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The Effect of Company Size and Audit Committee on Tax Aggressiveness with Profitability As Moderating Variables

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ABSTRACT

This study examines the effect of Company size and audit committee on tax aggressiveness with profitability as a moderating variable. The research was conducted on the property and real estate companies listed on the Indonesia Stock Exchange (IDX) from 2016-2020. The sample selection technique used in this research is the purposive sampling technique. The sample in this study was 35 companies with a number of objects of observation as many as 175 annual reports. The results show that Company size and audit committee have a significant negative effect on tax aggressiveness, Company size and audit committee simultaneously have a significant effect on tax aggressiveness, and profitability as a moderating variable has a significant positive effect on the relationship between Company size and tax aggressiveness, profitability as a moderating variable significant positive effect on the relationship between the audit committee and tax aggressiveness. The contribution of this research, it is hoped that this research can provide motivation and strategies in decision making before implementing tax avoidance which is classified as aggressively applied by property and real estate companies by doing tax avoidance that does not violate tax regulations.

Keywords: Company Size, Audit Committee, Tax Aggressiveness, Profitability.

1. INTRODUCTION

The definition of tax according to Law Number 28 of 2007 (UU No 28 Tahun 2007) concerning General Provisions and Tax Procedures in Article 1 paragraph 1 states, "Taxes are mandatory contributions to the state owed by individuals or entities that are coercive under the law, with no direct compensation. and the purpose of the state for the greatest prosperity of the people".

According to Pohan, (2017), taxes are a very important source of state revenue for the implementation and improvement of national development which aims to increase the prosperity and welfare of the community. If, from the government's point of view, if the taxes paid by taxpayers are less than they should be paid, then the state's income from the tax sector will decrease. On the other hand, from the entrepreneur's or taxpayer's point of view, if the tax paid is greater than the amount it should be, it will result in a loss. (Putu Winning Arianandini, 2018)

Taxes in the business world have implications for company operations, usually the manager or management has the view that the net profit earned by the company will be reduced due to tax payments, so the company tries to pay off the

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taxes owed to a minimum (Simarmata, 2012)The characteristic of taxes is that they are forced so that many companies try to fight taxes. This resistance can be in the form of active tax resistance and passive tax resistance. However, many companies use active tax resistance due to avoiding taxes that are implemented in tax aggressiveness. (Andhari & Sukartha, 2017)

The cases related to tax aggressiveness with tax avoidance techniques in property and real estate companies in Indonesia occurred at PT Ciputra Development and PT. Agung Podomoroland, Tbk. According to financialku.com PT. Ciputra Development, Tbk apparently also evaded tax by hiding wealth that reached USD 1.6 billion or equivalent to Rp. 21.6 trillion (exchange rate of Rp. 13,538) with the aim of avoiding state taxes. (CNN Indonesia, 2016). based on that cases in news latter, tax aggressiveness with tax avoidance techniques can still be found in property and real estate companies in Indonesia.

This fact is written in the Panama Papers document in 2016. Based on data cited by Investopedia, the Panama Papers contain 11.5 million classified documents leaked from properties managed by law firm Mossack Fonseca based in Panama. The document was leaked by the International Consortium of Investigative Journal (ICIJ) under the title “Panama Papers”. The document reveals more than 214,000 people who use tax havens and 200 companies from various countries. There were 2,961 names of individuals or companies from Indonesia that were detected in the "Panama Papers" scandal. The property and real estate companies listed in the Panama Papers are Agung Podomoro, Agung Sedayu, PT Ciputra Development Tbk. The Panama Papers document contains personal financial information of the previously classified wealth of individuals and public officials. The Panama Papers phenomenon shows how big the potential for tax evasion is, including in Indonesia. (Sudiarta, 2016)

Tax avoidance, which is one form of tax aggressiveness, is calculated using the ETR. ETR is the ratio of total income tax expense to pre-tax income. Income tax expense is the sum of current tax expense and deferred tax expense. Pre-tax income is net income before deducting income tax. The smaller the ETR value means that the company's tax avoidance is getting bigger and vice versa, the greater the ETR value, the smaller the tax avoidance. ETR values range from more than 0 and less than 1. (Astuti, Aryani, 2016). Based on research conducted by Allo, Alexander, Suwetja (2021) and (Alkausar, Lasmana, & PN, 2020), Company size affects the company's aggressive actions towards taxes. The size of the company describes how much the company's operating level is proxied by the total amount of assets. In connection with the above phenomenon, the following are tax avoidance data from PT Agung Podomoro Land tbk and PT Ciputra Development tbk from 2016 to 2020 using the Effective Tax Rate (ETR) and Company Size (SIZE).

Table 1 Effective Tax Rate and SIZE
PT Agung Podomoro Land tbk and PT Ciputra Development tbk in 2016-2020

Tahun	**PT Agung Podomoro Land tbk**		**PT Ciputra Development tbk**	
	ETR	**SIZE**	**ETR**	**SIZE**

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2016	0.02	23.97	0.02	17.19
2017	0.01	24.08	0.04	17.27
2018	0.01	24.11	0.04	17.35
2019	0.08	24.11	0.03	17.40
2020	0.13	24.14	0.04	17.49

Source: data processed from Financial Statements, 2021

Based on these data, it can be concluded that PT Agung Podomoro Land tbk in 2016 to 2017 was suspected of practicing tax avoidance as seen from the calculation using the Effective Tax Rate (ETR) and SIZE ratio during 2016-2017. It can be seen that there is a decrease in the ETR number when the SIZE number increases. The SIZE of the company coded APLN increased in 2017 from 23.97 to 24.08, while the ETR in 2017 decreased from 0.02 to 0.01. For PT Ciputra tbk, it can also be concluded that in 2018 to 2019 it was suspected that they had practiced tax avoidance, seen from the calculation using the Effective Tax Rate (ETR) and SIZE ratio during 2018-2019. It can be seen that there is a decrease in the ETR number when the SIZE number increases. The SIZE of this CTRA-coded company has increased from 17.35 to 17.40, while the ETR in 2019 decreased from 0.04 to 0.03. When the company has a lot of resources (assets), the company's revenue tends to increase, which causes the company's net profit to also increase, not decrease.

According to Siefgried (1972) in (Midiastuty, Suranta, Suranta, & Putri, 2016), the larger the size of a company, the more qualified resources the company can mobilize to manipulate the political process, be involved in tax planning and regulate activities that can minimize the tax burden. . Tax aggressiveness can occur because large companies have greater space for tax planning with the aim of lowering ETR. Companies with large amounts of assets are considered as well-established companies so that they have sufficient resources such as having a tax consultant or tax division, so that it is possible for companies to have the ability to be more aggressive towards taxes (Alkausar, Lasmana, & PN, 2020).

Then, a previous study conducted by (Indriawati, 2017) with the research title The Influence of the Independent Board of Commissioners, Audit Committee, Institutional Ownership and Company Size on Tax Avoidance with Profitability as a Moderating Variable concluded that the audit committee had a significant negative effect on tax avoidance. Independent board of commissioners, institutional ownership and Company size have no effect on tax avoidance. Profitability can significantly moderate the effect of audit committee on tax avoidance, while profitability cannot moderate the effect of independent board of commissioners, institutional ownership, Company size on tax avoidance.

Companies with large firm sizes may have the resources to do tax planning so that the company will tend to take tax aggressiveness actions. Profitability and leverage also provide an impetus for companies to be aggressive towards taxes, because basically the company will try as much as possible to save taxes so that the company's profits will be even greater, (Alkausar, Lasmana, & PN, 2020).

The reason for using Company size and profitability variables is because company size and profitability in Property and Real estate companies sector tend

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to be high, thus attracting the attention of researchers to examine the effect of these two variables on tax aggressiveness. and for the audit committee variable, the higher the number of audit committee members, the higher the company's supervisory system, Septiari (2014), based on this opinion the researcher chose the audit committee variable to be studied on property and real estate sector companies. Therefore, the authors intend to conduct research with the title The Influence of Company Size and Audit Committee on Tax Aggressiveness with Profitability as Moderating Variable (Case Study on Property and Real Estate Companies Listed on the Indonesia Stock Exchange 2016-2020 Period).

2. LITERATURE REVIEW

In conducting research on the effect of Company size and audit committee on tax aggressiveness. The author conducts a review of the studies that have been carried out by previous researchers and related to this research. Several previous studies that have been carried out include research conducted by Siefgried (1972), (Alkausar, Lasmana, & PN, 2020), (Indriawati, 2017), (Yahaya & Yusuf, 2020). The results of their research prove that Company size and audit committee have a significant negative effect, and profitability can moderate the relationship between Company size and tax aggressiveness, and can moderate the relationship between audit committees and tax aggressiveness.

Company size

According to (Brigham & Houston, 2009) company size is the average total net sales for the year up to several years. In this case the sales are greater than the variable costs and fixed costs, then the amount of income before tax will be obtained. Conversely, if sales are less than the variable costs and fixed costs, the company will suffer losses. The size of the company can show the stability and ability of the company in carrying out its economic activities (Munandar, Nazar, & Khairunnisa, 2016). Company size is generally divided into 3 categories, namely large firms, medium firms, and small firms. The maturity stage of the company is determined based on total assets, the greater the total assets indicates that the company has good prospects in a relatively long period of time. In (Herawati, 2017). company size can be measured by means of log size (total assets), total capital, total sales and number of employees. Companies with large total assets reflect the company has reached the maturity stage. The company's cash flow is positive and has good prospects in the long term, and shows the company is more stable and able to generate profits than companies with small total assets (Herawati, 2017). The following is the formula for calculating company size with total assets:

$$\boxed{\text{SIZE} = \text{Ln}\ (\textit{Total Asset})}$$

Audit Committee

The audit committee is a committee that has a minimum of three members. The audit committee is described as a monitoring mechanism that can improve the

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audit function for the company's external reporting. Company boards often give responsibility to the audit committee for financial reporting errors so that the financial statements can be trusted (relevant and reliable). The board of commissioners is required to form an audit committee consisting of at least three members who are appointed and dismissed and are responsible to the board of commissioners. The audit committee with a few members tends to be able to act more efficient, but also has a weakness, namely the lack of experience of members, so that members of the audit committee should have an adequate understanding of the preparation of financial statements and supervisory principles of internal control Profitabilitas

The profitability ratio of a company can provide an overview of the company's ability to generate profits during a certain period in sales, assets, and certain share (Oktaviyani & Munandar, 2017).

The audit committee consists of at least three members. The audit committee in this study was measured by counting the number of audit committee members in a company. This proxy is used to know how many audit committees the company has and how much influence the audit committee has in supervising the management of the company. (Princess and Hanif, 2017). The formula of audit committee is:

$$Audit\ committee = \sum member\ of\ audit\ committee$$

Profitability

Profitability as a way to find out how the company's ability to obtain profits from company operations during a certain period at a certain level of sales, assets, and share capital. According to Brigham and Houston (2009: 86), Profitability Ratios are a group of ratios that show the combined effects of liquidity, asset management, and debt on operating results. In this study, the profitability ratio used is the Return on Assets ratio. This ratio is used to measure how much net profit will be generated from each rupiah of funds embedded in total assets. This ratio is calculated by dividing net income by total assets. The following is the formula used to calculate the return on assets:

$$Return\ On\ Assets = \frac{\text{Net Profit}}{\text{Total Assets}}$$

Tax Aggressiveness

In Law no. 28 of 2007 articles 1 paragraph 1 regarding General Provisions and Tax Procedures, tax is defined as a mandatory contribution to the state owed by an individual or entity that is coercive under the law, with no direct compensation and is used for state purposes for an amount of - the great prosperity of the people. Meanwhile, according to (Barata, 2011) tax is a contribution to the state based on the law that can be imposed by not receiving reciprocity (contra-achievement) which can be directly shown and used to pay general expenses.

Tax is one of the important things in decision making, (Nugraha & Meiranto, 2015). Managerial decisions that want to minimize corporate tax costs

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are carried out through tax aggressiveness actions that are increasingly being carried out by companies in the world. Tax aggressiveness is an activity or action that has the aim of reducing the company's taxable income, both actively and illegally in order to reduce the tax burden so that the company's profits are optimal (Novitasari, Ratnasari, & Silfi, 2017). Tax aggressiveness can be measured in various ways, namely by using the Effective Tax Rate (ETR), Book Tax Difference (BTD), and Cash Effective Tax Rate (CETR). The measuring instrument used in this research is the Effective Tax Rate (ETR).

According to Jony (2020), the Effective Tax Rate (ETR) is a mechanism used by the business world related to corporate tax management. This effective tax rate can be influenced by several factors such as the level of company profits, company scale, company liquidity level, corporate governance, the composition of the board of commissioners and directors to various other factors that can influence management decision making. If the ETR value is high, the tax aggressiveness is low (Simbolon & Sudjiman, 2021). Tax aggressiveness can be proxied by the Effective Tax Rate (ETR). ETR is a negative proxy where each value of the high ETR results, the tax aggressiveness will be low and vice versa. Effective tax rate (ETR) can describe the difference between book profit and corporate fiscal profit (Zulaikha, 2016). The higher the ETR or Effective Tax Rate, the lower the tax aggressiveness. This indicates a low tax aggressiveness. (Midiastuty, et al., 2016).

The framework of thought in this study can be described as follows:

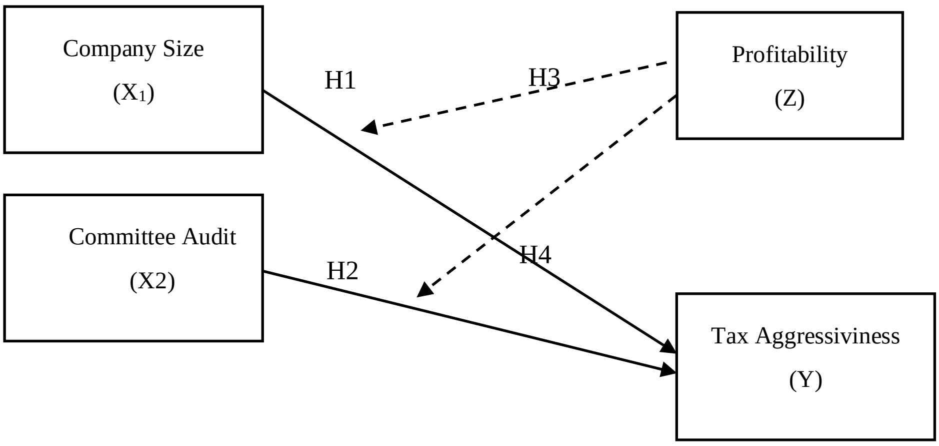

Figure 2 The Framework Research

Based on Figure 2.1 framework, the authors can conclude that the hypotheses that will be used as measurements for this research are:

The Effect of Firm Size on Tax Aggressiveness

According to Siefgried (1972) in (Midiastuty, Suranta, Suranta, & Putri, 2016) the larger the size of a company, the more qualified resources the company can mobilize to manipulate the political process, be involved in tax planning and regulate activities that can minimize the tax burden. . Tax aggressiveness can

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occur because large companies have greater space for tax planning with the aim of lowering ETR. Companies with large amounts of assets are considered as well-established companies so that they have sufficient resources such as having a tax consultant or tax division, so that it is possible for companies to have the ability to be more aggressive towards taxes (Alkausar, Lasmana, & PN, 2020). Luke and Zulaikha, (2016) stated that company size has a positive effect on tax aggressiveness because large companies have large resources to make tax planning well. Companies that can make good planning can reduce the amount of tax that must be paid by the company. based on the results of the research, the researcher's hypotesis are:
H1: Company size has a negative effect on tax aggressiveness

The Effect of the Audit Committee on Tax Aggressiveness

According to Wulandari and Septiari (2014), the establishment of an audit committee aims to assist the board of commissioners in carrying out the supervisory function of the company's performance in financial reporting and carrying out controls that can reduce the opportunity for balancing in the management of the company and the audit committee within the company is expected to be more effective in providing a company oversight mechanism. more effective and better, so as to reduce agency costs and the quality of corporate financial reporting. The higher the number of audit committee members, the higher the company's supervisory system. Based on the results of the research, the researcher's hypotesis are:
H2: The audit committee has a negative effect on tax aggressiveness.

Profitability Moderates The Effect of Firm Size on Tax Aggressiveness

When the company has high profitability, it shows that the company has good financial performance so that it is able to manage its corporate income and tax payments and tends not to do tax evasion. Therefore, the relationship between firm size and tax avoidance will be determined by the presence of an intermediate variable, namely profitability, (Indriawati, 2017).
H3: Profitability as a moderating variable has a positive effect on the relationship between Company size and tax aggressiveness.

Profitability Moderates the Effect of the Audit Committee on Tax Aggressiveness

The greater the proportion of the audit committee in the company may not necessarily influence the management to do tax avoidance, because when the company has high profitability which shows that the company has good financial performance, the company tends not to do tax avoidance. Therefore, the relationship between the audit committee and tax avoidance will be determined by the presence of an intermediate variable, namely profitability, (Indriawati, 2017).
H4: Profitability as a moderating variable has a positive effect on the relationship between audit committee and tax aggressiveness.

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3. RESEARCH METHOD

Author uses the data in this study is property and real estate in Indonesia, from the year 2016-2020. The population in this study are property and real estate companies listed on the Indonesia Stock Exchange (IDX) during 2016-2020 as many as 61 companies. The sample selection technique is purposive sampling technique.

Sample

This study uses purposive sampling in selecting the number of samples and the number of observations. The number of companies included in the sample criteria in this study were 35 companies in the 5 (five) year observation period, with 175 total data.

Table 2 Population and Research Sample Selection Process

Sample Selection Criteria	Total Companies	Total Observations
The total number of property and real estate companies listed on the IDX in 2016-2020.	61	305
Property and real estate companies that have subsidiaries (subsidiaries).	(7)	(35)
Companies that experience negative income tax losses / expenses during 2016-2020	(8)	(40)
The company does not have complete data and information in the Annual Report needed in this research	(11)	(55)
Companies that use a currency other than (Rp) as the reporting currency.	(0)	(0)
Total companies	**35**	**175**

Source: data processed by the author, 2022

Data Analysis Techniques

The data analysis technique used in this research is multiple linear regression and moderated regression analysis. In this study, the test was carried out using multiple linear regression analysis, which is a statistical method commonly used to examine the relationship between a dependent variable and several independent variables, namely the effect of SIZE, AUDCOM on ETR. Here's the formula in the equation above:

Model 1. The Effect SIZE, AUDCOM on ETR

$$ETR = \alpha + \beta_1.SIZE + \beta_2.AUDCOM + è$$

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Moderation Regression Analysis

$ETR = \alpha + \beta_1.SIZE + \beta_2.AUDCOM + \beta_3(SIZE, ROA) + \beta_4(AUDCOM, ROA) + è$

Information:

ETR	= Tax Agressiviness
α	= constanta
β1 – β4	= Regression coefficient of each independent variable
Size	= Company size
AUDCOM	= Audit committee
ROA	= Profitability
è	= Distrubing factor

As for conducting research, the data obtained previously analyzed the correlation coefficient before being analyzed using the multiple linear regression method.

4. RESULT AND DISCUSSION

The results analysis of this research will be in the form of outlines in table 1 to table 4 and using the 3 models' regression, there are:
Model 1: Effect of SIZE, AUDCOM on ETR
Model 2: Effect of SIZE, AUDCOM and ROA on ETR
Model 3: Effect of SIZE, AUDCOM, ROA, and SIZE*ROA, AUDCOM*ROA on ETR

Table 3 Normality Test Result

Description	N	Kolmogorov-Smirnov Z	Asymp. Sig. (2-tailed)	Conclusion
Model 1	175	1,343	0,074	Normal
Model 2	175	0,954	0,063	Normal
Model 3	175	0,831	0,081	Normal

Source: (processed secondary data, 2021)

The results of the normality test in table 3 show that the Kolgomorov-Smirnov value in model 1 is 1.343 and significant at 0.074. Kolgomorov-Smirnov value in model 2 is 0.954 and significant at 0.063. While the Kolgomorov-Smirnov value in model 3 is 0.831 and significant at 0.081. This means that the data for the three models are normally distributed.

Effect of Company size, Audit Committee on Tax Aggressiveness (Model 1)

The test of the first research model is to determine the effect of company size as measured by SIZE and the Audit Committee as measured by (AUDCOM) on Tax Aggressiveness. To determine the regression equation can be seen in the table below:

Table 4 Multiple Linear Regression Test Results (Model 1)

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Model	Unstandardized Coefficients	t	Sig.	Conclusion
(Constant)	0,041	0,486	0,479	
SIZE	-0,118	-2,022	0,010	Significant
AUDCOM	-0,021	-1,192	0,031	Significant
R	0,732			
R^2	0,492			
Adjusted R^2	0,406			

Source: (processed secondary data, 2021)

Based on the table 4 above, it is known that the coefficient value of the regression equation from the output obtained by the regression equation model:

Model 1. Effect of SIZE, AUDCOM on ETR

ETR = 0.041 - 0.118SIZE - 0.021AUDCOM + 0.037519026

Based on the results of the t test in the table above, it is known that the t value for the company size variable measured using SIZE against ETR is -2,022 with a significance value of 0.010 Value 0.010 < 0.10 so it can be concluded that company size has a significant effect on tax aggressiveness in property and real estate companies. listed on the IDX in 2016-2020.

Based on the results of the t test in the table above, it is known that the t value for the audit committee variable measured using AUDCOM against ETR is -1.192 with a significance value of 0.031. The value is 0.031 < 0.10, so it can be concluded that the audit committee has a significant effect on tax aggressiveness in property and real estate companies listed on the IDX in 2016-2020.

The Effect of Company size, Audit Committee and Profitability on Tax Aggressiveness (Model 2)

The test of this second research model is to determine the effect of Company size as measured using SIZE, the audit committee (AUDCOM) and the moderating variable Profitability (ROA) on tax aggressiveness (ETR). To determine the regression equation can be seen in the table below:

Table 5 Multiple Linear Regression Test Results (Model 2)

Model	Unstandardized Coefficients	T	Sig.	Conclusion
Constant)	0,056	0,478	0,264	
SIZE	0,083	-0,956	0,021	Significant
AUDCOM	-0,075	-1,052	0,329	Not Significant
ROA	-0,043	2,240	0,003	Significant
R	0,404			
R2	0,374			
djusted R^2	0,515			

Source: (processed secondary data, 2021)

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Based on the table 5 above, it is known that the coefficient value of the regression equation from the output obtained by the regression equation model:
ETR = 0,056 + 0,083SIZE – 0,075AUDCOM– 0,043ROA + 0 ,037519026

Moderated Regression Analysis (MRA)

The moderated regression analysis test is used to determine the profitability and size of the company as measured by SIZE and the audit committee (AUDCOM) on tax aggressiveness (ETR).

Table 6 Moderated Regression Analysis Test Result

Model	Unstandardized Coefficients	T	Sig.	Conclusion
(Constant)	0,064	0,774	0,600	
SIZE	-0,182	-0,043	0,446	Not Significant
AUDCOM	-0,234	-0,476	0,006	Significant
ROA	-0,180	-0,147	0,444	Not Significant
SIZE*ROA	0,367	3,162	0,004	Significant
AUDCOM*ROA	0,268	3,071	0,021	Significant
R			0,329	
R^2			0,231	
Adjusted R^2			0,611	

Source: (processed secondary data, 2021)

Based on the table 6 above, it can be obtained multiple linear regression equations with moderating variables are as follows:
Model 3: Moderate Regression
ETR = 0.064 – 0.182SIZE – 0.234AUDCOM – 0.180ROA + 0.367SIZE*ROA + 0.268AUDCOM*ROA + 0.037519026

t test SIZE*ROA

Based on the results of the t test in the table, it is known that H3 is accepted. The moderating variable SIZE*ROA produces a regression coefficient of 0.367 and a t-value of 3.162 with a significance value of 0.004. The significance value of 0.004 < 0.10 means that profitability can moderate the effect of Company size on tax aggressiveness.

AUDCOM*ROA t-test

Based on the results of the t test in the table above, it is known that H3 is accepted. The moderating variable AUDCOM*ROA produces a regression coefficient of 0.268 and a t-value of 3.071 with a significance value of 0.021. The significance value of 0.021 < 0.10 means that profitability can moderate the influence of the audit committee on tax aggressiveness.

Discussion

The results of the first hypothesis state that Company size has a negative effect on tax aggressiveness. The results of this study support the research conducted by Hadi & Mangoting, (2014) who found that company size had an

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effect on tax aggressiveness. The larger the size of the company, the smaller the ETR which indicates the company is doing tax aggressiveness. The larger the size of the company, the company is able to use its resources (assets) to make a tax plan. Companies with large categories can pay more tax experts to manage taxes. In addition, the greater the total assets of the company, indicating the size of the company is getting more complex, the transactions carried out will be more complex.

The results of the second hypothesis state that the audit committee has a negative effect on tax aggressiveness. The audit committee according to its role can assist the board. Commissioner so that information asymmetry does not occur. by monitoring and giving consideration to management on ongoing internal control within the company. Quality information and effective performance from the management will occur if the supervision is getting tighter on the company's management. The results of tests conducted by Fauzan & Nurjayanti (2019), also prove that the audit committee has a negative influence on tax avoidance. Improving the quality of GCG within the company will minimize tax avoidance practices by the company due to the increasing number of audit committees in the company.

The result of the third hypothesis states that profitability can moderate the effect of Company size on tax aggressiveness. This research is in line with research conducted by (Indriawati, 2017) that describes agency theory explaining that there are duties and authorities from the principal to the agent to increase company profits. The bigger the company, the bigger the task of the agents. Companies that have high profitability tend to be able to manage their income and tax payments. Large companies can use their resources to do tax planning. Apart from the assets owned, large companies can also utilize human resources such as an expert in taxation to manage the company's tax burden. When the company has high profitability, it shows that the company has good financial performance so that it is able to manage its corporate income and tax payments and tends not to avoid tax. Therefore, the relationship between Company size and tax avoidance will be determined by the presence of an intermediate variable, namely profitability.

The results of the fourth hypothesis state that profitability can moderate the influence of the audit committee on tax aggressiveness. A large and effective number of audit committees will reduce the possibility of tax avoidance in the company. This is because one of the duties of the audit committee is to oversee performance in managing revenue and making decisions so that managers cannot harm the interests of shareholders. Good operational performance is reflected in the profitability ratio. The company's high profitability can be concluded that it allows efficient profit management. This provides an opportunity for companies to carry out tax planning by reducing the amount of tax liability, (Oktaviyani & Munandar, 2017).

5. CONCLUSION

This study concludes that Company size and audit committee have a significant negative effect on tax aggressiveness, profitability can moderate the

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relationship between Company size and tax aggressiveness, profitability can also moderate the relationship between audit committee and tax aggressiveness on property and real estate companies listed on the Stock Exchange in 2016 -2020.

Suggestions for further research is, it is better to use other variables, because only 49% R-Square in this study determines tax aggressiveness, another 51% is influenced by other variables not included in this study. Future research can include different variables and have a greater contribution in influencing tax avoidance practices that occur within a company. Further research for the measurement of the audit committee can use other measurements that better reflect the competence of the audit committee in carrying out the monitoring role of the preparation of financial statements.

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