INCOME : Jurnal Akuntansi dan Keuangan
Volume 6 Nomor 2 Agustus 2025
e-ISSN: 2460-1357, Hal 110-129
DOI: https://doi.org/10.38156/akuntansi.v6i2
Available online at: https://doi.org/10.38156/akuntansi.v6i2.625

ANALYSIS OF THE IMPACT OF PROFITABILITY, LEVERAGE AND FINANCIAL DISTRESS ON TAX AVOIDANCE IN FOOD & BEVERAGE COMPANIES ON THE IDX (2019-2023)

Riduwan

Institut Agama Islam YPBWI Surabaya, Indonesia

Jl Wedoro PP Blok PP No 66, Sidoarjo
Korespondensi penulis: ridwan.zainal05@gmail.com

Abstract. *This research aims to analyze the influence of Profitability, Leverage, and Financial Distress on Tax Avoidance in food and beverage sub-sector companies listed on the Indonesia Stock Exchange from 2019 to 2023. This type of research uses statistics with a quantitative approach. The data collection technique employs the documentation method, which involves collecting data from financial reports published on the official IDX website. The sample size in this study is 110 reports from 22 food and beverage sub-sector companies listed on the IDX in 2022-2023. Purposive sampling is used as the sampling determination technique with certain criteria, and multiple regression analysis is used. Data analysis is conducted with the aid of SPSS software version 27. The research results show that partially only the Leverage variable has no effect, while the Profitability and Financial Distress variables have an impact on Tax Avoidance. Simultaneously, Profitability, Leverage, and Financial Distress affect Tax Avoidance in food and beverage sub-sector companies listed on the Indonesia Stock Exchange from 2019-2023. These findings provide input for investors and corporate management in strategic decision-making.*

Keywords: *Profitability, Leverage, Financial Distress, Tax Avoidance*.

INTRODUCTION

Tax is one of the important components in the Indonesian economy. According to Law (UU) Number 28 of 2007 clause 1 verse 1 , Tax is a mandatory contribution to the state owed by individuals or entities that is coercive in nature, without receiving direct compensation and is used for state needs for the greatest prosperity of the people.

Taxes are used exclusively to meet the needs of the prosperity and welfare of the state, one of which is to finance the development of a country. In financing the development of a country, taxes have a significant contribution to state revenues so that they become a mainstay in the State Budget (APBN). Therefore, as tax-paying citizens, we must comply with tax payments so that the needs for national development can be carried out without the hindrance of funding shortages. Article 23A of the 1945 Constitution Amendment III states, 'Taxes and other levies are mandatory for the needs of the state as regulated by law'; this is the regulation for tax collection.

According to Prof. Dr. H. Rochmat Soemitro SH (2020) in Wati's (2020) research, tax is the wealth from the people to the state treasury to finance routine expenditures, and its surplus is used for public saving, which is the main source for financing public investment. By paying taxes, we can support the government in implementing government-sponsored programs to improve the welfare of the Indonesian people.

Based on the explanation above, it is evident that state revenue is fully dominated by the tax sector. The following is information on the presentation of tax revenue against state APBN revenue over the last five years presented in the table as comparative information as follows :

Tabel Target dan Realisasi Penerimaan Pajak Tahun 2019-2023

(*Dalam Triliun Rupiah)

Tahun	Pendapatan Negara	Penerimaan Perpajakan	%	Target Pajak
2019	1.960,6	1.546,1	78,9%	1.786,4
2020	1.647,7	1.285,1	77,9%	1.404,5
2021	2.011,3	1.547,8	76,9%	1.444,5
2022	2.635,8	2.034,5	77,1%	1.784,0
2023	2.637,2	2.118,3	80,3%	1.869,6

Sumber : www.bps.go.id dan https://komwasjak.kemenkeu.go.id

The table shows that tax revenues play an important role for the Indonesian state revenue, which each year reaches 76% to 80% calculated by the way tax revenue divided by state revenue, while the remaining state revenue comes from non-tax revenue. From the table above, we can see that the percentage of actual tax revenue realization has some that meet the target and some that do not. From 2019 to 2020, the realization of tax revenue did not meet the expected target, meaning it fell short of the target. However, from 2021 to 2023, the realization met the target, indicating that tax revenue realization was in line with the expected target. The highest tax revenue realization occurred in 2023, amounting to 2,118.3 trillion Rupiah. Meanwhile, the lowest tax revenue realization obtained by the state within the five-year scope was in 2020, amounting to 1,285.1 trillion Rupiah.

For its development, revenue from the taxation sector has been quite fluctuating but does not have a significant difference between one year and another. However, optimizing revenue collection in the taxation field faces various obstacles. This is due to

the difference in goals between the government and taxpayers (in this case, corporations) Sianturi et al (2021). The government needs to increase revenue every year to finance state expenditures such as development and the administration of government, which aims to promote the welfare of the Indonesian people Yuniar et al (2021). Meanwhile, businesses (taxpayers) are focused on maximizing profits through cost efficiency; they perceive taxes as a burden that will reduce profits and do not receive direct compensation when businesses pay taxes Suranta et al (2021). The failure of the government's tax revenue realization raises the question of whether taxes are not being optimally collected or if taxpayers are engaging in tax evasion.

Tax Avoidance

Tax avoidance is an effort to evade taxes that is carried out in a safe and legal manner for taxpayers because it does not violate tax regulations. The techniques and methods employed tend to exploit weaknesses in the laws and regulations of taxation to reduce the amount of tax owed. Based on this explanation, it can be concluded that tax avoidance is an effort to evade taxes that has an effect on tax obligations conducted within the framework of tax regulations. The methods and techniques are performed by leveraging weaknesses in the laws and tax regulations to decrease the amount of tax owed. Ellen Dwi Lestari Liani and Lilis Karlina (2023). The Tax Committee of the Organization for Economic Co-operation and Development (OECD) mentions three characteristics of tax avoidance :

a. There are artificial elements where various agreements seem to be hindered when in fact they are not, this is due to the absence of tax elements.
b. Systems like this often exploit legal loopholes or apply legal provisions for various purposes, but in reality, this is not the intention of the lawmakers.
c. Confidentiality also applies one form of this system, where consultants often offer tools or methods to avoid taxes on the condition that the taxpayers keep it confidential.

Tax avoidance also imposes a burden that must be borne, namely the sacrifice of time, effort, and risk if the tax avoidance is revealed. These risks range from visible risks, such as interest and penalties, to intangible risks, such as loss of company reputation, which negatively impacts the company’s ability to continue its business in the long term.

According to Mardiasmo (2019), Tax Avoidance is an effort to lighten the tax burden without violating the law. Indicators in measuring tax avoidance can include formulas such as Cash Effective Tax Rate (CETR), Effective Tax Rate (ETR), and Book Tax Difference (BTD). This study uses CETR because CETR is the average tax rate imposed on an individual or company. The lower the CETR value, the greater the company's ability to avoid taxes, and conversely, the higher the CETR value, the lower the company's ability to avoid taxes.This size can illustrate corporate tax avoidance and this proxy is in accordance with the regulations currently applicable in Indonesia. Therefore, the CETR index is chosen as an index of tax avoidance behavior.

Profitability

Profitability is a company's ability to generate profits that enhance stakeholder value. These profits can be obtained by utilizing the resources owned by the company, such as assets, capital, or sales Juneartha and Dewi (2019). This ratio also measures the level of effectiveness in management of a company. This is reflected in sales profits and investment income. The key is that the use of this ratio demonstrates the efficiency of the company. Using profitability ratios can be done by comparing the components that are found in financial statements, especially the balance sheet and income statement Sari and Febrianti (2021).

Profitability can be measured at many stages of operation. It is intended to observe the growth of a business or company over a certain period of time. The results of this assessment can provide insights into the management's performance thus far, whether management has executed its duties well or not. If the evaluation meets the established targets, it means that management has successfully achieved the targets for the next period. Profitability can be achieved by measuring the size of operating profit, net profit, and equity withdrawal rate. Profitability ratios can illustrate a company's ability to generate profit according to Laksono and Kusumaningtias (2021).

If the profitability assessment yields a high value, it proves that the company's prospects are good. There are several commonly used methods to measure a company's profitability, namely: Return on Assets (ROA), Return on Equity (ROE), Gross Profit Margin (GPM), Earnings per Share (EPS), Net Profit Margin (NPM). In this study, profitability will be calculated using the ROA ratio. This ratio can measure the company's overall ability to generate profits with the total assets available in the company.

Leverage

Leverage, or commonly referred to as debt, is an internal factor in the company. Companies with a large amount of debt will have a low value in tax payments and will create a high value in tax avoidance. Leverage policy is the level of debt used by companies to finance their activities, according to Fauzan et al (2019). There are several methods commonly used to measure a company's leverage, namely: Debt to Asset Ratio, Debt to Equity Ratio, Long-Term Debt to Equity Ratio. In this study, the leverage ratio that will be used is the debt to equity ratio. The debt to equity ratio is a ratio where a lower result is considered better, as it is safer for creditors during liquidation. The Debt to Equity Ratio represents the ratio that looks at the comparison of a company's debt, obtained from the total debt divided by total equity.

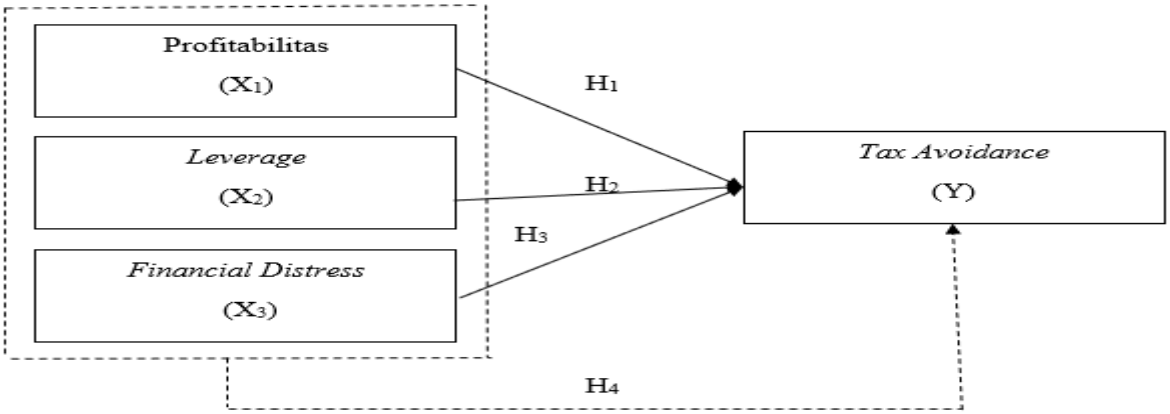
Financial Distress

According to research by Hendro Lukman (2021), financial distress is a term that describes a situation where a company is unable to meet its financial obligations as previously determined. Financial difficulties are a prerequisite for the occurrence of a company's bankruptcy, which is marked by consecutive negative profits suffered by the company. As a result, the company lacks sufficient financial resources to meet its obligations.

The research was conducted by Pratiwi et al (2019). Financial crisis or financial distress is a period of reduced capital that occurs before a company is declared bankrupt or liquidated. Financial difficulties can range from short-term liquidity issues, considered to be mild financial distress, to bankruptcy, which is regarded as severe financial distress. Jonathan Robert Junior and Henryanto Wijaya (2022) also added that one of the causes of financial distress is economic factors at 37% and financial factors at 47.3%, as well as negligence, natural disasters, and fraud at 14%. Economic factors include poor location and weak industry, while financial factors include excessive debt and insufficient capital.

There are several commonly used methods to measure a company's financial distress, including: the Altman Model (1968), the Revised Altman Z-Score Model (1983), the Modified Altman Model (1995), the Springate Model (1978), the Ohlson Model (1980), the Zmijewski Model (1984), the Zavgren Model (1985), and the Grover Model (2003). In this study, financial distress will be calculated using the Revised Altman Z-Score Model from 1983, because the Revised Altman Z-Score Model from 1983 has an

accuracy rate of 95%. This calculation model seeks the value of 'Z', which will indicate the business condition based on the interpretation of the model's calculation results. The Altman Model has been revised multiple times and can be applied to any business. In this study, the Altman model used is the Revised Altman Z-Score Model (1983). Based on the theories that have been outlined, a conceptual framework can be drawn to facilitate analysis using the conceptual model. The conceptual model in this research can be seen as a picture :



Conceptual Framework Diagram

RESEARCH METHOD

This research uses an associative quantitative approach where the aim is to test hypotheses and to understand the influence or relationship between two or more variables. According to Sugiyono (2020:16), quantitative research is a method based on positivist philosophy, used to study a particular sample population, data collection using research instruments, data analysis is quantitative or statistical in nature with the aim of testing the hypotheses that have been applied. The research population consists of manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) from 2019 to 2023. The sample in this research consists of 110 reports obtained from 22 manufacturing companies in the food and beverage sub-sector listed on the IDX from 2019 to 2023. The analysis techniques used are multiple linear regression and path analysis with the help of SPSS version 27.

Table of manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange in 2022-2023 that meet the criteria

No	Kode	Nama Perusahaan

1	ADES	PT. Akasha Wira Intenational Tbk.
2	BISI	PT. BISI International Tbk.
3	CAMP	PT. Campina Ice Cream Industry Tbk.
4	CEKA	PT. Wilmar Cahaya Indonesia Tbk.
5	DLTA	PT. Delta Djakarta Tbk.
6	GOOD	PT. Garudafood Putra Putri Jaya Tbk.
7	INDF	PT. Indofood Sukses Makmur Tbk.
8	KEJU	PT. Mulia Boga Raya Tbk.
9	LSIP	PT. PP London Sumatra Indonesia Tbk
10	MYOR	PT. Mayora Indah Tbk.
11	ROTI	PT. Nippon Indosari Corpindo Tbk.
12	SKBM	PT. Sekar Bumi Tbk.
13	STTP	PT. Siantar Top Tbk.
14	TBLA	PT. Tunas Baru Lampung Tbk.
15	TGKA	PT. Tigaraksa Satria Tbk.
16	ULTJ	PT. Ultrajaya Milk Industry & Trading Company Tbk.
17	AALI	PT. Astra Agro Lestari Tbk.
18	CPIN	PT. Charoen Pokphand Indonesia Tbk.
19	JPFA	PT. Japfa Comfeed Indonesia Tbk.
20	BUDI	PT. Budi Starch & Sweetener Tbk.
21	SSMS	PT. Sawit Sumbermas Sarana Tbk.
22	ICBP	PT. Indofood CBP Sukses Makmur

Source : www.idx.co.id

RESULTS AND DISCUSSION

Descriptive Statistical

Test Table of Descriptive Statistics Output

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Profitabilitas	110	.00	.22	.0915	.05349
Leverage	110	.10	4.94	.7295	.68071
Financial Distress	110	.79	9.09	3.3263	1.57505
Tax Avoidance	110	.01	3.46	.4215	.62999
Valid N (listwise)	110				

Sumber: *Output* SPSS 27.

Based on the results of data processing in the table, the results of the descriptive statistical test can be explained as follows:

a. The number of samples used in this study is 110 samples over a period of 5 years from 2019 to 2023.

b. The results of the calculation for the Tax Avoidance variable, as shown in the table above, have a minimum value of 0.01, a maximum of 3.46, a mean (average) of 0.4215, and a standard deviation of this variable is 0.62999.

c. The results of the calculation for the Profitability variable, as shown in the table above, have a minimum value of 0.00, a maximum of 0.22, a mean (average) of 0.0915, and a standard deviation of this variable is 0.05349.

d. The results of the calculation for the Leverage variable, as shown in the table above, have a minimum value of 0.10, a maximum of 4.94, a mean (average) of 0.7295, and a standard deviation of this variable is 0.68071.

e. The results of the calculation of the Financial Distress variable can be seen in table 4.7 above which has a minimum value of 0.79, a maximum of 9.09, a mean (average) of 3.3263, and the standard deviation of this variable is 1.57505.

Normality Test

Uji Kolmogorov-Smirnov

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			110
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		.00398983
Most Extreme Differences	Absolute		.083
	Positive		.083
	Negative		-.042
Test Statistic			.083
Asymp. Sig. (2-tailed)[c]			.063
Monte Carlo Sig. (2-tailed)[d]	Sig.		.065
	99% Confidence Interval	Lower Bound	.058
		Upper Bound	.071

a. Test distribution is Normal.

b. Calculated from data.
c. Lilliefors Significance Correction.

Source : *Output* SPSS 27.

Based on the data processing results in the table above, the Kolmogorov-Smirnov test shows that the Asymp. Sig. (2-tailed) value is 0.065 > 0.05, so it can be concluded that the regression equation model is normally distributed.

Multikolinearitas Test

Multikolinearitas Test Table

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Profitabilitas	.638	1.569
	Leverage	.595	1.681
	Financial Distress	.500	2.001

a. Dependent Variable: Tax Avoidance

Sumber : *Output* SPSS 27 data diolah.

The table above shows that the Tolerance value for the Profitability variable (X1) = 0.638 > 0.1, Leverage (X2) = 0.595 > 0.1, and Financial Distress (X3) = 0.500 > 0.1. For the VIF values of the Profitability variable (X1) = 1.569 < 10, Leverage (X2) = 1.681 < 10, and Financial Distress (X3) = 2.001 < 10. Therefore, it can be interpreted that there is no multicollinearity in the data above.

Auto Correlation Test

Auto Correlation Test Table

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.574[a]	.329	.303	.52779	2.053

a. Predictors: (Constant), LAG_Y, Financial Distress, Profitabilitas, Leverage
b. Dependent Variable: Tax Avoidance

Source : *Output* SPSS 27

Based on the table above, the results of the autocorrelation test indicate that the Durbin Watson value is 2.053, while referring to the DW for three independent variables (K) = 3 and the sample size is 110, at a significance level of 0.05 it is obtained :

dL (K3) = 1,6336

dU (K3) = 1,7455

DW = 2,053

4 – DU = 4 – 1,7455 = 2,2545

Thus, the value of DW lies between dU < DW < 4 - dU = 1.7455 < 2.053 < 2.2545, which indicates that there is no autocorrelation.

Heteroskedastisitas Test

Heteroskedastisitas Test Table

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	.458	.201		2.274	.025
	Profitabilitas	1.842	1.179	.187	1.562	.121
	Leverage	-.076	.096	-.098	-.794	.429
	Financial Distress	-.069	.045	-.207	-1.531	.129

a. Dependent Variable: ABS_RES

Source : *Output* SPSS 27.

Based on the table above, the results of the heteroscedasticity test show that the significant value for the Profitability variable is 0.121 > 0.05, the Leverage variable is 0.429 > 0.05, and the Financial Distress variable is 0.129 > 0.05. Therefore, it can be concluded that the results indicate that there is no occurrence of heteroscedasticity.

Multiple Linear Regression Analysis.

Multiple Linear Regression Analysis Table

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.421	.049		8.618	.000

	Profitabilitas	.879	.286	.354	3.074	.003
	Leverage	.014	.023	.070	.587	.558
	Financial Distress	.027	.011	.320	2.458	.016

a. Dependent Variable: *Tax Avoidance*
Source : *Output* SPSS 27.

Based on the table above, the results of the multiple linear regression test can be used to determine the relationship between the independent variables and the dependent variable with the regression equation as follows:

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$

Keterangan :

Y	= *Tax Avoidance*
α	= Konstanta
X_1	= Profitabilitas
X_2	= *Leverage*
X_3	= *Financial Distress*
$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5, \beta_6$	= Koefisien Regresi (x)
e	= *Error*

From the results of the regression equation above, it can be analyzed as follows: a. The constant value

(a) is 0.421, meaning that if all independent variables Profitability (X1), Leverage (X2), and Financial Distress (X3) are 0, then the value of the dependent variable Tax Avoidance (Y) will be 0.421.

b. The regression coefficient value for Profitability (X1) is 0.879, which means that an increase in the Profitability (X1) variable will increase the dependent variable Tax Avoidance (Y) by 0.879.

c. The regression coefficient value for Leverage (X2) is 0.014, which means that an increase in the Leverage (X2) variable will increase the dependent variable Tax Avoidance (Y) by 0.014.

d. The regression coefficient value for Financial Distress (X3) is 0.027, which means that an increase in the Financial Distress (X3) variable will increase the dependent variable Tax Avoidance (Y) by 0.027.

Hypothesis Test

Parsial Test

Parsial Test Table

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.421	.049		8.618	.000
	Profitabilitas	.879	.286	.354	3.074	.003
	Leverage	.014	.023	.070	.587	.558
	Financial Distress	.027	.011	.320	2.458	.016

a. Dependent Variable: *Tax Avoidance*
Source : *Output* SPSS 27.

Based on the table above, it can be seen that the influence of each independent variable on the dependent variable (partially) is as follows:

1. Profitability Variable (X1)

   Based on the t-test using SPSS version 27 above, the Profitability variable (X1) has a calculated t value of 3.074 and a table t value of 1.98260 with a significance level of 0.003. Since the calculated t value is greater than the table t value, namely 3.074 > 1.98260, with a significance level of 0.003 < 0.05, it can be concluded that Profitability (X1) has an effect on Tax Avoidance (Y), which means H0 is rejected and H1 is accepted.

2. *Leverage Variable* (X_2)

   Based on the t-test using SPSS version 27 above, the Leverage variable (X2) obtained a calculated t value of 0.587 and a table t value of 1.98260 with a significance level of 0.558. Since the calculated t value is smaller than the table t value, that is, 0.587 < 1.98260, with a significance level of 0.558 > 0.05, it can be concluded that Leverage (X2) does not affect Tax Avoidance (Y), which means that H0 is accepted and H2 is rejected.

3. Financial Distress variable (X3)

   Based on the t-test using SPSS version 27 above, the Financial Distress variable (X3) obtained a calculated t value of 2.458 and a table t value of 1.98260 with a significance level of 0.016. Since the calculated t value is greater than the table t value, that is, 2.458 > 1.98260, with a significance level of 0.016 < 0.05, it can be

concluded that Financial Distress (X3) affects Tax Avoidance (Y), which means that H0 is rejected and H3 is accepted.

Simultan Test

SimultanTest Table

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.200	3	.067	3.392	.021[b]
	Residual	2.084	106	.020		
	Total	2.284	109			

a. Dependent Variable: *Tax Avoidance*

b. Predictors: (Constant), Financial Distress, Profitabilitas, Leverage

Source : *Output* SPSS 27.

Based on the output results of the table above, it can be seen that the significance value of the test yields a calculated F value of 3.392. Thus, the calculated F value is greater than the table F value, which is 2.69. The significance value obtained is 0.021, so this significance value is less than 0.05. Because (significance value < 0.05 = 0.021 < 0.05) and (calculated F > table F = 3.392 > 2.69), H0 is rejected and H4 is accepted.

Determination Coefficient Test.

Determination Coefficient Test Table

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.806[a]	.650	.640	.03187

a. Predictors: (Constant), Financial Distress, Profitabilitas, Leverage

Source : *Output* SPSS 27.

Based on the coefficient of determination test above, it is known that the R-Square value is 0.65. This means that the influence of independent variables simultaneously on the dependent variable is 65%, while the remaining 35% is influenced by other factors not studied in this research.

Discussion

Interpretation of the Effect of Profitability on Tax Avoidance

Based on the t-test using SPSS version 27 shows that in the table, the Profitability variable (X1) has a t-value of 3.074 and a t-table value of 1.98260 with a significance level of 0.003. Since the t-value is greater than the t-table value, namely 3.074 > 1.98260 with a significance level of 0.003 < 0.05, it can be concluded that Profitability (X1) has an effect on Tax Avoidance (Y), which means H0 is rejected and H1 is accepted. Thus, it can be concluded that Profitability has a partial effect on Tax Avoidance in manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange from 2019 to 2023.

This study supports the research conducted by Mahdiana and Amin (2020) which states that profitability has a positive and significant effect on tax avoidance. Similarly, the study conducted by Sulaeman (2021) shows that profitability has a significant positive effect on tax avoidance. Therefore, we can conclude that profitability has a positive impact. According to signaling theory, stable profitability will be criteria for investors to assess the quality of a company's capital management. If the company is of high quality, it will send a good signal to investors to make investment decisions, and the company's value will increase. However, high profits mean that the company incurs a higher tax burden. Therefore, the company seeks to minimize its tax burden by exploiting the weaknesses of existing tax regulations or by engaging in tax avoidance.

Interpretation of the Influence of Leverage on Tax Avoidance

Based on t-test using SPSS version 27, in the table, the Leverage variable (X2) shows a t calculated value of 0.587 and a t table value of 1.98260 with a significance level of 0.558. Since the t calculated value is smaller than the t table value, that is 0.587 < 1.98260 with a significance level of 0.558 > 0.05, it can be concluded that Leverage (X2) does not have an effect on Tax Avoidance (Y), which means H0 is accepted and H2 is rejected. Thus, it can be concluded that Leverage does not have a partial effect on Tax Avoidance in manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange in the year 2019-2023. The research conducted by A. Y. Sari and Kinasih (2021) shows that leverage does not affect tax avoidance**.** In his research, a

significance level of 0.062 > 0.05 was obtained. This indicates that the higher the leverage, the lower the tax avoidance. Therefore, H2, which states that leverage affects tax avoidance, cannot be accepted or is unproven.

Leverage is a ratio used to measure a company's debt used for both short-term and long-term operational financing. The leverage variable does not affect tax avoidance transactions. This is because higher debt does not impact tax avoidance practices. This situation exists because with increasing company debt, the management will be cautious in making decisions regarding financial reporting. Managers are more selective to avoid choosing higher risks in tax avoidance activities to minimize tax burdens. If the company's debt level is high, it will result in significant losses for the company.

Thus, this study also proves that leverage does not affect tax avoidance because the greater the use of debt, the greater the interest burden that the company has to bear. Therefore, the interest burden, which is a deductible expense, can reduce the taxable income of the company, resulting in less tax payable. This scheme is one of the actions that a company can take because it does not violate the applicable tax regulations.

Interpretation of the Impact of Financial Distress on Tax Avoidance.

Based on the t-test using SPSS version 27, the Financial Distress (X3) variable obtained a calculated t-value of 2.458 and a t-table value of 1.98260 with a significance level of 0.016. Because the calculated t-value is greater than the t-table value, 2.458 > 1.98260, and the significance level 0.016 < 0.05, it can be concluded that Financial Distress (X3) has an effect on Tax Avoidance (Y), meaning H0 is rejected and H3 is accepted. Therefore, it can be concluded that Financial Distress has a partial effect on Tax Avoidance in manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange from 2019 to 2023.

This research is in line with the study conducted by Swandewi and Amin (2020) which concluded that financial distress has a positive and significant effect on tax avoidance. Their research explains that tax avoidance is influenced by the condition of financial distress. Financial distress is a state where the financial position is declining before bankruptcy occurs. When a company is in a financial crisis, it will try to minimize its expenses, one of which is tax costs. Companies in this condition can take tax avoidance

actions. Through tax avoidance actions, the tax burden will also decrease, allowing companies facing financial difficulties to have surplus funds to meet and settle their obligations to creditors, investors, and other related parties in order to ensure the company's survival.

The results of this study are in line with the legitimacy theory which explains that companies will always strive to gain recognition (legitimacy) to sustain their existence. Through tax avoidance, companies attempt to survive and, by meeting their obligations during financial difficulties, to obtain legitimacy or recognition. The signaling theory explains that stable profitability becomes a criterion for investors to assess the quality of a company's capital management. If a company is of high quality, it will send positive signals to investors for making investment decisions, and the company's value will increase. However, high profits mean the company bears a higher tax burden. Therefore, companies seek to minimize their tax burden by exploiting weaknesses in the prevailing tax regulations or through tax avoidance.

Interpretation of the Influence of Profitability, Leverage, and Financial Distress on Tax Avoidance

The results of the F-statistic analysis showed an F value of 3.392 with a significance value of 0.021, where the significance value is less than 0.05. The results of the coefficient of determination analysis showed an R square value of 0.65. This means that the influence of independent variables simultaneously on the dependent variable is 65%, while the remaining 35% is influenced by other factors not studied in this research. Thus, it can be concluded that H0 is rejected and H4 is accepted. Therefore, the variables of Profitability, Leverage, and Financial Distress have a simultaneous effect on Tax Avoidance in manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange from 2019 to 2023.

CONCLUSIONS AND RECOMMENDATIONS

Based on the research results that have been conducted, it can be concluded that Profitability affects Tax Avoidance in food and beverage sub-sector companies listed on the Indonesia Stock Exchange from 2019 to 2023. Leverage does not affect Tax Avoidance in food and beverage sub-sector companies listed on the Indonesia Stock

Exchange from 2019 to 2023. Financial Distress affects Tax Avoidance in food and beverage sub-sector companies listed on the Indonesia Stock Exchange from 2019 to 2023. Profitability, Leverage, and Financial Distress simultaneously affect Tax Avoidance in food and beverage sub-sector companies listed on the Indonesia Stock Exchange from 2019 to 2023. Partially, only the Leverage variable does not have an impact, while Profitability and Financial Distress variables do affect Tax Avoidance. For the company's management, it should carefully consider the tax planning developed and pay attention to every action taken to ensure compliance with tax regulations and legal provisions. We must remember, although tax avoidance is a legitimate action, it can be detrimental to the state.

REFERENCES

Cahya Dewanti, I. G. A. D., & Sujana, I. K. (2019). Pengaruh Ukuran Perusahaan, Corporate Social Responsibility, Profitabilitas dan Leverage pada Tax Avoidance. *E-Jurnal Akuntansi*, *28*, 377. https://doi.org/10.24843/eja.2019.v28.i01.p15

Dwiyanti, I. A. I., & Jati, I. K. (2019). Pengaruh Profitabilitas, Capital Intensity, dan Inventory Intensity pada Penghindaran Pajak. *E-Jurnal Akuntansi*, *27*, 2293. https://doi.org/10.24843/eja.2019.v27.i03.p24

Ellen Dwi Lestari Liani, & Lilis Karlina. (2023). Pengaruh Komite Audit, Kualitas Audit, Financial Distress Dan Capital Intensity Terhadap Tax Avoidance. *Jurnal Akuntansi, Ekonomi Dan Manajemen Bisnis*, *3*(3), 352–369. https://doi.org/10.55606/jaemb.v3i3.2060

Fadhilah, S. F., Kusumawati, E., Surakarta, U. M., & Surakarta, U. M. (2024). *Available at http://jurnal.stie-aas.ac.id/index.php/jap*. *24*(36), 1–15.

Fauzan, F., Ayu, D. A., & Nurharjanti, N. N. (2019). The Effect of Audit Committee, Leverage, Return on Assets, Company Size, and Sales Growth on Tax Avoidance. *Riset Akuntansi Dan Keuangan Indonesia*, *4*(3), 171–185. https://doi.org/10.23917/reaksi.v4i3.9338

Ghozali, I. (2011). *Ghozali_Imam_2011_Aplikasi_Analisis_Mult.pdf* (p. 129).

Hendro Lukman, W. L. (2021). Faktor - Faktor Yang Mempengaruhi Financial Distress Perusahaan Perkebunan Yang Terdaftar Di BEI. *Jurnal Paradigma Akuntansi*, *3*(3), 921. https://doi.org/10.24912/jpa.v3i3.14872

Ivory, S., & Suryono, B. (2020). Analisis Pengaruh Profitabilitas, Likuiditas, Kebijakan Hutang, Ukuran Perusahaan Terhadap Kebijakan Dividen Pada Perusahaan Manufaktur Periode 2014-2018. *Jurnal Ilmu Dan Riset Akuntansi* , *9*.

Jonathan Robert Junior, & Henryanto Wijaya. (2022). Faktor-Faktor Yang

Mempengaruhi Financial Distress Pada Perusahaan Manufaktur. *Jurnal Paradigma Akuntansi*, *4*(2), 826–836. https://doi.org/10.24912/jpa.v4i2.19583

Juniartha, I. M., & Dewi, R. R. (2019). Pengaruh Proporsi Komisaris Independen, Kinerja Lingkungan, Dan Pertumbuhan Perusahaan Terhadap Pengungkapan Lingkungan. *Jurnal Akuntansi Trisakti*, *4*(2), 117–140. https://doi.org/10.25105/jat.v4i2.4843

Khairani, S.-. (2019). Pengaruh Profitabilitas, Financial Distress, Dewan Komisaris Independen Dan Komite Audit Terhadap Nilai Perusahaan Dimediasi Oleh Tax Avoidance (Studi Empiris Pada Perusahaan Sektor Industri Barang Konsumsi Yang Terdaftar Di Bursa Efek Indonesia Periode 2. *Jurnal Akuntansi*, *9*(1), 47–64. https://doi.org/10.33369/j.akuntansi.9.1.47-64

Kholifah, N., Djumali, D., & Hartono, S. (2020). Mengukur Financial Distress Dengan Metode Grover, Altman Z-Score, Springate Dan Zmijewski Pada Pt Solusi Bangun Indonesia Tbk. *Jurnal Ilmiah Edunomika*, *4*(02), 496–508. https://doi.org/10.29040/jie.v4i02.1214

Laksono, B. S., & Kusumaningtias, R. (2021). Pengaruh Good Corporate Governance Terhadap Kinerja Keuangan dan Nilai Perusahaan Sektor Aneka Industri Tahun 2016-2018. *Jurnal Akuntansi Unesa*, *9*(2), 1–12.

Mahdiana, M. Q., & Amin, M. N. (2020). Pengaruh Profitabilitas, Leverage, Ukuran Perusahaan, Dan Sales Growth Terhadap Tax Avoidance. *Jurnal Akuntansi Trisakti*, *7*(1), 127–138. https://doi.org/10.25105/jat.v7i1.6289

Masdiantini Putu Riesty, & Warasniasih Ni Made Sindy. (2020). Laporan Keuangan dan Prediksi Kebangkrutan Perusahaan. *Jurnal Ilmiah Akuntansi*, *5*(1), 196–220.

Muliana, S., & Supryadi, S. (2023). Pengaruh Profitabilitas Dan Leverage Terhadap Tax Avoidance. *Patria Artha Journal of Accounting & Financial Reporting*, *7*(1), 1–14. https://doi.org/10.33857/jafr.v7i1.685

Pratiwi, J., Machmuddah, Z., Akuntansi, P. S., Ekonomi, F., Nuswantoro, U. D., Nakula, J., & Semarang, I. N. (2017). *Diterima : April 2017; Direvisi : Juni 2017; Dipublikasikan : September 2017*. *2*(2), 58–67.

Pratiwi1, N. P. D., Mahaputra2, I. N. K. A., & Sudiartana3, I. M. (2021). Pengaruh Financial Distress, Leverage Dan Sales Growth Terhadap Tax Avoidance Pada Perusahaan Manufaktur Yang Terdaftar Di Bei Tahun 2016-2018. *Jurnal Karma*, *1*(5), 1609–1617.

Riskatari, N. K. R., & Jati, I. K. (2020). Pengaruh Profitabilitas , Leverage dan Ukuran Perusahaan pada Tax Avoidance Fakultas Ekonomi dan Bisnis Universitas Udayana , Indonesia Email : riskatarinew16@gmail.com Fakultas Ekonomi dan Bisnis Universitas Udayana , Indonesia The Effect of Profitabilit. *E-Jurnal Akuntansi*, *30*, 1–11.

Sari, A. Y., & Kinasih, H. W. (2021). 8541-Article Text-8182-1-10-20210721. *Dinamika Akuntansi, Keuangan Dan Perbankan*, *10*(1), 51–61.

Sari, R., & Febrianti, R. A. (2021). Moderasi Profitabilitas Atas Pengaruh Corporate Social Responsibility terhadap Nilai Perusahaan. *Jurnal Ilmiah Ekonomi Global Masa Kini*, *12*(2), 131–135. https://doi.org/10.36982/jiegmk.v12i2.1290

Setiawanta, Y., & Hakim, M. A. (2019). Apakah sinyal kinerja keuangan masih terkonfirmasi? : Studi empiris lembaga keuangan di PT. BEI. *Jurnal Ekonomi Dan Bisnis*, *22*(2), 289–312. https://doi.org/10.24914/jeb.v22i2.2048

Sianturi, Y., Malau, M., & Hutapea, G. (2021). Pengaruh Pengungkapan Tanggung Jawab Sosial, Rasio Intensitas Modal Dan Rasio Intensitas Persediaan Terhadap Penghindaran Pajak. *Jurnal Informasi, Perpajakan, Akuntansi, Dan Keuangan Publik*, *16*(2), 265–282. https://doi.org/10.25105/jipak.v16i2.9317

Sulaeman, R. (2021). Pengaruh Profitabilitas, Leverage dan Ukuran Perusahaan Terhadap Penghindaran Pajak (Tax Avoidance). *Syntax Idea*, *3*(2), 354–367. https://doi.org/10.46799/syntax-idea.v3i2.1050

Suranta, E., Midiastuty, P. P., Fitranita, V., & Dianty, A. T. (2021). Siklus Hidup Perusahaan Dan Penghindaran Pajak. *Jurnal Informasi, Perpajakan, Akuntansi, Dan Keuangan Publik*, *16*(1), 1–20. https://doi.org/10.25105/jipak.v16i1.6162

Swandewi, N. P., & Noviari, N. (2020). Pengaruh Financial Distress dan Konservatisme Akuntansi pada Tax Avoidance. *E-Jurnal Akuntansi*, *30*(7), 1670. https://doi.org/10.24843/eja.2020.v30.i07.p05

Taufik, M., & Muliana. (2021). Pengaruh Financial Distress Terhadap Tax Avoidance Pada Perusahaan Yang Terdaftar Di Indeks Lq45. *Conference on Management, Business, Innovation, Education and Social Science*, *1*(1), 1376–1384.

Warga Dalam, W. W., & Novriyanti, I. (2020). Faktor-Faktor yang Mempengaruhi Penghindaran Pajak. *Journal of Applied Accounting and Taxation*, *5*(1), 24–35. https://doi.org/10.30871/jaat.v5i1.1862

Wati, E. A. (2020). Bab ii kajian pustaka bab ii kajian pustaka 2.1. *Bab Ii Kajian Pustaka 2.1*, *12*(2004), 6–25.

Yuniar, Y. D., Kamayanti, A., & Asdani, A. (2021). Fenomena Penghindaran Pajak Di Perusahaan Industri Dasar Dan Kimia. *JIAFE (Jurnal Ilmiah Akuntansi Fakultas Ekonomi)*, *7*(2), 247–258. https://doi.org/10.34204/jiafe.v7i2.3795

e-ISSN: 2460-1357, Hal 110-129