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INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY AND PROFITABILITY ON TAX AVOIDANCE (EMPIRICAL STUDY ON MINING COMPANIES LISTED ON THE STOCK EXCHANGE 2013-2020)

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Abstract

This study aims to determine the effect of corporate social responsibility and profitability on tax avoidance practices. The subjects in this study were mining companies listed on the Indonesia Stock Exchange from 2013-2020. This type of research is descriptive. This research uses a descriptive analysis method with a quantitative approach. The sample used in this study is secondary data from three mining companies listed on the Indonesia Stock Exchange for the period 2013-2020. The sample selection in this study used a purposive sampling method. The data collection technique used is the documentation method. The data analysis technique used is multiple linear regression analysis. The results of this study indicate that Corporate Social Responsibility does not affect Tax Avoidance. However, profitability affects Tax Avoidance. In addition, simultaneously, Corporate Social Responsibility and Profitability affect Tax Avoidance.

Keywords: Corporate Social Responsibility, Profitability, Tax Avoidance Practices

1. INTRODUCTION

Tax is a levy required by the state to individuals and entities/companies based on the law that will be used for the welfare of the state and the general public.

With the payment of taxes, the government can carry out development programs that the people can enjoy. However, most corporate taxpayers (companies) still identify the obligation to pay taxes as a cost because, financially, taxes are the transfer of resources from the business sector or the business world to the public sector or government which results in reduced purchasing power of taxpayers (Santoso and Ning, 2013; 1). In general, company management does not want reduced purchasing power, so company management will try to minimize costs through cost efficiency to optimize company profits, in this case, including tax payments. Therefore, one strategy that companies can do is to avoid tax.

One definition of tax avoidance (tax avoidance) is the arrangement of transactions to obtain tax advantages, benefits, or reductions in the manner intended by tax law (Brown, 2012) (Ibnu

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Wijaya, 2014). In general, tax avoidance is considered a legal action because it makes more use of loopholes in the applicable tax regulations (lawful) (Rahayu 2013). By avoiding tax, the company can increase profitability and cash flow. However, this becomes an ethical dilemma when a company avoids tax. If a company avoids taxes which will increase profitability, but the tax reduction can affect support to the government in the development and other social programs, the company can be categorized as socially irresponsible (Huseynov 2012).

The Ministry of Finance noted that tax revenues in the mining sector as of September 2019 fell by 20.6% to Rp 43.21 trillion, based on www.katadata.co.id news written by Alika (2019). This was due to the decline in mining commodity prices on the global market and indications of tax avoidance. In addition, the KPK found that many mining companies in Indonesia still do not comply with tax payments. For example, data from the coordination and supervision of the KPK with the Ministry of Energy and Mineral Resources and related agencies, of 7,834 companies recorded by the Directorate General of Taxes, 24% did not have a TIN, and around 35% did not report an SPT. This condition signals that there is an indication of tax crime (tax avoidance). From the above case, tax avoidance is a tax avoidance transaction scheme that is carried out legally with the aim or motive of an effort to minimize the tax burden that must be paid by taking advantage of the gaps in a country's tax regulations. The practice of tax avoidance is not an action taken without planning, and management will try to arrange the right strategy in carrying out tax avoidance practices through efficient tax payments by taking advantage of opportunities and loopholes in existing tax regulations in order to continue to show an excellent corporate image and reputation. In the eyes of the public (Pajak.go.id). The practice of tax avoidance puts the government in a dilemma because this practice is considered unethical and undesirable to the government. After all, it reduces state revenues, but on the other hand, this action is considered legal action and does not violate the law or the Taxation Act (Prebble). & Prebble, 2015).

Tax avoidance behavior should not be a natural thing for citizens. Companies are tax subjects responsible for paying taxes in accordance with applicable regulations (Liana and Sari, 2017). Avoidance of corporate tax is one of the socially irresponsible actions by the company because one of the company's responsibilities is to start by contributing to society through government taxes (Landolf, 2006). However, the company tax is a burden that will reduce net income. Because of the different interests of the tax, authorities who want significant and continuous tax revenues are undoubtedly contrary to companies that want minimal tax payments (Hardika, 2007). According to the Executive Director of the Pratama-Kreston Tax Research Institute (TRI), Prianto Budi Saptoni, behind the reported corporate income tax returns, the reality is that many companies are practicing tax savings through the SPT. The form can be in the form of tax planning and/or tax avoidance and tax evasion). Tax avoidance is difficult to detect by tax authorities because of its secretive characteristics and often uses professional services (tax accountants and tax consultants). Prianto said that tax avoidance is an alternative for companies because it is legal. However, this method is not in the spirit of policymakers. The company must be responsible for all its activities to the stakeholders. CSR is a business activity in which the company is socially responsible to all stakeholders, including the wider community, as a form of concern in improving welfare and positively impacting the environment. Corporate

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Social Responsibility (CSR) is a business commitment to act ethically, contribute to economic development, and improve workers' quality of life and society (Holme and Watts, 2006 Lanis and Richardson, 2012). Watson (2011) states that companies with low ratings in Corporate Social Responsibility (CSR) are considered socially irresponsible so that they can carry out more aggressive tax strategies than socially aware companies. So that the company's decision to reduce its tax rate or do tax avoidance is influenced by its attitude towards CSR.

Research on the relationship between CSR and tax avoidance has been investigated by several researchers, including Watson (2011) and Lanis and Richardson (2012), who found that the higher the level of corporate social responsibility, the lower the level of tax avoidance. Zoebar and Miftah (2020) also found that CSR harms tax avoidance. Meanwhile, Setiawati and Adi (2020) argue that CSR positively affects tax avoidance.

Tax avoidance practices can also be influenced by several other things, such as financial characteristics. These financial characteristics can be seen through the company's profitability. Profitability is the ability of a company to earn a profit (profit) within a certain period. Profitability also has an essential meaning in maintaining the company's viability for the long term because profitability can show that the company has good prospects in the future. So the company will try to increase its profitability because the higher the profitability of a company, the survival of the business entity will be more secure (Hery, 2017, p. 3).

The company's profitability is shown through ROA (Return on Assets) and ROE (Return on Equity). However, in this study, the researchers used the ROA variable because ROA provides a better measure of the company's profitability. After all, it shows the effectiveness of management in using assets to earn income. In addition, through ROA, it can be seen the company's ability to utilize its assets efficiently in generating company profits. Therefore, the higher the profit earned by the company because it can manage its assets well, the company's profitability is also higher so that it takes advantage of amortization as a tax deduction or benefits from tax incentives and other tax breaks, so it can be said that the company looks like doing tax avoidance. Several researchers with different results have investigated research on the relationship between tax avoidance and profitability. Kurniati and Apriani (2021) found that profitability negatively and significantly affects tax avoidance. Meanwhile, Komang, Putu, and I Nyoman (2016) argue that ROA positively affects tax avoidance.

The dependent variable in this study is tax avoidance, which is proxied by using the effective tax rate (ETR). The lower the ETR, the higher the level of tax avoidance by the company. CSR independent variable is measured by CSR disclosure. The CSR disclosure indicators used are those published by GRI, namely by using a checklist, where each indicator disclosed in the company's annual report is given a value of 1, and if not disclosed, is given a value of 0. After that, all those indicators are given a value of 1, then divided by several indicators. The other independent variable is profitability, the ability to obtain company profits concerning sales and company efficiency, total assets, and own capital. According to Sugiyono (2016), profitability can be promoted Ratio of Return on Assets (ROA), which compares profit after tax and total assets. ROA is part of the Profitability Ratio, which according to Harahap (2004) in Purwaningsih and Suyanto (2015), is the ability of a company to earn profits through all

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existing capabilities and sources such as sales activities, cash capital, number of workers, branches, etc. Based on the descriptions and phenomena above, and there are still differences of opinion from previous studies, the researchers are interested in choosing the mining sector as the object of research because the shares of mining sector companies are beautiful to investors, and the company's behavior does not support the high volume of trading shares in the mining sector to submit reports on time. Therefore, researchers want to research on "The Influence Corporate Social Responsibility and Profitability on Tax Avoidance Mining Companies Listed on the IDX for the Period 2013-2020."

Identification Problems

From the above background, the problem that:

1. The number of companies that do tax evasion and causes the state to suffer losses because the taxes received are getting smaller.
2. There are still many mining companies that are large in size but do tax evasion.
3. The main purpose of the company is to make a profit, so that sometimes companies shrink or manipulate profits to look small to reduce the tax burden that must be paid.
4. Tax avoidance is an effort to reduce legal tax debt, this activity creates risks for companies, including fines and bad reputation of the company in the eyes of the public and reducing state treasury.

Problem Formulation

Based on the background that has been stated, the primary formulation in this study is:

1. How is the influence of corporate social responsibility on tax avoidance in mining companies listed on the IDX for the period 2013-2020.
2. What is the effect of profitability on the profitability of tax avoidance in mining companies listed on the IDX for 2013-2020.
3. The influence of which dependent variable is more dominant between corporate social responsibility and profitability on tax avoidance in mining companies listed on the IDX for the period 2013-2020.

Research Objectives

The purpose of this study is to determine:

1. The effect of corporate social responsibility on tax avoidance in mining companies listed on the IDX for 2013-2020.
2. The effect of profitability on tax avoidance in manufacturing companies listed on the IDX for 2013-2020.
3. The influence of corporate social responsibility and profitability is more dominant on tax avoidance in mining companies listed on the IDX for 2013-2020.

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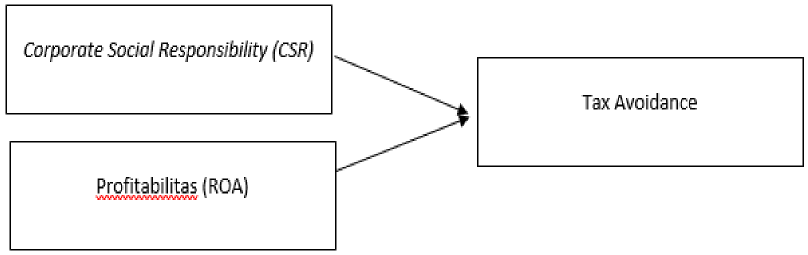
Research Paradigm

Figure 1: Research Paradigm



Problem Limitation

In this study, the authors limit the problem to Corporate Social Responsibility, Profitability and Tax Avoidance for Mining Companies listed on the IDX for the period 2013-2020.

2. FRAMEWORK FOR THINKING

Based on the theoretical basis and previous research described above, the framework for this research is formed. Within the framework of this research, it is explained or described how the relationship between the independent variable and the dependent variable is described. The independent variables in this study are corporate social responsibility and profitability, with the dependent variable being tax avoidance.

The theory of legitimacy explains the harmony between the social values that exist in organizational activities with the norms that exist in the social environment where the organization is part of the social environment, according to Dowling and Pfeffer (1975). The basis of the theory is the social contract between the company and the community where the company operates. Therefore, when there is misalignment between the two systems, there will be a threat to the company's legitimacy.

A company always seeks a kind of legitimacy from the community by carrying out social responsibility activities, often referred to as Corporate Social Responsibility (CSR). One form of corporate responsibility is through the government. Companies can be socially responsible to the community through the government by paying taxes by the provisions and not evading taxes because the government will use tax funds to carry out state duties in various sectors of life for the general welfare (Yoehana, 2013).

Based on stakeholder theory, companies do not act only for the benefit of their shareholders. Companies also have responsibilities to all stakeholders such as suppliers, government, workers, communities, consumers, and other parties affected by the company's activities. One form of corporate responsibility to its stakeholders is fostering good government relations. This can be done through the company's obedience in paying taxes and not doing tax avoidance activities. Therefore, companies involved in tax avoidance are irresponsible companies.

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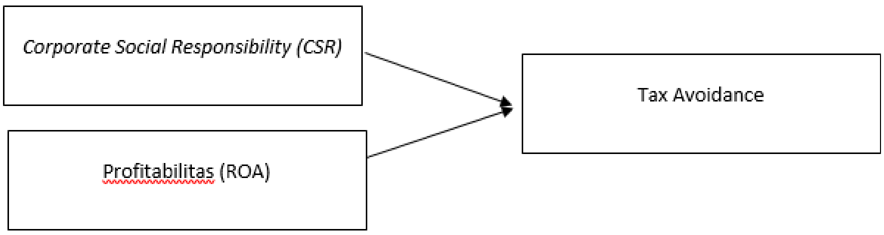
Companies that have gone public must pay attention to social and environmental impacts within their scope of operations, better known as Corporate Social Responsibility. Sustainability Reporting (SR) in Indonesia is regulated in Law Number 40 of 2007 concerning Limited Liability Companies, ratified in July 2007. This law requires all limited liability companies related to natural resources to carry out social and environmental responsibility activities. Environment, and presenting information regarding the performance of social and environmental responsibility activities in the annual report of the Board of Directors to the General Meeting of Shareholders (GMS). Factors that can affect tax avoidance other than CSR are profitability. Profitability is an indicator of management performance in managing the company's wealth, which is indicated by the profit generated. Net profit is allocated for shareholders' welfare by paying dividends and retained earnings. If the profitability ratio is high, it means that the management carries out an efficiently. The increased profit resulted in the company's profitability also increasing. An increase in profit results in a higher amount of tax to be paid. Alternatively, there are possible attempts to avoid tax avoidance.

According to Ardyansah and Zulaikha (2014), profitability is the company's ability to generate profits from its business activities. Profitability is a measure of management's performance in managing the company's wealth, as seen from the company's profit. Rodriguez and Arias (in Ardyansyah and Zulaikha, 2014) state that profitability has a direct and significant relationship to ETR. The level of income or profitability is directly proportional to the ETR. So the higher the company's profitability, the higher the tax that the company must pay.

Based on the framework presented, the schematic framework is made as follows.

Figure 2



Hypothesis

a. The relationship between Corporate Social Responsibility (CSR) and Tax Avoidance

Corporate Social Responsibility is the company's way of managing its business activities, either partially or in its entirety, which positively impacts itself and the environment (Hadi, 2011). Corporate social responsibility is disclosed in a report called Sustainability Reporting. Sustainability Reporting is a report on economic, environmental, and social policies, the influence and performance of organizations and their products in the context of sustainable development. The definition of Corporate Social Responsibility (CSR) is still not entirely agreed upon because the definition of CSR and the components of CSR can vary in different

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regions and other countries. Furthermore, for our country, Corporate Social Responsibility (CSR) has been regulated by the government by its needs and components. As is the case in Law no. 40 of 2007 regulates Limited Liability Companies. The most recent regulation in 2014 concerning Geothermal is based on Law no. 21. However, the relationship between the company and its stakeholders is very close. Although the terms in various regions and even countries are not necessarily the same, what needs to be underlined from this is that there are social values such as compliance with legal provisions and respect for the community and the environment. Furthermore, as a form of the company's commitment to contribute to sustainable development (Landolf, 2006). Archie Carroll defines CSR into four essential components in CSR. The definition of CSR, according to Carroll (2003; 36), is "The social responsibility of business includes the economic, legal, ethical, and discretionary (philanthropic) expectations that society has of organizations at a given point in time."

Carroll's interpretation shows that in CSR, the company must strive to achieve profit, obey the law, behave ethically, and be a good corporate citizen. In general, Corporate Social Responsibility (CSR) is seen as a continuous commitment in the business world to be economically, socially, and ecologically responsible for preventing negative impacts and improving the quality of the surrounding community and the environment as the stakeholders. The business view, which is currently known as the triple bottom line, means that the business world is required to be able to harmonize the achievement of economic performance (profit) with social performance (people) and environmental performance (planet). This achievement will ultimately make the company a good corporate citizen and reap lasting profits (Lako, 2011; 39). Several researchers have conducted empirical research on the relationship between CSR and tax avoidance. Lanis and Richardson (2012) investigated 408 companies in Australia in the research year 2008-2009 and found that higher levels of corporate CSR disclosure were associated with lower tax aggressiveness. To measure tax aggressiveness, the applicable tax rates are used. CSR disclosure is used as a proxy for CSR activities. Hoi et al. (2013) investigated the relationship between aggressive tax avoidance and irresponsible CSR activities. Hoi measures irresponsible CSR activities using negative social judgments and several measures for corporate tax avoidance. Watson (2011) shows that companies with low social responsibility are more tax aggressive and do not have a good knowledge of tax benefits compared to other companies.

However, most studies that find a negative relationship between CSR and tax avoidance rely on broader measures and use a larger sample than studies that find a positive relationship. Like existing research from Watson (2011), Lanis Richardson (2012), and Hoi et al. (2013) with a negative relationship between CSR and tax avoidance. In addition, CSR stated that companies that are more implicitly responsible tend to be less tax evasive due to corporate culture.

H_1: Corporate Social Responsibility (CSR) has an effect on tax avoidance.

b. Profitability Relationship with Tax Avoidance

Profitability is a ratio that assesses the company's ability to seek profit. This ratio provides a measure of the effectiveness of a company's management. This is addressed by the profit

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generated from sales and investment income (Kasmir, 2016:196). Profitability is used as an indicator for stakeholders to assess the extent to which management's performance in managing the company's operations. The level of the company's ability to earn profits can be seen and measured by analyzing financial statements through profitability ratios. The company's high level of profitability can attract investors to invest. This study uses ROA as a measure of the level of profitability in the company. According to Mustika (2017), companies that earn high profits will lead to high tax obligations paid by the company. The tax will reduce the company's profit, thus encouraging companies to look for loopholes and ways to minimize taxes so that company profits are not reduced by tax avoidance. The more observant management performs transaction schemes; it will lead to tax avoidance.

The profits obtained by the company will be directly proportional to the taxes that the company must pay. Therefore, the higher the company's profitability, the higher the level of tax avoidance carried out to maintain profits so as not to decrease. In line with previous research (Kurniati & Apriani, 2021), profitability negatively and significantly affects tax avoidance. Based on this description, this study proposes the second hypothesis as follows:

H_2: Profitability affects tax avoidance.

3. METHODOLOGY RESEARCH

Research Variables

This study uses two types of variables: the dependent variable and the independent variable. The dependent variable used in this study is tax avoidance. At the same time, the independent variables used in this study consisted of two variables: Corporate Social Responsibility (CSR) and Profitability.

Definition of Operational Variables

In this study, the authors use two independent variables and one dependent variable, including corporate social responsibility and profitability as independent variables and tax avoidance as the dependent variable. This research was conducted on mining sector companies listed on the Indonesia Stock Exchange for 2013-2020. Based on the description above, the following is the definition of each variable in this study.

1. Independent Variables

In this study, there are 2 (two) independent variables studied, namely corporate social responsibility (X1) and profitability (X2). The independent variables can be explained as follows:

1) Corporate Social Responsibility (X1)

Corporate Social Responsibility, according to Ahmad Lamo Said (2018: 23), is an effort from the company to raise its image in the eyes of the public by making charity programs both external and internal. External program by running a partnership (Partnership) by involving all stakeholders (stakeholders) to show the company's concern for the community and the

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surrounding environment. Meanwhile, internally, they can produce well, achieve maximum profit and prosper their employees." Based on the above understanding, it can be concluded that Corporate Social Responsibility is an action or effort taken by the company as a form of corporate responsibility to the community or the surrounding environment, either directly or indirectly. The indicator used to measure CSR independent variables is CSR disclosure. The CSR disclosure indicators used are those issued by GRI, namely by using a checklist table, where each indicator disclosed in the company's annual report is given a value of 1. If it is not disclosed, it is given a value of 0. After that, all those indicators are given a value of 1, then divided by several indicators.

a. Profitability (X2)

The indicator that the author uses to measure this variable is the Return on Assets indicator, namely:

$$\textbf{Return on Assets} = \frac{\textbf{Profit After Tax}}{\textbf{Total Assets}}$$

2. Dependent Variable

Tax Avoidance in this study was measured using a nominal scale, namely 1 doing tax avoidance and 0 no tax evasion. Companies are categorized as evading taxes if the Cash Effective Tax Rate (CETR) is less than 25%, and if the Cas Effective Tax Rate (CETR) is more than 25%, they are categorized as not evading taxes.

Population and Sample

The population in this study are mining companies listed on the IDX (Indonesian Stock Exchange). The reason for choosing a mining company is that this sector is a sector that mostly avoids tax. The data used are from the annual financial statements of mining companies for the years 2013 – 2020. Sampling using the purposive sampling method is taking samples with certain criteria based on the consideration of the research subject. The criteria for the sample used by the researcher are:

1. Companies listed on the IDX (Indonesian Stock Exchange) in 2013-2020.
2. Companies that publish complete annual reports during the study period.
3. Companies that use Rupiah in their financial statements.
4. The company did not experience any losses during the study period.

After adjusting to these criteria, the researchers got a sample of 3 companies. The following is a list of companies that are sampled in this study, namely:

No.	Company Code	Company Name
1	PTBA	PT Bukit Asam Tbk
2	RUIS	PT Radiant Utama Interinsco Tbk
3	ElNusa	PT ELNUSA Tbk

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Data Sources and Data Collection Techniques

1. Sources Data

Data sources used in research conducted by the author is a secondary data source. The secondary data obtained is from the annual financial reports issued by the coal mining sub-sector mining companies listed on the Indonesia Stock Exchange in 2013-2020. The data was obtained through the official website of the Indonesia Stock Exchange, namely https://idx.co.id/usaha-tercatat/laporan-keuangan-dan-tahun/

2. Data Collection Techniques

In this study, the data collection technique used the documentary method, namely by collect data in the form of documents such as company financial reports contained in https://idx.co.id/usaha-tercatat/laporan-keuangan-dan-tahun/

Research Analysis Methods

Data analysis is a way to process data that has been collected and can then provide an interpretation. The results of this data processing are used to answer the problems that have been formulated. To measure the effect of Corporate Social Responsibility and Profitability on Tax Avoidance, the steps

4. RESEARCH RESULTS AND DISCUSSION

Research Results

The Data used by the researchers are the annual reports of each mining sub-sector company from 2013 to 2020. The following is the data used:

1. Corporate Social Responsibility (CSR)

Table 4.1 Corporate Social Responsibility

Year	Company Name		
	Bukit Asam Tbk	**Elnusa Tbk**	**Radiant Utama Interinsco Tbk**
2013	0,516	0,176	0,264
2014	0,154	0,330	0,253
2015	0,703	0,330	0,319
2016	0,549	0,297	0,297
2017	0,692	0,121	0,330
2018	0,527	0,121	0,330
2019	0,462	0,187	0,341
2020	0,593	0,176	0,374

Source: Annual Report 2013 – 2020 (processed data)

In table 4.1 Corporate Social Responsibility is obtained by disclosure using the checklist in the annual report of each mining sub-sector company in 2013 to 2020. The more revealing height CSR will increase the value of the company. The following is an example of calculating the

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CSR results of PT Radiant Utama Interinsco Tbk in 2020 with 31 items disclosed and a total of 91 GRI Standard items.

$$\text{CSR} = \frac{\textbf{number of items disclosed}}{\textbf{total GRI Standard}}$$

$$= \frac{34}{91}$$

$$= 0.374$$

Based on these calculations, the CSR results obtained are 0.374 or 37.4%.

1. Profitability

Table 4.1 Profitability

Company	Name		
	Bukit Asam Tbk	**Elnusa Tbk**	**Radiant Utama Interinsco Tbk**
2013	0,159	0,055	0,023
2014	0,125	0,101	0,044
2015	0,121	0,086	0,038
2016	0,109	0,075	0,027
2017	0,207	0,052	0,022
2018	0,212	0,049	0,027
2019	0,155	0,052	0,026
0.05	0,100	0,033	0,020

Source: Annual Report 2013 – 2020 (data processed)

In table 4.2 profitability data is obtained from the calculation of Return on Assets in the annual report of each mining sub-sector company in 2013 to 2020. The higher the ROA owned by the company, the higher the net profit for the year generated from the average total assets of each company. The following is an example of calculating the ROA of PT Radiant Utama Interinsco Tbk in 2020 with a net profit for the year of Rp. 27,542,197,663 and has total assets in 2020 of Rp. 1,345,151,507,257.

$$\textbf{ROA} = \frac{\textbf{Net Profit}}{\textbf{Total Assets}}$$

$$= \frac{\textbf{Rp 27,542,197,663}}{\textbf{Rp 1,345,151,507,257}}$$

$$= \mathbf{0.020}$$

Based on the calculation results, the ROA is 2%. The meaning of this calculation is that every IDR 1 of total assets contributes IDR 0.20 in net profit.

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2. Tax Avoidance Rate Data

Table 4.3 Effective Tax Rate (ETR)

Year	Company Name		
	Bukit Asam Tbk	Elnusa Tbk	Radiant Utama Interinsco Tbk
2013	0,247	0,281	0,474
2014	0,206	0,253	0,285
2015	0,231	0,260	0,411
2016	0,246	0,262	0,525
2017	0,249	0,264	0,462
2018	0,245	0,286	0,393
2019	0,259	0,279	0,347
2020	0,255	0,346	0,427

Source: Annual Report 2013 – 2020 (data processed)

In table 4.3 the level of tax avoidance is obtained from the calculation of the effective tax rate (ETR) in the annual report during 2013 to 2020. The higher the ETR, it indicates that tax avoidance of the company is lower. The following is an example of calculating the ETR of PT Radiant Utama Interinsco Tbk in 2020 with an income tax expense of Rp. 20,538,376,695 and profit before tax of Rp. 48,080,574,358.

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

$$= \frac{\text{Rp } 20{,}538{,}376{,}695}{\text{Rp } 48{,}080{,}574{,}358}$$

$$=$$

Based on this calculation, the ETR result is 0.427 or 42.7%.

1.2 Data Analysis

1. Results Classical Assumption Test Results

a. Normality Test

Normality tests that have been carried out in this study can be seen in the table:

	Unstandardized Residual
N	24
Test Statistics	0.163
Asymp. Sig. (2-tailed)	0.097

In this study using a significance level of five percent. Based on the table, it is known that the results of Asymp. Sig. (2-tailed) or the probability of the unstandardized residual or the residual value indicates that this study has a normal distribution. The magnitude of the probability value in this test is 0.097, so the probability is greater than the significance level. So these results indicate that the residual value of this regression has a normal distribution.

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b. Multicollinearity Test

The multicollinearity test that has been carried out in this study can be seen in the table:

	Tolerance	VIF
CSR	0,576	1,736
ROA	0,576	1,736

Based on the table it is known that the tolerance and VIF values do not occur multicollinearity problems. The tolerance in these results is close to 1. It can be concluded that in this research regression there is no multicollinearity problem.

c. Heteroscedasticity Test

The heteroscedasticity test that has been carried out in this study can be seen in the table:

Test Results

			CSR	Heteroscedasticity
Spearman's Who	ETR	Correlation Coefficient	0.008	-0.191
		Sig. (2-tailed)	0.971	0.373
		N	24	24

Source: Secondary data processed

In this study using a significance level of five percent. Based on the table above, it is known that the significance value of CSR is 0.971. The significance value is greater than 0.05, which means that there is no heteroscedasticity problem. While the significance value on profitability (ROA) obtained results of 0.373. The significance value is greater than 0.05, which means that there is no heteroscedasticity problem.

d. Autocorrelation

Test Normality testing that has been done in this study can be seen in the table:

Table of Autocorrelation Test Results Durbin-Watson

	R	R-Square	Adjusted R Square	Durbin-Watson
1	0.735	0.540	0.496	1.606

Source: Processed secondary data

In this autocorrelation test, it is known that the values of dL and dU, with a significance level of five percent at n = 24 and k = 2, respectively 1.1878 and 1.5464. Based on the table above, it is found that the value of the Durbin-Watson method is 1.606. This value lies between dU and 4-dU, which means that in this regression model there is no correlation or there is no confounding error between period t and period t-1.

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2. Multiple Regression

a. Descriptive Statistical

Following is a descriptive statistical description of the sample companies as a whole:

Table of Descriptive Statistics Results

	Minimum	Maksimum	Mean	Std. Deviasi
CSR	0,12	0,70	0,3516	0,17058
ROA	0,02	0,21	0,800	0,05817
ETR	0,21	0,52	0,3121	0,08889

The table above shows the results of descriptive statistics from data that has been collected. From these results, it shows that the probability independent variable (CSR) has a minimum value of 0.12 obtained from PT Elnusa Tbk in 2017 and 2018, while the maximum value is obtained at 0.70 from PT Bukit Asam Tbk in 2015. For the average value the average independent variable CSR is 0.3516 and the standard deviation is 0.17058.

From the results of descriptive statistics for the independent variable (ROA), the minimum value is 0.02 from PT Radiant Utama Interinsco Tbk in 2013, 2016, 2017, 2018, 2019 and 2020, while the maximum value obtained was 0.21 from PT Bukit Asam Tbk in 2018. The average value for the independent variable ROA was 0.800 and the standard deviation was 0.05817.

Variable dependent for the study this is tax avoidance as proxied by ETR, in the descriptive statistical results it has a minimum value of 0.21 from PT Bukit Asam Tbk in year 2014, while the maximum value obtained was 0.52 from PT Radiant Utama Interinsco Tbk in 2016. For the average value of the independent variable ETR was obtained at 0.3121 and the standard deviation was obtained at 0.08889.

3. Hypothesis Test Results

a. T Test

The individual parameter significance test (t test) that has been carried out in this study can be seen in the table:

Table of Individual Parameter Significance Test Results (t test)

	Coefficient	T	Sig.
CSR	0.102	1.777	0.090
Profitability	-4.675	0.297	0.000

Source: Processed secondary data.

Based on the table above, the t values for the independent variables CSR and Profitability obtained from the results of the individual parameter significance tests are 1.777 and -4.675, respectively. This value will be compared with the value obtained from the distribution table (t-table) for the two-tailed test, which is 2.07387. The t-table was obtained using the formula df = nk, with a significance level of 5%, n of 24, and k of 2. So it can be concluded that the t-

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value of the independent variables CSR and Profitability is smaller than the critical t-value, then H0 is accepted or rejected H1 and H1.

b. F test

The F statistical test that has been carried out in this study can be seen in the table:

Statistical Test Results

	F	Sig.
1	12,325	0.000

Source: Processed secondary data

In this F statistical test, with a significance level of five percent with a numerator of 2 and a numerator of 21, it can be seen that the F table (F critical value) is 3.46. Based on the table above, the calculated F value obtained from the F statistical test results is 12,325. So, the calculated F has a number that is greater than the table F. So it can be concluded that H0 is rejected and together the independent variables, CSR and profitability have an influence on the dependent variable, tax avoidance.

c. Determination Coefficient Test Results

Tests to determine the coefficient of determination (R2) that have been carried out in this study can be seen in the following table:

Table of Determination Coefficient Results ($R2^1$)

	R	R Square	Adjusted R Square
1	0,735	0,540	0,496

Source: Secondary data processed

Based on the table below above that the Adjusted R Square value is 0.496. This means that 49.6% of the dependent variable or tax avoidance (ETR) is influenced by the independent variables, namely CSR and profitability. As for the rest of 0.504, it means that 50.4% is explained by other factors that are not used in this study.

Discussion

The Effect of Corporate Social Responsibility (CSR) on Tax Avoidance

Based on the test results, the regression coefficient value (β) of Corporate Social Responsibility (CSR) is 0.102, which means that Corporate Social Responsibility (CSR) has an influence of 0.102 or 10.2% on tax avoidance. Assuming the other constantly. The significance of CSR is 0.090 > 0.05, which means that the CSR variable has no effect on tax avoidance at a significance level of 0.05. Based on the individual parameter significance test table or T-test, the CSR T value is 1.777, and the distribution table value (t-table) is 2.07387, it can be concluded that the t-count value of the CSR independent variable is smaller than the critical t-value, so CSR does not affect tax avoidance.

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The results of this study are in line with (Natanael, Murni, & Azizah, 2021), who state that corporate social responsibility does not affect the effective tax rate. This shows that the number of items disclosed in corporate social responsibility disclosure is assumed not to influence the company to take tax avoidance actions. However, this study rejects the research conducted by (Setiawati & Adi, 2020), which states that corporate social responsibility positively affects tax avoidance. This result shows a unidirectional value between corporate social responsibility and tax avoidance.

Effect of Profitability on Tax Avoidance

Based on the results of hypothesis testing that has been carried out on the independent profitability proxied by ROA, the regression coefficient (β) is 0.29. With the value of the regression coefficient (β), which is positive, it is concluded that if the independent variable remains, with an increase in the number of units of Return on Assets, then tax avoidance increases by 29.7%. The significance value of 0.000 is smaller than the significance level of 0.05 or 5. Thus, the decision taken is H0 is rejected, and H1 is accepted, meaning that profitability significantly affects tax avoidance. The average value of ROA is 0.800, which shows that the company has a level of ability to generate profits from total assets of 80%. The standard deviation of 0.05817 is lower than the average value, indicating that the distribution of ROA data is even because the standard deviation is close to zero. From the discussion above, it can be concluded that H0 is rejected and H1, which means that profitability significantly affects tax avoidance.

This study's results align with research (Natanael, Murni, & Azizah, 2021) which states that return on assets has a negative and significant effect on effective tax rates. Companies with a high rate of return on assets are assumed to make efforts to minimize taxes paid through tax planning to maximize profits for the company. In addition, this study also agrees with research (Kurniati & Apriani, 2021) which states that profitability has a negative and significant effect on tax avoidance.

CONCLUSION

Based on the results of research and discussion on the Effect of Corporate Social Responsibility and Profitability on Tax Avoidance in Mining Companies Listed on the IDX for the 2013 – 2020 period, the authors can draw the conclusion that Corporate Social Responsibility and Profitability in mining companies from 2013 - 2020 shows the regression coefficient value (β) of Corporate Social Responsibility (CSR) of 0.102 which means that Corporate Social Responsibility (CSR) has an influence of 0.102 or 10.2% on tax avoidance assuming other independent variables are constant. . Based on the individual parameter significance test table or T-test, the CSR T value is 1.777, and the distribution table value (t-table) is 2.07387, it can be concluded that the t-count value of the CSR independent variable is smaller than the critical t-value, so CSR does not affect tax avoidance. Tax avoidance in mining companies from 2013 - 2020 based on the results of hypothesis testing that has been carried out on the independent variable profitability proxied by ROA, the regression coefficient (β) is 0.29. With the value of the positive regression coefficient (β), it is concluded that if the independent variable remains,

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with an increase in the number of units of Return on Assets, tax avoidance increases by 29.7%. The significance value of 0.000 is smaller than the significance level of 0.05 or 5. Thus, the decision taken is H0 is rejected, and H1 is accepted, meaning that profitability significantly affects tax avoidance. Corporate Social Responsibility does not affect Tax Avoidance. Profitability affects Tax Avoidance. Simultaneously Corporate Social Responsibility and Profitability affect Tax Avoidance

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