

CHAPTER V

CONCLUSION AND SUGGESTION

5.1. Conclusion

Based on the data obtained and the analysis carried out by researchers, the conclusions of this study are :

1. The company risk variable before the confirmation of Covid-19 has a positive but not too significant effect on the tax avoidance variable. The results of this study indicate that the higher the risk of the company, the executives in the company will have a risk-taker character who will tend to take tax avoidance. This supports the research of Budiman and Setiyono (2012), Dyreng et al., (2010), and Dewi & Jati (2014). Meanwhile, after the confirmation of Covid-19, corporate risk had a negative but significant or significantly negative effect on tax avoidance. This supports the research of Chasbiandani et al., (2019) and Oktamawati (2017). From the results, the company executives in IDX consumer goods have a risk-averse character, this may be due to conditions after the confirmation of Covid-19 which causes companies to be reluctant to take risks due to the downturn in economic conditions.
2. The inventory intensity variable at the time before the confirmation of Covid-19 has a significant positive effect on the tax avoidance variable. The results of this study are in line with the research hypothesis conducted by Kristanto (2013) which shows that inventory intensity has a positive effect on the cash-effective tax rate (CETR), where the higher the inventory intensity, the higher the CETR. And it is also in line with the research hypothesis conducted by Muzakki (2015). The more the company's inventory, the greater the maintenance and storage burden of that inventory. Maintenance and inventory storage expenses will later reduce the company's profit so that taxes paid will be reduced. This indicates tax avoidance measures. Meanwhile, after the confirmation of covid-19,

inventory intensity has a negative and not significant effect on the tax avoidance variable. The results of this study are in line with the research of Anindyka et al., (2018) and Artinasari & Mildawati (2018) which states that Inventory intensity does not have a significant effect on the cash effective tax rate. This shows that more or less inventory intensity does not fully describe the company as taking tax avoidance actions. This happens because tax laws usually do not provide tax incentives for companies that have a large inventory of merchandise.

3. The dependent variable tax avoidance (CETR) shows that there is no significant difference in the average tax avoidance behavior between before and after the confirmation of Covid-19. This can be seen from before the confirmation of Covid-19 on March 2, 2020, there were still many companies that were suspected of committing tax avoidance, whereas, in the post-Covid-19 confirmation situation, many companies were suspected of not evading taxes due to a decrease in the tax rate set by the government along with the weakening of the economy in Indonesia in the face of the Covid-19 conditions. In this study, if it is assumed that the tax rate is constant (0), it can be concluded that there is no significant change in tax avoidance between before and after the confirmation of Covid-19. Because the difference is not too far seen from the results of the T-test on the cash effective tax rate between before and after confirmation from Covid-19.

5.2. Implications

This study aims to add new insight, information as well as a framework of thought and can be used as a reference to further studies related to tax avoidance difference between before and after the Covid-19 pandemic was confirmed in Indonesia. So that, it can provide a new theory on the current phenomenon regarding the state of the company in carrying out its specific tax obligations against tax avoidance in the period 2 quarters before and after Covid-19 was confirmed in Indonesia. Based on these findings, this study explains that there is no significant difference in the average tax avoidance behavior between before and after the confirmation of Covid-19. This can be seen from pre the

confirmation of Covid-19 on March 2, 2020, there were still many companies that were suspected of committing tax avoidance, whereas, in the post-Covid-19 confirmation situation, many companies were suspected of not evading taxes due to a decrease in the tax rate set by the government along with with the weakening of the economy in Indonesia in the face of the Covid-19 conditions. In this study, if it is assumed that the tax rate is constant (0), it can be concluded that there is no significant change in tax avoidance between before and after the confirmation of Covid-19. Because the difference is not too far seen from the results of the T-test on the cash effective tax rate between before and after confirmation from Covid-19 was entered in Indonesia. So, the implications in this study indicate that the Covid-19 event that occurs is not necessarily a cause or indication for companies to undertake tax avoidance, even though the economic situation was said to have decreased. These results provide information and insights for the tax authorities about the company's efforts to minimize the tax burden so that actions can be taken to close the gaps that can be exploited by taxpayers in conducting tax planning. And about the factors that influence tax avoidance actions by companies so that they can strengthen tax regulations and also the loopholes for tax avoidance can be suppressed. That can also be used by taxpayers in tax planning.

And also the implications in this study using the measurement of two independent variables (company risk and inventory intensity). The corporate risk variable shows that the company's risk before the confirmation of Covid-19 has a positive but not too significant effect on the tax avoidance variable. It can be concluded, the higher the risk of the company, the executives in the company will have a risk-taker character who tends to avoid taxes. Meanwhile, after the confirmation of Covid-19, corporate risk has a negative but significant or significant negative effect on tax avoidance. Executives have a risk-averse character, which may be due to conditions after the Covid-19 confirmation which made companies reluctant to take risks due to economic downturns.

The inventory intensity variable before the confirmation of Covid-19 had a significant positive effect on the tax avoidance variable. This is because the

more the company's inventory, the greater the burden of maintaining and storing the inventory. Maintenance costs and inventory storage will later reduce company profits so that taxes paid will be reduced. The inventory intensity at the company was running normally as usual and the company would produce a lot of supplies to meet the demand from consumers so that the high intensity of supplies would support companies to do tax avoidance. Meanwhile, after the confirmation of Covid-19, inventory intensity has a negative and insignificant effect on the tax avoidance variable. This shows that more or less inventory intensity does not fully describe the company doing tax avoidance. This happens because inventory management has been adjusted to current consumer needs so that it does not cause maintenance and inventory storage burdens and does not cause tax avoidance indications.

5.3. Limitations and Future Research

The existence of limitations in this study, researchers have doubts about taking the period that will be used to measure for the period post of the confirmation of Covid-19. So that, the researchers took 2 quarters after the confirmation of Covid-19 from the 2nd quarter of the interim financial reports for April-June 2020 and also the 3rd quarter of the July-September 2021 range, while for the 1st quarter it was not included because researchers thought that the impact of Covid-19 on the economy and the tax section is not very visible or significant. Because of that, further research can consider for the next study to take a long time because can reflect the impact of covid-19 with many events that affect and also indicate tax avoidance.