, 1976). Agency theory also relates to issues that arise where one party (the agent) is expected to act in the interests of another party (the principal), but the agent's own interests may conflict with those of the principal, and the principal cannot fully monitor and discipline the agent. Agency theory is widely referenced in business, economics, and political science, where it is often identified as a key agency problem. In business applications, the emphasis is usually on agency costs, which are the costs incurred by the agent or principal as a consequence of agency problems.

Agency and tax avoidance have an important relationship in the context of corporate financial management. Agency theory states that when the tax authorities (principal) and managers (agents) have different interests, managers tend to act in their own interests, thereby creating agency conflicts. Conflicts arise between agents and principals due to the existence of taxes. The government or tax authorities, as the principal, have an interest in maximizing tax revenue, while company management, as the agent, seeks to maximize profits by various means, one of which is by paying as little tax as possible to the government (Adityamurti & Ghozali, 2017)

One way for managers to maximize their personal profits is through tax avoidance, which is a strategy of reducing tax burdens through legal but aggressive means (Ma'sum et al., 2023). If companies can reduce costs related to tax obligations, the burden borne by the company will be reduced. In this study, tax avoidance is proxied by the cash effective tax rate (Cash ETR). Companies that engage in tax avoidance have a lower effective tax rate.

Based on agency theory, we can see the gap between the tax authorities and companies. The benefits of tax aggressiveness for a company include savings in tax expenditures, which ultimately increase owner profits and provide additional cash flow for investments that have the potential to increase future profits. However, there are also risks involved, such as the possibility of administrative sanctions by the tax authorities, including fines, as well as the possibility of a decline in share value if shareholders become aware of aggressive tax practices. On the government side, corporate tax aggressiveness can have a negative impact on state revenue from the taxation sector (Angela & Nugroho, 2020).

The Effect of Profitability on Tax Avoidance

The profitability variable in this study is measured using the ROA ratio. ROA, or Return On Assets, is one of the indicators used to calculate the profitability ratio, which shows how effectively a company generates profits from its assets. In addition, ROA also serves to assess the efficiency of company management in generating returns

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from debt and capital investments. The higher the ROA value, the better the company's financial condition (Salsabilla & Nurdin, 2023).

Companies with high profitability will affect the company's CETR, where CETR in this study serves as a proxy for measuring tax avoidance. A higher CETR percentage, which is close to the corporate income tax rate, indicates that the company's tax avoidance level is lower (Tebiono & Sukanda, 2019). Conversely, if the CETR percentage is lower, this indicates that the company's tax avoidance level is higher. Therefore, the higher a company's profitability, the more likely it is to reduce tax avoidance. Companies with high profitability tend to be more honest in reporting their tax obligations than companies with low profitability (Dwiyanti & Jati, 2019). Based on this explanation, the hypothesis can be formulated as follows.

H₁: Profitability has a negative effect on tax avoidance.

The Effect of Leverage on Tax Avoidance

Leverage has a significant impact on tax avoidance, where one of its dimensions or indicators is the debt-to-equity ratio. To increase tax avoidance by considering leverage, management needs to calculate the tax expense divided by pre-tax profit, because cash ETR is not affected by changes in estimates such as valuation allowances or tax shields. Entities that use debt as a source of funding will face costs associated with that debt, known as interest expense. The higher the leverage ratio, the greater the debt the entity has. This amount of debt will result in high interest expenses, which in turn will reduce the entity's profits and lower the tax burden. Companies strive to minimize their tax burden. By increasing debt, companies can have a positive impact on entities with high tax burdens to save on taxes (Pratama, 2023)

This is supported by research by Silaban, n.d. (2020) dan Fadhila dan Sari Andayani (2022) that leverage has a positive effect on tax avoidance.

H₂: Leverage has a positive effect on tax avoidance.

The Effect of Company Size on Tax Avoidance

Company size is an indicator that is grouped based on the size of assets and can reflect the activities and income of the company. Assets play a crucial role in the utilization of available resources for tax planning (Prabowo et al., 2021) The relationship between company size and tax avoidance is also worth noting, as larger companies tend to have more resources to engage in effective tax strategies (Ekaristi et al, 2022)

This is supported by research conducted by Hapsari (2019) and Sulaeman (2021) which explains that company size has a positive effect on tax avoidance.

H₃: Company size has a positive effect on tax avoidance

The Effect of Financial Distress on Tax Avoidance

Financial distress is a condition in which a company is unable to pay its financial obligations. When a company faces difficulties in meeting its financial obligations and is on the verge of bankruptcy, the company's management will try to make the right decisions. They will make changes to accounting policies with the aim of increasing revenue to pay off existing debts. With a deep understanding of accounting and the company's situation, management will do their utmost to select accounting procedures that can reduce the burden on the company, including the tax burden that must be paid (Fadhila & Andayani, 2022).

This is supported by research conducted by Fadhila dan Sari Andayani (2022) dan Swandewi, N.P dan N. Noviani (2020) which found that financial distress has a positive effect on tax avoidance..

H₄: Financial distress has a positive effect on tax avoidance.

3. RESEARCH METHODS

This study uses a quantitative research approach with a descriptive and verificative research approach. The study uses multiple regression analysis, with data processing using SPSS version 26. The population in this study consists of food and beverage manufacturing companies in six countries in Southeast Asia (Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Vietnam) that are listed on the stock exchange in each country. The sampling technique used in this study is purposive sampling with the criteria of food and beverage sector companies that published financial reports for 2020-2023 and food and beverage sector companies that did not experience losses in the 2020-2023 period.

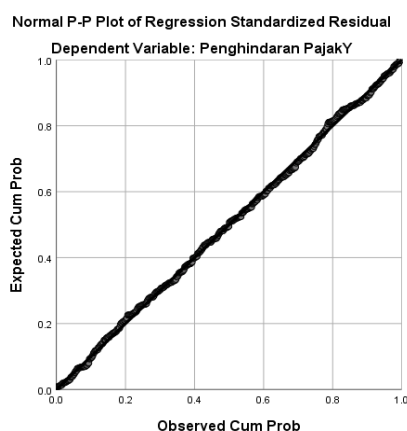
Table 2. Research Sample Determination

No	Criteria	Total
1	Manufacturing companies in the food and beverage sub-sector registered from 2020 to 2023.	186
2	Manufacturing companies in the food and beverage sub-sector that did not report complete and consecutive financial information during 2020-2023	(37)
3	Sample companies that suffered losses during the research period, namely during 2020-2023. Therefore, companies that suffered losses were not included in the sample.	(43)
Companies that meet the criteria		106
Amount of data for 2020-2023: 106 companies x 4 years		424

Table 3. Operational Variables

No	Variabel	Variabel Types	Scale	Indicator
1	Profitability (X_1)	Independent	$ROA = \frac{\text{Earning After Tax}}{\text{Total Assets}}$	Rasio
2	Leverage (X_2)	Independent	$DAR = \frac{\text{Total Liability}}{\text{Total Assets}}$	Rasio
3	Company Size (X_3)	Independent	$Company Size = \ln (Total Assets)$	Rasio
4	Financial distress (X_4)	Independent	$Z = 1.2A + 1.4B + 3.3C + 0.6D + 1E$ Dimana: A = Current assets - current liabilities / Total assets B = Retained earnings / Total assets C = Profit before tax / Total assets D = Total Equity / Total Debt E = Sales / Total Assets	Rasio
5	Tax Avoidance (Y)	Dependent	$CuETR = \frac{\text{Tax Now}}{\text{Net income before taxes}}$	Rasio

4. DATA ANALYSIS AND DISCUSSION

**Picture 1. P-P plot normality test graph**

Based on the results of the P-P Plot diagram in Figure 1, it can be seen that the points lie on a straight line, as shown in the figure above. This means that the research data was taken from a normally distributed population.

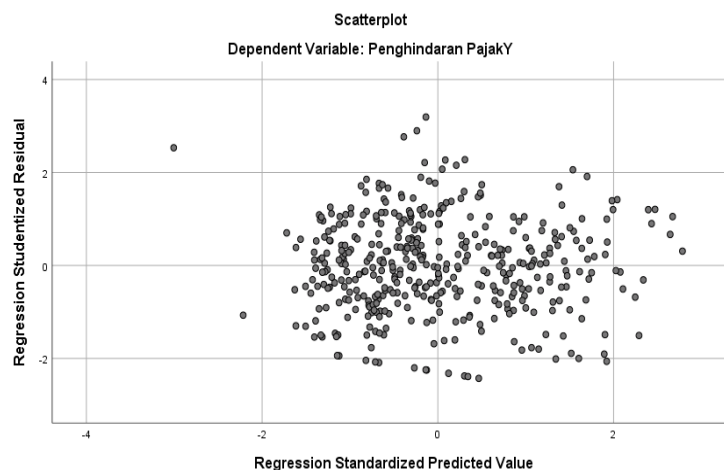
Table 4. Multicollinearity Test

	Model	Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Profitabilitas (X1)	0,879	1,137
	Leverage (X2)	0,450	2,223
	Company Size (X3)	0,923	1,084
	Financial Distress (X4)	0,403	2,480

a. Dependent Variable: Tax Avoidance (Y)

The results of the multicollinearity test using the Variance Inflation Factors (Centered VIF) approach show that there is no strong correlation between the independent variables used in the regression equation in Table 4. This is evident from the VIF values, which are less than 10.

To detect the presence or absence of heteroscedasticity in this study, a scatter plot of residual values was examined. The criterion is that if the points on the scatter plot do not form a specific pattern, then it can be stated that the regression model is not constrained by heteroscedasticity.



Picture 2. Heteroscedasticity Test

Based on the scatter plot above, it can be seen that the points of intersection in Figure 2 do not form a specific pattern and are mostly scattered. This means that the regression model is assumed to have no heteroscedasticity problem.

Table 5. Autocorrelation Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.279 ^a	.078	.069	.79856	2.148

a. Predictors: (Constant), Financial Distress (X4), Ukuran Perusahaan (X3), Profitabilitas (X1), Leverage (X2)

b. Dependent Variable: Penghindaran PajakY

Table 5 above shows that the value of d in the Durbin Watson column is 2.148. Based on the autocorrelation test criteria, the result meets the criteria of $du < d < 4 - du$ and can be seen from the Durbin Watson table for $n = 424$ and $k' = 4$ (total variables $X + \text{variable } Y = 5$ in total, $k' = 5 - 1 = 4$), where the du table is 1.861, which is less than the d value of 2.148. Therefore, it can be concluded that there is no positive or negative autocorrelation in the data.

Table 6. Results of Regression Analysis

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	.194	.265		.732
	Profitability (X1)	-2.215	.714	-.152	-3.103
	Leverage (X2)	1.495	.392	.254	3.817
	Company Size (X3)	-.061	.033	-.089	-1.843
	Financial Distress (X4)	.028	.037	.052	.750

a. Dependent Variable: Tax Avoidance (Y)

Based on the results of the multiple regression analysis test in Table 6, the multiple regression equation can be formulated as follows:

$$Y = 0,194 - 3,103 + 3,817 - 1,843 + 0,750 + e$$

The constant value (a) has a positive value of 0.194. A positive sign indicates a direct relationship between the independent and dependent variables. This indicates that if all independent variables, including Profitability (X1), Leverage (X2), Company Size (X3), and Financial Distress (X4), are 0 percent or unchanged, then the value of Tax Avoidance is 0.194. The regression coefficient for X1 is -3.103, which indicates that every one-unit increase in the profitability variable will reduce tax avoidance by 3.103. The regression coefficient for X2 is 3.813, indicating that every one-unit increase in the leverage variable will increase tax avoidance by 3.813. The regression coefficient for X3 is -1.843, indicating that every one-unit increase in the company size variable will reduce tax avoidance by 1.843. The regression coefficient for X4 is 0.750,

indicating that each one-unit increase in the financial distress variable will increase tax avoidance by 0.750 units with the other variables being constant.

Table 7. Coefficient of Determination Test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.279 ^a	.078	.069	.79856	2.148

a. Dependent Variable: Tax Avoidance (Y)

b. Predictors: (Constant), Financial Distress (X4), Company Size (X3), Profitability (X1), Leverage (X2)

Based on Table 7, the adjusted R^2 value is 0.069. This indicates that the variation in profitability, leverage, company size, and financial distress variables can explain 6.9% of the variation in tax avoidance. Meanwhile, the remaining 93.1% is explained by other factors not included in this research model

Table 8. F-Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.562	4	5.641	8.845	.000 ^b
	Residual	266.557	419	.638		
	Total	289.119	423			

a. Dependent Variable: Tax Avoidance (Y)

b. Predictors: (Constant), Financial Distress (X4), Company Size (X3), Profitability (X1), Leverage (X2)

The calculated F from the above analysis is 6.835, which is less than the F_{table} for degrees of freedom $df_1 = k = 5$ and $df_2 = n - k - 1 = 423 - 5 - 1 = 417$, yielding a critical F-value of 2.25, with a significance level of $0.000 < 0.05$. Therefore, it can be concluded that profitability (X1), leverage (X2), company size (X3), and financial distress (X4) collectively have an effect on tax avoidance (Y).

Table 9. t-Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.194	.265		.732	.464
	Profitability (X1)	-2.215	.714	-.152	-3.103	.002
	Leverage (X2)	1.495	.392	.254	3.817	.000
	Company Size (X3)	-.061	.033	-.089	-1.843	.066
	Financial Distress (X4)	.028	.037	.052	.750	.453

a. Dependent Variable: Tax Avoidance (Y)

Based on Table 9, the t-value for the relationship between profitability (X1) and tax avoidance is -3.103 with a significance value of 0.002. This indicates that t-value $> t_{table}$, namely $-3.103 > -1.960$, and the significance is less than 0.05, namely $0.002 < 0.05$. It can be concluded from these results that H_0 is rejected, which means that profitability has a negative effect on tax avoidance. The t-value for the relationship between leverage (X2) and tax avoidance is 3.817 with a significance value of 0.000. This indicates that tcount $> t_{table}$, namely $3.817 > 1.960$, and the significance is less than 0.05, namely $0.000 < 0.05$. It can be concluded from these results that H_0 is rejected, meaning that leverage has a positive effect on tax avoidance. The t-value for the relationship between company size (X3) and tax avoidance is -1.843 with a significance value of 0.066. This shows that tcount $< t_{table}$, namely $-1.843 < -1.960$, and the significance is greater than 0.05, namely $0.066 > 0.05$. It can be concluded from these results that H_0 is accepted, meaning that company size has no effect on tax avoidance. The t-value for financial distress (X4) on tax avoidance is 0.750 with a significance value of 0.453. This indicates that tcount $< t_{table}$, namely $0.750 < 1.960$, and the significance is greater than 0.05, namely $0.453 > 0.05$. It can be concluded from these results that H_0 is accepted, meaning that financial distress does not affect tax avoidance.

The Effect of Profitability on Tax Avoidance

Based on the partial test in Table 9, profitability has a negative effect on tax avoidance. Profitability is the extent to which a company is able to generate profits or earnings from its activities. Businesses with high profitability will also be subject to high taxes. Therefore, many business managers who understand their business conditions plan and decide to use tax avoidance to reduce their tax burden so that the funds can be used for business operations (Fadhila & Sari Andayani, 2022).

This is in line with research conducted by Hitijahubessy,dkk (2022) dan DwiYanti & Jati (2019) which found that profitability has a negative effect on tax avoidance. Higher company profitability is inversely proportional to lower CETR, thereby increasing the tendency for companies to engage in tax avoidance. This is due to the fact that greater profits earned by companies will contribute to increased profitability, but at the same time, this also results in an increase in the amount of tax burden that must be borne by the company.

The Effect of Leverage on Tax Avoidance

Partial test results show that leverage has a positive effect on tax avoidance. Leverage is a ratio used to determine how much debt a company has to finance its assets or how much the company uses debt as a source of funds to finance its operating activities. Based on theory, company management will use the most profitable accounting policy for them, one of which is leverage (Fadhila & Andayani, 2022)

This is in line with research conducted by Fadhila dan Sari Andayani (2022) dan Silaban (2020) which found that leverage has a positive effect on tax avoidance. Management will implement the most profitable accounting policy for them. One

policy that can be utilized is the use of debt in financing operational activities. The greater the amount of debt, the higher the interest expenses that must be paid by the company. These interest expenses can serve as a deduction in tax liabilities, and the taxable income generated from debt tends to be lower. Therefore, many companies choose to use debt as a source of funding rather than issuing shares.

The Effect of Company Size on Tax Avoidance

Based on the partial test results in Table 9, company size does not affect tax avoidance. Company size is a measurement of a company based on the size of its assets (Nindya, Supriyati, Murdiawati, & Prananjaya, 2023). In theory, the larger the company size, the higher the level of tax avoidance carried out by the company (Sulaeman, 2021). However, this contradicts the test results in Table 9.

The results of this research are in line with the research conducted by Malik et al (2022) which found that companies with a large scale and significant assets tend to show better stability in generating profits compared to companies with smaller assets. This allows large companies to better fulfill their tax obligations, so they are usually not involved in tax avoidance practices. In addition, large companies are often the focus of government attention regarding tax obligations that must be fulfilled, which encourages them to comply with tax regulations and be cautious in making decisions regarding tax payments. Non-compliance can result in losses, including penalties and negative impacts on reputation in the eyes of the public and the government.

The Effect of Financial Distress on Tax Avoidance

Based on the results of partial testing, financial distress does not affect tax avoidance. Financial distress is a condition in which a company experiences difficulties in meeting or is unable to pay its obligations when they fall due. This can arise due to various factors, such as poor cash flow, a decline in revenue, or sudden changes in economic conditions that result in a decrease in demand for the products or services offered (Fadhila & Andayani, 2022). Theoretically, this shows that when a company experiences financial difficulties, it will not trigger the company to engage in tax avoidance (Supandi et al., 2022).

This study is in line with research conducted by Supandi, et al. (2022), which found that financial distress does not affect tax avoidance. This indicates that when a company faces financial problems, it will not encourage the company to engage in tax avoidance. This is due to the fact that companies experiencing financial difficulties or even losses will be exempt from income tax obligations and can obtain loss compensation facilities in the future.

5. CONCLUSION AND RECOMMENDATIONS

Based on the research findings, profitability has a negative partial effect on tax avoidance. Leverage has a positive effect on tax avoidance, while company size and financial distress have no effect on tax avoidance. Simultaneously, the determinants of tax avoidance practices: a study on manufacturing companies in the food and beverage

sector across six Southeast Asian countries (Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Vietnam) using the independent variables of profitability, leverage, company size, and financial distress, influence tax avoidance. The limitation of this study lies in the search for secondary data across all Southeast Asian countries, so the data that could be collected by the authors is limited to six countries in Southeast Asia, namely: Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Vietnam.

Recommendations that can be given to political decision makers or fiscal authorities, Given that tax regulations change frequently, more intensive socialization mechanisms for taxpayers need to be considered so that the role of taxation can be understood by all segments of society. For example, socialization of the role of taxation can be carried out among various groups, namely: high school students, university students, and all levels of society throughout the region.

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