Determinant of Tax Avoidance: Empirical Study on Indonesia Stock Exchange

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ARTICLE INFO	ABSTRACT
	This study aims to examine the determinant of tax avoidance. The independent variables used in this study are financial distress, profitability, and audit quality. The dependent variable used in this study is tax avoidance. While the moderating variable in this study is firm size. The companies studied are manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2015-2019 period. The sampling technique is purposive sampling. The number of research samples used were 124 data. Data analysis used multiple linear regression, and Moderated Regression Analysis (MRA). The results of this study show that financial distress has no effect on tax avoidance. Profitability and audit quality affect tax avoidance. Firm size is not proven as an independent or moderating variable. The type of moderation in this study is homologizer moderator. Suggestions for companies to take every tax decision by taking into account the applicable tax laws and regulations. So that every tax planning decision made by the company does not harm the state. Keywords: Tax Avoidance, Financial Distress, Profitability, Audit Quality, Firm Size

INTRODUCTION

Indonesia is a developing country whose largest income is derived from the taxation sector. Tax is one of the revenues that has the highest potential and is the first in contributing to cash income in the State Revenue and Expenditure Budget (APBN). According to Law Number 16 of 2009 concerning the fourth amendment to Law Number 6 of 1983 concerning General Provisions and Tax Procedures in Article 1 paragraph 1, it reads that tax is a mandatory contribution to the state owed by an individual or entity that is coercive under the Act. - Act, by not getting direct compensation and being used for the needs of the state for the greatest prosperity of the people. The State Revenue and Expenditure Budget can be seen if 70% comes from the tax sector, while the rest comes from other sources, including non-tax revenues and grants (Ministry of Finance, 2017).

Tax is a mandatory contribution that must be paid for both of entities or companies as well as individual taxpayers (Ariawan & Setiawan, 2017). Taxes have a very important role and contribution in state revenue. This is evidenced by the realization of the state budget. Change in 2016 which

showed that the taxation sector revenue reached Rp. 1,283.6 trillion or contributed 83.4% of the total state revenue of Rp. 1.551.8 trillion. (www.kemenkeu.go.id, 2017). In various countries, tax revenue is very important to be used for national development activities and a source of funds for public welfare. Therefore, tax has always been the main focus of the government because it is the largest source in the Revised State Budget (APBN-P) (Siswanti & Kis wanto, 2013). Turyatini (2017) states that the development of the quantity of tax revenue is not accompanied by an increase in the growth of tax revenues and the achievement of the target of state tax revenues. On the one side, the government is trying to increase the optimization of tax revenue. The following is data on the effectiveness of tax revenues that have not been optimal during 2015-2019 which are presented in table 1.

Table 1. Tax revenue effectiveness 2015-2019 (in Trillion Rupiah)

Year	Target	Realization	Attainment
2015	1.294,25	1.060,86	82%
2016	1.355,20	1.105,97	82%
2017	1.283,57	1.151,13	90%
2018	1.424,00	1.315,00	92%
2019	1.577,56	806,16	51%

Source: lokadata.id

There are several factors that encourage companies to take tax avoidance measures, including financial distress, profitability and audit quality as well as firm size which moderates financial distress, profitability and company size. The most common thing that drives companies to take tax avoidance is financial distress. Just as the economy in the world will experience conditions above and below, ups and downs and will not always run well. This was also experienced in 2008 during the Global Financial Crisis (GFC) for a company in Australia (Richardson et al., 2015). Due to the pressure of financial distress, it has a significant negative impact on the economy, where investors and creditors may suffer large financial losses (Ghazali et al., 2015). The company will aggressively take tax avoidance actions and ignore the audit risk carried out by the tax authorities (Swandewi & Noviari, 2020). Cita & Supadmi (2019), Putri & Chariri (2017), Swandewi & Noviari (2020) state that financial difficulties affect tax avoidance, but Rani concluded (2017) that financial difficulties have no effect on tax avoidance.

Profitability is the company's ability to generate profits during a certain period (Putra & Jati, 2018). When the company earns high profits, the company also has an obligation to pay high taxes. Therefore, companies are more likely to take tax avoidance actions, so that companies are able to apply taxes applied to the state treasury (Arinda & Dwimulyani, 2018). Profitability affects tax avoidance Putra & Jati, (2018), Ariawan & Setiawan (2017) and Arinda & Dwimulyani (2018). That statement is different from Saputra & Asyik (2017) which states that profitability has no effect on tax avoidance.

Discussion of audit quality is related to the size of the industry specialization of the Public Accounting Firm (Khairunisa et al., 2017). Industry-specific Public Accounting Firms are believed to be able to detect fraud and errors in audited financial statements. This allows companies to have a lower level of fraud in terms of taxation compared to companies audited by non-industrial specialization Public Accounting Firms. Sulistiono (2018), Pujilestari & Winedar (2018) and Yuni & Setiawan (2019) documented that audit quality affects tax avoidance. while the counter result of the statement is expressed by Arinda & Dwimulyani (2018), Sari et al., (2016).

This study aims to examine the determinant of tax avoidance. The independent variables used in this study are financial distress, profitability, and audit quality. While the moderating variable in this study is firm size. This study attempts to test previous findings that firm size moderates the effect of financial distress on tax avoidance. This research is important to be carried out because of the findings of tax avoidance which is suspected of causing state losses to reach Rp. 68.7 trillion per

year. So that the results of this study are expected to be a reference for consideration for companies related to tax decisions that do not harm the state.

Agency Theory

Agency theory explains the relationship between company management (agents) and shareholders (principals) (Jensen & Meckling, 1976). Scott (2012) states that agency problems arise because of differences in interests between shareholders and managers. Shareholders as financiers of capital want to get the maximum profit on their investment returns, while the management authorized to manage the company is assumed to want to get high financial compensation from the company. The existence of agency theory encourages agents to increase company profits.

Tax Avoidance

Tax avoidance is one way to avoid and relieve the tax burden by maximizing the applicable rules that are legal and carried out using methods permitted by tax laws and regulations (Hutapea & Herawaty, 2020). Tax avoidance is carried out by the company solely to minimize legal tax obligations and make various ways so that companies can reduce their tax burden. Therefore, tax avoidance is a unique and complicated issue because on the one hand, tax avoidance does not violate the law, but on the other hand, tax avoidance is not allowed by the government (Rani, 2017).

Financial Distress

Financial distress is a condition where a company experiences a level of decline in financial conditions that occurred before bankruptcy. This condition is usually marked by a decrease in product quality so that it can result in a financial decline. Kusufiyah & Anggraini (2018) explain that the occurrence of financial distress in a company will result in a decrease in company value. Thus, investors will withdraw funds from shares invested in companies that are predicted to experience financial distress. Companies that are in a state of bankruptcy will try to reduce the company's tax burden and the expenditure of company funds in order to overcome the financial problems that are happening (Rani, 2017). In accordance with these reviews, the hypotheses that can be formulated are:
H1: financial distress effect on tax avoidance.

Profitability

Profitability is used as the main ratio in a financial report, because it has the main goal of getting big profits in the company. Profitability within the company is the ability obtained in generating profits for certain periods (Darmayanti & Merkusiawati, 2019). Measurement using profitability ratios is useful to find out how the company's development operates in a certain period of time, either experiencing a decrease or loss or increase or profit. ROA is one of the profitability ratios. The higher the value of the company's ROA, the higher the net profit generated by the company. In general, if the company is at a time of high profit, then the company will have a high tax liability as well in another sense this is directly proportional (Arinda & Dwimulyani, 2018). Based on the description above, the hypotheses that can be formulated are:
H2: profitability effect on tax avoidance.

Audit Quality

Audit quality is a possibility that can occur when the auditor finds errors or fraud when auditing the client's financial statements and reports in the form of audited financial statements (Damayanti & Susanto, 2015). With the audit report is a form of transparency of a company. This transparency can be achieved by reporting matters relating to taxation on the capital market and shareholder meetings. Audit quality is a factor that affects tax avoidance because it is the main indicator in the selection of auditors (Khairunisa et al., 2017). Companies that have good governance and are audited by Big Four Public Accounting Firms tend to have low levels of tax avoidance efforts, when compared to companies audited by Non-Big Four - Public Accounting Firms. Based on the description above, the hypotheses that can be formulated are:

H3: audit quality effect on tax avoidance.

Firm Size

Firm size is the size of a company which is measured by the size of the total assets owned by the company. Asset value is used as a company size because a large company is always identical with a large asset value, so that it can affect a company in decision making (Rani, 2017). According to Bernardin & Indriani (2020) the larger the size of the company, the greater the assets owned by the company. Swandewi & Noviari (2020) explain that tax avoidance is an attempt to reduce tax payment obligations without violating the law, so that when companies make tax payments according to the rules, they reduce the risk of taking tax avoidance actions. With a reduced tax burden, the company will have a sufficient supply of funds to be used to fulfill obligations to management, which includes creditors and investors, so that in conditions of financial difficulty the company will still get recognition.

H4: firm size moderates the effect of financial distress on tax avoidance.

Companies that are included in the scale of large companies are easier to generate corporate profits compared to small companies (Putra & Jati, 2018). Large companies tend not to do tax avoidance aggressively because it can result in an excessive amount of tax burden that will affect finances and profitability.

H5: firm size moderates the effect of profitability on tax avoidance.

Sulistiono (2018) explains that companies that are classified as large companies have abundant assets and will be used to help meet company needs and activities to make good tax planning. Companies that use the services of the Big Four Public Accounting Firms require more substantial costs when compared to companies that use the services of non-Big Four Public Accounting Firms. The larger the size of the company will have a high level of independence so that tax avoidance can be minimized.

H6: firm size moderates the effect of quality on tax avoidance.

METHOD

This type of research is quantitative research with a causal relationship approach (Paramita, Rizal, & Sulistyan, 2021). The population of this research is manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2015-2019 period, namely 52 companies that can be accessed on the official website www.idx.co.id. The research data used as samples are from the annual reports of manufacturing companies in the consumer goods industry sector listed on the Indonesia Stock Exchange (IDX) for the 2015-2019 period, which are 41 companies.

Valensia and Khairani (2019) explain that purposive sampling is a technique or method for taking samples based on criteria and considerations that have been set by the researcher. Sampling criteria can be done as follows:

1. Manufacturing companies on the Indonesia Stock Exchange for the 2015-2019 period.
2. Companies that publish annual reports in certain years in the 2015-2019 period.
3. Companies that are not delisted on the Indonesia Stock Exchange in a certain year in the 2015-2019 period.
4. Companies that do not experience losses in a certain year in the 2015-2019 period.
5. The sample companies publish financial statements in Rupiah in certain years in the 2015-2019 period.

The data used in this study is secondary data, while the source of data is the company's annual report. The authors use multiple linear regression and moderated regression analysis by SPSS v.16 to

analyze data. Before that, the authors processed the data so descriptive statistics can be presented. The authors also conducted classical assumption test as a requirement of multiple linear regression analysis. Classical assumption test consists of normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test.

RESULTS AND DISCUSSION

Descriptive Statistics
Descriptive statistics describe data in which there are maximum values, minimum values, average values, and standard deviations. The following is a table of descriptive statistics generated in the following research:

Table 2. Descriptive Statistics

	N	Min	Max	Mean	Std. Dev
Tax Avoidance	124	0,17	0,42	0,2593	0,03326
Financial Distress	124	0,98	52,21	7,9436	7,86745
Profitabilitas	124	0,00	0,29	0,0862	0,05056
Audit Quality	124	0	1	0,40	0,491
Firm size	124	11,17	13,90	12,4585	0,60395
Valid N *(Listwise)*	124				

Source: Data processed, 2021

The results of table 2 explain that the tax avoidance variable has a minimum value of 0,17; a maximum value of 0,42; an average value of 0,2593 and a standard deviation of 0,03326. The financial difficulty variable produces a minimum value of 0,98; a maximum value of 52,21; and an average value of 7,9436 with a standard deviation of 7,86745. The profitability variable produces a minimum value of 0,00, the maximum value of 0,29 and the average value is 0,0862 with a standard deviation of 0,05056. The audit quality variable produces a minimum value of 0, a maximum value of 1, while the average value is 0,40 with a standard deviation of 0,491. The firm size variable produces a minimum value of 11,17; a maximum value of 13,90; an average value of 12,4585 with a standard deviation of 0,60395.

Classic Assumption Test
Normality Test
Normality test is useful for seeing data that is normally distributed in the regression model. The requirement for a good regression is normal distribution. This test is said to be normally distributed if the sig value is more than 0,05. In the initial normality test, the research data amounted to 172 annual financial reports but the data were not normally distributed so that the researchers reprocessed the data and eliminated the data of 48 company financial statements, so that the financial statement data obtained after the outliers amounted to 124. The following are the results of the Kolmogorv–Smirnov test:

Table 3. Normality Test

One-Sample Kolmogorov-Smirnov Test		Unstandardized Residual
N		124
Normal Parameters[a,b]	Mean	0,0000000
	Std. Deviation	0,03085961
Most Extreme Differences	Absolute	0,104
	Positive	0,104
	Negative	-0,083
Kolmogorov-Smirnov Z		1,153
Asymp. Sig. (2-tailed)		0,140

Source: Data processed, 2021

Table 3 shows that the results of the normality test are known that the Asymp Sig value. (2-tailed) is 0,140, which means it is greater than 0,05 so the conclusion is that the data in this study is normally distributed.

Multicollinearity Test

The multicollinearity test is a test that is carried out to ensure whether or not there is a correlation between the independent variables. A good regression model should not have a correlation between the independent variables. Multicollinearity testing is seen from the tolerance value and Variance inflation factor (VIF) in the following table:

Table 4 Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
Financial Distress	0,792	1,263
Profitability	0,732	1,367
Audit Quality	0,810	1,234
Firm Size	0,825	1,212

Source: Data processed, 2021

The results of table 4 above are the results of each variable. The presence or absence of multicollinearity is seen from the tolerance value, which is $> 0,10$ and the VIF value < 10. The results of this test have no correlation on the independent variables because they have met the standard decision-making criteria for the tolerance value and Variance inflation factor (VIF).

Heteroscedasticity Test

The purpose of the heteroscedasticity test is to test whether in the linear regression model there is an inequality of variation from one observation to another. A good regression model will have homoscedasticity and there will be no heteroscedasticity. The following are the results of heteroscedasticity testing:
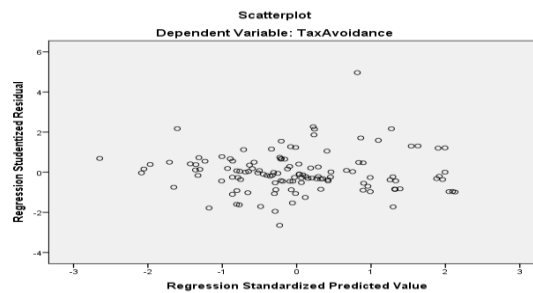

Figure 2. Scatterplot Heteroscedasticity Test
Source: Data processed, 2021

Based on Figure 2. the results of the heteroscedasticity test describe the regression points in the scatterplots scattered randomly above or below the number 0, so the conclusion is that the dependent variable data in this study does not experience heteroscedasticity.

Autocorrelation Test

The autocorrelation test is useful for showing the confounding error in period t with the confounding error in the previous t period. To find out the correlation between the residuals, this study used the Durbin-Watson test. The test results are seen in the table below.

Table 5. Autocorrelation Test

Model	Std. Error of the Estimate	Durbin-Watson
1	0,03137	2,089

Source: Data processed, 2021

The results in table 5 above show the Durbin-Watson test has a value of 2,089. Durbin-Watson significant value is 5%, n = 124 and k = 3, the value of dL = 1,6577 and dU = 1,7567. Then the value of dU is smaller than the value of DW = 2,089 and smaller than 4-dU (4-1,7428 = 2,2433) Du < d < 4-Du = 1,7567 < 2,089 < 2,2433. So it can be concluded that the autocorrelation test in this study is the absence of autocorrelation.

Multiple Linear Regression Test
Multiple regression analysis is used to predict one dependent variable based on two or more independent variables. In addition, regression analysis is used to show the direction of the relationship between the independent variable and the dependent variable (Valensia & Khairani, 2019). The following is the formula for multiple linear regression analysis in this research:

$$Y = \alpha + b1X1 + b2X2 + b3X3 + e$$

Y	:	Tax Avoidance
A	:	Constanta
B_{1-3}	:	Regression Coefficient
X_1	:	Financial Distress
X_2	:	Profitability
X_3	:	Audit Quality
E	:	error

Table 6. Multiple Linear Regression Test

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	0,269	0,006	
	Financial Distress	6,193E-005	0,000	0,015
	Profitability	-0,215	0,064	-0,326
	Audit Quality	0,020	0,006	0,295

Source: Data processed, 2021

According to table above, the regression equation can be arranged as follows: Y = α + β1X1 + β2X2 + β3X3 + e. Tax avoidance = 0,269 + 6,193E-005 Financial Distress – 0,215 Profitability + 0,020 Audit Quality. From the multiple regression equation, it is known that the dominant variable is profitability (-0,215). Profitability has a negative effect on tax avoidance. If the profitability increases by one percent, it will decrease the earning tax ratio (as a proxy for tax avoidance) by 0,215 percent.

Moderated Regression Analysis (MRA) Test
The following is the Moderated Regression Analysis (MRA) equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \dots\dots\dots\dots\dots\dots\dots (1)$$
$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 \dots\dots\dots\dots\dots\dots\dots\dots (2)$$
$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_{4*} Z + \beta_5 X_1 * Z + \beta_6 X_2 * Z + \beta_3 X_3 * Z + e \dots\dots\dots (3)$$

Table 7. t Statistical Test Results (Equation 1)

	Model	t	Sig.
1	(Constant)	47,331	0,000
	Financial Distress	0,153	0,878
	Profitability	-3,367	0,001
	Audit Quality	3,264	0,001

Source: Data processed, 2021

Financial Distress has t count of 0,153 and t table of 1,979. Significant value 0,878 greater than 0,05 so that it is concluded that financial distress has no effect on tax avoidance. Hypothesis 1 is rejected. Companies that are in a state of financial distress will increase efforts to minimize the burden or cash expenditure of the company in order to overcome the company's financial problems. This can be triggered by the tendency of companies when experiencing financial distress, so that the desire to take tax avoidance actions is reduced. Financial distress cause companies that suffer losses to be free from the burden of income tax and the company will get compensation facilities for experiencing losses in the future. The results of this study are in accordance with research conducted by Rani (2017). However, it is different from research conducted by Cita & Supadmi (2019), Putri & Chariri (2017), Swandewi & Noviari (2020) which state that financial distress affect tax avoidance.

Profitability has t count of -3,367 and t table of 1,979. Significant value 0,001 smaller than 0,05 so that it is concluded that profitability has an effect on tax avoidance. Hypothesis 2 is accepted. Profitability has an effect on tax avoidance. The conditions experienced by the company resulted in efforts to take tax avoidance actions taken by managers in order to minimize the company's tax burden which continued to increase as the company's profits grew (Yuni & Setiawan, 2019). The results of this study are in accordance with research conducted by (Ariawan & Setiawan, 2017; Arinda & Dwimulyani, 2018; Darmayanti & Merkusiawati, 2019; Hutapea & Herawaty, 2020; Pratama & Murtin, 2020; Putra & Jati, 2018; Sulistiono, 2018; Yuni & Setiawan, 2019). However, it is different from research conducted by (Saputra & Asyik, 2017).

Audit quality has t count of 3,264 and t table of 1,979. Significant value 0,001 smaller than 0,05 so that it is concluded that audit quality has an effect on tax avoidance. Hypothesis 3 is accepted. Audit quality has an effect on tax avoidance. The higher the audit quality, the lower the tendency to minimize the tax burden by exploiting tax avoidance. The results of this study are in accordance with research conducted by (Khairunisa et al., 2017; Pujilestari & Winedar, 2018; Sulistiono, 2018). However, it is different from research conducted by (Arinda & Dwimulyani, 2018; Sari et al., 2016).

Table 8. MRA Test Result (Equation 2)

	Model	T	Sig.
	(Constant)	5,241	0,000
	Financial Distress	0,121	0,904
1	Profitability	-3,072	0,003
	Audit Quality	3,395	0,001
	Firm Size	-0,943	0,348

Source: Data processed, 2021

Table 9. MRA Test Result (Equation 3)

	Model	t	Sig.
	(Constant)	3,598	0,000
	Financial Distress	-0,418	0,677
	Profitability	-0,250	0,803
	Audit Quality	-0,440	0,661
	Firm Size	-1,396	0,165
1	Financial Distress * Firm Size	0,421	0,674
	Profitability * Firm Size	0,145	0,885
	Audit Quality * Firm Size	0,573	0,568

Source: Data processed, 2021

The interaction variable of firm size with financial distress has a t count value of 0,421 while t table is 1,979 so that t count < t table. The significant value is 0,647 > 0,05 meaning that the firm size is

not able to moderate the effect of financial distress on tax avoidance. H4 is rejected. According to Swandewi & Noviari (2020) when the company is in a fairly large bankruptcy condition, the company will tend to take tax avoidance actions and ignore the audit risk provided by the tax authorities. As a result of the pressure of financial distress that are influenced by the company, it will have a significant negative impact on the economy, where an investor and creditor can experience large financial losses (Ghazali et al., 2015). With this incident, companies that experience losses will easily be free from the tax burden and the company will also get compensation facilities for losses that occur in the future.

The interaction variable of firm size with profitability has a t count value of 0,145 while t table is 1,979 so that t count < t table. The significant value is 0,885 > 0,05 meaning that the firm size is not able to moderate the effect of profitability on tax avoidance. H5 is rejected. Companies that have large assets tend to always receive government supervision regarding tax payments made, so that company management will always try to avoid tax avoidance actions because they are able to meet the company's burden and company needs. The larger the size of the company, the smaller the probability in carrying out tax avoidance practices. In contrast to research by Sulistiono (2018), Hutapea & Herawaty (2020), Yuni & Setiawan (2019), Putra & Jati (2018) that firm size is able to weaken the relationship between profitability and tax avoidance.

The interaction variable of firm size with audit quality has a t count value of 0,573 while t table is 1,979 so that t count < t table. The significant value is 0,568 > 0,05 meaning that the firm size is not able to moderate the effect of audit quality on tax avoidance. H6 is rejected. This is different from the research conducted by Sulistiono (2018) which states that there is no significant negative effect on the audit quality variable moderated by company size on tax avoidance. Companies that are classified as large companies will have more advantages that can be used to meet certain goals, such as planning tax payments according to regulations to avoid tax avoidance practices.

The type of moderation in this hypothesis can be seen in tables 9 and 10, namely the level of significance of firm size (Z) greater than 0,05 meaning it is not significant. Firm size is not proven as an independent variable. The interaction variable (X1*Z, X2*Z and X3*Z) has the level of significance greater than 0,05 meaning not significant. Because Z and X1*Z, X2*Z, X3*Z are not significant, the type of moderation in this study is potential moderation (homologizer moderator) where this variable does not interact with the independent variable and has no significant relationship with the dependent variable.

Coefficient of Determination
Coefficient of determination seen from the value of Adjust R2, as presented in the following table:

Table 10. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,373[a]	0,139	0,110	0,03137

Source: Data processed, 2021

Based on table 11 above, it is known that Adjust R Square is 0,110. Independent variables can explain the effect of 11% on the dependent variable (tax avoidance), then 89% is influenced by other variables that have not been studied in this study.

CONCLUSION

Tax avoidance is one way to do taxes from the nominal that should be, but legally by taking advantage of loopholes in the tax law. This study examines the effect of financial distress, profitability, and audit quality on tax avoidance and firm size as moderating variables in

manufacturing companies in the consumer goods industry sector on the IDX for the 2015-2019 period. The conclusion of this study is that the financial distress variable has no significant effect on tax avoidance. Related to the absence of financial distress, companies that suffer losses will be released from the tax burden given and the company will also receive compensation for losses in the future. Profitability variables have a significant effect on tax avoidance. A condition in which management (agent) will be motivated to increase the company's profits and the company's total expenses, so that there is a possibility of the company's efforts to do tax avoidance. The audit quality variable has an effect on tax avoidance. The higher audit quality, the lower the tendency to minimize the tax burden by utilizing tax avoidance. Firm size is not able to moderate the effect of financial distress on tax avoidance. This is because if a company takes tax avoidance, the company will bear the risk of a bad image of the company. Firm size is not able to moderate the effect of profitability on tax avoidance. This is because companies that have large assets tend to always receive strict supervision from the government regarding tax payments, so that company management avoids tax avoidance practices. Firm size is not able to moderate the effect of audit quality on tax avoidance. Companies that are classified as large-scale will tend to have large assets and profits that can be used to meet certain goals such as planning tax payments according to tax rules so that they can avoid tax avoidance.

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