THE CAPITAL INTENSITY ON THE DETERMINANTS OF TAX AGGRESSIVENESS IN INDONESIA

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ABSTRACT

This research aims to determine the effect of leverage, the proportion of independent commissioners and institutional ownership on tax aggressiveness and to see whether capital intensity can moderate the relationship between leverage and tax aggressiveness, the proportion of independent commissioners with tax aggressiveness and institutional ownership on tax aggressiveness. This quantitative research uses secondary data sourced from the IDX. The data used are leverage ratio, the proportion of independent commissioners, institutional ownership, tax aggressiveness, and capital intensity in property and real estate companies listed on the IDX during 2018-2022. The research method uses multiple regression analysis and the MRA (Moderate regression analysis) test with the IBM SPSS Statistics 2. The research results show that the leverage ratio variable affects tax aggressiveness, while the proportion of independent commissioners and institutional ownership variables do not affect tax aggressiveness. Meanwhile, the results of the MRA test show that capital intensity can moderate the influence of leverage and the proportion of independent commissioners on tax aggressiveness, but capital intensity cannot moderate the influence of institutional ownership on tax aggressiveness.

Keywords: Tax Aggressiveness, Leverage, The Proportion Of Independent Commissioners, Institutional Ownership, Capital Intensity

INTRODUCTION

One of the most significant revenues of a country comes from tax funds, so the government always closely monitors the tax collection process. Taxes are mandatory because taxes contribute significantly to the development of a country. Therefore, the high or low state income through taxes will have a significant impact on the development of the country itself. The government strives to meet tax targets every year. Meanwhile, taxpayers, namely companies, want the lowest tax payments or even to be free from tax payments. The existence of these different goals causes some companies to manipulate or avoid taxes (Putri and Yanti, 2023).

However, the crucial problem that still often occurs today is the practice of tax aggressiveness by well-known large companies that have obtained high profits. There are two types of tax aggressiveness: legal tax aggressiveness (Tax Avoidance) and illegal tax aggressiveness (Tax Evasion). Both are still forms of violations because they are detrimental to the state. Legal tax aggressiveness (Tax Avoidance) is legal without violating applicable tax regulations. One of them is looking for loopholes or weak sides of the laws and regulations made by the government so that they can be used to minimize the amount of tax owed by certain companies (Prasatya and Mulyadi, 2020). Based on the report "The State of Tax Justice 2020" states that Indonesia is ranked fourth in Asia after China, India, and Japan. Indonesia is ranked this way because of its reasonably high tax aggressiveness, with an estimated tax avoidance reaching Rp 68.7 trillion. Of that amount, 67.6 trillion is the impact of corporate tax avoidance in Indonesia. For example, multinational companies will try to shift their profits to countries with very loose tax regulations, so-called tax havens. The idea behind profit shifting is to reduce the size of corporate income to lower the effective tax rate. The remaining $1.1 trillion comes from individual taxpayers. This elite group of taxpayers keeps their claimed wealth and assets offshore to protect them from legal action (www.mytax.com).

Companies operating in the property and real estate sector are included in the category of companies that provide significant tax contributions during 2018-2021. Transactions in property and real estate sector companies are large, so tax costs on these transactions will also be high (Putri and Yanti, 2023). Therefore, the government hopes that property and real estate companies will always comply with tax regulations and not commit fraud (Agustina et al., 2023). However, based on information from katadata.co.id, notes from the Directorate General (Ditjen) of Taxes show that taxes from the property and real estate sector in 2016 appeared to have decreased.

Revenue in 2016 fell by 20.43% or only reached 19.7 trillion, while in the previous year, 2015, tax revenue reached 24.8 trillion. This is suspected to be due to incorrect supervision and sluggish demand for property. The information obtained raises suspicions regarding the possibility of tax avoidance practices in property and real estate companies. This suspicion is reinforced by Awaliah et al.(2022) who revealed that from 2016 to 2020, property and real estate companies had the most tax avoidance activities compared to other sectors. Companies in the property and real estate sector are the most involved in tax avoidance practices, according to Awaliah et al.(2022) are PT. Metropolitan Land.Tbk, in 2017-2020 and PT. Bumi Serpong Damai.Tbk in 2016. Companies use many reasons to carry out tax aggressiveness. First, the company's stock price must remain high. Second, the company will try to obtain a lot of profit with a small tax deduction.

The existence of tax aggressiveness in a company is influenced by several factors, namely the influence of leverage, the proportion of independent commissioners, institutional ownership and the influence of capital intensity. Leverage is related to tax aggressiveness. The leverage ratio is used as an indicator to measure the company's capacity to pay all its debt obligations. This ratio reflects the extent to which the company's debt burden is compared to the total assets or capital it owns (Dewi, 2022). According to the research conducted by Harsono and Alvin (2021) leverage or debt to equity ratio has a positive effect on a company's tax aggressiveness. If leverage in a company is high, it indicates that an entity has a debt relationship with creditors in a fairly large amount. This will cause the interest costs borne by the entity to be higher, thus, the company can use the interest costs as a reduction in taxable income. While research fr leverage or debt-to-equity ratio positively affects a company's tax aggressiveness. If leverage in a company is high, it indicates that an entity has a reasonably significant debt relationship with creditors. This will cause the interest costs borne by the entity to be higher. Thus, the company can use the interest costs to reduce taxable income. While research from D. Eka Putri et al. (2021) revealed that leverage has no relationship with tax avoidance, meaning that high or low leverage levels cannot determine the company's tax aggressiveness. In other words, the leverage level of small or large companies does not affect management's ability to avoid taxes.

In addition to leverage, the proportion of independent commissioners can also affect tax aggressiveness. Management performance monitoring is more effective if the proportion of independent commissioners in the company is high. An independent board of commissioners significantly influences a company's tax aggressiveness in the study (Muliasari & Hidayat, 2020). Corporate tax aggressiveness can be reduced by increasing the number of independent board members. Tight supervision of independent commissioners will indicate low corporate tax aggressiveness practices. However, the results of the study Claritus et al. (2023) show that the number of independent commissioners does not affect tax avoidance during the pandemic; the presence of a board of commissioners in the company cannot influence management not to engage in tax avoidance.

The party that also has influence when making decisions and also plays a vital role in every operational supervision of the company is institutional ownership. Sujannah's (2020) ound that the impact of institutional ownership on tax avoidance has a positive direction. The high institutional ownership ratio will pressure investors to increase tax rate efficiency to reduce management conflict. However, as shown by Claritus et al. (2023) institutional ownership before and during the pandemic did not affect tax avoidance.

This study examines the capital intensity variable used as a moderating variable. Capital intensity is when a company invests more in fixed assets such as buildings, equipment, etc. The large amount of fixed assets owned by the company will cause an increase in the depreciation burden that the company must bear. This reduces the company's profits and could reduce the tax obligations that the company must pay.

Various previous studies have shown varying results, such as research by Dewi (2022) revealed that leverage has no impact on the level of tax aggressiveness; on the contrary, the results of Muliasari & Hidayat (2020) show that there is a relationship between leverage and corporate tax aggressiveness. Previous research results show the need to add new variables to re-test the influence of each variable on tax aggressiveness. The new variable added is capital intensity as a moderating variable. The use of capital intensity variables as a moderator is supported by Apep et al. (2021) which shows that capital intensity can moderate the effect of profitability on tax aggressiveness.

The inconsistency in several previous research results is a gap for this researcher. So, this study aims to test the effect of leverage, the proportion of independent commissioners, and institutional ownership on tax aggressiveness in companies engaged in the Property and Real Estate sector during 2018-2022. In addition, this study aims to test the moderating variable of capital intensity on the influence of leverage, the proportion of independent commissioners, and institutional ownership on tax aggressiveness in the Property and Real Estate sector during the 2018-2022.

LITERATURE REVIEW

Agency Theory

According to Jensen & Meckling 1976 in Wardani et al. (2022) the relationship in an agency is a form of employment contract between shareholders (principals) and management or managers (agents). Shareholders or shareholders have full power to give tasks or orders to company managers to make decisions. Shareholders and company managers may have different views, which can cause conflict.

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Agency theory explains the relationship between agents and principals, where both have individual interests. According to Jensen and Meckling in 1976 in Sujannah (2020) this relationship is defined as communication between workers and employers where someone employs another person to meet the owner's expectations. Agency theory in this study explains tax aggressiveness as a form of difference of opinion between the principal, namely the government, and the agent, namely the Company. The Company will try to obtain high profits by avoiding imposing tax burdens. At the same time, the government, as the principal, will determine the amount of tax and wants tax revenues to be orderly with the imposition of rates by tax regulations. Thus, a conflict of interest, often called agency theory, will arise.

Tax Aggressiveness

Frank et al. (2020) revealing companies that try to report small amounts of corporate profits to avoid high taxes are called tax aggressiveness. In theory, aggressive tax management practices in companies are carried out through tax planning strategies. Tax planning can be divided into two categories, namely legal tax planning or what is known as tax avoidance; one of the ways is to accelerate the depreciation of fixed assets. At the same time, illegal tax planning (tax evasion) is done by not reporting all of its income in the tax report. Companies that carry out aggressive legal or illicit tax planning are considered to be carrying out tax aggressiveness.

According to Harsono and Alvin (2021) Tax aggressiveness is an activity aimed at reducing the Company's liability in th e amount of tax payments. The greater the tax reduction a company applies, the more aggressive it is in implementing the tax aggressiveness strategy.

$$\text{Tax Aggressiveness} = \frac{\textit{Income Tax Expense}}{\textit{Profit before tax}}$$

Leverage

Fitri & Munandar 2018 in Dewi (2022) emphasize that leverage is a calculation used to evaluate the extent to which a company utilizes debt for funding. In addition Iffah and Amrizal (2022) explain that leverage is a tool used to calculate corporate financing with debt. Excessive use of debt places the Company at extreme debt risk, making it difficult to pay the debt burden. This study uses the debt-to-asset ratio (DAR) to measure the Company's leverage. DAR is used to find out how much funds to finance the Company's assets come from debt using the formula:

$$\text{DAR} = \frac{\textit{Total debt}}{\textit{Total Assets}}$$

Proportion of Independent Commissioners

Arianti (2021) concluded that independent commissioners are board members who operate independently without being influenced by other board members. Meanwhile, according to Independent commissioners are parties who do not have ties or commitments with other parties, including controlling shareholders, internal directors, or fellow commissioners. In addition, he does not take on the director role in an affiliated company. The researcher concluded that the percentage of independent commissioners refers to board members who do not have affiliations with other parties that can influence their actions. This ratio is obtained from the number of independent commissioners divided by the number of board members. This study uses a formula based on Liu and Cao (2007) in Rachmawati and Simorangkir (2019) to measure the number of independent commissioners as follows:

$$\text{Proportion of Independent Commissioners} = \frac{\textit{Number of independent commissioners}}{\textit{Number of member of the board}}$$

Institutional Ownership

Siswanto (2021) that the amount of company share ownership by external parties or institutions such as banks, insurance, and investments is called institutional ownership. In addition, according to Claritus et al. (2023) institutional ownership refers to the ownership of company shares by a second-party institution that also supervises the Company. Institutional ownership is the Company's shares owned by another legal entity. This study measures the value of institutional ownership using a formula from previous research by Simorangkir and Rachmawati, (2019) namely the comparison between the number of institutional shares and the number of shares outstanding.

$$\text{Institutional Ownership} = \frac{\textit{Number of shares institusional}}{\textit{Number shares outstanding}}$$

Capital Intensity

Siswanto (2021) states that capital intensity is a ratio that shows how companies invest by increasing the number of fixed assets. According to Ristanti (2020), capital intensity is the capital a business needs to generate profits by increasing or decreasing fixed assets. Researchers conclude that capital intensity is a company's assets realized as fixed assets. Referring to research by Sari et al. (2022) measurement of capital intensity in this study uses a comparison between total net fixed assets and total Company assets as follows:

$$\text{Capital Intensity} = \frac{\textit{Total net fixed assets}}{\textit{total assets}}$$

RESEARCH HYPOTHESIS

The Effect of Leverage on Tax Aggressiveness

According to Dewi (2022) the correct measurement used to determine the amount of company financing sourced from debt is leverage. Based on a study by Harsono and Alvin (2021) found that leverage can increase tax aggressiveness. Agustina et al. (2023) revealed that leverage influences tax avoidance. The more debt, the higher the interest burden.

High-interest costs will reduce the company's profit. Automatically, the company's tax burden will be lower. Therefore, management uses corporate debt to reduce taxes by receiving incentives from interest income deducted from tax income. The percentage of interest from debt will be a fiscally deductible burden. So the amount of tax paid by the company will be small. Based on the description above, the formulation of the first hypothesis is:

H1: Leverage affects tax aggressiveness

The Influence of the Proportion of Independent Commissioners on Tax Aggressiveness

Arianti (2021) characterizes a commissioner as independent if he is a board member who has no interest in the outcome of any legal process before the commission. According to Muliasari & Hidayat (2020) independent commissioners significantly influence The size of corporate tax aggression. Corporate supervision will be increased by increasing the number of neutral commissioners. Based on the description above, the formulation of the second hypothesis is:

H2: The proportion of independent commissioners affects tax aggressiveness

The Effect of Institutional Ownership on Tax Aggressiveness

Claritus et al. (2023) state that institutional ownership refers to the quantity of shares owned by external entities/institutions. Research by Sujannah (2020) revealed that increasing share ownership from other institutions will increase supervision in the company. Investors who have invested in the company want to gain large profits, so there is pressure from investors on the company's management to make the tax rate efficient with the intention that the tax paid by the

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company becomes small and its profits remain large. From the description above, the third hypothesis is formulated as follows:

H3: Institutional Ownership has an effect on Tax Aggressiveness

Capital Intensity Moderation on the Effect of Leverage on Tax Aggressiveness.

According to Siswanto (2021)Capital intensity is a company that makes investments by purchasing fixed assets. Leverage is a financial ratio measuring the amount of debt used to finance company activities. Arianti (2021) found that capital intensity positively influences tax aggressiveness. Generally, a company's depreciation expense is directly proportional to the acquisition price of its fixed assets. The company will owe less tax because this depreciation expense reduces gross income. According to the researchers, capital intensity may mediate the relationship between tax aggressiveness and leverage. This is because tax aggressiveness is not only done by investing in fixed assets but can also be done by increasing the percentage of fixed interest costs. So, the researchers formulate the hypothesis:

H4: Capital Intensity moderates the relationship between leverage and tax aggressiveness.

Moderation of capital intensity on the influence of the proportion of independent board of commissioners on tax aggressiveness

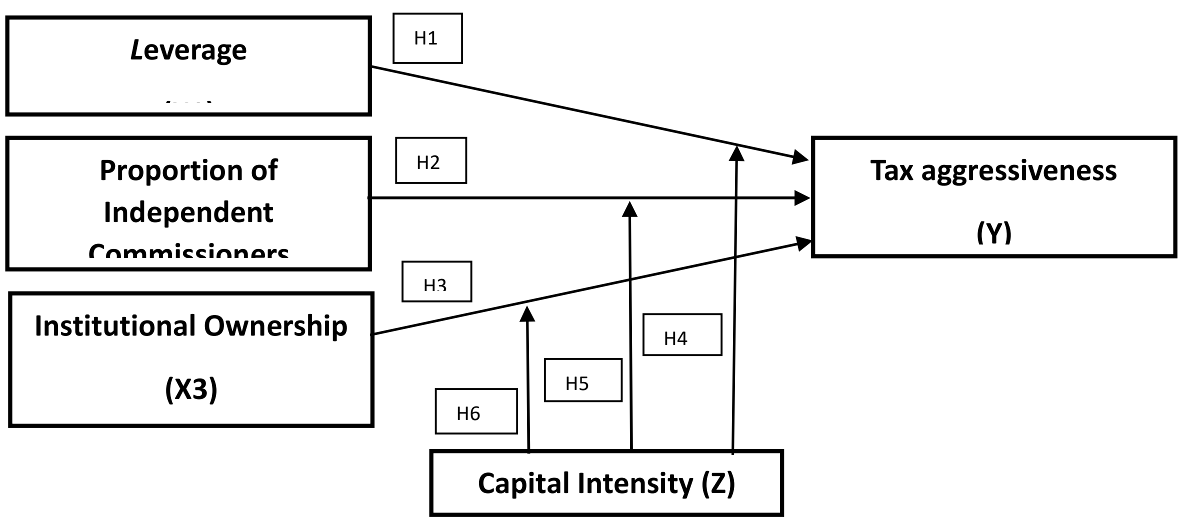
As has been expressed by Arianti (2021) an independent commissioner is a member of the board of commissioners who has a high level of independence so that he has no affiliation with other parties that can influence his decision-making. Research Muliasari & Hidayat (2020) proves that independent commissioners significantly influence corporate tax aggressiveness. While tax aggressiveness is influenced by capital intensity (Sianturi et al., 2021). Based on the description above, there is a hypothesis that capital intensity can moderate the relationship between the number of independent commissioners and a company's tax aggression. Both are often used as choices for companies when carrying out tax aggressiveness. So, the formulation of the fifth hypothesis is:

H5: Capital Intensity moderates the relationship between the Proportion of Independent Commissioners and tax aggressiveness.

Moderation of Capital Intensity on the Effect of Institutional Ownership on Tax Aggressiveness

Siswanto (2021) defines institutional ownership as the proportion of company share ownership by entities outside the company. Based on research Sujannah (2020) shows a positive influence of institutional ownership on tax avoidance. In addition, research by Aurelya and Syofyan (2023) shows that capital intensity influences tax aggressiveness. In the previous hypothesis, it has been explained that institutional ownership and capital intensity have both been proven to influence tax aggressiveness. So, based on these data, the researcher assumes that capital intensity can moderate the relationship between the influence of institutional ownership and tax aggressiveness. From the description above, the researcher formulates the sixth hypothesis, namely:

H6: Capital Intensity moderates the relationship between Institutional Ownership and tax aggressiveness



RESEARCH METHODS

This research is causal-comparative, a systematic empirical study directly regulating independent variables with quantitative methodology. This study collected information for 2018–2022 from the annual financial reports of property and real estate companies listed on the IDX website. Researchers accessed the official IDX website, https://www.idx.co.id, for two or three months to collect data for financial reports. The research population was 52 property and real estate companies listed on the IDX from 2018 to 2022. The sampling technique used several criteria as a purposive sampling strategy: (1) Companies that present annual financial reports on the IDX during 2018-2022.; (2) The amount of profit before tax in the company is not minus; (3) The amount of the company's income tax burden is not zero.

Table 1. Sample Criteria

No	Criteria	Amount
1	Property and real estate companies listed on the IDX in 2018-2022 consecutively	52
2	Companies that did not attach financial reports to the IDX during the research period	(7)
3	Companies with a negative pre-tax profit	(31)
4	Companies with income tax burden of 0	(1)
Number of Companies Sampled		**13**
Total Sample Observation data for 5 years (2018-2022)		**65**
Outlier Data		**10**
Total Sample after subtracting Outlier Data		**55**

Various statistical tests were used to test the data, including heteroscedasticity, multicollinearity, and classical assumption tests through normality tests. After that, multiple linear regression tests were used. R2 test, hypothesis testing, and moderated regression analysis.

RESULTS OF RESEARCH AND DISCUSSION

Normality Test

Table 2. One-Sample Kolmogorov-Smirnov Test

	Unstandardized Residual
Asymp. Sig. (2-tailed)	,192c

Source: processed data (2024)

The data shows that the significant asymp (2-tailed) obtained is 0.192. We can conclude that the data is normal because the significance level obtained is 0.192 > 0.05.

Multicollinearity Test

Table 3. Test Results Multicollinearity

	Tolerance	VIF
Leverage	0.898	1,114
Proportion of Independent Commissioners	0.814	1,229
Institutional Ownership	0.770	1,298

Source: processed data (2024)

Leverage (X1) gets a tolerance value of 0.898 from the test result table. The VIF value gets a value of 1.114, the Proportion of Independent Commissioners (X2) gets a tolerance value of 0.814 and a VIF value of 1.229, institutional ownership (X3) has a tolerance value of 0.770 and a VIF value of 1.298. The test results show that the data is accessible from multicollinearity because of Tolerance> 0.10 and VIF <10.

Heteroscedasticity Test

Table 4. Spearman's Rank Correlation Test

Model	Sig
Leverage	0.401
Proportion of Independent Commissioners	0.686
Institutional Ownership	0.333

Source: processed data (2024)

The table above shows that Leverage (X1) obtained a significant value of 0.401, Proportion of Independent Commissioners (X2) obtained a significant value of 0.686, and Institutional Ownership (X3) obtained a significant value of 0.333. The data's criteria for being free from heteroscedasticity is if the significance value is > 0.05. It can be concluded that the data does not experience symptoms of heteroscedasticity.

Hypothesis Testing

Table 5. t-Test Results

Description	Sig	Results
Leverage	0.004	H1 accepted
Proportion of independent commissioners	0.564	H2 rejected
Institutional Ownership	0.825	H3 rejected

Table 6. MRA Test Results

Description	B	Sig	Results
Constants	-0,042	0,111	
Leverage	0.004	0,844	
Proportion of independent commissioners	0.106	0,023	
Institutional ownership	0.031	0,175	
Leverage*Capital intensity	0.639	0.006	H4 accepted
Proportion of independent commissioners*Capital intensity	-1.662	0.006	H5 accepted
Institutional Ownership*Capital intensity	-0.181	0.381	H6 rejected

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Table 7. R Square Test Results

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.407	0.165	0.117	0,0171670

Source: processed data (2024)

The coefficient of determination value of 0.117 or 11.7% is shown in the table above. These results show that institutional ownership, leverage, and the proportion of independent commissioners contribute to tax aggression, but other factors contribute 88,3%.

The effect of leverage on tax aggressiveness

The significance value of the leverage variable is 0.004, which indicates less than 0.05, so H1 is accepted, meaning that leverage can influence tax aggressiveness. The test results align with Harsono and Alvin (2021), which reveals that leverage can affect tax aggressiveness and research by Agustina et al. (2023) revealed that leverage influences tax avoidance. However, this study's results differ from the study D. Eka Putri et al. (2021) this finding refutes the hypothesis that a company's tax aggressiveness is correlated with leverage, thus indicating that the two concepts are unrelated. That is, the size of a company is independent of management's ability to avoid taxes in terms of leverage. Despite having little debt, some organizations still have to pay interest on loans to creditors, which allows them to deduct these costs from their taxable income.

In agency theory, the use of leverage to resolve conflicts between managers and shareholders is essential. According to the agency hypothesis proposed by Jensen and Meckling (1976) in Aristaldo et al. (2022), by reducing managers' access to business funds, leverage helps to control managers' spending. A company'scompany's ability to pay its commitments smoothly is negatively correlated with leverage. Managers will try to show high assets with low risk to keep investors invested in their business.

The Influence of the Proportion of Independent Commissioners on Tax Aggressiveness

For the independent commissioner variable, the significance value is 0.006, more than 0.05, thus rejecting H2 and concluding that tax aggressiveness in property and real estate companies listed on the IDX is not affected by the percentage of independent commissioners. This result means that independent commissioners in a company are independent of tax aggressiveness. This is believed to be due to the need for proper supervision from management. Only to meet all relevant

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regulatory requirements do companies comply with standards relating to independent commissioners, which mandate that 30% of the Board of Commissioners must be independent (Kamul & Riswandari, 2021).

Since its purpose is to check and balance the authority of managers, an independent board of commissioners can help alleviate agency problems. This research aligns with (Sufia et al., 2018) found little impact of independent commissioners on tax aggression. However, the findings of this study contradict Rosidy et al. (2019) that shows the percentage of independent commissioners influences tax aggression. In agency theory, a proportion of independent commissioners creates a balanced power between managers in the form of supervision and management in terms of disclosing information widely. The Board of Commissioners has a role to supervise and advise the Board of Directors, one of which is to carry out aggressive tax actions, but the highest decision remains with the Board of Directors. Thus, the independent Board of commissioners does not influence tax aggressiveness.

The Influence of Institutional Ownership on Tax Aggressiveness

The significance value is 0.006, which means it is more than 0.05, so it can be concluded that institutional ownership does not affect tax aggressiveness in property and real estate companies listed on the IDX for the 2019-2022 period.

The results align with research conducted by Siswanto (2021) which shows that institutional ownership does not affect tax aggression. This is possible because institutional investors believe that fulfilling significant corporate tax obligations will hurt welfare; even though institutional investors do not want their dividends to be cut due to high tax obligations, they do not intervene to stop or limit management in reducing the company's tax burden. However, the results of this study are not in line with Nugraheni & Murtin (2019) which state that institutional ownership affects tax aggressiveness.

Agency theory suggests that institutional ownership can help mitigate agency problems. Agency conflicts will arise when interests are misaligned between shareholders/principals and company managers/agents. Under these conditions, institutional owners believe that meeting large corporate tax requirements will reduce the quantity of dividends paid by shareholders and the welfare of corporate owners. Therefore, managers' efforts to reduce corporate tax liabilities do not conflict with the wishes of institutional shareholders.

Capital intensity moderates the effect of leverage on tax aggressiveness

The capital intensity test results on the moderation of the effect of leverage on tax aggressiveness prove that capital intensity can moderate the relationship between the effect of leverage and tax aggressiveness. The significance value of the leverage variable interaction test is 0,006 <0.05, indicating that capital intensity can strengthen the relationship between leverage and tax aggressiveness in the companies studied during 2018-2022. Tax aggressiveness is carried out by investing in fixed assets and can be achieved by increasing the percentage of fixed interest costs. So, the higher the purchase of fixed assets, the more the company will experience a more significant depreciation burden on these assets. This depreciation burden will reduce gross income so that the amount of tax to be paid by the company becomes lower. Based on the explanation above, Hypothesis 4 is accepted.

Capital intensity moderates the effect of the proportion of independent commissioners on tax aggressiveness

With a significance level of 0.006 less than 0.05, the interaction test results between the capital intensity variables and the proportion of independent commissioners affect tax aggressiveness. Thus, capital intensity can moderate the effect of the number of independent commissioners on tax aggressiveness. The existence of independent commissioners who serve as the Board of Commissioners, not current employees or former employees of the business. So that the company's management will be in direct contact with a neutral board of commissioners, the Board of Commissioners is responsible for overseeing the organization's management and, in the event of a dispute, can act as a mediator between internal commissioners and shareholders. The parties are willing to trust independent commissioners to resolve disputes because of their impartiality and low possibility of bias. Based on the description above, Hypothesis 5 is accepted.

Capital intensity moderates the effect of institutional ownership on tax aggressiveness

The results of the interaction test of the capital intensity variable on institutional ownership on tax aggressiveness show a significance value of 0.381, which indicates a value greater than 0.05 so that it can be concluded that capital intensity is not able to moderate the relationship between the influence of institutional ownership on tax aggressiveness in property and real estate companies during the 2018-2022 period. A company's high purchase of fixed assets will also result in a significant depreciation burden. However, it is only sometimes used by institutional owners to take

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action to prevent management activities in terms of reducing the company's tax burden. Institutional owners assume that the fulfilment of high corporate tax obligations will reduce the welfare of company owners. Based on the description above, Hypothesis 6 is rejected.

CONCLUSIONS

Based on previous studies, we conclude that leverage affects tax aggressiveness, but institutional ownership and the number of independent commissioners have no effect. Capital intensity can moderate the effect of leverage and the proportion of independent commissioners on tax aggressiveness. However, it cannot moderate the effect of institutional ownership based on the results of testing capital intensity as a moderator. This study has several limitations, such as the following: This study only considers four variables, namely leverage, the proportion of independent commissioners, institutional ownership, and moral intensity. On the other hand, tax aggressiveness is believed to be influenced by various other factors. Another weakness is that not all companies publish annual reports on the Indonesia Stock Exchange website, making it difficult to find complete reports. In such situations, researchers also search for annual reports on the company'scompany's website.

In addition to providing a foundation for future research, the theoretical implications of this study will shed light on the topic at hand and benefit all stakeholders. In addition, investors may use the practical consequences of the study as a reference when deciding whether or not to invest in a company. Considerations for investors may include leverage ratios and the percentage of independent commissioners. The conclusion contains a summary of the research findings, implications, suggestions, conclusions, and recommendations for further research.

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