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Corporate Social Responsibility (CSR) Disclosure on Tax Aggressiveness with the Board of Commissioners as a Moderating Variable

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ABSTRACT: *The impact of CSR acknowledgement on tax aggression is investigated in this study. The goal of this study is to examine if CSR disclosure and tax aggressiveness are trade-offs. Manufacturing businesses registered on the Indonesian Stock Exchange (BEI) from 2019 to 2021 make up the study's population. 74 manufacturing enterprises make up the study's overall sample for the years 2019 to 2021. Purposive sampling was employed to choose the sample. The study's strategy for gathering data involved documentation and a system for studying the literature. Microsoft Excel and the SPSS version 26 application were used to process the data. Multiple Regression Analysis was employed for the data analysis. The study's findings include regression analysis, which shows that the implementation of CSR and profitability have no impact on tax aggression. Regression analysis of the study's findings revealed that tax aggression is directly influenced by the board of commissioners, company size, and leverage, whereas profitability and CSR implementation had no impact. The application of CSR, the board of commissioners, company size, leverage, and profitability all have an impact on tax aggressiveness according to regression results with moderation, and the board of commissioners variable improves the link between CSR and tax aggressiveness. Regression findings indicate that CSR can be categorized as pure moderation.*

Keywords: *Corporate Social Responsibility, Board of Commissioners, Tax Aggressiveness.*

I. INTRODUCTION

One way that states get money from taxpayers is through taxes. Since the corporation is a corporate taxpayer and one of the taxpayers, it is required to pay taxes, the amount of which is determined by calculating taxable income. If a company has a high taxable income, they must pay hefty taxes. Companies attempt to lower tax costs since it is thought that doing so will reduce company profits (Migang & Dina, 2020).

The corporation uses tax aggression as one strategy for managing tax costs. According to (Frank et al., 2009), tax aggressiveness is the deliberate attempt to lower taxable income through tax planning, either legally through tax avoidance or illegally through tax evasion. The Tax Law and Regulations' loopholes are used to accomplish this. The corporation may be deemed to be very tax aggressive if it employs more loopholes to generate savings. (Novitasari et al., 2017).

According to (Erle, 2008), corporate tax avoidance is viewed as a form of a lack of corporate social responsibility. A high level of tax aggressiveness can put the company's credibility at jeopardy if it disregards its social responsibility to pay the tax portion in accordance with the law. Regulational, moral, cognitive, and pragmatic legitimacy hazards are all types of legitimacy risks (Fallan & Fallan, 2019). While moral legitimacy demonstrates adherence to standards and culture, regulatory legitimacy is related to the company's compliance with laws and regulations. Then, cognitive legitimacy explains how much of a phenomena that occurs can be accepted by society. Last but not least, pragmatic legitimacy refers to how the organization influences the stakeholders' own interests (Suchman, 1995).

Every business must disclose its commitment to social responsibility and environmental awareness (CSR). Government Regulation No. 40 of 2007 makes the following declaration: "Social and Environmental Responsibility is a duty of the company that is budgeted and assessed as a cost of the company whose execution is carried out with appropriate attention to compliance and fairness."

According to (Octaviana, 2014), businesses believe that taxes and CSR disclosure are both significant burdens that have an effect on societal wellbeing. Businesses that do not want both to have a large burden will work to reduce one of them. A favorable correlation between tax aggression and voluntarily implemented CSR components suggests that there is a trade-off. (Fallan & Fallan, 2019).

CSR is an effort on the part of the business to implement strong corporate governance and is a way for the business to show that it is committed to acting morally. An illustration of strong corporate governance is the board of commissioners' control over the business. The board of commissioners' involvement in corporate governance is essential because it is necessary to ensure that the program is in line with company objectives, achieve company goals, and oversee management. According to Article 4 of Government Regulation No. 47 of 2010 regarding Social and Environmental Responsibility of Limited Liability Companies, the Board of Commissioners is also in charge of CSR disclosure. In accordance with the company's annual work plan, the board of directors is responsible for social and environmental responsibilities, according to the item. As per the company's articles of association, "Social and environmental responsibility is carried out by the Board of Directors based on the company's annual work plan after gaining approval from the Board of Commissioners or the General Meeting of Shareholders (GMS)," According to this regulation, the board of commissioners is responsible for promoting CSR transparency.

Companies undoubtedly aim to maximize their revenues in order to satisfy shareholders' needs. This is accomplished by reducing all business expenses, including tax and CSR costs. In order to minimize negative perceptions from the public and the government, CSR disclosure is restricted to complying with legal obligations and legitimization activities, according to (Deegan et al., 2002). Tax avoidance strategies to boost business earnings are a good thing from the shareholders' and management's perspectives, but businesses also need to abide by the law. Consequently, this is where the Board of Commissioners' responsibility in solving this agency issue comes into play.

In order to determine if the board of commissioners plays a part in the relationship between CSR disclosure and tax aggression, this study aims to gather empirical evidence to support this claim. The shareholders hold the board of commissioners accountable for maximizing earnings. Tax evasion is one of the ways management tries to enhance profits. The board of commissioners is in charge of ensuring that the business has adopted sound corporate governance, one of which is achieved through CSR (CSR).

Corporate Social Responsibility (CSR) activities must be carried out by businesses, and they must be disclosed in compliance with current laws. To survive, businesses need support from a variety of people (Dowling, 2014). Management must strategically evaluate CSR disclosure in order to maximize the company's market value (Adams & Whelan, 2009; Vuontisjärvi, 2013). Tax evasion is one of the company's strategies to raise business value.

The board of commissioners of the corporation is responsible for supervising and ensuring that good corporate governance has been implemented through CSR disclosure. On the other hand, the board of commissioners also owes it to the company's owners to maximize earnings, which they can achieve by being aggressive with taxes. The role of the board of commissioners in relation to tax avoidance and CSR disclosure is something that researchers are interested in. Consequently, the following questions will be addressed by this study.

1. Does Corporate Social Responsibility (CSR) disclosure affect tax aggressiveness?
2. Does the board of commissioners moderate the effect of Corporate Social Responsibility (CSR) disclosure on tax aggressiveness?

II. MATERIAL AND METHODS

2.1. Theoretical Foundation

2.1.1. Theory of Agency

According to Jensen & Meckling (1976), an agency relationship is "a contract in which one or more persons (the principal(s)) engage another person (the agent) to execute a service on their behalf and entails delegating some decision-making authority to the agent." This shows that the principal is the delegating party and that the agent has been given permission to carry out the principal's instructions on the running of the business.
The board of directors and the board of directors as supervisors in the corporation serve as the agent, who is the party in charge of carrying out the principal's instructions. The board of commissioners and the board of directors are in charge of carrying out their responsibilities to manage the business and accomplish business objectives. Meanwhile, stockholders and investors are the principals within the context of the company.
According to (Sartono, 2001) there are several assumptions underlying agency theory, namely:
1. Agency conflict, which is a conflict that arises because of management actions that are in accordance with their interests. As a result, the interests of the principal are sacrificed.
2. Agency Problem, which is a conflict caused by differences in interests between company management who are company managers as agents, and shareholders who are company owners as principals.

Agency theory in relation to tax aggressiveness is stated in (Yunistiyani & Tahar, 2017) as implying that management, acting as an agent, cannot be divorced from the practice of being aggressive in order to reach the intended aim. According to this study's interpretation of agency theory, firm management seeks to serve the interests of the principle, which are to earn a profit and raise the value of the company, as an agent. A firm's success can be impacted by differences between principals' and agents' interests, particularly judgments made by the company about taxes (Dinar, 2020).

2.1.2 Tax Aggressiveness

Tax aggressiveness is described as an endeavor to lower taxable income through tax preparation in (Frank et al., 2009). Tax evasion or legitimate tax avoidance are both forms of tax planning. Despite the fact that some of these actions are both lawful and criminal, they all have ramifications for lowering tax obligations, which is why they can be used to explain tax aggression.
Operations used in tax planning that are considered tax aggressiveness encompass both legal and illicit behaviors as well as activities that fall within the gray area. There are gaps in the government's tax laws that can be used for tax planning to lower the tax burden, which can lower business profitability. In (Herlinda & Rahmawati, 2021).

2.1.3 *Corporate Social Responsibility* (CSR)

By offering CSR that attempts to raise awareness of the company's reputation among the general public, corporate responsibility for the social environment is achieved (Prasista & Setiawan, 2016). Supramini and Suprasto (2017) define CSR disclosure as the dissemination of details about a company's operations and the effects those operations have on social and environmental situations.
According to (Lanis & Richardson, 2012), CSR is essential to the company's performance and survival. According to (Deegan et al., 2002), firms use CSR disclosure as a way to engage with society more generally. The public will be made aware of the company's social investment through CSR disclosure. By doing this, the corporation is less exposed to dealing with potential social unrest in the neighborhood. CSR disclosure will help increase the value of a company's social hedging.
The Law No. 40/2017 on Limited Liability Companies' article 74 regulates CSR disclosure rules in Indonesia. The law talks about how businesses that engage in natural resource-related operations must contribute a certain amount of money to CSR. A report on the implementation of social responsibility must be included in the company's annual financial report, according to these laws and regulations, which apply to all corporate and banking companies. Due to this, every business discusses its social duty in its annual reporting in addition to its focus on maximizing profits.

2.1.4 Board of Commissioners

The board of commissioners is a moderating variable in this study. In Indonesia, there is a two-tiered system where a board of commissioners oversees performance and a board of directors manages the corporation. The following responsibilities and authority are accorded to the board of commissioners by Law No. 40 of 2007.

1. The board of commissioners advises the board of directors and oversees the management's overall management strategy with relation to the company and its business.
2. Company's interests and the Company's goals and objectives shall be served by the supervision and guidance provided as described in paragraph (1).

The board of commissioners oversees all corporate policy, including tax avoidance and CSR disclosure. The board of commissioners' oversight may have an impact on a company's tax-evasion decisions (Hijriani et al., 2014).

2.1.5 Control Variable

2.1.5.1 Company Size (*SIZE*)

The size of the company demonstrates its capacity and stability to engage in its economic activities (Putri & Putra, 2017). (Brigham & Houston, 2010) state that a company's size is determined by its total assets, total sales, total earnings, tax burden, and other factors. Larger companies demonstrate the strength of the business and the assets owned, which enable them to produce profits for the company. Company size is described as the identity of the company based on a scale that is characterized by measurement using the natural logarithm of total assets, according to (Leksono et al., 2019).

2.1.5.2 *Leverage*

Leverage can demonstrate a company's capacity to fulfill both short- and long-term financial commitments. The leverage ratio reveals how much debt the corporation has taken on to finance its assets. Leverage levels can be used to illustrate the financial risk faced by the organization. Corporate leverage is a symptom of a corporation's efforts to enhance profits, and it can have an impact on how aggressively the company pursues tax revenue (Prasista & Setiawan, 2016).

2.1.5.3 Profitability

Profitability is the ability of the business to turn a profit over a specific time period. The amount of taxes due will depend on the company's profit margin. Return on Asset is one that is used to gauge a business's capacity to make profits (ROA). (Suardana, 2014) defines ROA as the ratio of net profit after tax or as a way to gauge the rate of return on the company's assets. The company's profitability can serve as a guide for management in determining its capacity to make profits.

2.2 Research Method

Manufacturing businesses registered on the Indonesian Stock Exchange (BEI) from 2019 to 2021 make up the study's population. 74 manufacturing enterprises made up the study's entire sample for the years 2019–2021. Purposive sampling was employed to choose the sample. While the manufacturing firms included as study's examples are listed on the Indonesia Stock Exchange. According to specific criteria, samples are collected using this procedure. The sample requirements for this study are as follows:

1. On the IDX, listed manufacturing businesses publish annual reports.
2. Manufacturing firms that release yearly financial reports that include information on the study's variables and terminate on December 31.
3. Manufacturing firms that don't suffer from financial losses or have good net income.
4. The financial statements of manufacturing companies use rupiah currency units.
5. Manufacturing companies that disclose CSR.

The literature study approach and documentation are used in the research's data collection process. Reviewing prior studies and numerous books and journals pertinent to the subject were done as part of the literature study technique. While the documentation technique entails gathering secondary data from already-existing sources, specifically those found at https://www.idx.go.id.

Microsoft Excel and the SPSS version 26 application were used to process the data. Multiple Regression Analysis was performed to analyze the data, and it had the following model:

1. Descriptive Statistical Analysis

Without attempting to make generalizations or draw inferences that apply to a larger population, descriptive statistical analysis analyzes data by summarizing or describing the information that has been acquired as it is. Descriptive statistics display data using tables, graphs, pie charts, pictograms, calculations of the mode, median, and mean, deciles, and percentiles, as well as calculations of the average and standard deviation and the distribution of the data. (Sugiyono, 2017: 232).

2. Classical Assumption Test

This test is intended to avoid biased estimations and determine whether the data has met the traditional assumptions. The conventional hypothesis tests in this research are as follows:

a. Normality Test

To determine if the data population is regularly distributed or not, the normality test is utilized. The distribution of a good regression model is normal or nearly normal. The Kolmogorov-Smirnov test can be used to test for normal distribution. The distribution of research data is deemed normal in this study if it has a probability value (sig) > 0.05 and a significant level of 5%.

b. Multicollinearity Test

The Multicollinearity Test looks at whether there is a link between the independent variables in the regression model. In this study, the variance inflation factor (VIF) value and the tolerance value in the regression model were examined as part of the multicollinearity test. There are no signs of multicollinearity if the tolerance value is more than 0.10 and the VIF value is lower than 10 (Ghozali, 2011: 105)

c. Heteroscedasticity Test

The heteroscedasticity test is used to determine whether there is a variable similarity between the residuals on one observation and another observation in the regression model. Heteroscedasticity is not discovered by a suitable regression model. The Spearman test is used in this study to determine whether homoscedasticity is present or not. Heteroscedasticity is indicated if the independent variable is significant at 0.05. There is no heteroscedasticity if the independent variable is significant at the 0.05 level or higher.

d. Autocorrelation Test

In a linear regression model, the autocorrelation test looks for a relationship between confounding errors or mistakes in period t and errors in period t-1 (previous). A good regression model lacks autocorrelation. There is an autocorrelation issue if there is a correlation. (Ghazali, 2011: 111) claims that the following criteria should be used with the Durbin-Watson (DW) test to evaluate whether there is an autocorrelation issue:

1. $0 < d < dl$, means there is no positive autocorrelation and the decision is rejected
2. $dl \leq d \leq du$, means there is no positive autocorrelation and the decision is no decision.
3. $4 – dl < d < 4$, means there is no negative autocorrelation and the decision is rejected
4. $4 – du \leq d \leq 4 – dl$, means there is no negative autocorrelation and the decision is no decision
5. $du < d < 4 – du$, means there is no positive or negative autocorrelation and the decision is not rejected

3. Multiple Linear Regression Analysis

Determine the direction of the association between the independent variable and the dependent variable using this multiple linear regression analysis. whether each independent variable and the others are related. To ascertain whether the magnitude of the two variables changes, the moderating variable is also used. If it does, it indicates that the moderating factor is at work. If it stays the same, the relationship between the two variables under investigation is not impacted by the moderating variable. To further ensure that no unresearched external influences can affect the impact of the independent variable on the dependent variable, control variables are also included in the regression analysis of this study. An interaction test, also known as moderated regression analysis, was used in this study's multiple linear regression analysis (MRA). When there is an interaction component in the regression equation for multiple regression, a particular computation known as moderated regression analysis (MRA) is performed (multiplication of two or more independent variables) (Ghozali, 2016).

4. Hypothesis Testing

a. T-test

A partial Test (t-Test) aims to determine the effect of one independent variable on the dependent variable using a degree of significance. Hypothesis testing t-test in this study is using partial testing. The test criteria used are as follows:

a. Ho is accepted and Ha is rejected if = 0.05 and p-value 0.05. This indicates that there is no discernible relationship between the independent and dependent variables.

b. Ho is rejected while Ha is accepted if = 0.05 and p-value 0.05. This indicates that there is a considerable relationship between the independent and dependent variables.

b. F Test

The F test is carried out in order to find out together related to the influence of all independent variables can have a significant effect or not on the dependent variable (Ghozali, 2016). The test criteria used are as follows:

a. Ho is accepted and Ha is rejected if = 0.05 and p-value 0.05. This indicates that there is no discernible relationship between the independent and dependent variables.

b. Ho is rejected while Ha is accepted if = 0.05 and p-value 0.05. This indicates that there is a considerable relationship between the independent and dependent variables.

c. Test the Coefficient of Determination ($R2$)

The capacity of the independent variables employed in the regression equation to explain fluctuations in the dependent variable is measured by the coefficient of determination (R2), a proportion value. The stronger the independent variables' capacity to explain the dependent variable, the larger the R2 value.

III. RESULT

The results of the descriptive statistics analysis test are as follows.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ETR	176	,129	,412	,23652	,040210
CSR	176	,143	,791	,42945	,158414
UP	176	25,049	33,495	28,79422	1,657056
LV	176	,001	,607	,12998	,122581
PF	176	,008	,561	,11380	,095198
Valid N (listwise)	176				

Table 1 Descriptive Statistics Test Results

1. Based on the aforementioned findings, it is clear that the ETR (Y) variable has an average value (mean) bigger than the standard deviation, indicating that the study data is homogeneous and that the tax aggressivity of manufacturing enterprises listed on the IDX tends to be consistent. The fact that the average value is so close to the minimal value suggests that manufacturing companies listed on the IDX have generally low tax aggressivity.
2. The CSR variable (X1) demonstrates that the average value (mean) is bigger than the standard deviation, indicating that the study data is homogeneous and that manufacturing organizations listed on the IDX tend to have similar CSR applications. The average score is close to the minimal value, indicating that manufacturing companies listed on the IDX typically have low CSR implementation.
3. The company size variable demonstrates that the average value (mean) is bigger than the standard deviation, indicating that this study data is homogeneous—that is, that the company sizes of manufacturing enterprises listed on the IDX tend to be similar. The lowest value is similar to the average value, indicating that manufacturing companies listed on the IDX typically have small company sizes.
4. This research's data is homogeneous, indicating that the leverage of manufacturing organizations listed on the IDX tends to be the same, as the leverage variable demonstrates that the average value (mean) is bigger than the amount of standard deviation. Because the average value is so close to the minimum value, manufacturing enterprises listed on the IDX typically have low leverage.
5. The profitability variable reveals that the average value (mean) is greater than the standard deviation, indicating that this study data is homogeneous, suggesting that the profitability of manufacturing enterprises listed on the IDX tends to be consistent. The maximum value and the average value are relatively close, indicating that manufacturing enterprises listed on the IDX typically have great profitability.

The following are the results of the classic assumption test which can be seen in Table 2.

Classical Assumption Test	*Output*	Description
Normality Test		Sig value. > 0.05, then the data is normally distributed
Asymp. Sig.(2-tailed)	0,058	
Multicollinearity Test		The data is not multicollinear because each variable's tolerance value is greater than 0.10 and its VIF value is less than 1.
Tolerance		
CSR	0,802	
DK	0,584	
UP	0,468	
LV	0,752	
PF	0,869	
VIF		
CSR	1,247	
DK	1,711	
UP	2,135	
LV	1,329	
PF	1,151	
Heteroscedasticity Test		Each variable has a sig. value of more than 0.05, so there is no heteroscedasticity
Sig.		
CSR	0,998	
DK	0,835	
CSR.DK	0,869	
UP	0,583	
LV	0,434	
PF	0,858	
Normality Test		dU < dw < 4-dU 1,800 < 1,918< 2,200 So, it can be concluded that there are no autocorrelation problems or symptoms.
Durbin Watson	1,918	

Table 2 Classical Assumption Test Results

Direct Regression Testing

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	,363	,062		5,840	,000		
	CSR	,002	,020	,009	,120	,905	,802	1,247
	DK	,005	,002	,208	2,308	,022	,584	1,711
	UP	-,006	,002	-,245	-2,432	,016	,468	2,135
	LV	,152	,026	,465	5,852	,000	,752	1,329
	PF	,032	,031	,075	1,017	,311	,869	1,151

a. Dependent Variable: ETR

Table 3 Multiple Linear Regression Analysis Test Results

From the table above, the relationship between the independent and dependent variables can be seen as follows:

$Y = 0{,}363 + 0{,}002CSR + 0{,}005DK – 0{,}006UP + 0{,}152LV + 0{,}032PF + \varepsilon$

1. According to the test results above, the constant (a) of 0.363 shows that the tax aggressiveness variable has a value of 0.363 units if the CSR variable, firm size, leverage, and profitability are constant.
2. The tax aggressiveness will increase by 0.002 units for every additional unit of variable X1 added, according to the regression coefficient of the CSR application, which is 0.002.

3. The board of commissioners' regression coefficient of 0.005 shows that the tax aggressiveness will rise by 0.005 units for each unit that the firm size variable is increased.
4. The company size regression coefficient of -0.006 shows that the tax aggressiveness will reduce by 0.006 units for each unit that the firm size variable is increased.
5. The leverage regression coefficient of 0.152 shows that the tax aggressiveness will increase by 0.152 units for each unit of the leverage variable added.
6. The tax aggressiveness will increase by 0.032 units for every unit that the profitability variable is increased, according to the 0.032 regression coefficient for profitability.

Regression Testing with Moderation

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	,324	,062		5,216	,000
	CSR	,119	,043	,468	2,738	,007
	DK	,017	,005	,753	3,719	,000
	CSR.DK	-,026	,009	-,832	-2,989	,003
	UP	-,006	,002	-,262	-2,654	,009
	LV	,152	,025	,465	5,984	,000
	PF	,018	,031	,044	,596	,552

a. Dependent Variable: ETR

Table 4 Multiple Linear Regression Analysis Test Results

From the table above, the relationship between the independent and dependent variables can be seen as follows:

Y = 0,324 + 0,119CSR + 0,017DK – 0,026CSR.DK - 0,006UP + 0,152LV+ 0,018PF + ε

The interpretation of the regression model above is as follows:
1. Constant (a) of 0.324 indicates that if the CSR variable, company size, leverage, profitability, and board of commissioners are constant, then the tax aggressiveness variable has a value of 0.324 units.
2. The CSR application regression coefficient of 0.119 indicates that with every addition of variable X1 by 1 unit, the tax aggressiveness will increase by 0.119 units.
3. The regression coefficient of the board of commissioners of 0.017 indicates that with each addition of the board of commissioners variable by 1 unit, the tax aggressiveness will increase by 0.017 units.
4. The regression coefficient of the CSR variable and the board of commissioners of -0.026 indicates that with each addition of the CSR variable and the board of commissioners by 1 unit, the tax aggressiveness will decrease by 0.026 units.
5. The company size regression coefficient of -0.006 indicates that with each addition of the company size variable by 1 unit, the tax aggressiveness will decrease by 0.006 units.
6. The leverage regression coefficient of 0.152 indicates that with each addition of the leverage variable by 1 unit, the tax aggressiveness will increase by 0.152 units.
7. The profitability regression coefficient of 0.018 indicates that with each addition of the profitability variable by 1 unit, the tax aggressiveness will increase by 0.018 units.

Hypothesis Testing

Partial Testing (t-test)
Direct Regression

In this study, the t-test is to determine whether there is an influence of the independent variable, namely CSR, the moderating variable, namely the board of commissioners, and the control variable, namely UP, LV, and PF. Based on the table the t-test results are as follows:
1. The implementation of CSR variable (X1) has a significance value of 0.905, which is higher than 0.05. Therefore, it may be said that tax aggressiveness is unaffected by the variable CSR application (X1) (Y).

2. The significance value for the board of commissioners variable is 0.022, which is less than 0.05. Therefore, it can be said that tax aggressiveness is positively impacted by the board of commissioners variable.
3. The significance value for the company size variable is 0.016, which is less than 0.05. Therefore, it can be said that tax aggressiveness is negatively impacted by the variable of company size.
4. The leverage variable has a significance value of 0.000, which is less than 0.05, according to the findings of the t-test. Therefore, it can be said that tax aggressiveness is positively impacted by the leverage variable.
5. With a significance value of 0.311, which is higher than 0.05, the profitability variable is significant. Therefore, it may be said that tax aggressiveness is unaffected by the profitability variable.

Regression with Moderation

The regression coefficient value for the CSR implementation variable (X1) in this study has a significance value of 0.007, which is less than 0.05, according to the results of testing hypothesis 1. Therefore, hypothesis 1 is accepted because it can be inferred that the CSR implementation variable (X1) has a favorable impact on tax aggressiveness (Y).
The CSR received the results of hypothesis testing 2. The significance value for the DK variable is 0.003, which is less than 0.05. The board of commissioners variable, it can be inferred, enhances the link between CSR and tax aggression. The regression results demonstrate that CSR falls under the category of pure moderation. As a result, hypothesis 2 is viable.
The significance value for the board of commissioners variable is 0.000, which is less than 0.05. Therefore, it can be said that tax aggressiveness is positively impacted by the board of commissioners variable.
The significance value for the company size variable is 0.009, which is less than 0.05. Therefore, it can be said that tax aggressiveness is negatively impacted by the variable of company size.
The significance value for the leverage variable is 0.000, which is less than 0.05. Therefore, it can be said that tax aggressiveness is positively impacted by the leverage variable.
With a significance value of 0.552, which is higher than 0.05, the profitability variable is significant. Therefore, it can be said that tax aggressiveness is positively impacted by the profitability variable.

F Test
Direct Regression

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,055	5	,011	8,149	,000[b]
	Residual	,228	170	,001		
	Total	,283	175			

a. Dependent Variable: ETR
b. Predictors: (Constant), PF, DK, LV, CSR, UP

Table 5 F Test Result

Based on this test, the significance value is 0.000 which is smaller than 0.05. So it can be concluded that CSR, company size, board of commissioners, leverage, and profitability simultaneously affect tax aggressiveness.

Regression with Moderation

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,066	6	,011	8,597	,000[b]
	Residual	,217	169	,001		
	Total	,283	175			

a. Dependent Variable: ETR
b. Predictors: (Constant), PF, DK, LV, CSR, UP, CSR.DK

Table 6 F Test Result

Based on this test, the significance value is 0.000 which is smaller than 0.05. So it can be concluded that the board of commissioners is able to strengthen the relationship between CSR, company size, leverage, and profitability on tax aggressiveness.

Coefficient of Determination
Direct Regression

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,440ª	,193	,170	,03665	1,869

a. Predictors: (Constant), PF, DK, LV, CSR, UP
b. Dependent Variable: ETR

Table 7 Determinant Coefficient Test Results

Based on the results above, the Adjusted R2 result is 0.170. This value indicates that tax aggressiveness is influenced by the application of CSR, company size, board of commissioners, leverage, and profitability, influenced by other variables not included in this study.

Regression with Moderation

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,484ª	,234	,207	,03583	1,918

a. Predictors: (Constant), PF, DK, LV, CSR, UP, CSR.DK
b. Dependent Variable: ETR

Table 8 Determinant Coefficient Test Results

Based on the results above, the Adjusted R2 result is 0.207. This value indicates that tax aggressiveness is influenced by CSR implementation, company size, leverage, and profitability by 23.4% and the remaining 76.6 is influenced by other variables not included in this study.

IV. DISCUSSION

Hypothesis 1: CSR disclosure has a positive effect on tax aggressiveness.

A company's commitment to taking responsibility for the effects of its business activities on society and the environment is known as corporate social responsibility (CSR). CSR, according to Prasista and Setiawan (2016), is a company's commitment to balancing corporate goals with societal and environmental concerns. CSR is a company's endeavor to positively influence societal advancement and the environment in which it operates.

CSR has several characteristics, including the following: (1) it is a corporate responsibility that is anticipated to have a positive impact on society and the environment; (2) it is undertaken voluntarily by the company; (3) it can enhance the company's reputation and increase consumer loyalty; and (4) it can enhance company performance and increase the company's long-term value.

Agency theory holds that businesses can pursue profits aggressively by engaging in unethical tax planning. The findings of the research, however, indicate that CSR has little impact on tax aggression. The reason for this is that businesses that engage in CSR have a strong commitment to social and environmental responsibility, making them more inclined to engage in ethical and non-aggressive tax tactics.

Overall, the relationship between CSR and tax aggressiveness can be seen from both positive and negative sides. On the positive side, companies that have a strong CSR commitment tend to be lower in tax aggressiveness because these companies pay more attention to the interests of society and the environment. This can improve the company's reputation in the community and increase customer loyalty. However, on the negative side, companies that pay less attention to their CSR commitments tend to be higher in tax aggressiveness because these companies are more focused on their business goals. This can harm society and the environment and reduce the company's reputation.

Therefore, companies must pay attention to their CSR commitments and balance business objectives with the interests of society and the environment. Companies must also ensure that their tax actions are in accordance with applicable regulations and do not harm society and the environment. Thus, the company can improve its reputation and credibility and make a positive contribution to the development of society and the environment.

The company's commitment to taking responsibility for the effects of its commercial activities on society and the environment is known as corporate social responsibility (CSR). Leverage, profitability, and company size (SIZE) are all examples of control variables that may have an impact on how closely CSR and tax aggression are related.

Because larger businesses typically have more resources for CSR and are better able to consider societal and environmental concerns, company size can have an impact on the relationship between CSR and tax aggression. Smaller businesses, on the other hand, frequently have fewer resources and may not be as capable of engaging in CSR.

Leverage can also affect the relationship between CSR and tax aggressiveness because companies with high levels of leverage tend to be more pressured to increase profits and reduce tax payments, so they are more likely to engage in tax aggressiveness.

Profitability can also affect the relationship between CSR and tax aggressiveness because companies that have high levels of profitability tend to be more able to carry out CSR and are less likely to carry out tax aggressiveness. However, in this study companies that have low levels of profitability tend to be more pressured to increase profits and have more opportunities to carry out tax aggressiveness.

The results of this study are not in line with the research that is referenced in research where research conducted by (Vina Yunistyani & Afrizal Tahar, 2017) shows the results that Corporate Social Responsibility has a positive effect on tax aggressiveness. The greater the CSR disclosure, the higher the tax aggressiveness practiced by the company. This study is also not in line with the researcher's reference journal where the results of research from (Lanis & Richardson, 2012) state that socially responsible companies have low tax aggressiveness. According to research conducted (Ramantha, 2017), CSR disclosure has a negative effect on tax aggressiveness.

The company's expectation of the results of this variable relationship is that companies that have strong CSR will be more respected by other stakeholders, such as employees, consumers, communities, and the environment. This can improve the company's image and increase employee and consumer loyalty. In addition, companies can also increase the trust of the community and government, thereby increasing the opportunity to gain access to markets and resources needed to develop business. Based on this, the result of the relationship between CSR and tax aggressiveness is that companies are expected to demonstrate a strong commitment to CSR as well as good and non-aggressive tax practices. This can improve the company's image in the eyes of the public and investors, and strengthen the company's position in business competition.

Hypothesis 2: The Board of Commissioners strengthens the positive influence of CSR disclosure on Tax Aggressiveness

The Board of Commissioners is an independent body formed by the company to supervise the company's management activities. According to Hijriani et al. (2014), the Board of Commissioners has an important role in ensuring information disclosure and corporate Corporate Social Responsibility (CSR) disclosure. However, the results show that the Board of Commissioners does not always strengthen the positive influence of CSR disclosure on corporate tax aggressiveness.

The characteristics of the Board of Commissioners identified by Hijriani et al. (2014) are independence, competence, professionalism, and compliance. However, in the context of tax aggressiveness, the Board of Commissioners can be influenced by the interests of company management that differ from the interests of shareholders. This is in accordance with the agency theory put forward by Dinar (2020) which states that differences in interests between management and shareholders can cause companies to take actions that harm shareholders.

The results showed that the Board of Commissioners strengthens the positive influence of CSR disclosure on tax aggressiveness, but it is also necessary to pay attention to other control variables that can affect the relationship. Company size (SIZE), can affect tax aggressiveness because larger companies tend to have greater resources so they can manage taxes better. High leverage can also affect tax aggressiveness because companies that have high leverage tend to be more careful in managing taxes. After all, it can affect the company's financial obligations. Profitability can also affect tax aggressiveness because companies that have high profitability tend to be more careful in managing taxes because they can affect company profits.

The Board of Commissioners can strengthen the positive influence of CSR disclosure on tax aggressiveness, but control variables such as company size, leverage, and profitability must also be considered in analyzing the relationship. Companies that have an independent Board of Commissioners, and experts and have high integrity are expected to manage tax aggressiveness properly and ethically and improve the quality of CSR disclosures despite the different conditions of the company.

The results of this study are supported by research conducted by Ni Kadek Yogiswari and Ramantha (2017) where the results explain that the number of boards of commissioners is unable to moderate the relationship between CSR and tax avoidance.

The company's expectation of the relationship between the Board of Commissioners and tax aggressiveness is that the Board of Commissioners can ensure that the company makes good CSR disclosures and avoids aggressive actions in tax arrangements. However, the results show that the Board of Commissioners cannot always fulfill this expectation due to differences in interests with company management. Therefore, there needs to be another mechanism that can ensure that companies make good CSR disclosures and avoid aggressive actions in tax arrangements.

V. CONCLUSION

The findings of this study, which differ from those of the earlier study by Vina Yunistyani and Afrizal Tahar (2017), indicate that corporate social responsibility positively affects tax aggressiveness. The company's tax avoidance tactics are more aggressive the more CSR information is disclosed. The findings of the research from Lanis & Richardson (2012), which claim that socially responsible businesses have low tax aggression, are not supported by this study either. According to a study (Ramantha, 2017), tax aggressiveness is negatively impacted by CSR disclosure.

The company's expectation of the results of this variable relationship is that companies that have strong CSR will be more respected by other stakeholders, such as employees, consumers, communities, and the environment. This can improve the company's image and increase employee and consumer loyalty. In addition, companies can also increase the trust of the community and government, thereby increasing the opportunity to gain access to markets and resources needed to develop business. Based on this, the result of the relationship between CSR and tax aggressiveness is that companies are expected to demonstrate a strong commitment to CSR as well as good and non-aggressive tax practices. This can improve the company's image in the eyes of the public and investors, and strengthen the company's position in business competition.

The results show that the Board of Commissioners strengthens the positive influence of CSR disclosure on tax aggressiveness, but it is also necessary to consider other control variables that can affect the relationship. Company size (SIZE), can affect tax aggressiveness because larger companies tend to have greater resources so they can manage taxes better. High leverage can also affect tax aggressiveness because companies that have high leverage tend to be more careful in managing taxes. After all, it can affect the company's financial obligations. Profitability can also affect tax aggressiveness because companies that have high profitability tend to be more careful in managing taxes because they can affect company profits.

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