InCAF PROCEEDING OF INTERNATIONAL CONFERENCE ON ACCOUNTING AND FINANCE

Volume 2, 2024, PP: 825-837

The influence of profit management, tax facilities, management compensation, and company size on tax management (Empirical study on agricultural companies listed on the IDX in 2017-2021)

Sri Lestari Yuli Prastyatini, Latif Cahyo Pambagyo
Department of Accounting, Faculty of Economics, Universitas Sarjanawiyata Tamansiswa
*Corresponding author: srilestari_yp@ustjogja.ac.id, latifcahyo507@gmail.com

Abstract

The aim of this research is to determine the negative influence of earnings management, tax facilities, tax compensation and company size on tax management. This research uses quantitative methods. This research uses secondary data, so the research is in the form of numbers and in processing the data this research uses SPSS 20. This research uses 4 (four) independent variables and 1 (one) dependent variable. The results of this research show that earnings management has a negative effect on tax management, tax facilities have no effect on tax management, management compensation has a positive effect on tax management, company size has a negative effect on tax management.

Keywords: Profit Management, Tax Facilities, Tax Compensation, Company Size, Tax Management.

INTRODUCTION

The differences between financial reporting according to accounting standards and reporting according to taxation cause the objectives and motivations for reporting fiscal profit and commercial profit to be different. That way, the company will use more optimal accounting standards to report greater profits. Vice versa, companies are more likely to report small profits in an effort to minimize corporate tax payments (Kristanto, 2015).

Companies in their efforts to minimize tax payments must not violate or exceed the limits of existing laws and regulations. For this reason, companies need to use legal methods so as not to violate tax regulations and can minimize the amount of tax payments, namely by tax management. Tax management is all efforts to implement management functions so that tax rights and obligations run efficiently and effectively (Suripto, 2020). Managers will use differences in tax treatment to obtain fiscal corrections that can reduce fiscal profits, thereby minimizing the company's tax payment obligations (Kristanto, 2021).

An example of the phenomenon of profit management practices in mining companies occurred at PT Timah. The company manipulated profits by making fictitious reports in its financial statements. PT. Timah (Persero) Tbk is suspected of providing fictitious financial reports in the first semester of 2015. This fictitious financial report was carried out to cover up the financial performance of PT. Tin continues to be a concern (Jakarta, 27 January 2016). According to Ali Samsuri, he revealed that the financial condition of PT. Tin has been unhealthy for the past three years. The incompetence of the Board of Directors of PT. Tin's escape from the trap of losses has resulted in the surrender of 80% of the mining area belonging to PT. Tin to business partners (Dedi Afriyanto, 2016).

The first factors that can influence tax management are earnings management. Profit management with the aim of taxes often clashes with pressure to increase profits (Kristanto, 2015). This usually happens when companies go public. According to Tanjung, (2018.), companies that have gone public essentially tend to have a higher profile than companies that have not gone public. In order for the stock market price to increase, managers of companies going public will usually try to provide the best output possible. Then for companies whose profits do not reach the target, reducing profits to save taxes is strictly avoided.

Another factor that can influence tax management is company size. Mutia Dianti Afifah & Mhd Hasymi, (2020) provide the opinion that company size is a measurement that is classified based on the size of the company and the amount of income earned by the company. Companies that are large in size will pay lower tax rates than companies that are smaller because large companies have the resources to carry out tax management. If a company cannot maximize its efforts to carry out tax management, the company will lose the opportunity to obtain tax incentives, where these tax incentives are able to minimize the tax costs paid. However, research conducted by Afifah & Hasyimi, (2020) shows that company size has a negative effect on tax management.

The difference between this research and previous research is the independent variable. This research adds independent variables, namely earnings management and management compensation, because they are rarely researched in Indonesia and combines several independent variables from previous research.

LITERATUR REVIEW

Agency Theory

Prastyatini et al. (2021) define agency theory as the relationship between the agent (management of a business) and the principal (business owner). In agency theory, there is a relationship like a contract where one or more people (principal) orders another person (agent) to carry out work on behalf of the principal and gives power to the agent. The principal and agent are the main actors and both have their own bargaining position in position, role and position. In this case, the principal as the capital owner only has access to internal company information, while the agent as the company manager has broader information regarding the company's real and comprehensive operations and performance. The different and contradictory positions, functions, situations, goals, interests and backgrounds of principals and agents will trigger the emergence of conflict with mutual attraction of interests (conflict of interest) with the influence of each other (Prastyatini et al. 2022). This theory is suitable for explaining the tax facility variable where there is a relationship such as the granting of power given by the principal to the agent in managing company management. This theory also explains management compensation variables where there is a relationship between shareholders and agents. In this case, the manager will not make efforts for the interests of shareholders if it is not beneficial for the manager.

Stakeholder Theory

Stakeholders are the overall practices and policies of both internal and external parties, each of which has a relationship that either influences each other or is influenced, directly or indirectly, by various decisions, policies and company operations. Stakeholder theory is "a theory that states that all stakeholders have the right to obtain all information regarding company activities that can influence their decision-making. Even stakeholders also have the right to choose not to use this information and cannot play a direct role in a company (Prastyatini et al. 2022). This theory is very suitable to be used to explain earnings management variables where those in power carry out a policy to even out the profits reported in the company's financial statements. This theory also explains the company size variable where there are various overall practices and policies from both internal and external parties.

Tax Management

Tanjung (2018), states that tax management is a means of fulfilling tax obligations correctly, but the amount of tax paid can be minimized or kept as low as possible to obtain the profit and liquidity expected by management. Tax management occurs when there are differences in interests that trigger taxpayers to tend to reduce income and costs both legally. Tax management must be carried out in a good manner so that the company does not lead to violations of tax norms or tax avoidance. Companies must be able to take advantage of the loopholes that exist in the tax regulations that apply in Indonesia.

Tax Facilities

government with the aim of fostering greater memory in paying taxes paid by people who have to pay corporate taxes because tax costs have been reduced a lot (Afifah & Hasymi, 2020). Tax facilities contained in Law article 17 paragraphs (2b) number 36 of 2008 explain that companies that have benchmarks in accordance with the provisions will receive facilities in the form of a 5% tax reduction. By reducing the amount of tax by 5%, this will automatically reduce the tax rate payable which will then be paid by the company (Marbun & Sudjiman, 2021).

Management Compensation

Suripto (2020), in his research, stated that the meaning of compensation is the concept of employee honorarium which is quite broad and includes administration, salaries and wages as well as benefits, and services for employees. Management compensation can be in the form of salary, bonuses, allowances, or additional income. Salary is a fixed payment, while bonuses are based on achieving performance targets for a period. Salaries, bonuses, allowances, or additional income include special benefits for employees, such as travel, membership in a fitness club, life insurance, health benefits, tickets for entertainment, and other additional payments by the company.

Company Size

Company size is a small grouping or size of a company which can be determined by looking at total assets, share prices circulating on the market, level of income/sales, and so on. Generally, companies in the large firm category, when carrying out tax management, tend to have more resources compared to companies in the small firm category. Thus, company optimization in tax management can be supported by the size of a company (Tanjung, 2018).

Hypothesis Development

The Influence of Profit Management on Tax Management

Management will apply a tool in the form of fiscal correction to adjust the amount of difference between accounting profit or loss and expected tax profit or loss. Fiscal correction is a correction of accounting income and expenses, therefore it can produce fiscal income and expenses. The results of previous research conducted by Kristanto, (2021) show that earnings management has an effect on earnings management, then the results of research conducted by Waharini & Annisa, (2017) state that earnings management has a negative effect on tax management. Based on this description, the following hypothesis can be formulated:
H^1: Profit Management has a negative effect on Tax Management

The Influence of Tax Facilities on Tax Management

Afifah & Hasymi, (2020) explained that the smaller the tax rate charged to companies, the more compliant the company will be with tax regulations. When the amount of tax paid by a company no longer burdens the company, the company will not carry out tax management to reduce its tax burden. Tax management in companies that are subject to low tax rates will tend to ensure that the company complies with tax regulations so that it is not subject to sanctions related to violations of tax regulations that could harm the company. The results of research conducted by Marbun & Sudjiman (2021) show that partially tax facilities have no effect on tax management, while research conducted by Afifah & Hasyimi, (2020) shows that tax facilities have a negative effect on tax management. Based on this description, the following hypothesis can be formulated:
H^2: Tax Facilities have a negative effect on Tax Management

The Influence of Management Compensation on Tax Management

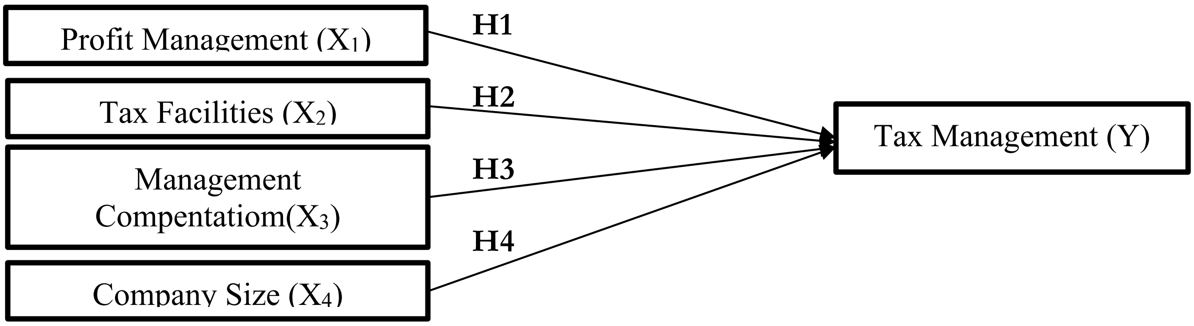
Compensation can take various forms such as salary, bonuses, allowances, or additional income. By applying compensation to management, it is hoped that it will be able to motivate management to

improve company performance through tax management. The results of research conducted by Sadewo and Hartiyah (2017) show that management compensation has a positive effect on tax management, and research conducted by Darta and Marlina (2019) also shows that management compensation has a positive effect on tax management. Meanwhile, research conducted by Suripto (2020) states that management compensation has a negative effect on tax management. Based on this description, the following hypothesis can be formulated:
H[3]: Management Compensation has a positive effect on Tax Management.

The Influence of Company Size on Tax Management

Devina & Pradipta, (2021) provide an explanation that large-scale companies will pay lower taxes than small-scale companies, because large-scale companies have more resources and are competent to carry out tax management. If a company carries out tax management that is not optimal, the company will lose the opportunity to get tax incentives, where these incentives will be able to reduce the tax burden that must be paid by the company. The results of research conducted by Devina & Pradipta, (2019) show that company size has an effect on tax management, while research conducted by Afifah & Hasyimi, (2020) shows that company size has a significant negative effect on tax management. Based on this description, the following hypothesis can be formulated:
H4: Company size has a negative effect on Tax Management

Figure 1. Framework of Thought



RESEARCH METHODS

Nature of Research

The nature of the research used is a form of quantitative research. This research uses secondary data, so the research is in the form of numbers and processing the research data uses SPSS 20. This research uses a sample of agricultural companies listed on the Indonesian Stock Exchange (BEI) in 2017-2021.

Research Variable

This research uses 4 (four) independent variables and 1 (one) dependent variable. The independent variables in this research are earnings management (X1), tax facilities (X2, management improvement (X3), and company size (X4). The dependent variable in this research is tax management (Y).

Definition of Research Operational Variables

Tax Management (MP)

Tax Management is an effort to implement management functions to fulfill tax obligations efficiently (Tanjung, 2018). The proxy used to measure whether a company is carrying out MP is the ETR (Effective Tax Rate) calculation proxy. The higher the ETR value, the lower the indicator that a company takes MP action. Vice versa, the lower the ETR value, the higher the indicator that the company takes MP action. According to Rist & Pizzica (2014) ETR (Effective Tax Rate) can be calculated using the following formula:

$$\text{ETR} = \frac{\textit{Biaya Pajak}}{\textit{Laba Sebelum Pajak}}$$

Profit Management (ML)

Earnings Management is one of the factors that can reduce the credibility of financial reports (Annisa, 2018). In general, ML is a manager's behavior to regulate reported profits for all business entities in accordance with the choice of permitted accounting standards (Kristanto, 2015). The formula used is:

$$\mathbf{DAt} = \left(\frac{\mathbf{TAC\,t}}{\mathbf{A\,t-1}}\right) - \mathbf{NDAt}$$

Information:
DAt = Discretionary accrual of company i in year t
TACt = Total accruals of company i in year t
At-1 = Total company assets in year t-1
NDAt = non-discretionary accrual of company i in year t

Tax Facilities (FP)

Tax Facilities in Indonesian regulations can be interpreted as convenience provided by the government in terms of taxation (Anggraeni et al. 2020). FP can be calculated via dummy variables. According to Darmadi et al. (2013), in order to find out, a Dummy variable is used where if the company obtains a facility it will be given the number one and if the company does not obtain the facility it will be given the number 0.

Management Compensation (KM)

Management Compensation is a fee in the form of compensation given to management so that management can be more optimal in providing more transparent financial reports and is expected to improve performance which will make the company's performance increase automatically (Suripto, 2020). The calculation of this variable uses the natural logarithm (Ln) proxy of the total value of compensation received by directors during one year. Retrieval of director compensation data contained in the disclosure of Notes to the Company's Financial Statements.

Company Size (UP)

UP is a measure, scale or variable that describes the size of a company or a size that is grouped based on the size of a company (Afifah & Hasyimi, 2020). One way that can be used to classify the size or size of a UP can be seen from how large the assets owned by a company (Marbun & Sudjiman, 2021). The UP calculation can be measured using the formula:

SIZE = Log natural of Total Ass

RESULTS AND CONCLUSION

Descriptive Statistics Test

Table 1. Descriptive Statistics Test

	N	Minimum	Maximum	Mean	Std. Deviation
ML	75	-37.59	38.17	-1.5152	8.13846
FP	75	.00	1.00	.5733	.49792
KM	75	4.03	8.27	5.8899	1.03616
UP	75	6.42	10.61	8.3228	1.41533
MP	75	.01	286.25	7.6492	43.47049
Valid N (listwise)	75				

Source: Secondary Data, 2023, Processed

Based on the results of descriptive statistical tests in table 1.1, it shows that during the observation period (2017-2021)

1. Profit management has a minimum value of -37.59 which comes from PT Dharma Samudra Fishing Industry Tbk in 2017. The maximum value of the profit management variable is 38.17 which is owned by PT Dharma Samudra Fishing Industry Tbk in 2018. Profit management has the average value (mean) is -1.5152, which means that the average agricultural company listed on the IDX has profit management of -1.5152%. The standard deviation has a numerical value of 8.13846, which means it is higher than the mean value. These results indicate that the earnings management variable has a high deviation during the observation period.
2. The tax facility variable has the lowest value of 0.00, the highest value of 1.00. The tax facility variable has a mean value of 0.5733 and a standard deviation of 0.49792. The standard deviation value is lower than the mean value, thus indicating a low deviation of the tax facility variable during the observation period.
3. The management compensation variable has the lowest value of 4.03 which is owned by the State Forestry Public Company in 2021. The highest value found in the management compensation variable is 8.27 which is owned by PT Perkebunan Nusantara Tbk in 2021. Management compensation variable has a mean value of 5.8899 and a standard deviation of 1.03616. The standard deviation value is lower than the mean value, thus indicating a low deviation of the management compensation variable during the observation period.
4. The company size variable has the lowest value of 6.42 which is owned by PT Bright Indonesia Seed Industry Tbk in 2017. The highest value found in the company size variable is 10.61 which is owned by PT Dharma Samudra Fishing Industry Tbk in 2018 The company size variable has a mean value of 8.3228 and a standard deviation of 1.41533. The standard deviation value is lower than the mean value, thus indicating a low deviation of the company size variable during the observation period.
5. The tax management variable has the lowest value of 0.01 which is owned by PT Palma Serasih Tbk in 2020. The highest value found in the tax management variable is 286.25 which is owned by PT Rajawali Nusantara Indonesia Tbk in 2021. Management variables Tax has a mean value of 7.6492 and a standard deviation of 43.47049. The standard deviation value is higher than the mean value, thus indicating a high deviation of the tax management variable during the observation period.

Classic Assumption Test

Table 2. Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		75
Normal Parameters[a,b]	Mean	-.0809010
	Std. Deviation	1.16659202
Most Extreme Differences	Absolute	.098
	Positive	.098
	Negative	-.056
Test Statistic		.098
Asymp. Sig. (2-tailed)		.073[c]

Source: Secondary Data, 2023, Processed

The normality test can be said to be normally distributed provided that the value is significant or the Asymp.Sig value. (2-tailed) is more than 0.05. Table 1.2 shows that the normality test results have a significance value or Asymp.Sig. (2-tailed) of 0.073, it can be concluded that the test is normally distributed.

Table 3. Multikollinearities Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Manajemen Laba	.902	1.108
	Fasilitas Pajak	.995	1.005
	Kompensasi Manajemen	.477	2.095
	Ukuran Perusahaan	.498	2.007

Source: Secondary Data, 2023, Processed

Based on table 1.3, it is known that the results of the multicollinearity test for independent variables show that the Variance Inflation Factor (VIF) value is less than 10, so it can be said that multicollinearity does not occur.

Table 4. Heteroscedasticity Test

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1 (Constant)	.725	1.088		.666	.50[illegible]
Manajemen Laba	-.199	.125	-.192	-1.591	.11[illegible]
Fasilitas Pajak	.178	.220	.093	.806	.42[illegible]
Kompensasi Manajemen	.774	.738	.174	1.048	.29[illegible]
Ukuran Perusahaan	-.620	.710	-.142	-.873	.38[illegible]

Source: Secondary Data, 2023, Processed

Based on table 1.4, it is known that the heteroscedasticity test for each variable has a probability value above 0.05, so the test results are said to not have heteroscedasticity.

Table 5. Autocorrelation Test

Model Summary [b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.600[a]	.360	.323	1.36754	1.742

Source: Secondary Data, 2023, Processed

Based on table 1.5, it shows the DW value is 1.742. Based on this value, 1.7383 ≤ 1.742 ≤ 2.2617 so it can be concluded that this research is said to be good because there is no autocorrelation. The formula calculation can be explained as follows: du ≤ d ≤ 4 – du), du = 1.7383, d = 1.742, 4 – du = 4 – 1.7383 = 2.2617

Hypothesis Test

Table 6. F Test

ANOVA [a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	73.636	4	18.409	9.844	.000[b]
	Residual	130.911	70	1.870		
	Total	204.547	74			

Source: Secondary Data, 2023, Processed

Based on the SPSS version 25 output in table 1.6 above, the F test results in this study show an F-count of 9.844 and a significance of 0.000. It can be concluded that sig < 0.05 then the hypothesis is accepted. This means that four (4) independent variables have an influence on tax management.

Table 7. Determination Coefficient Test (Adjusted R2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.600[a]	.360	.323	1.36754

Source: Secondary Data, 2023, Processed

This means that the dependent variable (Tax Management) which can be explained by the independent variables (Profit Management, Tax Facilities, Management Compensation and Company Size) is 32.3%, while the remaining is 67.7% (100% - 32.3%) , explained other factors outside this research model.

Table 8. t Test

Model	Unstandardized Coefficients		Standardized Coefficients	
	B	Std. Error	Beta	t
1 (Constant)	2.148	2.014		1
Manajemen Laba	-.712	.232	-.309	-3
Fasilitas Pajak	-.266	.408	-.063	-
Kompensasi Manajemen	4.820	1.366	.488	3
Ukuran Perusahaan	-5.593	1.315	-.576	-4

Source: Secondary Data, 2023, Processed

Based on the SPSS version 25 output in table 1.8 above showing the t test results, the following interpretation is obtained:

1) Profit Management
The earnings management variable obtained a calculated t value of -3.072. Meanwhile, the significance level is 0.003 < 0.05, meaning it is smaller than 0.05, and the Unstandardized Coefficients (beta) is -0.712 in a negative direction, so H1 which states that earnings management has a negative effect on tax management is supported. Which means, earnings management has a negative effect on tax management.
2) Tax Facilities
The tax facility variable obtained a calculated t value of -0.653. Meanwhile, the significance level is 0.516 > 0.05, meaning it is greater than 0.05, and the Unstandardized Coefficients (beta) is -0.266 in a negative direction, so H2 which states that tax facilities have a negative effect on tax management is not supported. Which means, tax facilities have no effect on tax management.
3) Management Compensation
The management compensation variable obtained a calculated t value of 3.528. Meanwhile, the significance level is 0.001 < 0.05, meaning it is smaller than 0.05, and the Unstandardized Coefficients (beta) is 4,820 in a positive direction, so H3 states that management compensation has a positive effect on supported tax management. Which means, management compensation has a positive effect on tax management.
4) Company Size
The company size variable obtained a calculated t value of -4.254. While the significance level is 0.000 < 0.05, meaning it is smaller than 0.05, and the Unstandardized Coefficients (beta) is -5.593

in a negative direction, then H4 which states that company size has a negative effect on tax management is supported. Which means, company size has a negative effect on tax management.

Discussion

The Influence of Profit Management on Tax Management

Company management applies financial reports as a means of communicating with investors from the principal's perspective. So things like this can motivate managers to carry out earnings management practices. Kristanto, (2015) assumes that the practice of earnings management is carried out with the aim of bonuses, contractual motivation, political motivation, tax motivation, CEO replacement, initial stock offering, and communication of information to investors and earnings management tends to occur when management uses their judgment in making financial reporting and transaction procedures, which have the aim of providing contractual influence and misleading other parties in making decisions. This is of course in line with stakeholder theory, where power holders carry out a policy to reduce, increase profits, or even out profits reported in financial reports.

This is certainly in line with stakeholder theory, where the power stakeholders carry out a policy to reduce, increase profits, or flatten the profits reported in the financial statements. In this case, the company's management manipulates existing policies in an effort to achieve the desired level of profit. When practicing earnings management as a form of effort to increase company profits, on the other hand the company must bear the costs by paying higher taxes.

The results of this research are supported by research conducted by Waharini & Annisa, (2017) which states that earnings management has a negative effect on tax management. Meanwhile, the results of research conducted by Kristanto, (2021) show that earnings management has a significant effect on earnings management.

The Influence of Tax Facilities on Tax Management

Tax facilities have no effect, meaning that higher or lower tax facilities will not have an impact on tax management. From the results of this research, there is no influence of tax facilities on tax management. This is because the company does not use the tax facilities provided by the government to companies to carry out tax management for their companies. So this indicates that the role of tax facilities has no influence on tax management. This is in line with the magnetic theory, there is a relationship such as a contract, a kind of granting of power given by the principal to the agent such as a manager in managing company management. Where the manager is responsible for the authority given by the principal by giving him the freedom to apply tax facilities. However, the tax rate charged to companies is not a benchmark for managers in complying with tax regulations to pay company taxes.

This is in line with the agency theory, there is a relationship such as a contract, a kind of granting of power given by the principal to the agent such as managers in managing company management. Where this manager has the responsibility for the authority that has been given by the principal by giving freedom to apply tax facilities. However, the tax rate charged to the company is not a benchmark for managers in complying with tax regulations to pay their company's taxes. There are still many companies that are negligent in paying taxes so that they get sanctions from violations of tax regulations that can harm the company.

The results of this research are supported and in line with research by Marbun & Sudjiman (2021) showing that partially tax facilities have no effect on tax management. This is different from research conducted by Afifah & Hasyimi, (2020) showing that tax facilities have a negative effect on tax management.

The Influence of Management Compensation on Tax Management

Management compensation has a positive effect, meaning that the higher the management compensation, the higher the tax management. Management compensation is a program and procedure for providing compensation to managers. Compensation can also be interpreted as a form of financial return, tangible services, and allowances received by employees as part of an employment relationship (Suripto, 2020). This is in line with the magnetic theory, there is a relationship between shareholders and other parties (agents), in this case such as managers. Where the management will not make efforts for the interests of shareholders if it is not beneficial for the management itself.

This is in line with the agency theory, there is a relationship between the shareholders and other parties (agents) in this case such as managers. Where the manager will not make efforts for the benefit of shareholders if it is not beneficial to the manager himself. By providing compensation to management, it will motivate management to improve company performance through tax management. The higher the level of management compensation provided by the company, the more optimal the company's tax management will be. But on the other hand, if the company provides a high compensation value, the company's expenses that must be incurred will also increase.

The results of this research are supported and in line with research by Sadewo and Hartiyah (2017) showing that management compensation has a positive effect on tax management, as well as research conducted by Darta and Marlina (2019) also shows that management compensation has a positive effect on tax management. This is different from research conducted by Suripto (2020) which states that management compensation has a negative effect on tax management

The Influence of Company Size on Tax Management

Company size has a negative effect, meaning that the smaller the company size, the higher the tax management. Company size is a benchmark that groups a company based on the size of the company, and can describe the company's operational activities and the income earned by a company. Large companies, in making better tax planning efforts, tend to have wider room for maneuver. Companies that are large in size will have abundant resources, these resources can be used by managers to maximize manager performance (Afifah & Hasymi, 2020). This is in line with stakeholder theory which is a practice and also various overall policies from both internal and external parties, each of which has a relationship that either influences each other or not, where company stakeholders have the authority to implement a policy in managing company resources. The larger the size of a company, the greater the impact felt by its activities.

This is in line with stakeholder theory which is the practice and also the various overall policies of both internal and external parties, each of which has a relationship that is either mutually influencing or not, where company stakeholders have the authority to implement a policy in managing company resources.

The results of this research are supported by research conducted by Afifah & Hasyimi, (2020) showing that company size has a significant negative effect on tax management. This is different from research conducted by Ayu, et al. (2016) that company size has a positive effect on tax management.

CONCLUSION

Based on the results of the research conducted, it can be concluded that earnings management and company size have a negative effect on tax management. Tax facilities have no effect on tax management. And management compensation has a positive effect on tax management.

Implication

1. Earnings management has a negative effect on tax management. This is in line with stakeholder theory, where power owners carry out policies as a form of effort to achieve the target level of profit. However, when implementing earnings management policies, on the other hand, the company must bear high tax costs.
2. Tax facilities have no effect on tax management. This is in accordance with the magnetic theory where the agent as the manager of the company's management is given responsibility by the principal who has given him the freedom to manage the company, but the tax rate charged to the company is not a benchmark for managers in complying with tax regulations to pay their company taxes.
3. Management compensation has a positive effect on tax management. This is in accordance with the magnetic theory because there is a relationship between shareholders and managers. Where the manager will not make efforts for the interests of shareholders if it is not beneficial for the manager

himself. By providing compensation to management, it will motivate management to improve company performance through tax management.

4. Company size has a negative effect on tax management. This is in accordance with stakeholder theory, which is the implementation of various overall policies from both internal and external parties, each of which has a relationship that either influences each other or not, where company stakeholders have the authority to implement a policy in managing company resources. The larger the size of a company, the greater the impact felt by its activities.
5. Profit management, tax facilities, management compensation and company size can simultaneously influence tax management by 32.3%.

Suggestion

Based on the conclusions outlined and explained above regarding the research that has been carried out, the suggestions given by the researcher are as follows:

1. For Companies
   This research is expected to maximize the financial governance carried out by the company as an effort to increase the company's profit level. However, with the implementation of the policies that have been provided by the government, companies are also expected to be able to heed and carry out their obligations to pay taxes correctly, in this case so that they can help the government to optimize state revenues originating from taxes.
2. For Investors
   Investors are advised to be more careful in choosing investor decisions and first examine what policies have been implemented in the company, especially in implementing tax management, whether they are in accordance with the policies provided by the government or whether they violate these regulations.
3. For the Government
   This research can be used as consideration in making policies related to tax regulations. The government is expected to be able to handle tax management by making policies easier for companies in Indonesia to implement.
4. For Further Research
   a) Future research is expected to be able to add or replace the independent variables that have been studied, such as audit committee, independent commissioner, executive compensation, and so on which can be placed as independent, moderating or intervening variables with different methods and populations.
   b) Future research is expected to increase the research period to more than 5 (five) years so that the data can better show the actual condition of the company.
   c) Future research is expected to be able to research using different research objects, for example in the manufacturing, banking or mining sectors.

REFERENCE

Afifah, M. D & Hasymi, M. (2020). Pengaruh Profitabilitas, Leverage, Ukuran Perusahaan, Intensitas Aset Tetap dan Fasilitas Terhadap Manajemen Pajak dengan Indikator Tarif Pajak Efektif. *Journal of Accounting Science,* 4(1), 29–42. https://doi.org/10.21070/jas.v4i1.398

Anggraeni, S., & Gustiasari, D. R. (2021). Pengaruh Komisaris Independen, Kebijakan Utang, dan Fasilitas Perpajakan terhadap Manajemen Pajak. Prosiding Seminar Ilmiah Akuntansi, November, 29–39.

Daniel, R., Tambunan, R., & Malau, H. (n.d.). Pengaruh Fasilitas Pajak dan Leverage Terhadap Manajemen Pajak (Studi Kasus pada Perusahaan Sub-Sektor Kimia Yang Terdaftar di BEI pada Tahun 2017-2019).

Darta., & Marlina. (2019). Governance Terhadap Manajemen Pajak Sub Sektor.

Devina, M., & Pradipta, A. (2021). Pengaruh Fasilitas Perpajakan, Return on Asset, Leverage, Ukuran Perusahaan, dan Intensitas Aset Tetap Terhadap Manajemen Pajak. *Jurnal Akuntansi TSM,* 1(1), 25–32. http://jurnaltsm.id/index.php/ejatsm

Dewinta, R. A. I., & Setiawan, E. P. (2016). Pengaruh Ukuran Perusahaan, Umur Perusahaan, Profitabilitas, Leverage, dan Pertumbuhan Penjualan Terhadap Tax Avoidance. *E-Jurnal Akuntansi Universitas Udayana,* Vol. 14.3., 1584–1613.

Kristanto, S. B. (2015). Dampak Praktek Manajemen Laba Terhadap Manajemen Pajak Perusahaan. In Dampak Praktek Manajemen. *Jurnal Keuangan dan Perbankan* (Vol. 11, Issue 2).

Marbun, A., & Sudjiman, P. E. S. (2021). Pengaruh Fasilitas Pajak dan Ukuran Perusahaan terhadap Manajemen Pajak yang Terdaftar di BEI 2017-2020. *Jurnal Audit Dan Perpajakan* (JAP), 1(1), 41–59. https://doi.org/10.47709/jap.v1i1.1203

Waharini, A., & Annisa, F. (2017). Earning Management and Capital Structure On Tax Management Manajemen Laba dan Struktur Modal Terhadap Manajemen Pajak.

Prastyatini, & Yuliana, (2022). Pengaruh kepemilikan institusional, Corporate Social Responsibility, Kebijakan Dividen dan Ukuran Perusahaan terhadap kualitas laba. (Studi Empiris Pada Perusahaan Manufaktur Tahun yang terdaftar di BEI 2017-2019)

Rahmawati, I. P., & Riyanto, B. (2013). Perilaku Manajemen Laba: Pengaruh Jenis Profesi, Love of Money, Sikap Skeptis dan Komitmen Profesional. *Jurnal Akuntansi dan Bisnis* (Vol. 14, Issue 1). www.jab.fe.uns.ac.id

Sadewo, G. N., & Hartiyah, S. (2017). Pengaruh Kompensasi Manajemen, Reputasi Auditor, Profitabilitas dan Leverage terhadap Manajemen Pajak pada Perusahaan Perbankan Konvensional yang terdaftar di BEI Periode 2011 sampai 2015. *Jurnal Ilmiah Ekonomi Manajemen Dan Akuntansi*, 12(1), 2–21.

Suripto. (2020). Intensitas modal memoderasi pengaruh kompensasi manajemen dan pertumbuhan ekonomi terhadap manajemen pajak perusahaan sektor perbankan yang terdaftar di bursa efek Indonesia

Tanjung, F. A. (2018). Pengaruh Ukuran Perusahaan, Konservatisme Akuntansi, dan Karakter Eksekutif Terhadap Manajemen Pajak. *Springer Reference*, 4(3), 982–1001.