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The Effect of Sales Growth, Corporate Social Responsibility Disclosure and Transfer Pricing on Tax Avoidance (Case Study in The Mining Sector Listed on The Indonesia Stock Exchange 2016-2020)

Ardan Gani Asalam
Faculty of Economics and Business
Telkom University
Bandung, Indonesia
ganigani@telkomuniversity.ac.id

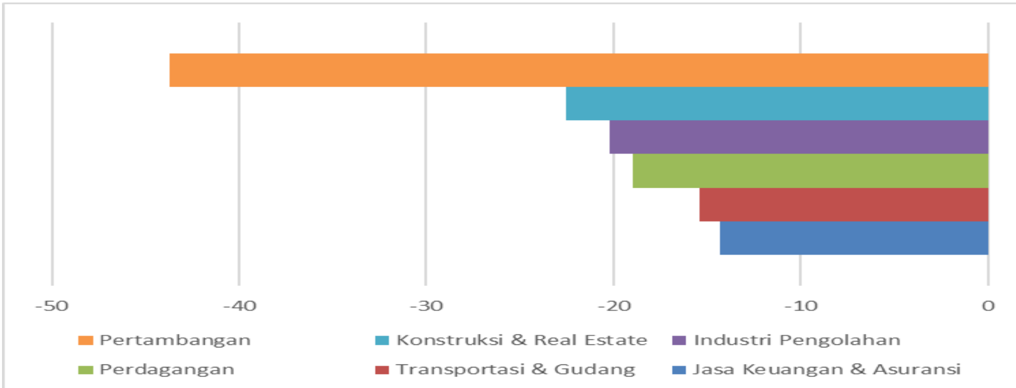
Devy Tazkiyaturohmah
Faculty of Economics and Business
Telkom University
Bandung, Indonesia
devytazkiyaturohmah@student.telkomuniversity.ac.id

Abstract

Taxes are contributions that come from the people in the form of money collected under the law without any direct compensation from the state. As a good citizen, one of them is that corporate taxpayers are required to pay taxes to the state. On the company side, tax payments will reduce profits for the company, this encourages companies to do tax avoidance. Tax avoidance is an attempt by a company to use the gray area or weaknesses contained in the legislation. The purpose of this research is to find out the effect of sales growth, corporate social responsibility disclosure and transfer pricing on tax avoidance in the mining sector listed on the Indonesia Stock Exchange in 2016-2020. The analytical method used is descriptive testing and panel data regression using Eviews software version 12. This sampling technique is purposive sampling and obtained 10 companies with an observation period of 5 (five) years. The results of the research conducted indicate that sales growth, corporate social responsibility, and transfer pricing have a simultaneous effect on taxes in the mining sector listed on the Indonesia Stock Exchange in 2016-2020. Partially, transfer pricing has a positive effect on tax avoidance. While sales growth, the performance of corporate social responsibility has no effect on tax avoidance in the mining sector which is listed on the Indonesia Stock Exchange 2016-2020.

Keywords
Sales Growth, Corporate Social Responsibility Disclosure, Transfer pricing and Tax Avoidance.

1. Introduction
Figure 1 shows that tax revenue from the main sector experienced a drastic decline during 2020. The largest decline was from the mining sector to -43.73% on an annual basis. Taxes received from the processing industry as well as construction and real estate decreased in the range of -20%. Then, tax revenue from the trade sector fell by -18.94%. Revenue taxes from the transportation and warehousing sectors as well as financial services and insurance were also lower -15.41% and 14.31% compared to 2019 (Lidwina 2021). According to Sri Mulyani, this is because the contraction in import activity in the slowdown in domestic deliveries has put pressure on the manufacturing and trade sectors. Then, financial services were hit by a slowdown in credit and interest rates. The decline in commodity prices is still putting pressure on the mining sector. Then, the decline in construction activities and property sales suppressed the revenue sector, as well as the decline in transportation users and the construction of supporting facilities continued to decline in the transportation and warehousing sector (Kemenkeu 2020).



Source: Lidwina (2021)

Figure 1. Receipts from Key Sectors 2020

Based on datadoks.katadata.co.id in 2016, the growth of tax revenue from the mining sector was -28%, in 2017 it increased to 40.2%. In 2018 tax revenue increased to 49.4%. In 2019 tax revenue decreased by -20.6% and in 2020 tax revenue decreased by -43.7% this is due to the Covid-19 pandemic that has spread in Indonesia since 2019. However, until now it still cannot be overcome well, as well as mining sector tax revenues (Katadata 2021). Mining sector tax revenues in 2020 decreased due to commodity prices, when commodity prices in 2020 declined, there was an opportunity to conduct transfer pricing business. Mining companies that have subsidiaries abroad which then export at a certain price level so that turnover will be lower, and taxes will be displayed less and the value of royalties in cash as well as small payments to the government.

PT Adaro Energy Tbk conducts tax avoidance by conducting transfer pricing through its subsidiary Coaltrade Services International in Singapore. Global Witness published a report stating that PT Adaro Energy Tbk transferred profits to foreign companies with the aim of avoiding taxes from 2009 to 2017. PT Adaro Energy Tbk had arranged in such a way that they paid US$125 million in taxes or equivalent to Rp. 1 .7 trillion (Rp 14 thousand exchange rate) lower that should be paid in Indonesia. By diverting some money through tax havens, Adaro managed to reduce its tax bill in Indonesia. In the report, Indonesia's tax revenues decreased by US$ 14 million before 2009 to US$ 55 million from 2009 to 2017. Then more than 70% of the coal sold came from subsidiaries in Indonesia, causing an increase in profits in Singapore by being taxed on an average basis. -annual average of 10% while profits derived from the trade of coal mined in Indonesia with a tax rate of 50% (Sugianto 2019).

Mining companies have different tax rates from the company sector in general. The Covid-19 pandemic that continues to this day has resulted in contraction of job receipts, employment throughout 2020 due to mining volumes and mining prices at a time of weakening, especially coal (Santoso 2019). This has resulted in a global economic slowdown that has made Indonesia's trading partners lose their purchasing power. The occurrence of a weak economy has caused mining companies to suppress the tax burden so that the profits obtained are maximized. This has an effect on tax revenue. Some of these factors affect tax avoidance, sales growth, corporate social responsibility disclosure and transfer pricing.

In terms of various previous studies, there are variations in the results of research on sales growth on tax avoidance. research results Wahyuni et al. (2017) showed that sales growth had a significant positive effect on tax avoidance. This is in line with research Sugiyarti (2017) that sales growth has a significant effect on tax avoidance. In contrast to the research conducted by Permata et al. (2018) and Mahdiana and Amin (2020) that sales growth has no effect on tax avoidance.

In terms of various previous studies, there are variations in the results of research on corporate social responsibility disclosure on tax avoidance. The results of the study Herlina (2021) corporate social responsibility disclosure has a significant positive effect on tax avoidance. Agree with research Rohyati and Suripto (2021) that corporate social responsibility disclosure has a significant positive effect on tax avoidance. In contrast to the research conducted by Ayufa et al. (2018) that corporate social responsibility disclosure has no effect on tax avoidance.

In terms of various previous studies, there are variations in the results of research on transfer pricing on tax avoidance. The results of the study Nurrahmi and Rahayu (2020) that transfer pricing has a positive effect on tax avoidance. This is in line with research Putri and Mulyani (2020) that transfer pricing has an effect on tax avoidance. In contrast to the research conducted by Panjalusman et al. (2018) and Napitupulu hidayah et al. (2020) that transfer pricing has no significant effect on tax avoidance.

1.1 Objectives

The results of the research conducted indicate simultaneous relationship between sales growth, disclosure of corporate social responsibility and transfer pricing on tax avoidance. In addition, to find out whether there is a partial effect between sales growth, disclosure of corporate social responsibility and transfer pricing on tax avoidance.

2. Literature Review

Agency Theory

In the development of their business, the owner faces problems related to the management of the company. In this state the owner cannot manage himself, as a result, it becomes the responsibility of the manager himself, therefore the responsibility for managing the company is delegated to a second party. This decision resulted in the separation of ownership and control of the company between the owner as the principal and the manager as the agent (Jensen 1976). The purpose of the company is how to generate maximum profit by spending costs efficiently by using a competent workforce. In this theory, its application makes agents want to reduce the tax expense (company management). On the other hand, the principal (fiscus) wants taxpayers to contribute to paying taxes for the needs of the state for the prosperity of the people.

Tax Avoidance

Pohan (2016) that is, the company's efforts for tax avoidance by utilizing the gray area or weaknesses contained in the legislation to reduce the amount of tax payable. This study, researchers used the Cash Effective Tax Rate (Cash ETR) model. This is because CETR can see the difference between permanent and temporary. And can identify or describe the tax avoidance activities carried out by the company. If the Cash ETR contained in the company is below the corporate tax rate, it means that the company is indicated to be carrying out tax avoidance activities. therefore (Hanlon and Heitzman 2010) Cash ETR can be measured by the following formula:

$$Cash\ ETR = \frac{\text{Tax paid company}}{\text{Profit before tax}}$$

Sales Growth

Sales Growth is a comparison of sales with total sales that can explain in increasing sales. Sales growth affects the company to earn profits and maintain profits for the company's investment in the future (Baumgartner et al. 2016). Sales Growth can be measured by use ratios. The greater the sales volume at the company, it shows that the company's sales growth is increasing. If the company's sales growth increases, then the profit generated by the company is assumed to increase. When the company earns high profits, the tax burden increases. Therefore, Companies that achieve high profits tend to to reduce the tax burden paid. When sales growth increases, profits will increase so that the tax liability borne by the company will also increase, so that the company's motive for tax avoidance also increases. According to Harahap (2018) sales growth can be measured by the following formula:

$$Sales\ Growth = \frac{This\ year's\ sales - Last\ year's\ sales}{This\ year's sales}$$

H_1: Sales Growth has a positive effect on tax avoidance.

Corporate Social Responsibility Disclosure

Corporate social responsibility disclosure is a company system to connection CSR activities reported in the company's annual report to be addressed to the public and interested parties. Corporate social responsibility disclosure by the company in the annual report is expected to meet the information needs of stakeholders and the public so that the company can get support in its efforts to achieve its goals. The purpose of CSR or CSRD disclosure is that companies can convey information about the implementation of social responsibility in a certain period (Sari et al. 2016). Corporate social responsibility disclosure can be measured using the ratio and then the CSR disclosure index based on the standard number of items disclosed by the Global Reporting Initiative (GRI) ≤ 154. For the provisions used in the assessment, namely giving a point of 1 if disclosed and if 0 is not disclosed, so 0≤CSRIj≥ 1. If a company that discloses more CSR or fulfills several points leads to compliance with regulations, one of which is social responsibility regulations, it is assumed that if they comply with social responsibility regulations, they will also comply with tax regulations. Therefore, it is assumed that the higher the CSR disclosure in a company, the lower the tax avoidance practice that occurs. According to Purba (2021) corporate social responsibility disclosure can be measured by the following formula:

$$CSRDIj = \frac{\sum xij}{nj}$$

Description:

CSRDIj	:	CSRD index company j
∑Xij	:	Number of indicators disclosed by the company
Nj	:	Total number of GRI index items

Table 1. Disclosure Intensity Interval

Percentage of CSRD Disclosure Interval	**Category**
0%	Not applied
1% - 40%	Limited Disclose
41% - 75%	Partially Applied
76% - 99%	Well Applied
100%	Fully Applied

Source: Nurharjanti et al. (2021)

H_2: Disclosure of corporate social responsibility has a negative effect on tax avoidance. (Table 1)

Transfer Pricing

According to the definition of the Director General of Taxes Number: PER-32/PJ/2011, transfer pricing, namely ensuring the price of transactions that occur between groups that have a special relationship. The company conducts transfer pricing to see whether there is a purchase or sale transaction to a related party or a related party by transferring profits to a company domiciled in Indonesia to a company domiciled abroad at a lower rate. Transfer pricing is measured using a dummy, meaning that the value of this variable is limited because it only gives a value of 1 and 0 (Nurrahmi and Rahayu 2020). A score of 1 is given if the company conducts sales or purchases transactions with related parties or parties who have special relationships. A score of 0 is given if the company does not conduct sales or purchase transactions with related parties or parties that have special relationships.

H_3: Transfer Pricing has a positive effect on tax avoidance.

3. Methods

This type of study uses a descriptive, quantitative research (Sugiyono 2020). Secondary data from mining companies listed on the Indonesia Stock Exchange (IDX) between 2016 and 2020 are used in this study. Documentation is the data collection method used. The information used is taken from trusted websites, books, journals, annual reports, audited financial reports, and other materials. This study was analyzed using panel data regression. Panel data is data that has a time structure that is sequential and cross, in this study the implementation time is based on time series and cross sections, can provide more data so that it will produce a greater degree of freedom and can combine information from the data. time series and cross section are able to overcome problems that arise when there is a problem of eliminating variables (Basuki and Prawoto 2016).

4. Data Collection

47 companies in the mining sector listed on the Indonesia Stock Exchange for the 2016-2020 period were selected as the population in this study. The method in this study uses purposive sampling because it is taken based on certain criteria. The sample size in this study was 10 companies, and the unit of observation in this study was 50 units after 5 years of research.

5. Results and Discussion

5.1 Descriptive Statistics Results

Descriptive statistical analysis is a type of analysis in which the mean, standard deviation, minimum value, and maximum value of a data set are used to describe the general characteristics of each variable used in this study. Tables 2 and 3 show the results of the descriptive analysis.

Table 2. Descriptive Test Result of variables with a ratio scale

	TA	SG	CSRD
Mean	0,3680	0,0613	0,4319
Minimum	0,0472	-0,3990	0,1895
Maximum	0,8645	0,9362	0,6494
Standard Deviation	0,1832	0,3026	0,1152
Observation	50	50	50

Table 3. Descriptive Test Result of variables with a nominal scale

	Transfer Pricing	
	There are transfer pricing	There is no transfer pricing
Count	25	25
Presentase	50%	50%

Based on the information in Table 2, get the average value of tax avoidance is 0.3680 which is greater than the standard deviation value, which is 0.1832 which indicates that the tax avoidance variable is grouped or does not vary. The minimum tax avoidance value of 0.0472 was obtained by PT Harum Energy Tbk (HRUM) in 2016. The maximum tax avoidance value of 0.8645 was obtained by PT Indo Tambangraya Megah Tbk (ITMG) in 2020.

Sales growth has a mean value of 0.0613 which is smaller than the standard deviation value, which is 0.3026 which indicates that the sales growth variable has varying data. The minimum sales growth value of -0.3990 was obtained by PT Harum Energy Tbk (HRUM) in 2020. Meanwhile, the maximum sales growth value of 0.9362 was obtained by PT Samindo Resources Tbk (MYOH) 2017.

Corporate social responsibility disclosure has a mean value of 0.4319, which is greater than the standard deviation, which is 0.1152 which indicates that the data on the corporate social responsibility disclosure variable is grouped or does not vary. The minimum value of corporate social responsibility disclosure of 0.1895 was obtained by PT TBS Energi Utama Tbk (TOBA) in 2016 and 2017. The maximum value of corporate social responsibility disclosure of 0.6494 was obtained by PT Bukit Asam Tbk (PTBA) in 2020.

Based on the information in Table 3 transfer pricing variable is measured using a dummy variable by looking at whether there is a purchase or sale transaction to a related party or a related party. Given a value of 1 if the company sells or purchases transactions with related parties or parties that have a special relationship and if there is no transfer pricing given a value of 0. The 50 samples show that 25 samples do transfer pricing while 25 samples do not, with a percentage of each namely by 50% and 50%.

5.2 Classic Assumption Test

The classical assumption test aims to test the data used in this study whether multicollinearity and heteroscedasticity symptoms occur. The results of the classical assumption test are as follows:

5.2.1 Multicollinearity Test

Table 4. Multicollinearity Test Results

	TA	CSRD	SG	TP
TA	1.000000	0.047773	-0.066619	-0.175939
CSRD	0.047773	1.000000	-0.217172	0.181428
SG	-0.066619	-0.217172	1.000000	0.045433
TP	-0.175939	0.181428	0.045433	1.000000

The multicollinearity test in Table 4, the value of the correlation coefficient owned by each variable or between variables is less than 0.80, it can be concluded that this study does not occur multicollinearity.

5.2.2 Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

Dependent Variable: RESABS
Method: Panel Least Squares
Date: 08/09/22 Time: 17:41
Sample: 2016 2020
Periods included: 5
Cross-sections included: 10
Total panel (balanced) observations: 50

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.059160	0.035166	1.682337	0.0993
SG	-0.026894	0.029644	-0.907232	0.3690
CSRD	0.061320	0.079404	0.772259	0.4439
TP	-0.006360	0.017691	-0.359481	0.7209

The heteroscedasticity test in Table 5, it shows that the absence of heteroscedasticity in the regression model is due to the probability value of the independent variable > 0.05.

5.3 Panel Data Regression Analysis

There are three models in panel data regression, namely the common effect model, the fixed effect model, and the random effect model. To determine which model is the right one, it is necessary to test the Chow test, Hausman test and Lagrange multiplier test.

5.3.1 Chow Test

The Chow test is a test that is run to determine whether the common effect model or fixed effect model is the most appropriate to be used in research to estimate panel data. The following are the results of the chow test in this study:

Table 6. Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1.439981	(9,37)	0.2071
Cross-section Chi-square	15.015068	9	0.0905

The Chow test, it was found that the probability value of the chi-square cross section of 0.0905 is greater than the significance level of 0.05 (5%) which means that the decision making H_0 is accepted, the common effect model is better than the fixed effect model. This, it is not necessary to use the Hausman test and the Lagrange multiplier test. (Table 6)

5.3.2 Panel data regression equation

Based on the results of the panel data regression model testing, namely the Chow test, Hausman test and Lagrange Multiplier test, it is known that the most appropriate model used in this study is the common effect model. The following are the results of panel data regression tests using the common effect model**:**

Table 7. Common Effect Model Significance Test Results

Dependent Variable: TA
Method: Panel Leasts Squares
Date: 08/09/22 Time: 17:43
Sample: 2016 2020
Periods included: 5
Cross-sections included: 10
Total panel (balanced) observations: 50

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.409442	0.082434	4.966892	0.0000
CSRD	0.024123	0.189484	0.127312	0.8992
SG	0.012040	0.071741	0.167826	0.8675
TP	-0.121573	0.042858	-2.836631	0.0068

R-squared	0.157645	Mean dependent var	0.439032
Adjusted R-squared	0.102708	S.D. dependent var	0.242463
S.E. of regression	0.180288	Sum squared resid	1.495175
F-statistic	2.869594	Durbin-Watson stat	1.532476
Prob(F-statistic)	0.046526		

Based on Table 7, the panel data regression model equation can be formulated as follows:

$$TA: 0{,}409442+0{,}012040(SG)+0{,}024123(CSRD)-0{,}121573(TP)+\varepsilon$$

Description

TA : Tax Avoidance (CETR)

SG : Sales Growth

CSRD : Corporate Social Responsibility Disclosure

TP : Transfer Pricing

ε : Error

5.4 Hypothesis Test

5.4.1 Coefficient of Determination (R^2)

In table 7 Adjust R-squared value of 0.102708 or 10.27% so it can be concluded that the independent variables consisting of sales growth, corporate social responsibility disclosure and transfer pricing are able to explain the dependent variable, namely tax avoidance as measured by a cash effective tax rate of 10, 27% and the remaining 89.73% can be explained by other variables outside the study.

5.4.2 Simultaneous Test Results (F)

F-statistic) < 0.05 significance level (5%), then H_0 is rejected, which means that the independent variables have a significant influence on the dependent variable together. However, if the probability (F-statistic) > the significance level of 0.05 (5%), then H_0 is accepted, which means that the independent variables do not have a significant effect on the dependent variable together.

Table 7 shows that the probability value (F-statistic) is smaller than the significance value, namely 0.046526 <0.05, then H_0 is rejected, which means that the independent variables in this study are sales growth, corporate social responsibility disclosure and transfer pricing simultaneously or jointly affect the dependent variable, namely tax avoidance.

5.4.3 Partial Significance Results (t-Test)

Based on Table 7 it can be concluded as follows:

a. The coefficient value is 0.012040 with a probability level on the sales growth variable (X1) of 0.8675 > 0.05, according to decision making, H_{01} is accepted, which means that sales growth has no effect on tax avoidance.
b. The coefficient value is 0.024123 with a probability level on the corporate social responsibility disclosure variable (X2) of 0.8992 > 0.05, according to decision making, H_{02} is accepted, which means that corporate social responsibility disclosure has no effect on tax avoidance.
c. The coefficient value is -0.121573 with a probability level on the transfer pricing variable (X3) of 0.0068 <0.05 according to decision making, then H_{03} is rejected, which means that transfer pricing has an influence and has a positive direction on tax avoidance.

5.5 Discussion

The Influence of Sales Growth on The Of Tax Avoidance

The regression coefficient of the sales growth character variable is 0.012040 with a significance level of 0.8675 > 0.05. Thus, it shows that H_{01} is accepted, meaning that the variable sales growth partially has no effect on tax avoidance in mining sector companies listed on the Indonesia Stock Exchange in 2016-2020.

Companies with high or low sales growth do not guarantee that the company will carry out tax avoidance or not. If the company has high sales growth, it does not necessarily get high profits, because high operating expenses result in decreased profits. This result is supported by table 2 descriptive statistics which states that the average value of sales growth is 0.0613 which indicates that it tends to be small, so this causes sales growth to have no effect on tax avoidance. The results of this study are in line with research conducted by Permata et al. (2018) and Mahdiana and Amin (2020) that sales growth has no effect on tax avoidance.

Table 8. Sales Growth and CETR

Sales Growth	**Tax Avoidance**		
	Above Corporate Tax Rate	**Below Rates Corporate Tax**	**Total**
Above average 0,0613	14	7	21
Below average 0,0613	21	8	29
Count	35	15	50

Based on Table 8 shows the number of sales growth companies above and below the average. The results of descriptive statistics on mining sector companies in 2016-2020 have an average value of 0.0613 out of 50 total samples. There are 14 samples that have sales growth above the average with a CETR value above the corporate tax rate, while as many as 7 samples have sales growth above the average with a CETR below the corporate tax rate. Furthermore, sales growth is below the average with a CETR value above the corporate tax rate as many as 21 samples, while sales growth is below the average with a CETR value below the corporate tax rate as many as 8 samples.

The Influence of Corporate Social Responsibility Disclosure on The of Tax Avoidance

The regression coefficient for the corporate social responsibility disclosure variable is 0.024123 with a significance level of 0.8992 > 0.05. Thus, it shows that H_{02} is accepted, meaning that corporate social responsibility disclosure does not partially affect tax avoidance in mining sector companies listed on the Indonesia Stock Exchange in 2016-2020.

Corporate social responsibility disclosure is not significant to tax avoidance because disclosure tends to be low which means that corporate social responsibility is less than optimal so that the company can have a bad image socially and environmentally. These results are supported in table 2 descriptive statistics where the average value of corporate social responsibility disclosure is 0.4319 or 43.19%, so the disclosure is categorized as partially applied this low disclosure causes the corporate social responsibility disclosure variable to have no effect on tax avoidance. The results of this study are in line with research conducted by Ayufa et al. (2018) that corporate social responsibility disclosure has no effect on tax avoidance.

Table 9. Corporate Social Responsibility Disclosure and CETR

CSRD	**Tax Avoidance**		
	Above Corporate Tax Rate	**Below Rates Corporate Tax**	**Total**
Above average 0,4319	20	7	27
Below average 0,4319	15	8	23
Count	35	15	50

Based on Table 9 shows the number of Corporate Social Responsibility Disclosure companies above and below the average. The results of descriptive statistics on mining sector companies in 2016-2020 have an average value of 0.4319 out of 50 total samples. There are 20 samples that have above average Corporate Social Responsibility Disclosure with a CETR value above the company tax rate, while 7 samples have an above average Corporate Social Responsibility Disclosure with a CETR below the company tax rate. Furthermore, sales growth is below the average with a CETR value above the corporate tax rate for 15 samples, while Corporate Social Responsibility Disclosure is below the average with a CETR value below the company rate for 8 samples.

The Influence of Transfer Pricing on The of Tax Avoidance

The regression coefficient for the transfer pricing variable is -0.121573 with a significance level of 0.0068 <0.05. Thus, showing that H_{03} is rejected, meaning that transfer pricing has a positive effect on the cash effective tax rate and where the cash effective tax rate decreases, it can be said that tax avoidance increases. It can be concluded that transfer pricing has a positive effect on tax avoidance partially in the mining sector listed on the Indonesia Stock Exchange in 2016-2020.

The company conducts transfer pricing to see whether there is a purchase or sale transaction to a related party or a related party by transferring profits to a company domiciled in Indonesia to a company domiciled abroad at a lower rate. This is done by companies domiciled in Indonesia to reduce the amount of tax payable to optimize company profits. Thus, companies that carry out transfer pricing are indicated to practice tax avoidance.

This result is supported by Table 10 which shows that as many as 8 samples who practice transfer pricing are indicated by the practice of tax avoidance. This condition explains that companies that carry out transfer pricing are indicated to carry out tax avoidance which aims to reduce the company's tax burden so that it can maximize profit. The results of this study are in line with research conducted by Nurrahmi and Rahayu (2020) that transfer pricing has a positive effect on tax avoidance. This is in line with research Putri and Mulyani (2020) that transfer pricing influences tax avoidance.

Table 10. Transfer Pricing and CETR

Transfer Pricing	**Tax Avoidance**		
	Above Corporate Tax Rate	**Below Rates Corporate Tax**	**Total**
There are transfer pricing	17	8	25
There is no transfer pricing	18	7	25
Count	35	15	50

Based on Table 10 shows the number of transfer pricing companies above and below the average. There are 50 total samples having two categories, namely there is transfer pricing and there is no transfer pricing. There are 17 samples that have transfer pricing with a CETR value above the corporate tax rate, while as many as 8 samples have transfer pricing with a CETR below the corporate tax rate. Furthermore, companies that do not transfer pricing with a CETR value above the corporate tax rate are 18 samples, while companies that do not transfer pricing with a CETR value below the corporate tax rate are 7 samples.

6. Conclusion

1) Descriptively obtained the following results:

    a. The average sales growth in the mining sector is 6.13%.
    b. The average corporate social responsibility disclosure in the mining sector is 43.19% categorized as partially applied.
    c. Companies that do transfer pricing are 25% and those that don't do transfer pricing are 25%.
    d. The average tax avoidance proxied by the CETR indicated by tax avoidance was 15 samples and 35 samples were not indicated.
2) Based on simultaneous testing, it is known that sales growth, corporate social responsibility disclosure and transfer pricing simultaneously affect tax avoidance in mining sector companies listed on the Indonesia Stock Exchange in 2016-2020. This situation is indicated by the prob value (F-statistic) of 0.046526 which is smaller than the significance value of 0.05 (5%).
3) Partial test, sales growth, corporate social responsibility disclosure does not affect tax avoidance. Later, transfer pricing has a positive effect on tax avoidance in the mining sector listed on the Indonesia Stock Exchange in 2016 to 2020 / regarding this, the probability number is 0.0068 which smaller than significant, namely 0.05, which means Hα is accepted.

Suggestions for the mining sector, this research hopes to assist companies in maximizing transfer pricing to minimize the tax expense borne by companies while remaining cautious and complying with applicable transfer pricing rules. For investors, this research is expected to help investors make investment decisions, namely considering companies that carry out transfer pricing to minimize the company's tax burden so that the profit generated is maximized.

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Biography

Ardan Gani Asalam is graduated from Telkom University with a Bachelor of Accounting degree in 2014 and received a master’s in accounting from Padjajaran University in 2017. He currently serves as Secretary of the Master of

Management Study Program as well as a lecturer in Accounting Study Program at Telkom University Bandung, Indonesia. His expertise is in the field of Taxation. He already has certification as a Tax Consultant.

Devy Tazkiyaturohmah is a student from Telkom University majoring in accounting. Currently, she is a final year student who is carrying out his final project.