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THE EFFECT OF THIN CAPITALIZATION AND FIXED ASSET INTENSITY ON TAX AVOIDANCE WITH INSTITUTIONAL OWNERSHIP AS A MODERATION VARIABLE

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Thin Capitalization, Fixed Asset Intensity, Institutional Ownership, Tax Avoidance

ABSTRACT
In this study, the authors are interested in examining how the thin capitalization and fixed asset intensity influence tax avoidance with institutional ownership as a moderating variable. Population of all manufacturing companies in the consumer industry sector listed on the Indonesia Stock Exchange from 2018 to 2021 which found 192 samples, according to the criteria needed in this study that were sampled for 2018 to 2021. The results that thin capitalization has a positive effect on tax avoidance, fixed asset intensity has a positive effect on tax avoidance. For the moderating variable, institutional ownership is not able to weaken the effect of thin capitalization on tax avoidance and institutional ownership is not able to weaken the effect of fixed asset intensity on tax avoidance

INTRODUCTION

At the end of 2019, the coronavirus outbreak began in Wuhan City, Hubei Province, China. This outbreak has hit almost all countries in the world, as many as 189 countries have been diagnosed with the coronavirus outbreak, with 39 million confirmed cases and more than one million deaths. As the spread of the coronavirus increases, the World Health Organization (WHO) has decided that this outbreak will be classified as a pandemic (BBC News, 2020).

The COVID-19 pandemic has had a significant impact on the global economy, including the tax sector. Revenues from the tax sector will decline and economic growth will slow down, government revenues will decrease and government spending will increase, so various government efforts are needed to save health and the economy. Focus on spending on health, social safety net and economic recovery, including for businesses and communities affected by the pandemic. The state and relevant institutions must immediately take steps to save the stability of the national economy and financial system through various incentive measures related to the implementation of the State Budget (APBN).

The existence of government policies in the form of tax incentives is expected to help reduce the burden on companies and increase cash flow during the COVID-19 pandemic, but this incentive can be misused by managers in carrying out tax avoidance practices by exploiting loopholes from the latest tax regulations. The company will stick to its goal of minimizing the tax burden because the higher the company's profit, the higher the tax burden that must be paid by the company, this becomes a problem for the company and makes the company take tax avoidance actions.

The government expects all taxpayers to always fulfill their tax obligations and not reduce the tax burden paid, but in reality there are still many taxpayers who do not fulfill their tax obligations, especially in companies that have tax obligations of great value.

Taxpayers are trying to pay as little tax as possible, while the government wants as much tax revenue as possible to fund the government, including one of them to fund the handling of COVID-19.

THEORETICAL FOUNDATIONS AND HYPOTHESIS DEVELOPMENT

Theoretical Framework

Agency Theory

Agency theory is an agency contractual relationship that arises between two parties, namely the principal and the agent. In corporate agency theory, this is done by transferring management tasks from the owner (shareholder) to the manager. The owner has limitations to monitor the agent in some situations, agency theory assumes that all parties act in their own interests, in which case the owner wants the management to manage his wealth well whereas the management wants to increase the company's profits (Jensen & Meckling, 1976).

Agency theory assumes that tax evasion exists in companies because there is a difference of interest between the principal and the agent, which can lead to tax avoidance. Managers who make the decision to do tax avoidance is one of the problems arising from agency teori. A cheap source of financing for companies is tax savings from tax avoidance and providing a large financial benefit to the company. Managers take these decisions to balance the wishes of business owners who want to make a profit by maximizing the company's profits, but want low tax costs for shareholders so that the dividend rate paid remains high but the profits generated remain low.

The relationship of agency theory to tax avoidance is that management with high profits wants to increase compensation, whereas shareholders want to reduce the tax burden through low profits. As a manager, management must also try to find solutions to resolve these conflicts of interest, so that management always tries to maintain and increase the value of the company in the principal ma, in various ways, one of which is by minimizing the company's tax burden through actions tax avoidance (Prastiwi & Ratnasari, 2019).

Agency issues are increasingly impacted when principals do not regularly monitor management performance, which can threaten thecompany's in-person. Therefore, optimal and effective control and monitoring are needed continuously related to the performance of subsequent management. The principal requires the agent to report the state of the company in accordance with the actual circumstances, and the information provided may be in the form of disclosure of accounting information such as financial statements. It serves as an important means of monitoring the performance of agents and ensuring that the invested capital is well developed.

Tax Avoidance

Tax avoidance is a legally legal action, it is a legitimate action because it does not violate tax laws, but this tax avoidance is a unique thing, because on the one hand it is legalized but on the other hand this tax avoidance is not really avoided by the government, because it has an impact on state revenue. Although tax regulations are not violated, they can reduce state tax revenue. The government knows that legally taxed companies are trying to avoid taxes in various ways to make taxes lower (Christiantyo & Fahria, 2021).

Thin Capitalization

Thin Capitalization is a condition in which a company's capital structure is formed with ownership of more debt than capital. In the Income Tax Law Article 18 paragraph (1) provides that the Minister of Finance is authorized to decide on the comparison between hdebt and company capital for tax calculations. The ratio of determining the ratio of debt and capital refers to the Regulation of the Minister of Finance No. 169/PMK.010/2015 to determine corporate income tax when calculating income tax, which is a maximum of four to one (4:1) (Sonia & Suparmun, 2019).

Fixed Asset Intensity

Fixed assets are company assets that support the company's operating activities and have an economic life which includes depreciation used as a tax deduction. Intensity can be described as an activity that is often carried out by individuals or groups. Fixed assets used in manufacturing, sales or services to generate income and cash flow for more than one period because the useful life of an asset of more than one year requires a deposition as a cost allocation over the economic life of the asset. In this case, the company as a group or large organization uses fixed assets as an investment method and can improve its operational activities to make its activities more efficient, such as machines used for production activities (Nugroho, Mulyanto, & Afifi, 2022).

Institutional Ownership

Institutional ownership plays a very important role in minimizing agency conflicts between managers and shareholders. The existence of institutional investors can be said to be an effective control mechanism for every decision made by the managers of companies that control many shares, including the bank sector, insurance companies, investments, and others. Institutional ownership acts in their interests, not judiciously and fairly in the interests of shareholders. In the existence of institutional ownership, institutional shareholders intervene in managementto generate returns i.e. with as many dividends as possible (Arianandini & Ramantha, 2018)

Hypothesis Development

The Effect of Thin Capitalization on Tax Avoidance

In reference to the impact of the COVID-19 pandemic which has caused Indonesia to experience an economic slowdown, the company will manage its debt in such a way as to avoid the risk of bankruptcy. Therefore, it is necessary to re-examine the effect of thin capitalization on tax avoidance. Thecompany tries to save costs by trying to keep costs as low as possible and keeping them as long as possible, ifthis is not enough, the next step is to take out loans or debts to generate new income. Assets and sources of funds are used by the company to increase fixed costs to increase returns for shareholders. This can cause the company's profit to decrease, so the taxes paid will also be reduced. High interest costs hinder the company's efforts to carry out tax avoidance.

This research is in line with research that has been carried out by (Nadhifah & Arif, 2020), (Jumailah, 2020) and (Utami & Irawan, 2022) found a positive relationship between thin capitalization and tax avoidance, basedon theoretical explanations and the results of previous research are as follows:

Hypothesis 1: Thin capitalization positively affects tax avoidance

The Effect of Fixed Asset Intensity on Tax Avoidance

Agency theory can motivate agents to increase corporate profits because companies with large assets have a lower tax burden compared to companies with smaller assets. The company benefits from the company's paid scrutiny. As per PSAK No. 16/2007, fixed assets are tangible assets acquired in a ready-to-use or ready-to-build state, used in the conduct of business, which are not intended to be sold in carrying out the usual business activities of the company and which have an economic life of more than one year. Companies with fixed assets charge depreciation in a way that reduces the company's profits, because the greater the intensity of fixed assets, the lower the level of tax avoidance, so that companies with Large fixed assets will pay lower taxes.

In line with the research conducted by (Hafizh & Africa, 2022) and (Firmansyah & Syahputra, 2022) which concluded that the intensity of fixed assets has a positiveeffect on tax avoidance, based on the explanation of the theory and the results of previous research are as follows:

Hypothesis 2: The intensity of fixed assets positively affects tax avoidance

Institutional Ownership can moderate the Effect of Thin Capitalization On Tax Avoidance

The application of corporate governance principles can reduce tax avoidance measures and supervise company management through institutional ownership. Ownership of shares by institutions encourages more optimal control. Large shareholdings by institutional investors increase control and thus prevent opportunistic behavior by managers. The size of institutional investor ownership plays a role in disciplining, disciplining and monitoring management behavior, so that the level of institutional ownership of the company affects company policy.

Managing a company as a cost agent seeks to manage its taxes in such a way that the agent's performance bonus does not decrease when the company's profits decline. Agents try to avoid taxes, one of which is undercapitalization, while institutional ownership tries to maintain reputation and ethics so as not to cause problems in the future. Institutionally owned companies demonstrate their ability to control management. The existence of institutional ownership as part of the company's management system is a means to protect management from opportunistic actions that can be carried out by management in the implementation of tax avoidance activities (Olivia & Dwimulyani, 2019).

Inline with the research that has been carried out by (Olivia & Dwimulyani, 2019), (Jumailah, 2020) and (Sonia & Suparmun, 2019) found that institutional ownership can weaken the influence of thin capitalization on tax avoidance, basedon theoretical explanations and the results of previous research are as follows:

Hypothesis 3: Institutional ownership weakens the positive effect of thin capitalization on tax avoidance.

Institutional Ownership can moderate the Effect of Fixed Asset Intensity On Tax Avoidance

Institutional ownership is a condition that indicates that foreign institutions, financial institutions, legal entities, funds, governments and other institutions own shares of the company. Agene seeks to control the tax burden in such a way that they do not reduce the agent's efficiency bonus by allowing the tax burden to reduce the company's profits. Therefore, agents tend to engage in aggressive tax avoidance activities. When institutional ownership becomes part of the corporate governance system, the company is expected to balance shareholder capital and capital investment in the capital structure. The existence of institutional ownership as a form of good corporate governance is one element that can undo the manager's intention to make aggressive efforts in managing the company's tax burden, meaning that a well-managed company reduces the manager's chances of evading taxes.

Agency theory concludes that the existence of differences in interests between principals and agents leads to asymmetry of informasi (Jensen & Meckling, 1976), in which institutional ownership of the company is responsible for monitoring all actions of the company's management in order to avoid improper regulation and a means to control the management of opportunistic actions carried out by managers like doing tax avoidance.

This research is in line with research that has been carried out by (Noviyani & Muid, 2019) and (Yunistiyani & Tahar, 2017) found that institutional ownership can weaken the positive influence of fixed asset intensity on tax avoidance, basedon theoretical explanations and the results of previous research are as follows:

Hypothesis 4: Institutional ownership weakens the positive influence of fixed asset intensity on tax avoidance.

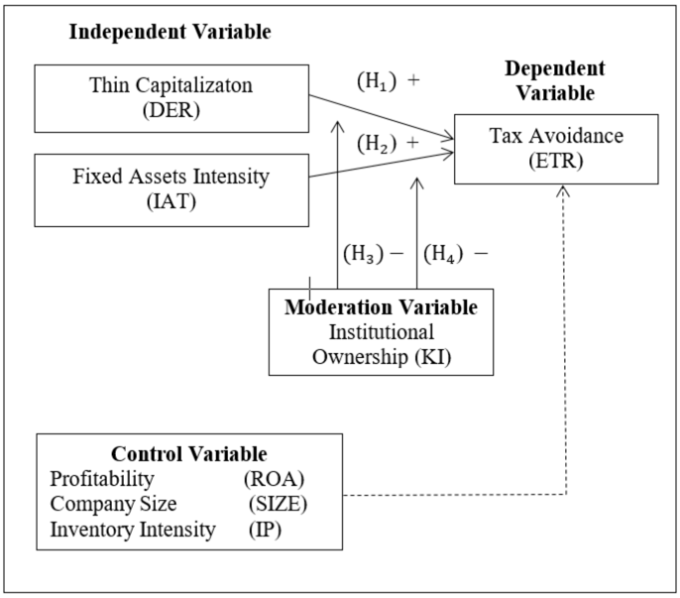

Figure 1 Conceptual Framework

RESEARCH METHOD

This study is intended to determine the effect of th incapitalization and intensity of fixed assets on tax avoidance moderated by ownership. The analysis unit used in this study is a company listed on the Indonesia Stock Exchange with a period of 2018-2021. This research is quantitative and the acquisition of secondary data obtained through financial reports, annual reports and company sustainability reports are used as samples that have gone through the purposive samplig stage.

Dependent Variable

Tax avoidance here is calculated using Effective Tax Rates (ETR). The independent variabel owned shows the value of the negative coefficient to ETR, it can be interpreted as having a positive relationship with tax avoidance and vice versa (Febrianti, 2020) which is formulated as follows:

$$\text{Effective Tax Rates (ETR)} = \frac{\text{Tax Expense}}{\text{Pre-Tax Income}} \text{ X } 100\%$$

Independent Variable

1. Thin Capitalization

Thin Capitalization is measured using the Debt to Equity Ratio (DER) proxy (Yulianty et al, 2021) which is formulated as follows:

$$\text{Debt to Equity Ratio (DER)} = \frac{\text{Total Liabilities}}{\text{Total Equity}} \text{ X } 100\%$$

2. Fixed Asset Intensity

Return on Assets measurement is measured using a ratio scale formulated as follows:

$$\text{Fixed Asset Intensity} = \frac{\text{Total Fixed Assets}}{\text{Total Assets}} \text{ X } 100\%$$

Moderation Variable

Institutional Ownership

The proportion of institutional ownership is measured by the percentage of shares held by institutional investors in a company. The measurement of institutional ownership is measured using a ratio scale formulated as follows:

$$\text{Institutional Ownership} = \frac{\text{Total of Institutional Shares}}{\text{Total of Outstanding Shares}} \text{ X } 100\%$$

Control Variables

1. Profitability

Profitability is one of the measurements for the performance of a company as measured by Return on Assets (ROA) which is formulated as follows:

$$\text{Return on Aset (ROA)} = \frac{\text{Profit After Tax}}{\text{Total Asset}} \text{ X } 100\%$$

2. Company Size

Company size can be defined as the size of a company with an overview of the number of assets owned by the company (Noviyani & Muid, 2019) formulated as follows (Noviyani & Muid, 2019)

$$\text{Company Size} = \text{LN (Total Assets)}$$

3. Inventory Intensity

The intensity of inventory used in this study is a measuring instrument developed by research conducted by (Suciati & Wulandari, 2022) which is formulated as follows:(Suciati & Wulandari, 2022)

$$\text{Inventory Intensity} = \frac{\text{Total Inventory}}{\text{Total Assets}} \text{ X } 100\%$$

RESULT AND DISCUSSION

Data Description

The population in this study is all consumer goods industry companies listed on the Indonesia Stock Exchange for the 2018-2021 period. The data analysis method in this study is panel data regression analysis. Sampel in this study was obtained using the purposive sampling method during the observation period with unbalance panel data, obtained the number of samples observed as many as 192. Here are the results of the sample selection carried out:

Table 1
Criteria and Number of Samples

Sample Determination Criteria	Year				Total
	2018	2019	2020	2021	
1. Companies listed on the IDX for the 2018-2021 period	88	88	88	88	352
2. Companies that experienced losses during 2018-2021 due to ETR ratios	(34)	(34)	(34)	(34)	(136)
3. Companies that were delisted during the observation period	(2)	(2)	(2)	(2)	(8)
4. Companies that are suspended during the observation period	(1)	(1)	(1)	(1)	(4)
5. Companies that do not have a tax income burden	-	-	(1)	(2)	(3)
6. Companies that do not have institutional ownership shares	(2)	(2)	(2)	(3)	(9)
Samples of companies according to criteria	49	49	48	46	192

Source : Data Processed

Descriptive Statistical Analysis

Table 2
Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std.Dev
Tax Avoidance	192	0,026215	2,940805	0,324595	0,355302
Thin Capitalization	192	0,106893	9,355108	1,065853	1,065478
Fixed Asset Intensity	192	0,051051	0,949916	0,466566	0,208197
Profitability	192	-0,019677	0,466601	0,085648	0,080440
Company Size	192	21,14429	32,82039	29,31306	1,541767
Inventory Intensity	192	0,014823	0,558055	0,197253	0,120656

Source : Data Processed

It can be seen in Table 2, that tax avoidance shows a variation value between the minimum value of 0.026215 to the maximum value of 2.940805. The minimum value is at a ratio of 0.026215 obtained by PT Kimia Farma Tbk in 2021 and a maximum value of 2.940805 obtained by PT Malindo Feedmill Tbk in 2020.

It can be seen inT abel 2, that Thin Capitalization shows the value of variation between the minimum value of 0.106893 to the maximum value of 9.355108. The minimum value is at a ratio of 0.106893 obtained by PT Unilever Indonesia Tbk in 2018 and the maximum value of 9.355108 obtained by PT FKS Multi Agro Tbk in 2020.

It can be seen in Table 2, that the Intensity of Fixed Assets shows the value of the variation between the minimum value of 0.051051 to the maximum value of 0.949916. The minimum value is at a ratio of 0.051051 obtained by PT Hartadinata Abadi Tbk in 2021 and a maximum value of 0.949916 obtained by PT Hartadinata Abadi Tbk in 2019

It can be seen in Table 2, that the Return on Assets shown by the ROA proxy shows the value of variation between the minimum value of -0.019677 to the maximum value of 0.466601. The minimum value is at the ratio of -0.019677 obtained by PT Sampoerna Agro Tbk in 2020 and the maximum value of 0.466601 obtained by PT Unilever Indonesia Tbk in 2018. The average value on the variable ROA is 0.085648 with a standard deviation of 0.080440.

It can be seen in Table 2, that the Company Size shown by the SIZE proxy shows the value of variation between the minimum value of 21.14429 to the maximum value of 32.82039. The minimum value is at a ratio of 21.14429 obtained by PT Delta Djakarta Tbk in 2018 and a maximum value of 32.82039 obtained by PT Indofood Sukses Makmur Tbk in 2021. The mean value on the SIZE variable is 29.31306 with a st. deviation of 1.541767.

It can be seen in Table 2, that the Inventory Intensity shown by the IP proxy shows a variation value between the minimum value of 0.014823 to the maximum value of 0.558055. The minimum value is at a ratio of 0.014823 obtained by PT Nippon Indosari Corpindo Tbk in 2018 and a maximum value of 0.558055 obtained by PT Gudang Garam Tbk in 2018. The average value on the variable IP is 0.197253 with a standard deviation of 0.120656.

Panel Data Model Analysis

Table 3
Chow Test

Effect Test	Statistics	d.f	Prob
Cross-section F	2,662542	(48,136)	0,0000
Cross-section Chi-square	127,208453	28	0,0000

Source : Data Processed

The results of the chow test in table 5 show that the probability value of cross section chi square is 0.0000 < 0.05 (alpha 5%) then Ha (fixed effect model) is accepted, so there are differences in characteristics both individually and between periods.

Tabel 4
Hausman Test

Test Summary	Chi-Sq. Statistics	Chi-Sq. d.f.	Prob
Cross-section random	15.507926	7	0,0300

Source : Data Processed

The results from table 4.4 above show the probability of a random Cross-section of 0.0300, meaning that Ho is rejected and Ha is accepted. So it can be concluded that based on the results of the hausman test, the right model is a fixed effect model.

Hypothesis Testing

Tabel 5
Hypothesis Test

Variable	Direction	Coefficient	Sig	Conclusion
Independent				
Thin Capitalization	-	0,198113	0,0225	H1 Accepted
Fixed Asset Intensity	-	0,076964	0,0106	H2 Accepted
Moderation				
Thin Capitalization* Institutional Ownership	-	-0,230772	0,2741	H3 Rejected
Intensity of Fixed Assets * Institutional Ownership	+	0,193250	0,3698	H4 Rejected
Control				
Profitability	-	-1,066324	0,0603	
Company Size	-	-0,022201	0,6350	
Inventory Intensity	-	-0,042144	0,9600	
Constant	+	1,008481	0,4714	
Adjusted R Square			0,341294	
Test F			0,000001	

Source: Data Processed

Based on Table 5, the regression model obtained is:
ETR = 1.008481 - 0.198113DER - 0.076964IAT - 0.230772DER*KI + 0.193250IAT*KI - 1.066324ROA - 0.022201SIZE - 0.042144IP

Coefficient of Determination Test

The results of the Determination coefficient Test are presented in Tabel 3 as follows:

Table 3
Coefficient of Determination Test Results

Root MSE	0.242696	R-squared	0.530973
Mean dependent var	0.324595	Adjusted R-squared	0.341294

Test F

The results of the F test are presented in Table 4 as follows:

Table 4
F Test Results

Hannan-Quinn criter.	0.974115	F-statistics	2.799314
Durbin-Watson stat	3.638234	Prob(F-statistic)	0.000001

t-test

The results of panel data regression analysis using fixed effect models are shown in

Table 5 as follows:

Table 5
t-Test Results

Variables	Coefficient	Std. Error	t-Statistics	Prob.
Thin Capitalization	-0.198113	0.326470	-0.606833	0.0450
Fixed Asset Intensity	-0.076964	0.514336	-0.149638	0.0213
Thin Capitalization*Institutional Ownership	-0.230772	0.383300	-0.602065	0.5481
Intensity of Fixed Assets*Institutional Ownership	0.193250	0.580272	0.333033	0.7396
Profitability	-1.066324	0.562878	-1.894416	0.0603
Company Size	-0.022201	0.046662	-0.475783	0.6350
Inventory Intensity	-0.042144	0.839181	-0.050220	0.9600
C	1.008481	1.396368	0.722217	0.4714

DISCUSSION

Effect of Thin Capitalization on Tax Avoidance

The results of the analysis presented in table 5 explain that thin capitalization has a positive effect on tax avoidance. Thin Capitalization has a regression coefficient of -0.176912 with a significance level of 0.0247. The direction of the regression coefficient in this variable indicates that thin c apitalization has a positive relationship with tax avoidance and significance of value less than 0.05 indicates that thin capitalization mehas a significant influence and H1 is accepted.

The results of this study support previous research conducted by Andawiyah et al. (2019); Jumailah (2020); and Utami & Irawan (2022) who stated that thin capitalization negatively affects tax avoidance. This explains that the higher the thin capitalization experiences a high increase, the higher the interest expense that must be paid, which will certainly reduce the company's profit and ultimately reduce the income tax owed.

Effect of Fixed Asset Intensity on Tax Avoidance

The results presented in table 5 explain that the intensity of assets has a positive effect on tax avoidance. The asset intensity has a regression coefficient of -0.077669 with a significance level of 0.0311. The direction of the regression coefficient in this variable indicates that the intensity of the asset t etap has a positive relationship with tax avoidance and the significance of being worth less than 0.05 indicates that the intensity of the asset t etap mehas a significant influence and H2 is accepted.

The results of this study support previous research conducted by Sari & Nursyirwan 2021); Hafizh & Africa (2022); and Lukito & Oktaviani (2022) who stated that the intensity of t etap assets negatively affects tax avoidance. This explains that, if it is a company with high fixed assets, it will pay less tax burden than a company with a low amount of fixed assets. Due to the high level of the company's fixed assets, the company will try to do tax planning to minimize tax payments and the higher the company's fixed asset investment, the smaller its efforts to do tax avoidance.

The Effect of Institutional Ownership in moderating Thin Capitalization on Tax Avoidance

The results presented in table 5 explain that ownership of institusional can weaken the effect of thin capitalization on the avoidance of pjak. Variabel moderation of institutional ownership has a regression coefficient of -0.209388 with a significance level of 0.5614. The direction of the regression coefficient in this variable suggests that institutional ownership has a negative relationship in moderating the influence of thin capitalization on Tax Avoidance and significance greater than 0.05 indicates that institutional ownership is incapable weaken the effect of thin capitalization on the avoidance of pajak and H3 ditolak.

The results of this study support previous research conducted by Olivia & Dwimulyani (2019) and Cahyani et al. (2021) which states institutional ownership is unable to weaken the effect of thin capitalization on the avoidance of pjak. This explains that if the size or size of institutional ownership isnot able to weaken the influence of thin capitalization on the level of tax avoidance, because institutional ownership acts as the controlling party The company is not necessarily able to provide good control over management's actions over its opportunistic behavior in carrying out tax evasion. This is due to the lack of resources of institutional owners and only focusing on the number of shares they own. Institutional shareholders do not exercise their authority properly in supervising and controlling decisions made by managers in tax avoidance of paid interest expense and taxable income.

The Effect of Institutional Ownership in moderating the Intensity of Fixed Assets on Tax Avoidance

The results presented in table 5 explain that institutional ownership can weaken the effect of asset intensity on avoidance of pjak. Variabel moderation of institutional ownership has a regression coefficient of 0.159877 with a significance level of 0.7695. The direction of the regression coefficient in this variable suggests that institutional ownership has a positive relationship in moderating the influence of asset intensity on Tax Avoidance and significance valued greater than 0.05 indicates that ownership institutional is unable to weaken the effect of tetap asset intensity on the avoidance of pajak and H4 rejected.

The results of this study support previous research conducted by Vina et al. (2022) which stated that institutional ownership is not able to weaken the influence of thin capitalization on the avoidance of pjak. This explains that if the size or size of institutional ownership is not able to weaken the influence of asset intensity on the level of tax avoidance, because Institutional ownership has entrusted the supervision and management of the company to the Board of Commissioners, so that the size or size of institutional ownership is not able to weaken the influence of fixed asset intensity on the level of tax avoidance. The presence of institutional ownership does not succeed in encouraging managers to align the interests of managers and shareholders, management activities that occur in the company cannot be influenced by the composition of institutional ownership because profit management is unable to minimize the cost of the intensity of the company's fixed assets to avoid corporate tax significantly.

There are other indications that the presence of institutional investors has provided information about tax planning and the agent has met investor expectations so that the company's management is able to plan taxes effectively without violating applicable laws and regulations, so that institutional investors do not have to worry about intervening in the company's tax avoidance actions.

CONCLUSION

Based on the results of the analysis and discussion, it can be concluded that thin capitalization and intensity have a negative influence on tax avoidance and the moderation of institutional ownership shows that institutional ownership is not able to weaken negative influences. Thin capitalization and intensity have an influence on tax avoidance.

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