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THE EFFECT OF SALES AND CORPORATE SOCIAL RESPONSIBILITY ON THE TAX PLANNING SECTOR LQ45 FOR THE 2020-2021 PERIOD

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ABSTRACT

The study was conducted to confirm the effect of sales and corporate social responsibility on LQ45 company tax planning during two years of research for thirty-nine companies with a total of seventy-eight samples using purposive sampling in the collection method. Researchers used the descriptive analysis method with multiple linear regression. The results show that sales have a significant positive effect on tax planning, and corporate social responsibility has no impact on tax planning; simultaneously, sales and corporate social responsibility affect tax planning.

1. INTRODUCTION

Tax planning is a corporate strategy for reducing the tax burden to be paid. According to (Sari, 2022)., the purpose of tax planning is to optimize the company structure so that it can take advantage of all legally available tax reduction potential.

In an increasingly fierce business competition era, tax planning is essential in increasing company profits. This research will discuss tax planning and its impact on financial performance in companies.

One of Indonesia's well-known cases of wrong tax planning is the Google case revealed in 2018. That year, the Indonesian Directorate General of Taxes (DGT) found that Google Indonesia carried out abnormal transfer pricing practices. Google Indonesia transferred some of its profits to Google Ireland, which has a lower tax rate (Marismiati, 2021).

The transfer pricing practice carried out by Google Indonesia is reported to have cost the Indonesian state up to billions of rupiah because Google Indonesia only pays very little tax in Indonesia. It prompted the DGT to take action by collecting taxes that Google Indonesia should have paid and emphasizing that companies must pay taxes according to tax rules (Reza, 2022).

Sales are the revenue the company gets from selling its products and services. In tax planning, sales are a factor that needs to be taken into account properly because, according to (Leony, 2020), high sales can impact the tax burden paid by the company.

Corporate Social Responsibility (CSR) is a company's consideration of the social and environmental impacts of their business activities, Year. It involves corporate responsibility to carry out activities that benefit society, including environmental preservation and social endeavors. In tax planning, CSR can impact companies' taxes (Algiffary, 2020).

The research objective is to analyze the effect of sales and CSR on tax planning. Research can provide important information to the government and stakeholders in the LQ45 sector in improving tax planning.

Much research on tax planning has been carried out, such as research from (January & Suardikha, 2019); (Nurjanah, 2020); (Isnaen & Albastiah, 2021); (Fortuna & Herawaty, 2022); (Marismiati, 2021); (Androni Susanto, 2022); (Parhusip & Simarmata, 2022); (Santi & Wardani, 2018); (Fadillah & Lingga, 2021); (Asmedi & Wulandari, 2021); (Sartika, 2021); (Ni Made Dwi Payanti, 2020); (Sholihah, 2019). However, research gaps and phenomena still occur, so the authors are interested in confirming further to obtain consistent results. Therefore the researchers took the title "The Influence of Sales and Corporate Social Responsibility on the LQ45 tax planning sector for the 2020-2021 period".

Sales Against Tax Planning

Sales are selling products or services to customers to obtain revenue. High sales can influence the company's decision to choose an aggressive tax planning strategy to reduce the tax burden. However, it should be noted that aggressive tax planning can trigger legal risks and lousy reputations for companies (January & Suardikha, 2019).

The variable is measured by collecting sales data from the company's annual financial report (Nurjanah, 2020). In the context of the relationship between Sales and tax planning, Sales can affect the tax obligations paid by the company. The greater the volume of sales, the greater the tax liability paid. Therefore, companies use tax planning to optimize tax obligations paid by identifying various tax deductions that can be applied to reduce tax obligations (Marismiati, 2021).

Corporate Social Responsibility Against Tax Planning

It is a concept where companies consider the social and environmental impacts of their business activities and are responsible for minimizing negative and increasing positive impacts. Variables are measured using the GRI G4 formula from (Androni Susanto, 2022). In the context of the relationship between CSR and tax planning, companies can utilize tax planning to increase the effectiveness of their CSR programs.

The way to do this is to take advantage of tax incentives from the government for activities that are by the company's CSR program. For example, companies with CSR programs in the environmental field can take advantage of tax incentives from the government to invest in green technology or reduce greenhouse gas emissions. Thus, companies can increase the effectiveness of their CSR programs and reduce the tax obligations that must be paid to the government (Parhusip & Simarmata, 2022).

Sales and Corporate Social Responsibility Against Tax Planning

Sales and CSR with tax planning can affect the amount the company pays taxes. High sales can increase the tax burden, while strong CSR can affect the tax incentives provided by the government. Therefore, companies can plan their taxes to reduce taxes by taking advantage of available tax incentives, such as tax credits, tax exemptions, and others.

Remember that tax planning must be carried out legally and ethically and always comply with applicable tax regulations. Companies must ensure that the tax planning does not violate tax regulations or harm other parties (Reza, 2022).

Tax Planning

Tax planning is managing company finances to optimize the tax obligations paid to the government to minimize the tax paid legally. Variables are measured using (Androni Susanto, 2022). Remember that the use of tax planning needs to do with tax regulations. Companies must also pay attention to ethical and integrity aspects in carrying out tax planning so that their use does not harm other parties or violate applicable regulations.

The selected hypothesis and the conceptual framework of the researcher are based on the background research above, namely:

H1: Sales have a significant positive effect on tax planning.
H2: Corporate social responsibility has a significant positive effect on tax planning.
H3: Sales and corporate social responsibility have a significant positive effect on tax planning.

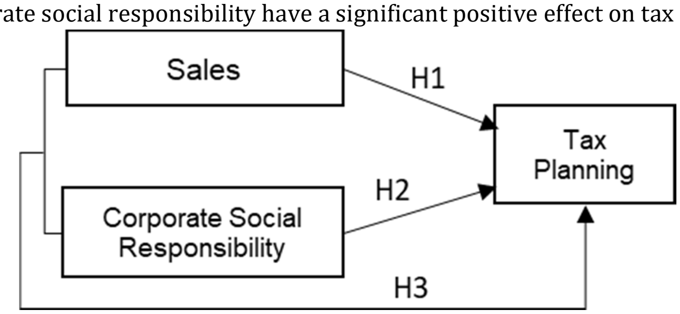

Figure 1. Thinking Framework

2. METHOD

Descriptive analysis is used as the research method with quantitative data. The data sources come from audited LQ45 sector financial reports in 2020-2021, totaling 39 companies with 78 samples. The technique for collecting data is by accessing the stock exchange's official website, namely the idx.co.id website. There is also a sample collection technique using purposive sampling, which is a collection method based on the following considerations:

Tabel 1. Purposive Sampling

No.	Criteria	Amount
1	LQ45 sector companies on the Indonesia Stock Exchange website for 2020-2021	39
2	The company did not publish sequential financial reports during the study period	(0)
3	The company does not have the completeness of the data needed by researchers during the study period	(0)
	Company Totals	39
	Total Sample * 2 Years of Research	**78**

Dependent Variable (Y)

Tax evasion in this study uses the Effective Tax Rate (ETR) model, which is a divisor between taxes and pre-tax income because it can identify tax planning being carried out (Mulyana et al., 2020) with the following formula:

$$ETR = \frac{\text{Tax Expense}}{\text{Income Before Tax}}$$

Independent Variable (X)

A. Sales

The sales measurement variable in this study calculates net sales from related financial statements. This indicator calculates the number of products or services sold during a specific period (Isnaen & Albastiah, 2021).

B. Corporate social responsibility

Refers to the use of the Global Reporting Initiative (GRI). CSR disclosure for GRI G4 has three indicators;

a). Economy (9 items)
b). Environment (34 items)
c). Social (48 items).

Described in 91 disclosure items. The GRI G4 method is given a different weight for each item. Moreover, the company is given a score of one if it discloses an item and a score of zero if it does not. The following is the CSR calculation formula:

$$CSRIj = \frac{\sum \text{Xij}}{\text{nj}}$$

Information:
CSRIj = Corporate Social Responsibility in the company j
Xij = Dummy variable: 1 = if item i is disclosed; 0 = if item i is not disclosed
nj = Number of items j

The analysis technique used is descriptive analysis; data normality test; autocorrelation test; multicollinearity test; coefficient of determination test, t-test, and F-test.

3. RESULT AND DISCUSSION

Based on statistical data processing using SPSS version 25 windows, we can find out the effect of sales and corporate social responsibility on tax planning as follows;

3.1 Descriptive statistics

Table 2. Descriptive Statistic

	N	Min.	Max.	Mean	Std. Deviation
Sales	78	1.136.722.016	233.485.000.000	26.767.883.986	41.715.962.787
CSR	78	0,07	0,8500	0,3516	0,1670
Tax planning	78	-0,21	4,0500	0,2949	0,4589
Valid N (listwise)	78				

Table 2 above presents descriptive statistics for the variables in this study. The results show that the mean sales value is 26,767,883,986, CSR has an average of 0.3516, and the average tax planning is 0.2949.

Data Normality Test

Table 3. One-Sample K-S Test

		Unstandardized Residual
N		78
Normal Parameters[a,b]	Mean	0,0000000
	Std. Deviation	0,45700808
Most Extreme Differences	Absolute	0,330
	Positive	0,330
	Negative	-0,254
Test Statistic		0,330
Asymp. Sig. (2-tailed)		,100[c]

Data can be normal if the Kolmogorov-Smirnov results are > 0.05. Table 3 significance = 0.100 indicates that the data is usually distributed.

Autocorrelation Test

Table 4. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
	0,090[a]	0,008	0,018	0,463061	1,663

Predictors: (Constant), CSR, Sales
Dependent Variable: Tax Planning

The data is expected if the Durbin Watson value is seen from the provisions of dU > dW < 4-dU, with (n) samples = 78, dL = 1.5801, dU= 1.6851, and DW=1.803. Until the results are 1.6851 > 1.663 < 2.3149, it can be concluded that there is no autocorrelation problem.

Multicollinearity Test

Table 5. Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
Sales	0,789	1,267
CSR	0,789	1,267

The results of the multicollinearity test carried out in this study have a tolerance value of > 0.1 and VIF < 10, indicating that multicollinearity does not occur for the independent variable.

Determination Coefficient Test

Table 6. Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0,090[a]	0,008	0,018	0,463061

Predictors: (Constant), CSR, Sales

Table 6 shows that the adjusted R square of this study = 0.018, which indicates that the sales and CSR variables have an effect of 1.8% on tax planning. In comparison, the remaining 0.982 (98.2%) is explained for variables not included in this study.

t-test

Table 7. T-Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0,322	0,128		2,514	0,014
Sales	-9,853E-16	0,000	- 0,090	-0,779	0,044
CSR	- 0,002	0,316	- 0,001	-0,007	0,995

a. Dependent Variable: Tax planning

Based on the t-test, it was found that significance the t-test showed that the sales variable had a significant positive effect on tax planning. However, the CSR variable showed no effect on tax planning.

The first hypothesis (H1) is accepted; the high level of sales affects tax planning actions, and the second hypothesis (H2) is rejected; The existence of CSR does not affect corporate taxes.

F-test

Table 8. F-Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	0,130	2	0,065	0,303	,039[b]
Residual	16,082	75	0,214		
Total	16,212	77			

Obtained an F value of 0.303 with a significant value of 0.039 <0.05 so that the third hypothesis is accepted; because there is an influence between sales and CSR simultaneously on tax planning.

Sales of Tax planning

The sales variable in this study positively affects tax planning in companies in the LQ45 sector for the 2020-2021 period. It can be proven in table 7 that the significance value of sales is 0.044 <0.05. Therefore H1 is accepted, and the hypothesis made supports the research results.

High sales can bring big profits to a business but can also impact taxes that must be paid. The greater the sales, the greater the potential taxes the business must pay. However, by correctly planning, businesses can manage their taxes effectively and reduce the taxes paid.

For example, a business may invest in a particular year to reduce the amount of tax paid or defer earnings until the following year to reduce reported income and taxes. By adequately managing its taxes, a business can increase its net profit and ability to survive in the market.

As such, sales and tax planning are closely linked, and a business must carefully consider these two factors to achieve its long-term goals. The results of this study are by research (Reza, 2022); (Apriliyani & Kartika, 2021) and (Sholekah & Oktaviani, 2022), which state that sales do not affect tax planning.

Corporate social responsibility toward Tax planning

When companies pay attention to corporate social responsibility (CSR), they try to comply with applicable tax laws and pay taxes fairly. This can help increase public trust in companies, which in turn can improve their image and reputation. Companies can also pay attention to tax planning as part of their social responsibility. By carrying out proper tax planning, companies can minimize their tax burden and increase profits, which can help companies generate more jobs, increase investment in research and development, and increase their contribution to society.

However, the study results show the opposite: corporate social responsibility does not affect tax planning. It can be proven in table 7 that the sales significance value is 0.995 > 0.05. Therefore H2 is rejected, and the hypothesis that has been made does not support the research results. The research results are the results of research by (Agustina & Hakim, 2021); (Wardani & Purwaningrum, 2018); (and Arofah, 2018), which state that corporate social responsibility does not affect tax planning.

Sales and Corporate social responsibility for Tax planning

On the sales side, if the company maximizes sales by increasing sales volume or selling price, then the company will get a more significant profit and also experience an increase in taxes to be paid. Therefore, companies need to carry out tax planning to reduce the tax burden and maximize net profits.

However, companies also need to consider the social and ethical impact of their tax planning. Suppose companies only focus on reducing taxes and neglecting their social responsibilities. In that case, this can affect the company's reputation and cause criticism from the public or stakeholders, so companies must pay attention to their social responsibilities and carry out ethical and socially responsible tax planning.

In terms of CSR, companies can consider the social impact of their tax planning activities. If the company chooses to minimize taxes in a way that can harm society or the environment, this is not by CSR principles. Conversely, companies can carry out socially responsible tax planning by considering the impact on society and the surrounding environment.

Based on table F shown, it states that simultaneously sales and corporate social responsibility can influence the occurrence of tax planning. A consistent CSR level and high sales can trigger planning for tax payments. This is also supported by research (Sartika, 2021).

4. CONCLUSION

Sales, as the first hypothesis, significantly affects tax planning because the partial test results show a result of 0.044 <0.05, so the first hypothesis is accepted. Corporate social responsibility, as the second hypothesis, does not affect tax planning because the partial test results show more significant results, namely 0.995 > 0.05, so the second hypothesis is rejected. Simultaneous test shows that sales and corporate social responsibility significantly positively affect tax planning of 0.036 <0.05, so the third hypothesis is accepted.

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