



**THE EFFECT OF PROFITABILITY, LEVERAGE, AND CAPITAL INTENSITY
AGAINST TAX AVOIDANCE
(Study on Listed Manufacturing Companies) At ISSI in 2020-2024)**

Alifia Azahara¹

Universitas Islam Negeri Raden Intan, Lampung, Indonesia
alifiaazahara1@gmail.com

Wahyu Iryana²

Universitas Islam Negeri Raden Intan, Lampung, Indonesia
wahyu@radenintan.ac.id

Ainul Fitri³

Universitas Islam Negeri Raden Intan, Lampung, Indonesia
ainulfitri@radenintan.ac.id

Abstract

This study aims to determine the effect of profitability, leverage, and capital intensity on tax avoidance in manufacturing companies registered with ISSI in 2020-2024. Tax avoidance is a company strategy to minimize the tax burden, which can impact company policy. The approach used is quantitative with a population of 72 companies. The sample selected through purposive sampling and obtained 26 companies with a total of 130 observations. This research is quantitative research and hypothesis testing in this study uses panel data regression with Eviews 13. Based on the appropriate model is the Fixed Effect Model (FEM). The results of the study indicate that profitability, leverage have a negative effect on tax avoidance and capital intensity has a positive effect on tax avoidance. Simultaneously, profitability, leverage, capital intensity affect tax avoidance.

Keywords: Profitability, Leverage, Capital Intensity, Tax Avoidance



INTRODUCTION

Indonesia is one of the most populous countries in the world, boasting natural resources and a strategic geographic location, offering significant potential for driving national economic growth. These conditions make Indonesia a hub for trade and investment, particularly in the manufacturing sector, which contributes significantly to Gross Domestic Product (GDP) and state revenues. To support national development, taxes are a key source of state revenue, leading the government to consistently increase its annual tax revenue targets (Najicha, 2022). However, optimizing tax revenue still faces various challenges, one of which is tax avoidance.

Indonesia implements a self-assessment system, a taxation system that empowers taxpayers to calculate, pay, and report their tax obligations independently in accordance with applicable regulations. This system aims to increase taxpayer awareness and responsibility, but also opens up opportunities for tax evasion due to minimal direct oversight from tax authorities (Fath et al., 2024). Based on national tax revenue data for the 2020–2024 period, tax revenue realization fluctuated. In 2020, tax revenue only reached 89.3% of the target due to the impact of the COVID-19 pandemic on economic activity. Conversely, in 2022, tax revenue realization exceeded the target by 115.6%, while in 2024 it declined again to 97.2%. This situation indicates that the government still faces challenges in optimally achieving its tax revenue targets.

Table 1
Tax Revenue Data

Year	Revenue Target Tax (Rp trillion)	Realization of Receipts Tax (Rp trillion)	Percentage of Achievement (%)
2020	1,198.8	1,070.0	89.3%
2021	1,229.6	1,278.6	103.99%
2022	1,485.1	1,716.8	115.6%
2023	1,818.3	1,869.23	102.80%
2024	1,988.9	1,932.4	97.2%

Source: Processed from data from the Ministry of Finance of the Republic of Indonesia (2024)

Taxes are often viewed as a burden that can reduce corporate profits, prompting companies to employ various strategies to reduce their tax obligations, both legally and illegally (Zahrani et al., 2023). One common strategy is tax avoidance, which is an attempt to reduce the tax burden by exploiting loopholes



or weaknesses in tax regulations without directly violating the law (Dewi & Noviani, 2016). From the government's perspective, this practice is considered detrimental to the state because it reduces potential tax revenues that should be received (Fali Rifan, 2019). Tax avoidance practices not only impact state revenue but also create unfair business competition because large companies tend to have a greater ability to exploit tax loopholes than small companies (Kusumaningsih & Mujiyati, 2024).

Globally, tax avoidance practices are widely practiced by multinational companies, exploiting differences in tax policies between countries. The Organization for Economic Co-operation and Development (OECD) reports that tax avoidance results in lost tax revenues of up to trillions of dollars annually and impacts the fiscal stability of various countries (OECD, 2020). In Indonesia, the Tax Justice Network in 2020 revealed that tax avoidance practices caused state losses of approximately IDR 68.7 trillion, mostly from corporate taxpayers (Directorate General of Taxes Speaks Out About IDR 68.7 Trillion Losses from Tax Avoidance, 2020). One case illustrating tax avoidance practices occurred at PT Indofood Sukses Makmur Tbk, where assets and operational activities were transferred to subsidiaries to minimize tax liabilities (L. Agustina et al., 2024).

The factors influencing tax avoidance remain a matter of debate in previous research. One frequently studied factor is profitability. Profitability indicates a company's ability to generate profits through the effective and efficient use of its assets (Khairunnisa et al., 2023). Profitability is generally measured using Return on Assets (ROA), a ratio that illustrates a company's ability to generate profits based on total assets (Tanjaya & Nazir, 2021). Research by Prabowo and Sahlan (2022) shows that profitability has a positive effect on tax avoidance, while research by Adinda Putri and Yenny Dwi (2024) found that profitability has a negative effect on tax avoidance. These differences in results indicate a persistent research gap, necessitating further research on the profitability variable.

In addition to profitability, leverage is also thought to influence tax avoidance. Leverage reflects the extent of debt used in a company's financing structure. Companies with high debt levels will incur interest expenses, which can reduce taxable profits and therefore be used as a tax-saving strategy (Putri & Kusumawati, 2020). Research by Salma Mustika Ainniyya et al. (2021) states that leverage influences tax avoidance, while Safii and Sahara (2024) found no effect. The inconsistency of these research results suggests the need for further testing of the leverage variable.

Another factor influencing tax avoidance is capital intensity, which is the level of a company's investment in fixed assets and inventory (Hidayatul Aini &



Andi Kartika, 2022). High investment in fixed assets will result in depreciation expenses, which can reduce pre-tax profit, thereby lowering the company's tax burden (A. Prabowo & Sahlan, 2022). Research by Kalbuna et al. (2020) states that capital intensity influences tax avoidance, while Marlinda et al. (2020) shows the opposite. These differences in findings provide an important basis for reexamining the relationship between capital intensity and tax avoidance.

This study used manufacturing companies listed on the Indonesian Sharia Stock Index (ISSI) as the research objects. Sharia companies are expected to be not only profit-oriented but also to implement Islamic values such as honesty, transparency, responsibility, fairness, and the welfare of the people in all business activities, including tax policies. From an Islamic perspective, aggressive tax avoidance practices are considered close to *gharar* and *hilah*, which are inconsistent with sharia principles. Therefore, research on sharia manufacturing companies is crucial to determine whether the application of sharia principles can influence corporate tax avoidance practices.

This research also utilizes agency theory proposed by Jensen and Meckling (1976). Agency theory explains the conflict of interest between company owners and management. Investors seek optimal returns, while management seeks to increase company profits, including through tax efficiency. This conflict of interest can encourage management to engage in tax avoidance to increase company profits.

Based on the above description, there are still discrepancies in research results regarding the effect of profitability, leverage, and capital intensity on tax avoidance. Therefore, this study aims to analyze the effect of profitability, leverage, and capital intensity on tax avoidance in manufacturing companies registered with the ISSI for the 2020–2024 period.

RESEARCH METHOD

This study uses a quantitative approach to analyze the effect of profitability, leverage, and capital intensity on tax avoidance in manufacturing companies listed on the Indonesian Sharia Stock Index (ISSI) for the 2020–2024 period. The quantitative approach was used because the study focuses on testing the relationship between variables using numerical data and statistical analysis (Sugiyono, 2017). The data used are panel data, a combination of cross-sectional and time series data, with secondary data sources obtained from company annual reports via the official website of the Indonesia Stock Exchange and related companies. Data processing was carried out using EViews 13 software.



The study population consisted of 72 manufacturing companies registered with the ISSI during the 2020–2024 period. The sampling technique used purposive sampling based on several criteria: companies consistently registered with the ISSI, not experiencing consecutive losses or negative cash flows, using the rupiah currency, and not including outliers. Based on these criteria, 26 companies were selected as samples with a total of 130 observations.

The dependent variable in this study is tax avoidance, measured using the Effective Tax Rate (ETR), which is the ratio of total income tax expense to profit before tax (Jaman et al., 2022). The independent variables consist of profitability, proxied by Return on Assets (ROA) (Novika & Siswanti, 2022), leverage, measured by the Debt to Equity Ratio (DER) (Agustina & Anisa, 2025), and capital intensity, measured by the Capital Intensity Ratio (CIR) (Jusman & Nosita, 2020).

Data analysis techniques include descriptive statistical analysis, panel data regression, model selection tests (Chow, Hausman, and Lagrange Multiplier), classical assumption tests, and hypothesis tests in the form of t-tests, F-tests, and coefficients of determination (Ghozali, 2018; Basuki, 2016; Ahmaddien & Susanto, 2020).

RESULTS AND DISCUSSION

Research Result

Descriptive statistical analysis is used to describe data from independent and dependent variables. The observed standards are the average (mean), standard deviation, maximum, and minimum values.

Table 2
Results of Descriptive Statistical Analysis

	ETR	ROA	DER	CIR
Mean	0.247402	0.086378	0.570216	0.391096
Median	0.222941	0.071934	0.503802	0.360827
Maximum	1.913525	0.226575	1.407632	0.814416
Minimum	0.038293	0.001914	0.071989	0.000868
Std. Dev.	0.163328	0.054804	0.357096	0.193127
Observations	130	130	130	130

Source: Eviews 13 (data processed 2026)

Based on the table above, the Profitability value ranges from 0.001914 (minimum) to 0.226575 (maximum) with a mean of 0.086378 and a standard deviation of 0.054804. Leverage has a maximum value of 1.407632, a minimum of 0.071989, a mean of 0.570216, and a standard deviation of 0.357096. Capital



Intensity ranges between 0.000868 (minimum) and 0.814416 (maximum), with a mean of 0.391096. The tax avoidance variable has a maximum value of 1.913525, a minimum of 0.038293, a mean of 0.247402, and a standard deviation of 0.163328.

Determine the most appropriate model for research by conducting the Chow test, Hausman test, and Lagrange multiplier test as follows:

Table 3

Chow Test

Redundant Fixed Effects Tests

Equation: Untitled

Cross-section fixed effects test

Effects Test	Statistics	df	Prob.
Cross-section F	1.494407	(25,101)	0.0839
Cross-section Chi-square	40.916171	25	0.0234

Source: Eviews 13, processed data (2026)

Based on the table above, it can be seen that the Cross-section Chi-square distribution value is 40.916171 with a probability value of $0.0234 < 0.05$. Therefore, it can be concluded that the selected model is the Fixed Effect Model (FEM).

Table 4

Hausman Test

Correlated Random Effects - Hausman Test

Equation: Untitled

Cross-section random effects test

Test Summary	Chi-Sq. Statistic	Chi-Sq. df	Prob.
Random cross-section	8.932970	3	0.0302

Source: Eviews 13, processed data (2026).

The Hausman test results in the table above indicate that the probability of a random cross-section is $0.0302 < 0.05$. It can be concluded that the selected model is the Fixed Effect Model (FEM), so there is no need for an LM test.

Table 5

Results of Model Equation Estimation Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.275334	0.037969	7.251611	0.0000
ROA	-0.900933	0.160917	-5.598756	0.0000
DER	-0.039975	0.021429	-1.865418	0.0450
CIR	0.185844	0.076335	2.434587	0.0167

Weighted Statistics



R-squared	0.613970	Mean dependent var	0.911786
Adjusted R-squared	0.506952	SD dependent var	0.756552
SE of regression	0.123425	Sum squared residual	1.538613
F-statistic	5.737058	Durbin-Watson stat	2.323238
Prob(F-statistic)	0.000000		

Source: EViews 13, processed data (2026).

Based on the results of table 6.4, the panel data regression equation using the fixed effect model is formulated as follows:

$$ETR = 0.275334 - 0.900933XROA - 0.039975XDER + 0.185844XCIR$$

Fixed effect model equation above, it can be explained that:

1. The constant value of 0.275334 indicates that the level of tax avoidance is in good condition, with the amount of tax avoidance being 0.275334% when the profitability, leverage, and capital intensity variables are not taken into account.
2. The profitability coefficient is -0.900933, with a negative trend. This means that profitability has a negative relationship with tax avoidance. For every 1 percent increase in profitability, while other independent variables remain constant (unchanged), tax avoidance in manufacturing companies listed on the Islamic Sharia Stock Index for the 2020-2024 period will also decrease by 90.0933 percent.
3. leverage coefficient is -0.039975, with a negative trend. This means that leverage has a negative relationship with tax avoidance. For every 1 percent increase in leverage, while other independent variables remain constant (unchanged), tax avoidance in manufacturing companies listed on the Islamic Sharia Stock Index for the 2020-2024 period will also decrease by 3.9975 percent.
4. capital intensity coefficient is 0.185844, with a positive trend. This means that capital intensity has a positive relationship with tax avoidance. For every 1 percent increase in capital intensity, while other independent variables remain constant (unchanged), tax avoidance in manufacturing companies listed on the Islamic Sharia Stock Index for the 2020-2024 period will also increase by 18.5844 percent.

Before conducting hypothesis testing, it is necessary to conduct classical assumption tests: normality test, multicollinearity test, heteroscedasticity test, autocorrelation test in Figure 1.

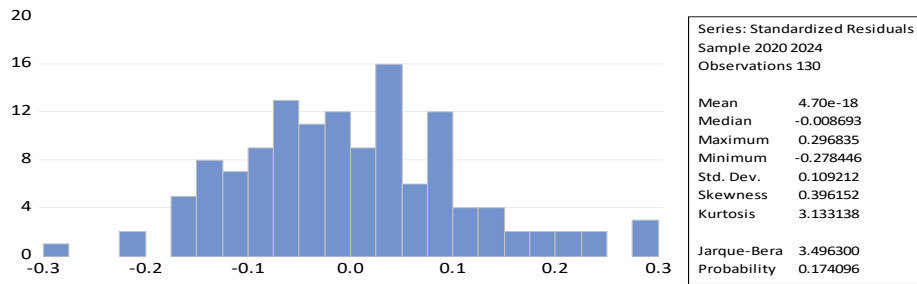


Figure 1 Normality Test

Source: EViews 13, processed data (2026).

The results of the normality test in Figure 1 show a Jarque-Bera probability value of 0.174096 > 0.05, meaning that the residuals are normally distributed, this study does not experience normality problems.

Table 6 Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
ROA	0.084618	4.231795	1.207894
DER	0.001774	3.837192	1.074971
CIR	0.006447	5.865526	1.142777

Source: EViews 13, processed data (2026).

Based on the results of the multicollinearity test, the Centered VIF value for each independent variable, namely profitability (ROA) of 1.207894, leverage (DER) of 1.074971 and capital intensity (CIR) of 1.142777. All VIF values are below the limit of 10, so it can be concluded that the research model does not experience multicollinearity problems. This indicates that there is no high level of correlation between the independent variables and each variable is able to explain the dependent variable independently. The regression model in this study has met the classical assumptions of multicollinearity and is suitable for use in further analysis.

Table 7 Heteroscedasticity Test

F-statistic	0.734511 Prob. F(3,126)	0.5333
Obs*R-squared	2.234411 Chi-Square Prob.(3)	0.5252
Scaled explained SS	5.269278 Chi-Square Prob.(3)	0.1531

Source: EViews 13, processed data (2026).



The heteroscedasticity test results show a chi-square probability value of 0.5252, which is greater than 0.05. This indicates that there are no symptoms of heteroscedasticity in the research model. Thus, the residual variance is constant, and the regression model meets the heteroscedasticity assumption.

Table 83

Autocorrelation Test

F-statistic	0.021552	Prob. F(2,124)	0.9787
Obs*R-squared	0.045174	Chi-Square Prob.(2)	0.9777

Source: EViews 13, processed data (2026).

, the Chi-Square probability value is 0.9777, which is greater than the 0.05 significance level. This result indicates that there is no autocorrelation problem in the model. Thus, the residuals in the regression model are not correlated with each other and the model is suitable for further analysis.

Hypothesis Testing

The Effect of Profitability on Tax Avoidance

Based on the results obtained, as seen in Table 9, the probability value is $0.0000 < 0.05$ and the t-statistic value is -5.598. This indicates that the profitability variable partially has a significant negative effect on tax avoidance. This negative effect indicates that the higher the profitability, the lower the company's tendency to engage in tax avoidance.

The Effect of Leverage on Tax Avoidance

Based on the results obtained, which can be seen in Table 9, it states that the probability value is $0.0450 < 0.05$ and the t-statistic value is -1.865. This indicates that the leverage variable partially has a significant negative effect on tax avoidance. This negative effect indicates that the greater the leverage, the lower the company's tendency to engage in tax avoidance.

The Effect of Capital Intensity on Tax Avoidance

Based on the results obtained, which can be seen in Table 9, it states that the probability value is $0.0167 < 0.05$ and the t-statistic value is 2.434. This indicates that the capital intensity variable has a significant positive partial effect, identifying that an increase in capital intensity tends to increase the company's opportunity to engage in tax avoidance.

Simultaneous Effect of Profitability, Leverage , and Capital Intensity on Tax Avoidance

F-statistic value is 5.737058 with a Prob.(F-statistic) value of $0.000000 < 0.05$. Therefore, the variables of profitability, leverage, and capital intensity together have a significant influence on tax avoidance.



Coefficient of Determination (R^2)

Based on the results displayed in table 9, it is known that the value of 0.613970 indicates that the variables of profitability, leverage, and capital intensity are able to explain 61% while the remainder is influenced by other variables not examined in the study such as profitability, leverage, and capital intensity.

The Effect of Profitability on Tax Avoidance

Based on the test results, the probability value is $0.0000 < 0.05$ and the t-statistic value is -5.598. This indicates that the profitability variable partially has a significant negative effect on tax avoidance. This negative effect indicates that the higher the profitability, the lower the company's tendency to engage in tax avoidance.

The analysis results in this study indicate that profitability has a negative effect on tax avoidance in manufacturing companies registered with the ISSI in 2020-2024. This means that the higher a company's profitability, the lower its level of tax avoidance. This is explained by the company's effective tax rate tending to increase along with a high Return on Assets (ROA), because the amount of taxable income is directly proportional to the total profit generated. This high effective tax rate reflects that the company does not engage in aggressive tax avoidance practices. Furthermore, companies with high levels of profitability are generally under stricter scrutiny, both from investors, the board of commissioners, and external authorities such as the Directorate General of Taxes. In agency theory, there is a potential conflict of interest between management and shareholders, so managers' actions in implementing tax avoidance strategies are limited to avoid legal risks and maintain the company's reputation (Cantika & Susanti, 2023).

Profitability versus tax avoidance reflects an awareness of responsibility within the ISSI manufacturing company. In Islam, asset protection (hifdz al-mal) applies not only to corporate assets but also to public (state) assets derived from taxes. Companies with high profits that consistently pay taxes demonstrate a trustworthy character and gratitude for the profits earned. This contrasts with conventional agency theory, which tends to maximize shareholder profits at the expense of public obligations.

This research aligns with research by Salsabila & Budiman (2025) and Santoso & Purwaningsih (2024), which showed that profitability has a negative and significant effect on tax avoidance. This suggests that higher profitability leads to lower tax avoidance. Conversely, research by Prasetya (2022) and A. Prabowo & Sahlan (2022) reported a significant positive effect, contradicting these findings.



The Effect of Leverage on Tax Avoidance

Based on the test results, the probability value is $0.0450 < 0.05$ and the t-statistic value is -1.865 . This indicates that the leverage variable has a significant, partial negative effect on tax avoidance. This negative effect indicates that the greater the leverage, the lower the company's tendency to engage in tax avoidance.

The analysis results of this study indicate that leverage negatively impacts tax avoidance in manufacturing companies registered with the ISSI (Indonesian Financial Services Authority) for the 2020-2024 period. This means that the higher a company's leverage, the lower its tax avoidance rate. This is explained by the fact that companies with high leverage incur increased interest costs. This interest expense then reduces earnings before tax, thereby legally saving the company tax, eliminating the need for other tax avoidance strategies (Apriani & Sunarto Sunarto, 2022). In this context, leverage is a legitimate tax planning tool, not a form of tax manipulation. Companies are typically more cautious in managing their finances when they have high debt. The practice of borrowing to reduce taxes is also restricted by regulations (the Income Tax Law and the Finance Minister's Regulation No. 169/2015). Due to strict supervision and restrictions on interest costs, companies' opportunities to avoid taxes decrease as leverage increases. This suggests that the higher the debt, the lower the tendency to avoid tax. According to agency theory, managers do have an incentive to avoid taxes to increase after-tax profits. However, when a company's debt is large, creditors will monitor it more closely, limiting such actions. As a result, managers will focus more on improving operational efficiency than on tax avoidance.

The negative correlation between leverage and tax avoidance indicates that ISSI companies do not use debt as a loophole (legal trickery) to excessively reduce taxes. Although interest expenses in Islam are considered usury (riba) if based on conventional interest, fiscally, they can reduce taxable profits, but Islamic companies tend not to exploit this mechanism. This indicates that supervision by the Sharia Supervisory Board (DPS) and compliance with the DSN-MUI fatwa regarding murabahah or ijarah-based debt (not conventional interest) indirectly limit tax avoidance behavior (BA Prabowo & Jamal, 2017).

This research aligns with research (Safii & Sahara, 2024), which showed that leverage has a negative and significant effect on tax avoidance. This is further supported by research (Hakim & Cahyonowati, 2024), which also found that leverage has a significant negative effect on tax avoidance. This suggests that higher leverage leads to lower tax avoidance.

The Effect of Capital Intensity on Tax Avoidance



Based on the test results, the probability value is $0.0167 < 0.05$ and the t-statistic value is 2.434. This indicates that the capital intensity variable partially has a significant positive effect on tax avoidance. This significant positive effect indicates that increasing capital intensity tends to increase the company's chances of tax avoidance.

The analysis results in this study indicate that capital intensity has a significant positive effect on tax avoidance in manufacturing companies registered with the ISSI (Indonesian Stock Exchange) for the 2020-2024 period. Capital intensity is a ratio that reflects a company's investment in fixed assets, and the results of this study indicate that this variable has a positive effect on tax avoidance. This can be explained because companies with high capital intensity tend to have large amounts of fixed assets, which result in large depreciation expenses. This depreciation expense is a non-cash expense that can reduce taxable profit, thereby directly reducing the amount of tax the company must pay (Puspita & Hermanto, 2022). Therefore, the higher the proportion of fixed assets, the greater the opportunity for companies to utilize depreciation policies as a means of tax avoidance. These research findings align with agency theory, which states that there are differences in interests between companies and the government in the context of taxation. Management will utilize the company's asset structure to reduce tax liabilities in order to achieve profit targets.

This research aligns with research conducted by Widagdo et al., 2020, which also stated that capital intensity has a significant positive effect on tax avoidance. This is further supported by research conducted by Kurniawati et al., 2023, which stated that capital intensity has a significant positive effect on tax avoidance. However, this study is inconsistent with research conducted by Apriani & Sunarto Sunarto, 2022, and Marlinda et al., 2020, which stated that capital intensity has no effect on tax avoidance.

The Effect of Profitability, Leverage and Capital Intensity on Tax Avoidance

The results of the study indicate that profitability and leverage have a significant negative effect on tax avoidance, while capital intensity has a significant positive effect. High profitability reflects good company performance, thus making companies more likely to comply with tax obligations and avoid supervisory risks. (Fitriyani, 2025) High leverage also suppresses tax avoidance practices because companies benefit from tax deductions from interest expenses and are under the supervision of creditors. (E. Agustina & Anisa, 2025) Conversely, capital intensity increases tax avoidance because high fixed asset



investments allow companies to utilize depreciation expenses to reduce taxable income. (Sumantri, 2022)

Simultaneously, these three variables explain 61% of the variation in tax avoidance in ISSI companies. This indicates there is still room for improvement in Sharia compliance, particularly in fixed asset management. Ideally, Sharia companies should focus not only on halal products but also on halal processes, including taxation.

Tax Avoidance in Islamic Perspective

This study shows partially that profitability and leverage have a significant negative effect on tax avoidance, while capital intensity has a significant positive effect.

The analysis results in this study show that tax avoidance is still found in manufacturing companies listed on the ISSI, particularly through profitability, leverage, and capital intensity strategies. From an Islamic perspective, tax avoidance is viewed as an action that potentially contradicts Islamic ethical principles, especially when carried out to avoid social responsibility towards the state. Islam requires its followers to pay zakat as a form of welfare distribution, and encourages compliance with legitimate government policies as long as they do not conflict. (Trisnawati, 2026) In this context, the practice of tax avoidance that is exploitative can be categorized as behavior that is inconsistent with the values of honesty and trustworthiness, even in some views considered close to prohibited practices because it reduces public rights. Therefore, practices that aim to reduce public obligations unethically, including aggressive tax avoidance, tend to be viewed negatively because they contradict the values of benefit and honesty. Tax avoidance needs to be understood within a framework of values that are in line with the Qur'an, especially the principles of obedience, justice, and trustworthiness. The Qur'an in Surah An-Nisa verse 59:

يَا أَيُّهَا الَّذِينَ آمَنُوا أَطِيعُوا اللَّهَ وَأَطِيعُوا الرَّسُولَ وَأُولِي الْأَمْرِ مِنْكُمْ فَإِنْ تَنَازَعْتُمْ فِي شَيْءٍ فَرُدُّوهُ إِلَى اللَّهِ وَالرَّسُولِ إِنْ كُنْتُمْ تُؤْمِنُونَ بِاللَّهِ وَالْيَوْمِ الْآخِرِ ذَلِكَ خَيْرٌ وَأَحْسَنُ تَأْوِيلًا ﴿٥٩﴾

Meaning: "O you who believe, obey Allah and obey the Messenger (Prophet Muhammad) and the ululamri (holders of authority) among you. If you differ in opinion about something, return it to Allah (the Qur'an) and the Messenger (the Sunnah) if you believe in Allah and the Last Day. That is better (for you) and the consequences are better (in this world and in the hereafter)."



Affirms the obligation to obey Allah, the Messenger, and uli al-amr (government), which implicitly includes compliance with state regulations, including tax obligations.

CONCLUSION

Based on the partial analysis, profitability has a significant negative effect, meaning the higher the level of profitability, the lower the company's tendency to avoid taxes. Leverage also has a significant negative effect. Meanwhile, capital intensity has a significant positive effect on tax avoidance, indicating that the higher the level of capital intensity of a company, the greater the company's tendency to avoid taxes. Simultaneously, profitability, leverage, and capital intensity significantly influence tax avoidance practices in manufacturing companies registered with the ISSI during the 2020-2024 period.

This study provides empirical evidence that the implementation of sharia principles in ISSI companies has not been able to fully suppress all forms of tax avoidance, particularly those arising from the utilization of fixed assets (capital intensity). Therefore, it is necessary to strengthen the role of the Sharia Supervisory Board (DPS) in auditing depreciation policies and corporate tax planning. Furthermore, sharia capital market regulators (OJK and DSN-MUI) should include tax compliance indicators as one of the criteria in screening sharia stocks, as aggressive tax avoidance reflects a lack of commitment to social justice in Islam.

REFERENCES

- Agustina, E., & Anisa, N. (2025). *Pengaruh Profitabilitas , Leverage , Ukuran Perusahaan , dan Capital Intensity Terhadap Tax Avoidance: Studi pada Perusahaan Property dan Real Estate yang terdaftar di Bursa Efek Indonesia Periode 2018-2021*. 6(7), 2863–2879.
- Agustina, L., Sanulika, A., Akuntansi, S., Pamulang, U., & Selatan, T. (2024). *Pengaruh Beban Pajak Tangguhan, Capital Intensity, dan Thin Capitalization terhadap Tax Avoidance*. 3(2), 86–95. <https://doi.org/10.54259/akua.v3i2.2648>
- Ahmaddien, I., & Susanto, B. (2020). Analisis Regresi Data Panel. *Ideas Publishing*, (December), 1–95.
- Anggraeni, R., & Febrianti, M. (2019). *FAKTOR-FAKTOR YANG MEMPENGARUHI TAX AVOIDANCE PADA PERUSAHAAN MANUFaktur DI BURSA EFEK INDONESIA*. 21(1), 185–192.
- Apriani, I. S., & Sunarto Sunarto. (2022). Pengaruh Leverage, Capital Intensity,



- dan Profitabilitas Terhadap Tax Avoidance. *Kompak: Jurnal Ilmiah Komputerisasi Akuntansi*, 15(2), 326–333. <https://doi.org/10.51903/kompak.v15i2.678>
- Ariska, M., Fahru, M., & Kusuma, J. W. (2020). *Leverage, Ukuran Perusahaan dan Profitabilitas dan Pengaruhnya Terhadap Tax Avoidance Pada Perusahaan Sektor Pertambangan di Bursa Efek Indonesia Tahun 2014-2019* *Leverage, Ukuran Perusahaan dan Profitabilitas dan Pengaruhnya Terhadap Tax Avoidance Pada*. 01(01).
- Basuki, A. T. (2016). *Analisis Regresi dalam penelitian ekonomi dan bisnis*. Rajawali Pers.
- Cantika, A. P., & Susanti, A. (2023). KEPEMILIKAN INSTITUSIONAL, LEVERAGE DAN FAKTOR LAINNYA TERHADAP MANAJEMEN LABA. *E-Jurnal Akuntansi TSM*, 3(2). <https://doi.org/10.34208/ejatsm.v3i2.2113>
- Darma, B. (2021). *Statistika penelitian menggunakan SPSS (Uji validitas, uji reliabilitas, regresi linier sederhana, regresi linier berganda, uji t, uji F, R2)*. Guepedia.
- Dewi, N. L. P. P., & Noviari, N. (2016). *Pengaruh ukuran perusahaan, leverage, profitabilitas dan corporate social responsibility terhadap penghindaran pajak (tax avoidance)*. . 1(166), 20.
- Dirjen Pajak angkat bicara soal kerugian Rp 68,7 triliun dari penghindaran pajak*. (2020). KONTAN.CO.ID - JAKARTA. <https://share.google/z7kJjeIOu24VCxqoR>
- Fali Rifan, D. (2019). Analisis Penerapan Tunneling Incentive Dan Mekanisme Bonus Terhadap Praktik Penghindaran Pajak. *Fidusia : Jurnal Keuangan Dan Perbankan*, 2(1), 31–37. <https://doi.org/10.24127/jf.v2i1.360>
- Fath, A., Putri Cantiga, S., & Sitanggang, M. J. (2024). Ambiguitas Penerapan Self Assessment System Pembayaran Bea Perolehan Hak Atas Tanah Dan Bangunan (Bphtb). *Jurnal Esensi Hukum*, 6(1), 1–11.
- Fitriyani, D. (2025). *Pengaruh Profitabilitas , Ukuran Perusahaan , Leverage , Komite Audit dan Komisaris Independen terhadap Agresivitas Pajak (Studi Empiris pada Perusahaan Sektor Pertambangan yang*. 5, 120–130.
- Ghozali, I. (2018a). *Aplikasi analisis multivariate dengan program IBM SPSS 25*. Universitas Diponegoro.
- Ghozali, I. (2018b). *Aplikasi analisis multivariate dengan program IBM SPSS 23*.
- Hakim, H., & Cahyonowati, N. (2024). PENGARUH LEVERAGE TERHADAP TAX AVOIDANCE DENGAN INSTITUTIONAL OWNERSHIP SEBAGAI VARIABEL MODERASI. 13, 1–8.
- Hasti, A. (2024). *Etika dan keadilan pajak dalam perspektif islam*. 21(April), 61–70.
- Hidayatul Aini, & Andi Kartika. (2022). *The Pengaruh Profitabilitas, Leverage,*



- Komisaris Independen, Ukuran Perusahaan dan Capital Intensity Terhadap Penghindaran Pajak. *Kompak: Jurnal Ilmiah Komputerisasi Akuntansi*, 15(1), 61–73. <https://doi.org/10.51903/kompak.v15i1.604>
- Hutagalung, I. P., & Darnius, O. (2022). Analisis Regresi Data Panel Dengan Pendekatan Common Effect Model (CEM), Fixed Effect Model (FEM) dan Random Effect Model (REM) (Studi Kasus : IPM Sumatera Utara Periode 2014 – 2020). *FARABI: Jurnal Matematika Dan Pendidikan Matematika*, 5(2), 217–226. <https://doi.org/10.47662/farabi.v5i2.422>
- Isbahi, M. B., Zuana, M. M. M., & Toha, M. (2024). The Multi-Social Relation of the Cattle Industry in the Plaosan Subdistrict Animal Market of Magetan Regency. *Malacca: Journal of Management and Business Development*, 1(1), 31–46. <https://doi.org/10.69965/malacca.v1i1.51>
- Jaman, J., No, V., Profitabilitas, P., & Penjualan, D. A. N. P. (2022). *Pengaruh profitabilitas, leverage, dan pertumbuhan penjualan terhadap penghindaran pajak*. 2(1), 78–85.
- JayantoPurba, C. V, & Dwi, H. D. (2020). Pengaruh Profitabilitas, Likuiditas, dan Leverage, Terhadap Agresivitas Pajak pada Perusahaan Manufaktur Sektor Lainnya yang Terdaftar di BEI. *Bisnis-Net Jurnal Ekonomi Dan Bisnis*, 3(2), 158–174. <https://doi.org/10.46576/bn.v3i2.1005>
- Jihan Hasril, N., Alimuddin, A., & HS, R. (2024). Telaah Kritis Konsep Keagenan dalam Tinjauan Perspektif Islam Emansipatoris. *Akrual: Jurnal Bisnis Dan Akuntansi Kontemporer*, 1–18. <https://doi.org/10.26487/akrual.v17i01.28280>
- Jusman, J., & Nosita, F. (2020). Pengaruh Corporate Governance, Capital Intensity dan Profitabilitas Terhadap Tax Avoidance pada Sektor Pertambangan. *Jurnal Ilmiah Universitas Batanghari Jambi*, 20(2), 697. <https://doi.org/10.33087/jjubj.v20i2.997>
- Khairunnisa, N. R., Simbolon, A. Y., & Eprianto, I. (2023). PENGARUH LEVERAGE, PROFITABILITAS, GOOD GOVERNANCE TERHADAP PENGHINDARAN PAJAK (TAX AVOIDANCE). *JURNAL ECONOMINA*, 2(8), 2164–2177. <https://doi.org/10.55681/economina.v2i8.726>
- Kurniawati, D., Mukti, A. H., Bhayangkara, U., Raya, J., Akuntansi, P., Bhayangkara, U., & Raya, J. (2023). *PENGARUH THIN CAPITALIZATION, CAPITAL INTENSITY TERHADAP PENGHINDARAN PAJAK*. 01(01), 44–50.
- Kusumaningsih, O., & Mujiyati, M. (2024). Pengaruh Profitabilitas, Leverage Dan Ukuran Perusahaan Terhadap Penghindaran Pajak. *Journal of Economic, Bussines and Accounting (COSTING)*, 7(2), 4116–4127.



- <https://doi.org/10.31539/costing.v7i3.9105>
- Marlinda, D. E., Titisari, K. H., & Masitoh, E. (2020). Pengaruh Gcg, Profitabilitas, Capital Intensity, dan Ukuran Perusahaan terhadap Tax Avoidance. *Ekonomis: Journal of Economics and Business*, 4(1), 39. <https://doi.org/10.33087/ekonomis.v4i1.86>
- Najicha, F. U. (2022). Peranan Hukum Pajak sebagai Sumber Keuangan Negara pada Pembangunan Nasional dalam Upaya Mewujudkan Kesejahteraan Rakyat. *Ius Civile: Refleksi Penegakan Hukum Dan Keadilan*, 6(1), 169. <https://doi.org/10.35308/jic.v6i1.4568>
- Novika, W., & Siswanti, T. (2022). PENGARUH PERPUTARAN KAS, PERPUTARAN PIUTANG DAN PERPUTARAN PERSEDIAAN TERHADAP PROFITABILITAS PADA PERUSAHAAN MANUFAKTUR-SUBSEKTOR MAKANAN DAN MINUMAN YANG TERDAFTAR DI BEI PERIODE TAHUN 2017-2019. *Jurnal Ilmiah Mahasiswa Akuntansi*, 2(1), 43-56.
- Prabowo, A., & Sahlan, R. (2022). PENGARUH PROFITABILITAS, LEVERAGE, DAN CAPITAL INTENSITY TERHADAP PENGHINDARAN PAJAK DENGAN UKURAN PERUSAHAAN SEBAGAI VARIABEL (MODERATING) (Studi Empiris pada Perusahaan Manufaktur yang Terdaftar di BEI Tahun 2015-2019). *Media Akuntansi Perpajakan*, 6(2), 55–74. <https://doi.org/10.52447/map.v6i2.5126>
- Prabowo, B. A., & Jamal, J. Bin. (2017). Peranan Dewan Pengawas Syariah terhadap Praktik Kepatuhan Syariah dalam Perbankan Syariah di Indonesia. *Jurnal Hukum IUS QUIA IUSTUM*, 24(1), 113–129. <https://doi.org/10.20885/iustum.vol24.iss1.art6>
- Prasetya, G. (2022). *PENGARUH PROFITABILITAS DAN LEVERAGE TERHADAP TAX*. 11(2017), 1–6.
- Pratama, A., & Mukhhtaruddin. (2025). Analisis Profitabilitas, Leverage , Dan Ukuran Perusahaan Terhadap Tax Avoidance Agung Pratama 1 , Mukhhtaruddin 2 * 1,2. *Scientific of Mandalika*, 6(7), 1872–1883.
- Puspita, I., & Hermanto. (2022). Pengaruh Perputaran Persediaan, Capital Intensity, dan Leverage Terhadap Tax Avoidance Dengan Ukuran Perusahaan Sebagai Variabel Moderasi. *Fair Value : Jurnal Ilmiah Akuntansi Dan Keuangan*, 5(2), 1186–1194.
- Putri, H. W. A., & Kusumawati, Y. T. (2020). Pengaruh Leverage terhadap Profitabilitas Perusahaan Food and Beverages yang Terdaftar di Bursa Efek Indonesia Periode 2013-2017. *Borneo Student Research*, 1(2), 861–864.
- Rahmadani, F., Muda, I., & Abubakar, E. (2020). Pengaruh Ukuran Perusahaan, Profitabilitas, Leverage, dan Manajemen Laba terhadap Penghindaran Pajak



- Dimoderasi oleh Political Connection. *Jurnal Riset Akuntansi Dan Keuangan*, 8(2), 375–392. <https://doi.org/10.17509/jrak.v8i2.22807>
- Safii, M., & Sahara, L. (2024). Pengaruh Corporate Risk dan Leverage terhadap Tax Avoidance. *AKADEMIK: Jurnal Mahasiswa Humanis*, 4(2), 574–587. <https://doi.org/10.37481/jmh.v4i2.940>
- Salsabila, A. B., & Budiman, J. (2025). *Pengaruh Leverage , Profitabilitas , Capital Intensity , dan Corporate Governance terhadap Tax Avoidance*. 11, 129–138.
- Santoso, F., & Purwaningsih, E. (2024). *Pengaruh Profitabilitas , Leverage , Ukuran Perusahaan dan Sales Growth Terhadap Penghindaran Pajak*. 5(12), 4765–4781.
- Sari, A. Y., & Kinasih, H. W. (2021). Pengaruh Laverage, Profitabilitas dan Kepemilikan Institusional terhadap Penghindaran Pajak. *Dinamika Akuntansi, Keuangan, Dan Perbankan*, 10(1), 51–61.
- Sofwatillah, Risnita, M. Syahrani Jailani, D. A. S. (2024). *TEHNIK ANALISIS DATA KUANTITATIF DAN KUALITATIF DALAM PENELITIAN ILMIAH*. 15(2), 79–91.
- Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif dan R&D* (Alfabeta).
- Sumantri, F. A. (2022). *The Effect Of Capital Intensity , Sales Growth , Leverage On Tax Avoidance And Profitability As Moderators*. 1, 1–18.
- Syahroni Irfan, M. (2022). *Prosedur Penelitian Kuantitatif*. *EJurnal Al Musthafa*, 2(3), 43–56.
- Tanjaya, C., & Nazir, N. (2021). *PENGARUH PROFITABILITAS, LEVERAGE, PERTUMBUHAN PENJUALAN, DAN UKURAN PERUSAHAAN TERHADAP PENGHINDARAN PAJAK PADA PERUSAHAAN MANUFAKTUR SEKTOR BARANG KONSUMSI YANG TERDAFTAR DI BEI TAHUN 2015-2019*. *Jurnal Akuntansi Trisakti*, 8(2), 189–208. <https://doi.org/10.25105/jat.v8i2.9260>
- Tax Challenges Arising from Digitalisation – Economic Impact Assessment*. (2020). OECD Publishing. <https://doi.org/10.1787/0e3cc2d4-en>
- Triadi, I., & Apriyanti, R. (2025). *Penegakan Hukum Pajak Dalam Meningkatkan Penerimaan Negara*. *Lex Sharia Pacta Sunt Servanda: Jurnal Hukum Islam Dan Kebijakan*, 2(2), 15–28.
- Trisnawati, E. (2026). *Al-Kharaj : Jurnal Ekonomi , Keuangan & Bisnis Syariah Kesadaran Pajak , Transparansi dan Kualitas Layanan : Dampak Kepatuhan Dimoderasi oleh Penggunaan Surat Al-Kharaj : Jurnal Ekonomi , Keuangan & Bisnis Syariah*. 8(1), 205–219. <https://doi.org/10.47467/alkharaj.v8i1.10355>
- Widagdo, R. A., Kalbuana, N., Yanti, D. R., Indonesia, P. P., Wetan, S., Bisnis, F. E., & Indonesia, U. P. (2020). *PENGARUH CAPITAL INTENSITY , UKURAN*



PERUSAHAAN , DAN LEVERAGE TERHADAP TAX AVOIDANCE PADA PERUSAHAAN YANG TERDAFTAR DI JAKARTA ISLAMIC. 3(2), 46–59.

Zahrani, C. S., Marundha, A., & Khasanah, U. (2023). Konservatisme Akuntansi, Capital Intensity, Profitabilitas Dan Tax Avoidance. *Jurnal Economina*, 2(10), 3020–3040. <https://doi.org/10.55681/economina.v2i10.931>