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The Effect Of Sales Growth, Profitability And Firm Age Toward Tax Avoidance On Consumer Goods Companies Listed On The Indonesia Stock Exchange

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Abstract

This research objective is to find out whether leverage, liquidity and profitability have significant effect toward This study aims to investigate the effect of Sales Growth, Profitability (ROA), and Firm Age towards Tax Avoidance (CETR). The population on this study is consumer goods companies listed at the Indonesia Stock Exchange for period of 2018-2020 which in total 73 companies. The sample for this study was collected using a purposive sampling, which resulted into 32 companies that fulfilled the criteria of this study. Therefore, the total research data collected from 2018 to 2020 is 96 samples. For the data analysis method, this study used several statistical tests, include descriptive statistics analysis, classical assumption test, double linear regression analysis, and hypothesis test. The result of this study shows that Sales Growth partially have significant effect toward Tax Avoidance (CETR). Profitability (ROA) partially does not have significant effect toward Tax Avoidance (CETR). Firm Age partially does not have significant effect toward Tax Avoidance (CETR). However, Sales Growth, Profitability (ROA), and Firm Age simultaneously have significant effect toward Tax Avoidance (CETR).

Keywords: *sales growth, profitability, firm age, tax avoidance*

I. Introduction

In general, most taxpayers whether individuals or entity consider tax to be a burden that increases operational expenses. The company will try to find ways to make legal and reasonable tax savings. Companies can implement tax planning so that taxes paid by the company become efficient. According to (Pohan, 2013), there are three ways taxpayers can do to reduce their tax burden. The first is tax avoidance, which is taking advantage of the weaknesses contained in tax laws and regulations. The second is tax evasion, which is taxpayers breaks the law in order to reduce their tax burden. The third is tax saving, which is carried out legally by the taxpayer while not having conflict with tax provisions.

Tax avoidance is a method of avoiding taxes that is carried out lawfully and safely for taxpayers while remaining comply with the applicable tax rules by exploiting loopholes in the law and tax regulations. Companies engage tax avoidance to reduce taxes and maximize their profits. Tax avoidance is viewed as a useful strategy for companies looking to decrease their legally owing taxes by using loopholes in the appropriate tax legislation. However, tax avoidance might result in a significant loss for the state since it affects state budget revenues. As a result, tax avoidance may be defined as a legal action that is detrimental to the government. According to the Tax Justice Network report (2020), Indonesia is estimated to suffer losses up to US$ 4.86 billion per year or Rp. 68.7 trillion due to tax avoidance.

The phenomenon of tax avoidance on consumer sector is from British American Tobacco or BAT. BAT is a tobacco company that avoided paying proper taxes in Indonesia through PT Bentoel Internasional Investama Tbk. During this case, BAT has transferred a portion of its profits to a foreign country in two ways. First, intra-company loans from the Netherlands were used to refinance bank debt and pay for machinery and equipment. Second, by repayment England for royalties, fees, and services. As a result, the government might lose U$14 million per year (Jekang & Hama, 2022). The government definitely expected that the loophole in tax provision not exploited by taxpayers for the purpose of tax avoidance, since this would affect state revenue. Based on this phenomenon, although tax avoidance has advantages for taxpayers and legal under the tax law, the practice will reduce state revenues due to decreased tax collection. As a result, it is essential to do research on tax avoidance. Based on several previous research, there are several factors that can influence the occurrence of tax avoidance practices including profitability, sales growth and firm age.

Profitability is a ratio that can define the company ability to earn profits from all available sources. Endiana, (2016) define profitability is a measure of the firm management performance in managing the firm wealth which is indicated by the profit generated by the firm. Profitability consists of several ratios, one of the profitability ratios is Return on assets. Return on assets describes management ability to make a profit. Since taxes are calculated based on the company's income, managers are more likely to do tax avoidance when there is growth in company profits. Based on the research conducted by (Yustrianthe & Mahmudah, 2021), profitability has significant positive effect towards tax avoidance.

Generally, sales growth can be described as a rise in the sales from the previous year to the current year. Increase in sales growth will allow the company to generate high profits, which will result in an increase in the company's tax burden, so companies will tend to look for ways to reduce or minimize taxes. This allows companies to practice tax avoidance (Wahyuni & Wahyudi, 2021). Based on the research conducted by (Wahyuni & Wahyudi, 2021), sales growth has a significant effect towards tax avoidance.

The firm age described how long the company has been operating and capable of competing in the commercial sector. By knowing the company age, we can know the years passed by the company to survive. The longer the age of the company means the more experience by the company with wider resources it has, so that tax management in the company will be better and tend to do tax avoidance (Suryani & Mariani, 2019). According to (Dewinta & Setiawan, 2016) in (Honggo & Marlinah, 2019), the age of the company can also affect the existence of tax avoidance activities. Based on the research conducted by (Murwaningtyas, 2019), firm age has significant positive effect towards tax avoidance.

At the end of 2019 there was a Covid-19 pandemic causing a decline in economic conditions in Indonesia. As a result, this has an impact on various industry in Indonesia. Consumer goods companies is a part of manufacturing companies that primarily serve the basic needs of society. The industry consists of manufacturing operations that manage economic resources to provide goods and services to society and meet the basic needs of society. There are five consumer industry groups listed on the Indonesia Stock Exchange, such as food and beverages, cosmetics and household, houseware, tobacco manufacturers and pharmaceuticals. According to the January 2020 APBN KITA report that the contribution of manufacturing sector toward tax revenue is 29,4%. It shows that manufacturing plays an important part in the tax revenue during the Covid-19 pandemic in Indonesia. Therefore, consumer goods industry was chosen in this study.

Table 1 Sales Growth, Profitability, Firm Age and Tax Avoidance

Company	Year	Sales Growth	ROA	Firm Age	CETR
MYOR	2018	0.156	0.100	28	0.304
	2019	0.040	0.108	29	0.202
	2020	-0.022	0.106	30	0.229
ICBP	2018	0.079	0.136	8	0.311
	2019	0.101	0.138	9	0.217
	2020	0.103	0.072	10	0.169
KLBF	2018	0.044	0.138	27	0.253
	2019	0.074	0.125	28	0.247
	2020	0.021	0.124	29	0.166

Source: Processed Data (2022)

From the information in the Table 1.2 above, it can be seen that there is a fluctuation of tax avoidance rate of PT Mayora Indah Tbk, PT Indofood CBP Sukses Makmur Tbk and PT Kalbe Farma Tbk for the year 2018 to 2020. The Cash Effective Tax Rate or CETR is a ratio that represents tax avoidance. If the CETR increases, it means that the tax burden will also increase. The decrease in CETR indicates that the tax burden is reduced, meaning that the company is trying to reduce the tax burden. The fluctuating CETR ratio indicates that the company is practicing tax avoidance. Typically, changes in profitability, sales growth and firm age may have an impact on tax avoidance practices. Increase in sales growth will make the company profit increase, therefore the company will tend to do tax avoidance. For PT Indofood CBP Sukses Makmur Tbk, the sales growth keeps increasing from year 2018 to 2020, while for PT Mayora Indah Tbk and PT Kalbe Farma Tbk experienced a decrease and increase throughout the year. PT Kalbe Farma Tbk showed a decline in profitability for the year 2018 to 2020. While, PT Indofood CBP Sukses Makmur Tbk showed an increase in profitability for the year 2018 to 2020. PT Mayora Indah Tbk show that in year 2018 to 2019 the CETR decreased from 0.304 to 0.202. While, its return on asset (ROA) increase from 0.100 to 0.108. This means, decrease in tax payments is represented by a lower percentage of CETR, which indicates that the company practice tax avoidance.

This research aims to provide explanation and understanding on: 1) To identify whether sales growth partially has significant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange. 2) To identify whether profitability partially has significant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange. 3) To identify whether firm age partially has significant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange. 4) To identify whether sales growth, profitability and firm age simultaneously have significant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange.

The research conducted by Indah Novriyanti and Winanda Wahana Warga Dalam in 2020. The title of this research is "Faktor-Faktor yang Mempengaruhi Penghindaran Pajak". This research was conducted in manufacturing sector companies listed on the IDX in year 2013 to 2017. The data was analyzed by descriptive statistic and multiple linear regression analysis. The result of this research showed that profitability has significant positive effect towards tax avoidance and leverage has significant negative effect towards tax avoidance. While, firm size, fixed asset intensity and sales growth does not have significant effect towards tax avoidance. The research conducted by Hisar Pangaribuan, Jouse Fernando HB, Sukrisno Agoes, Jenny Sihombing and Denok Sunarsi in 2021.

The title of this research is "The Financial Perspective Study on Tax Avoidance". This research was conducted in manufacturing sector companies listed on the IDX in year 2018 to 2020. The data on this research was analyzed by descriptive statistical analysis and hypothesis testing. The result showed that transfer pricing, leverage, profitability and sales growth simultaneously and significantly have significant effect towards tax avoidance. The research conducted by Nanda Eka Murwaningtyas in 2019. The title of this research is "Faktor-Faktor yang Mempengaruhi Penghindaran Pajak". This research was conducted in manufacturing sector companies listed on the IDX in year 2016 to 2017 by using panel data regression to analyze the data. The result showed that corporate social responsibility, firm age, fiscal loss compensation has significant positive effect towards tax avoidance. While, profitability does not have significant positive effect towards tax avoidance.

The research conducted by Kevin Honggo and Aan Marlinah in 2019. The title of this research is "Pengaruh Ukuran Perusahaan, Umur Perusahaan, Dewan Komisaris Independen, Komite Audit, Sales Growth, dan Leverage Terhadap Penghindaran Pajak". This research was conducted at manufacturing sector companies listed on the IDX in year 2014 to 2016. The data on this research was analyzed by multiple linear regression. The result showed that firm size and sales growth have significant effect towards tax avoidance. Meanwhile, firm age, independent board of commissioners, audit committee and leverage does not have significant effect towards tax avoidance.

The research conducted by Rahmawati Hanny Yustrianthe and Ida Yeni Fatniasih in 2021. The title of this research is "Pengaruh Pertumbuhan Penjualan, Leverage dan Profitabilitas Terhadap Tax Avoidance". This research was conducted at manufacturing sector companies listed on the IDX in year 2015 to 2019. The data on this research was analyzed by multiple linear regression. The result showed that profitability has significant positive effect towards tax avoidance. While, sales growth and leverage does not have significant effect towards tax avoidance.

Hypothesis Development

Sales Growth and Tax Avoidance

Sales growth is a comparison of sales levels from previous year to current year. According to Honggo and Marlinah (2029), sales growth has significant effect towards tax avoidance. Increase in sales growth allows the company to earn high profits, resulting in a high tax burden received by the company. Therefore, the company will look for a way to minimize the tax burden. This allows the company to take tax avoidance measures. Increase in sales growth, the company's efforts to practice tax avoidance will be higher.

H_1: Sales growth partially has significant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange.

Profitability and Tax Avoidance

Profitability is a ratio used to measure the company's ability to earn profits through company sources during a certain period. According to Yustrianthe and Fatniasih (2021) profitability has significant positive effect towards tax avoidance. Companies with a high level of profitability will earn a high level of profit, thus the tax imposed on the company will be higher. As a result, higher the company's profitability, the higher the company's tendency to conduct tax avoidance.

H_2: Profitability partially has significant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange.

Firm Age and Tax Avoidance

Firm age refers to how long the company has been in established and can be seen on the IDX. Companies that have been operating for a long time will have more experience, especially experience in managing the tax burden. Therefore, companies that have been operating for a long time will have a tendency to practice tax avoidance. According to Murwaningtyas (2019), firm age has significant positive effect towards tax avoidance.

H_3: Firm age partially has significant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange.

Sales Growth, Profitability, Firm Age and Tax Avoidance

In general, companies that have been operating for a long time will have more experience managing the company tax burden. Increase in sales growth allows the company to earn high profits, so a high tax burden will be imposed on the company. Therefore, the company will find a way to minimize tax burden. This allows companies to practice tax avoidance with the aim of reducing the tax burden.

H_4: Sales growth, profitability and firm age simultaneously have significant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange.

Research Model

The research model for this research can be described as follow:

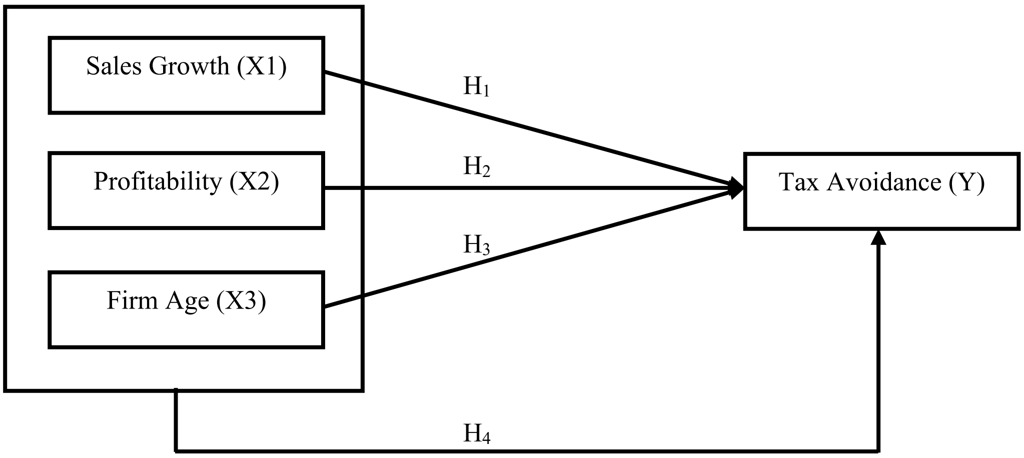

Figure.1 Research Model
Source: Processed Data (2022)

II. METHOD

The research design of this research is using quantitative approach. (Sugiyono, 2018). According to Sugiyono in Sari et al (2021), quantitative research methods are described as research methods based on the positivism philosophy that are used to test specific populations or samples, data collecting, quantitative or statistical data processing, with the purposes of testing hypothesis. The population in this research is all the consumer goods companies listed on Indonesia Stock Exchange in year 2018 until 2020. The population data in this research is collected from consumer goods companies that publish financial reports on Indonesia Stock Exchange official website www.idx.co.id and www.idnfinancials.com. The research sample is 32 companies who already passed the qualification, and the total research samples are 96 samples because the writer conducted the research over a three-year period 2018-2020.

III. RESULT AND DISCUSSION

Result

Data Analysis

Descriptive Statistics Process

In this research, there are 32 companies used as samples with the total of 96 samples in three years observation periods from 2018 to 2020. Following are the results of descriptive statistics analysis:

Table 2 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Sales Growth	96	-.999	.504	.04925	.183009
Profitability	96	.000	.467	.10961	.103119
Firm Age	96	.000	39.000	18.18750	12.416723
Tax Avoidance	96	.060	5.726	.39559	.672638
Valid N (listwise)	96				

Source: Processed Data (2022)

Based on the Table 2 above processed by SPSS, it can be concluded as follow: From the 96 samples of consumer goods companies, the minimum value of sales growth is -0.999 on PT. Kimia Farma Tbk in the year of 2019 while the maximum value of sales growth is 0.504 on PT. Sekar Bumi Tbk in the year of 2020. The mean value is 0.04925 and for the standard deviation value is 0.183009. From the 96 samples of consumer goods companies, the minimum value of profitability is 0.000 on PT. Kalbe Farma Tbk in the year of 2019 while the maximum value of profitability is 0.467 on PT. Unilever Indonesia Tbk in the year of 2018. The mean value is 0.10961 and for the standard deviation value is 0.103119. From the 96 samples of consumer goods companies, the minimum value of firm age is 0.000 on PT. Garudafood Putra Putri Jaya Tbk in the year of 2018 while the maximum value is 39.000 on PT. Multi Bintang Indonesia Tbk in the year of 2020 and PT. Merck Tbk in the year of 2020. The mean value is 18.18750 and for the standard deviation value is 12.416723. From the 96 samples of consumer goods companies, the minimum value of tax avoidance is 0.060 on PT. Hartadinata Abadi Tbk in the year 2018 while the maximum value is 5.726 on PT. Kimia Farma Tbk in the year 2019. The mean value is 0.39559 and for the standard deviation value is 0.672638.

Multiple Linear Regression Analysis

Double linear regression analysis was used to identify the influence or relation among two or more independent variables with one dependent variable. The double linear regression analysis of this research can be seen as follow.

Table 3 Double Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.319	.030		10.822	.000
	Sales Growth	-.235	.100	-.283	-2.337	.022
	Profitability	-.363	.240	-.175	-1.512	.135
	Firm Age	-.001	.001	-.132	-1.059	.293

a. Dependent Variable: Tax Avoidance

S Source: Processed Data (2022)

Based on Table 3, the equation model of double linear regression can be described as follow.

$$CETR = 0.319 – 0.235\ SG – 0.363\ ROA – 0.001\ FA + e$$

The explanation of double linear regression above can be described as follow. The constant value of this equation is 0.319 which means that if all independent variables such as sales growth, profitability and firm age are constant, then the tax avoidance value will be 0.319. Coefficient regression of sales growth is – 0.235, which indicates that the increasing sales growth by one unit will affect the number of tax avoidance (CETR) by – 0.235 while the other variables remain constant. Coefficient regression of profitability is – 0.363, which indicates that the increasing profitability by one unit will affect the number of tax avoidance (CETR) by – 0.363 while the other variables remain constant. Coefficient regression of firm age is – 0.001, which indicates that the increasing firm age by one unit will affect the number of tax avoidance (CETR) by – 0.001 while the other variables remain constant

Hypothesis Test

Partial T Test

Table 4 T-Test Analysis

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.319	.030		10.822	.000
	Sales Growth	-.235	.100	-.283	-2.337	.022
	Profitability	-.363	.240	-.175	-1.512	.135
	Firm Age	-.001	.001	-.132	-1.059	.293

a. Dependent Variable: Tax Avoidance

Source: Processed Data (2022)

Based on the Table 4.7, the result of partial significant test or T Test can be described as follows. Sales growth has the coefficient regression – 0.235 which means there is a negative relationship between sales growth and tax avoidance. Furthermore, this variable has t_{count} (- 2.337) > t_{table} (1.99346) and the significant value of sales growth is 0.022 which is lower than 0.05. This indicates that there is a partial significant effect of sales growth toward tax avoidance. Profitability has the coefficient regression – 0.363 which means there is a negative relationship between profitability and tax avoidance. Furthermore, this variable has t_{count} (- 1.512) < t_{table} (1.99346) and the significant value of profitability is 0.135 which is bigger than 0.05. This indicates that there is a partial insignificant effect of profitability toward tax avoidance. Firm age has the coefficient regression – 0.001 which means there is a negative relationship between firm age and tax avoidance. Furthermore, this variable has t_{count} (- 1.059) < t_{table} (1.99346) and the significant value of firm age is 0.293 which is bigger than 0.05. This indicates that there is a partial insignificant effect of firm age toward tax avoidance.

Simultaneous F Test

The F test was conducted to identify whether the independent variable has effect on the dependent variable simultaneously. The result of simultaneous test can be seen as follow.

Table 5 Simultaneous Significant Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.103	3	.034	2.918	.040[b]
	Residual	.831	71	.012		
	Total	.934	74			

a. Dependent Variable: Tax Avoidance
b. Predictors: (Constant), Firm Age, Profitability, Sales Growth
Source: Processed Data (2022)

Based on the Table 5, the significance value is 0.040 which is smaller than 0.05. Therefore, this indicates that sales growth, profitability and firm age simultaneously have significant effect toward tax avoidance.

R^2 Test (Coefficient of Determination)

Coefficient determination test (R Square) used to identify the percentage of the ability of the independent variable in influencing the dependent variable. The result of coefficient determination test can be seen as follow:

Table 6 Coefficient Determination Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.331[a]	.110	.072	.108212	1.904

a. Predictors: (Constant), Firm Age, Profitability, Sales Growth
b. Dependent Variable: Tax Avoidance
Source: Processed Data (2022)

Based on the Table 6, it shows that the amount of adjusted R square is 0.072 or 7.2%. Therefore, it can be concluded that 7.2% of the variation of Cash Effective Tax Rate is explained by the variation of sales growth, profitability and firm age. Meanwhile, another 92.8% is influenced by other factors not included in this research.

Discussion

The Effect of Sales Growth Towards Tax Avoidance

The results show that sales growth partially has significant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange in the period 2018 to 2020. From the T test result, this variable has tcount value - 2.337 larger than ttable value 1.99346. In addition, there is a negative effect of sales growth through regression coefficient – 0.235 and the significant value of sales growth is 0.022 which is smaller than 0.05. It can be concluded that the research accepts H1 hypothesis and reject Ho.

Based on the agency theory, agents will try to manage tax burden so that compensation for agent performance does not decrease due to increasing profits as sales growth increases which causes a greater tax burden. Because the tax burden is high, the activity of tax avoidance is also high. This research accordance with the results of research conducted by (Honggo & Marlinah, 2019) who found that sales growth has partial significant effect toward tax avoidance.

The Effect of Profitability Towards Tax Avoidance

The results show that profitability partially has insignificant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange in the period 2018 to 2020. From the T test result, this variable has tcount value - 1.512 less than ttable 1.99346. In addition, there is a negative effect of profitability through regression coefficient – 0.363 and the significant value of profitability is 0.135 which is bigger than 0.05. It can be concluded that the research accepts Ho and reject H2.

Based on the agency theory, if a company can produce profits, stakeholders will prefer to invest in the company. A company that keeps generating profits and is supported by stakeholders demonstrates that the company is sustainable and there is no tax avoidance. The policy for tax avoidance will be lowered when the company's revenue increases since the company is able to pay taxes as an obligation. Therefore, the company profitability whether high or low, has no effect on tax avoidance. This research accordance with the research conducted by (Murwaningtyas, 2019) who found that profitability has partial insignificant effect toward tax avoidance.

The Effect of Firm Age Towards Tax Avoidance

The research show that firm age partially has insignificant effect towards tax avoidance on consumer goods companies listed on the Indonesia Stock Exchange in the period 2018 to 2020. From the T test result, this variable has tcount value - 1.059 less than ttable value 1.99346. In addition, there is a negative effect of firm age through regression coefficient – 0.001 and the significant value of firm age is 0.293 which is bigger than 0.05. It can be concluded that the research accepts Ho and reject H3.

As stated in above, firm age has a negative insignificant effect on tax avoidance, meaning that increasing firm age would decrease tax avoidance. Wardani & Isbela, (2018) stated that this occurs because most companies in Indonesia are relatively old but have recently listed on the Indonesia Stock Exchange, so the tax avoidance is unlikely to be affected by the length of time the company was established. Therefore, the company that has been listed on the Indonesia Stock Exchange for a long time will show responsibility by not trying to take advantage of loopholes to do avoid tax in order to increase investor confidence in continuing to invest.

Based on the agency theory, companies that have been listed on the stock exchange for a long time, including new companies, do not want to lose the integrity and faith of investors by trying to do tax avoidance. Furthermore, the stock exchange requirements for information disclosure have made companies more careful in determining financial strategies, particularly tax policies because have a high risk for companies. This research accordance with the research conducted by Honggo and Marlinah who found that firm age has partial insignificant effect toward tax avoidance.

The Effect of Sales Growth, Profitability and Firm Age Towards Tax Avoidance

The research show that sales growth, profitability and firm age simultaneously have significant effect towards tax avoidance. This can be seen from the significant value of F test 0.040 which is smaller than 0.05. It can be concluded that the research accepted H4 and reject Ho. In addition, the value of coefficient determination or the adjusted R square is 0.072 or 7.2%. which means 7.2% of the variation of Cash Effective Tax Rate is influenced by the variation of sales growth, profitability and firm age.

IV. CONCLUSION

The conclusions of this study can be summarized as follows in accordance with the results of the discussion and data analysis described in the previous chapter:

Sales growth partially have significant effect towards tax avoidance on consumer good companies listed on the Indonesia Stock Exchange from the period of 2018-2020. It can be concluded that H1 is accepted. Based on the agency theory, agents will try to manage tax burden so that compensation for agent performance does not decrease due to increase in profits as sales growth increases which causes a greater tax burden. Because the tax burden is high, the activity of tax avoidance is also high.

Profitability partially does not have significant effect towards tax avoidance on consumer good companies listed on the Indonesia Stock Exchange from the period of 2018-2020. It can be concluded that H2 is rejected. Based on the agency theory, if a company can produce profits, stakeholders will prefer to invest in the company. A company that keeps generating profits and is supported by stakeholders demonstrates that the company is sustainable and there is no tax avoidance. The policy for tax avoidance will be low when the company's revenue increases since the company is able to pay taxes as an obligation. Therefore, the company profitability whether high or low, has no effect on tax avoidance.

Firm age partially does not have significant effect towards tax avoidance on consumer good companies listed on the Indonesia Stock Exchange from the period of 2018-2020. It can be concluded that H3 is rejected. Based on the agency theory, companies that have been listed on the stock exchange for a long time, including new companies, do not want to lose the integrity and faith of investors by trying to do tax avoidance. Furthermore, the stock exchange requirements for information disclosure have made companies more careful in determining financial strategies, particularly tax policies because have a high risk for companies.

Sales growth, profitability and firm age simultaneously have a significant effect towards tax avoidance on consumer good companies listed on the Indonesia Stock Exchange from the period 2018-2020. It can be concluded that H4 is accepted.

The coefficient determination or adjusted R square is 0.072. It can be concluded that 7.2% the variation of tax avoidance is influenced by the variation of sales growth, profitability and firm age. While, another 92.8% is influenced by other factors not included in this research.

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