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The Impact of the Audit Committee, Capital Intensity and Institutional Ownership on Tax Aggressiveness in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) for the Period 2021 – 2023

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A B S T R A C T

Tax is the main source of state revenue used to finance routine and development expenditures, as regulated in the KUP Law and the 2021 HPP Law. Tax is a mandatory contribution without direct reciprocity for the interests of the state. For companies, reducing profit tax, so many try to minimize the tax burden through legal strategies, or what is known as tax aggressiveness. This study intends to investigate the impact of the audit committee, capital intensity, and ownership structure on tax aggressiveness. The sampling method uses a purposive sampling technique, which produces 19 companies from a total of 57 companies in the population. IBM SPSS version 29 was used to conduct the analysis, which involved multiple linear regression. The study's findings indicate that the audit committee has an impact on tax aggressiveness, as does ownership structure, but capital intensity has no impact on tax aggressiveness.

INTRODUCTION

Tax is one of the most significant sources of state revenue which plays an important role in financing state expenditure, both routine expenditure and development expenditure. Be based on article 1 of the KUP Law in the HPP Law of 2021, according to the law, taxes are obligatory payments to the state that persons or organizations must make. They are used for state initiatives that maximize the welfare of the populace and are not directly reciprocated.

For companies, tax is a factor that will reduce profits for companies. This causes many companies to make one of the efforts by minimizing the tax burden within the limits where the existing rules are not violated because the amount of tax paid depends on the amount of income, when the income is larger it will be greater taxes that must be paid. A company's tax aggressiveness is correlated with the amount of tax savings it generates.

Tax aggressiveness is an action taken by a certain company to minimize the taxable amount obtained. Tax aggressiveness is an action taken by companies to manipulate taxable profits by displaying lower taxable profits through tax planning. This of course has an impact on the community government. For the government, this tax aggressiveness can provide losses such as lack of financing for state development. Meanwhile, on the community side, the impact received is the delay in development and facilities that should be felt by the community (Hasna, et al. 2022).

Based on the content of the Law, it is clear that taxes are a source of revenue for the state. With this, the government is making efforts to increase taxpayer compliance in paying taxes to improve people's welfare. However, in reality, taxpayer awareness is still very low, this is evidenced by the many cases of tax evasion. According to a Tax Justice Network report reported by pajaku.com on November 27, 2020, Tax Justice Network reported that Indonesia is expected to face losses of Rp. 68.7 trillion per year due to tax evasion. The losses were caused by corporate taxpayers who carried out tax evasion with losses of Rp. 68.6 trillion and individual taxpayers caused losses of Rp. 1.1 trillion.

The Indonesian Accounting Association in 2021 explained that companies can practice tax aggressiveness due to the self-assessment system's adherence to the Indonesian tax code, businesses or taxpayers are given the power, confidence, and obligation to determine, deposit, and disclose the amount of tax owed. Businesses have a significant chance to implement this technique.

The audit committee plays a crucial part to making sure impactive corporate governance and financial supervision in an organization. One important aspect is the supervision of the financial reporting process. The committee's duties include examining internal control systems, financial accounts, and making sure rules and regulations are being followed.By providing independent oversight, audit committees increase the credibility and reliability of financial information for various stakeholders, such as investors, regulators, and the public (Arens et al., 2017: 148).

Naturally, if it has to do with taxes, there is a link between tax aggression and the audit committee. The audit committee job is to supervise how the business is operated. Because it has to do with the operation of the business, the audit committee plays a crucial role when tax planning (or tax aggressiveness) takes place. (Schweser, 2021). According to Astuti & Asalam (2023) the audit committee has a substantial impact on tax aggressiveness, while according to Amiliya and Fajriana (2024) the committee has no impact on tax aggression because the existence of an audit committee on a company is only to comply with government regulations and cannot reduce tax aggressiveness.

The ratio of real or fixed capital to other production inputs, particularly labor, is known as capital intensity. This can be determined from the capital-to-labor ratio, for example, from locations along the capital/labor isoku, at the level of the industrial process or the economy overall. Nominally, the ratio of the complete monetary worth of capital equipment to the total potential output is known as capital intensity, and it is easy to measure. However, due to its susceptibility to rising inflation, this statistic does not have to be linked to actual economic activity. (Sabry, 2024:1-7).

A company's recognition of an investment activity linked to fixed asset investments is known as capital intensity. High ownership of fixed assets will also result in high depreciation costs, which will affect the company's profit, which is declining as a result of the depreciation costs. (Nurhayati et al., 2023: 236).

Tax aggressiveness can also be linked to capital intensity. Capital intensity refers to a company's financial activity that involves fixed asset investments. High fixed asset investment has an impact on increasing depreciation expense on fixed assets, thereby reducing profits. Reduced profits automatically lower the company's tax burden. Likewise, the amount of fixed assets of small companies has the potential to increase the tax burden (Prastowo et al., 2024). This is in line with the research of Mariana et al. (2021) which stated that capital intensity has an impact on tax aggressiveness, but the research of Nurhayati et al. (2023) concluded that capital intensity has no impact on tax aggressiveness.

The percentage of shares held by an organization, such as a bank, insurance provider, investment firm, or another organization, is known as institutional ownership. A company's performance is overseen by institutional ownership, which also serves to lessen conflicts of interest. (Salim et al., 2022).

Institutional ownership is related to tax aggressiveness allegedly because institutional ownership can encourage management not to take aggressive tax actions. Institutional ownership usually has a large percentage of share ownership, which is more than 50%, so that the size of the ownership can make institutional parties have a large role in influencing the company's decision-making. Institutional ownership also has the right to monitor the company's run, so that this party can force managers to act in accordance with the company's goals and not act in favor of personal interests, such as reducing the amount of corporate taxes (Haryanto, 2023). In the research of Anisah and Sastri

(2023), it is stated that institutional ownership has no impact on aggressiveness, while according to Nugraheni and Murtin (2019) institutional ownership has a significant impact on aggressiveness

The ownership structure is the proportion of share ownership owned by investors, both individual and institutional, both within and outside the company. The ownership structure is very closely related to the company's performance. The performance of this company depends on how much the company can meet its funding needs with a share ownership structure (Hasibuna, 2022:23).

The Indonesia Stock Exchange (IDX) is an institution that organizes stock buying and selling activities in Indonesia. IDX is a market where companies issue their stocks and bonds to get funds from investors. The Indonesia Stock Exchange (IDX) has many corporate sectors in it, one of which is manufacturing companies. Manufacturing companies have a crucial role in a country's economy. Companies in this sector not only contribute to economic growth and product innovation, but also contribute significantly to the country's revenue through tax payments.

Knowing the impact of the audit committee, capital intensity, and institutional ownership on tax aggressiveness is important because it has a significant impact on corporate governance and minimizes legal risks. The presence of an audit committee can increase transparency in the company's financial and reporting processes, including in terms of tax practices. This can reduce the risk of tax avoidance practices that are not in accordance with regulations.

Based on this backdrop, a study was undertaken with the title "The Impact of the Audit Committee, Capital Intensity, and Institutional Ownership on Tax Aggressiveness in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) for the 2021 - 2023 Period".

THEORETICAL REVIEW

The Impact of the Audit Committee on Tax Aggressiveness

One of the duties of the audit committee, an elected member of the board of directors, is to support the auditor in maintaining their independence from management. Three to five, or occasionally seven, directors who are not affiliated with the company's management make up the majority of audit committees. (Arens et al., 2017)

The relationship between the audit committee and tax aggressiveness is defined as the audit committee's critical function in guaranteeing the transparency and accountability of a company's financial statements. The audit committee is responsible for overseeing financial practices, including the tax strategies implemented by the company. An impactive audit committee can have a major impact on a company's tax aggressiveness. By overseeing tax decisions and assessing the associated risks, the audit committee plays a role in preventing aggressive practices that could violate tax regulations (Schweser, 2021).

In agency theory, the audit committee plays an important role in resolving agency conflicts between company management (agents) and shareholders or investors (principals). One of the main roles of the audit committee is to oversee the process of preparing financial statements to ensure their honesty. This is important because accurate and transparent financial statements are essential for shareholders to make informed investment decisions. By carrying out these roles, the audit committee is expected to increase transparency, accountability, and shareholder trust in the company. This helps reduce the risk of agency conflicts and improve the company's performance and value in the long run.

Previous study has found that the inclusion of an audit committee has an impact on company tax aggression. Alnasvi and Sastrodiharjo (2023) found that the audit committee variable had no effect on tax aggressiveness, whereas Astuti and Asalam (2023) found that it had a considerable impact on tax aggressiveness. Based on the theory and outcomes of past study, the hypothesis can be written as follows:

H1 : Komite Audit berpengaruh terhadap Tax Aggressiveness

The impact of Capital Intensity on Tax Aggressiveness

High capital intensity in a company tends to be associated with greater tax aggressiveness. This is because companies with large capital assets have more opportunities to take advantage of depreciation as a deduction of taxable profits, which can ultimately reduce tax liabilities legally. However, the decision to conduct aggressive tax planning remains impactd by other factors, including tax regulations, the industry sector, and the company's financial strategy (Sabry, 2024).

Capital intensity in the context of agency theory refers to how much capital is needed or used by a company in its operations. In agency theory, the concept of capital intensity can have implications for the relationship between shareholders (principal) and managers (agents). In the context of agency theory, the relationship between shareholders (principal) and managers (agents) becomes relevant. Managers act on behalf of shareholders, but sometimes the interests of managers and shareholders can conflict. Capital intensity can affect the dynamics of these relationships.

Based on previous research, it shows the results of the impact of capital intensity on tax aggressiveness. Research by Kurniawan et al., (2021) states that capital intensity affects tax aggressiveness. In contrast to the research of Ivahtun Nurhayati (2023), it shows that capital intensity has no impact on tax aggressiveness.

Based on the theory and outcomes of past study, the hypothesis can be written as follows:

H2: Capital intensity affects Tax Aggressiveness

The Impact of Institutional Ownership on Tax Aggressiveness

Institutional ownership has the right to supervise the company's management, so that this party can force managers to behave in accordance with the company's aims rather than acting in favor of personal interests, such as cutting the amount of corporate taxes (Haryanto, 2023).

Institutional ownership in agency theory is important because it can affect management incentives and motivations, agency conflict resolution, transparency in decision-making, and long-term company performance. The study of ownership structures in the context of agency theory helps to understand how agency relationships can be organized and optimized to achieve corporate goals and shareholder interests.

Based on previous theories and research, it shows results on the impact of institutional ownership on tax aggressiveness. Research from Margie and Habibah (2021) states that institutional ownership has an impact on tax aggressiveness, but in contrast to Fiki Kartika's research (2020), in his research it is stated that institutional ownership has no impact on tax aggressiveness. Based on the above statement, the following hypothesis is obtained:
H3: Ownership structure affects tax aggressiveness

METHODOLOGY

This study employs a particular kind of quantitative technique, which measures and analyzes phenomena using data and statistics. Statistical analysis, experiments, and surveys are examples of quantitative data collection techniques. This method is frequently employed to assess the correlations between variables, find patterns, and test hypotheses. This study analyzes the impact of audit committees, capital intensity, and institutional ownership on tax aggressiveness.

Data Type

The type of data used in this study is quantitative data, which includes information that can be measured and calculated numerically. This data consists of numbers or numbers that represent the variables being studied, such as revenue, number of sales, or stock prices.

Data Source

The data provided is secondary data collected from PT's official website. The Indonesian Stock Exchange's website is www.idx.co.id. This secondary data is derived from existing sources, such as scientific articles, government reports, and databases. This study can provide thorough and precise information about the variables studied by relying on secondary data rather than collecting data directly.

Data Collection Methods

The data collection approach in this study is based on documentation procedures and financial statements obtained from the Indonesia Stock Exchange's (IDX) official website, www.idx.co.id. This study gathers information on the factors under consideration from the financial statements of companies listed on the IDX. This method of data collection allows us to get broad and thorough information about the financial performance of the companies being studied.

In addition, the study also uses data collection techniques in the form of literature research to support the analysis and interpretation of data obtained from financial statements. Through literature research, researchers seek and collect information from various reliable sources, such as scientific journals, textbooks, articles, and other publications relevant to the research topic. This technique helps in gaining a deeper understanding of concepts and theories related to the research object and enriches the analysis and interpretation of research results.

Analysis Methods and Processes

Data analysis is a stage in testing data that produces enough evidence to conclude the research. To ensure strong evidence, statistical techniques are generally used in analyzing research data. The choice of statistical techniques depends on the context of the answer or the solution of the research problem. In this study, the data analysis method uses SPSS software.

The approach applied is multiple linear regression analysis, which is used to measure the impact of independent variables on one or more dependent variables, as well as predict dependent variables by utilizing independent variables.

RESULTS

A manufacturing company is a company that engages in production activities, specifically the transformation of raw materials into finished or semi-finished commodities. Manufacturing businesses are one of the key sectors on the Indonesia Stock Exchange (IDX), with many sub-sectors based on industry type. For example, the basic and chemical industries, consumer goods, and other industrial sectors.

In this case, the number of manufacturing companies listed on the IDX until 2023 is 42 companies. These companies passed the sampling criteria, including companies listed consecutively during the 2021-2023 period on the IDX, consistent in reporting financial statements, using rupiah currency, and earning profits periodically. After passing the sampling criteria, there were 23 companies that did not meet the requirements, so that there were only 19 companies that met the criteria to be a research sample.

Descriptive Statistical Analysis

Descriptive statistical analysis is a method for summarizing, describing, and understanding the data collected in a study. This involves measuring to show the main characteristics of the data, such as the mean that describes the median value or standard deviation of the data being studied, namely the audit committee, capital intensity, and institutional ownership as independent variables as well as the dependent variable namely Tax Aggressiveness.

Table 1 Descriptive Statistical Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Komite Audit	57	2	3	2.96	.186
Intensitas Modal	57	.28	2.11	1.07	.485568
Kepemilikan Institusi	57	.20	.915	.62	.229215
Tax Aggresiveness	57	.001	.102	.028	.021592
Valid N (listwise)	57				

Source: Data on processed SPSS processed by researchers, 2024

From table 4.1, it can be seen that there are 57 data analyzed in this study. The following is an explanation for each variable:

1. The audit committee variable (X1) has a minimum value of 2 owned by many corporations in different periods: In 2021, there were 19 companies; in 2022, there were 18; and in 2023, there were 18. This indicates that this corporation has the fewest number of audit committees. ULTJ (Ultra Jaya Milk Industry and Trading Company Tbk) has the maximum value of 3 in 2022 and 2023. This demonstrates that the corporation has the most audit committees. The mean value of this variable is 2.96, while the standard deviation is 0.186. This shows that the standard deviation value is less than the mean value, showing that the sample's audit committee is well and equally dispersed.
2. The capital intensity variable (X2) shows a minimum value of 0.28, which is owned by one company, namely CEKA (Wilmar Cahaya Indonesia Tbk) in the 2022 period, this shows that this company has the lowest capital intensity value. On the other hand, the maximum value is 2.11, which is owned by PSGO (Palma Serasih Tbk) in the 2021 period, this shows that this company has the highest capital intensity value. The mean value of this variable is 1.07 and the standard deviation value is 0.485568, which indicates that the standard deviation value is smaller than the mean value, which means that the capital intensity of the sample is well and evenly distributed.
3. The Institutional Ownership variable (X3) has a minimum value of 0.20 owned by DMND (Diamond Food Indonesia Tbk) in the 2021, 2022 and 2023 periods. This indicates that the company has institutional shares that are lower than its total shares. On the other hand, the maximum value of this variable is 0.91 owned by ADES (Akasha Wira International Tbk) in the period 2021 to 2023. This shows that this company has institutional shares that are higher than its total shares. The mean value of this variable is 0.62 with a standard deviation value of 0.229215, this indicates that the standard deviation value is lower than the mean, which means that the institutional ownership of the sample is well and evenly distributed.

4. The Tax Aggresiveness (Y) variable shows a minimum value of 0.001 owned by PCAR (Prima Cakrawala Abadi Tbk) companies in the 2021 period. This shows that this company has a relatively low tax minimization rate. On the other hand, the maximum value is 0.102, which is owned by MLBI (Multi Bintang Indonesia Tbk) in 2023. This shows that this company has a relatively high level of minimizing taxes. The mean value for this variable is 0.028, with a standard deviation of 0.021592, which indicates that the standard deviation value is lower than the mean, which means that the tax aggressiveness of the sample is well and evenly distributed.

Determination Coefficient Test (R2 Test)

The Coefficient of Determination test is a statistical tool used to determine how well a regression model fits actual data. The determination coefficient's test result demonstrates how well the independent variable—tax aggressiveness in the model—can explain for the variance in the dependent variables, which are audit committee, capital intensity, and institutional ownership. The following are the results of the determination coefficient test:

Table 2 Results of Determination Coefficient Test (R2 Test)

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.554[a]	.307	.268	.018486
a. Predictors: (Constant), Kepemilikan Institusi, Komite Audit, Intensitas Modal				
b. Dependent Variable: Tax Aggresiveness				

Source : Data on processed SPSS processed by researchers, 2024

Individual Significance Test (t-Test)

The individual significance test is a statistical approach to determine whether the coefficients of independent variables in a linear regression model have a significant impact on dependent variables. In other words, this test determines whether each independent variable contributes significantly to explaining the variability of the data in the regression model.

In this test, the conclusion was made by using a significance level of 0.05 and comparing the tcal value to the ttable (2.00575). If │thical│ ≥ ttable sig ≤ 0.05, the independent variable has a significant impact on the dependent variable. If │thical│ ≤ ttable sig ≥ 0.05, the independent variable has no significant impact on the dependent variable. The results of individual significance tests are as follows:

Table 3 Individual Significance Test (T-Test)

Coefficients[a]						
Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.098	.040		2.449	.018
	Komite Audit	-.035	.014	-.297	-2.489	.016
	Intensitas Modal	-.001	.005	-.018	-.153	.879
	Kepemilikan Institusional	.053	.012	.565	4.521	<.001

a. Dependent Variable: Tax Aggresiveness

Source : Data on processed SPSS processed by researchers, 2024

Based on the results of the t-test in table 4.8 above, the following results are obtained:

1. The audit committee variable had a calculated value of -2,489. The significance value was 0.016. These findings demonstrate that the audit committee has a major impact on tax aggression. This is because the significance value, 0.016, is less than 0.05, and the ttable > tcount value, 2.489, is greater than 2.00575. Thus, H01 was rejected whereas Ha1 was accepted, indicating that the audit committee has a considerable influence on tax aggression.
2. The capital intensity variable showed a significance value of 0.879 with a calculation value of -0.153. These results show that there is no significant impact of the audit committee on tax aggressiveness. This is because the significance value is greater than 0.05, which is 0.879, and the ttable < calculation value is -0.153 < 2.00575. Thus, H02 was accepted and Ha2 was rejected which means that capital intensity does not have a significant impact on tax aggressiveness. Then this result is also supported by research (Ivathun Nurhayat, 2023) where the results of the study show that there is no impact of capital intensity on tax aggressiveness.
3. The institutional ownership variable showed a significance value of 0.001 with a calculated value of 4.372. These results show that institutional ownership has a significant impact on tax aggressiveness. This is because the significance value is smaller than 0.05, which is 0.001, and the ttable > calculation value is -4.372 > 2.00575. Thus, H03 was rejected and Ha2 was accepted, which means that institutional ownership has a significant impact on tax aggressiveness.

DISCUSSION

The Impact of the Audit Committee on Tax Aggressiveness

The first hypothesis test in this study aims to find out whether the audit committee has an impact on tax aggressiveness. The results of the partial test show that the variables of the audit committee have an impact on tax aggressiveness. Thus, the first hypothesis that states that the audit committee has an impact on tax aggressiveness is accepted and proven because the research data obtained supports the hypothesis.

The audit committee is an example of a resource person that the auditor can expect to obtain information about the specifics of the client's business by reviewing the audit papers stored in the permanent archives. The audit committee can provide information about the strengths and weaknesses of the internal control of the company or part of the client company, the electronic data processing system that has just been implemented by the client, changes in the company's management and changes in the organizational structure of the client company (Koerniawan, 2021:85).

The audit committee is responsible for ensuring that a company's accounting and tax compliance practices are carried out in a transparent and accountable manner. With the strict supervision of the audit committee, managers will be more careful in making tax decisions. Thus, the existence of an audit committee can reduce tax aggressiveness by ensuring that tax decisions are made with risk and compliance with the law in mind.

According to (Kamul & Riswandari, 2021), if it is associated with taxes, of course, the audit committee has a relationship with tax aggressiveness. The audit committee is tasked with overseeing the running of the company. So that when there is tax planning (tax aggressiveness), the role of the audit committee in this case is quite significant because it is related to the company's run. According to agency theory, the role of the audit committee that oversees the management of the company will be more impactive in minimizing the tax aggressiveness carried out by management.

This research supports the findings of another study (Astuti & Asalam, 2023), which found that the audit committee had an impact on tax aggressiveness. This study demonstrated that the audit committee has an impact on tax aggressiveness. This is because the audit committee is responsible for overseeing the company's operations, thus when there is an act of tax evasion, the audit committee's participation in this situation is critical because it is tied to the company's operations.

Based on the literature, theory and research results, it can be concluded that, this study shows that companies with strong audit committees tend to carry out less tax aggressive actions. The role of the audit committee in supervising the management of the company is in accordance with the agency theory, which states that good supervision can minimize the aggressive practice of taxation. These results are supported by previous research that found that audit committees play an important role in ensuring tax compliance and preventing excessive tax avoidance behavior by management.

Impact of Capital Intensity on Tax Aggressiveness

The second hypothesis test in this study aims to find out whether capital intensity has an impact on tax aggressiveness. The results of the partial test show that the capital intensity variable does not have a significant impact on tax aggressiveness. Thus, the second hypothesis that capital intensity affects tax aggressiveness is rejected and is not proven because the research data obtained does not support the hypothesis.

Capital intensity refers to the ratio of fixed or real capital to other factors of production, especially labor. At the level of the production process or the economy as a whole, this can be estimated from the ratio of capital to labor, such as from points along the capital/labor isoku. Capital intensity is easily measured in nominal form (Sabry, 2024:1-7).

According to (Christina & Wahyudi, 2022), capital intensity, theoretically related to tax avoidance, is related to tax avoidance because it describes how much the company invests assets in the form of inventory and fixed assets. Capital intensity is the percentage of each type of capital (debt and equity capital), which a company uses in setting a company's funding policy in determining the mix between debt and equity that aims to maximize the company's value.

However, the results of this study show that capital intensity does not have a significant impact on tax aggressiveness. The results of this study are in line with the research of Nurhayati et al. (2023) which stated that there was no impact of capital intensity on tax aggressiveness.

Capital intensity is usually not directly associated with tax aggressiveness because fixed asset investments typically result in clear and tightly regulated tax deductions, such as depreciation or amortization. In other words, tax deductions for capital intensity are more common and do not provide much leeway for aggressive tax avoidance tactics. Capital intensity refers to the large proportion of a company's investment in fixed assets such as machinery, buildings, or equipment. Meanwhile, tax aggressiveness describes a company's efforts to minimize the tax burden through strategies that often involve optimizing tax reductions, taking advantage of regulatory loopholes, or more aggressive practices.

Based on the literature, theory and research results, it can be concluded that, although theoretically capital intensity is associated with tax avoidance because it describes the amount of corporate investment in fixed assets, the results of the study show that it does not directly affect the company's tax aggressiveness strategy. This is due to the characteristics of investments in fixed assets that are more structured and tightly regulated, such as in terms of depreciation or amortization, so it leaves little room for companies to engage in aggressive tax avoidance tactics. This result is in line with previous research which also found that capital intensity does not affect tax aggressiveness.

The Impact of Institutional Ownership on Tax Aggressiveness

The third hypothesis test in this study aims to find out whether institutional ownership has an impact on tax aggressiveness. The results of the partial test show that the variable of institutional ownership has an impact on tax aggressiveness. Thus, the third hypothesis that states that institutional ownership affects tax aggressiveness is accepted and proven because the research data obtained supports the hypothesis.

The percentage of shares held by an organization, such as a bank, insurance provider, investment firm, or another organization, is known as institutional ownership. A company's performance is overseen by institutional ownership, which also serves to lessen conflicts of interest. (Salim et al., 2022).

The results of this study can be explained through agency theory. Within the framework of agency theory, institutional ownership can contribute to increasing corporate tax aggressiveness. Institutional investors, such as pension funds and insurance companies, have an interest in maximizing the value of their investments. They often encourage companies to adopt strategies that can increase net profits, including using aggressive tactics in tax planning. Overall, in the context of agency theory, institutional ownership can increase a company's taxing aggressiveness through the drive to maximize investment value, better risk understanding, and active monitoring of managerial decisions. This creates an environment that encourages the exploration of more aggressive taxation strategies.

This research supports the findings of Astuti and Asalam (2023), who found that institutional ownership had an impact on tax aggression. The impact of institutional ownership on tax aggressiveness is speculated because institutional ownership may discourage management from pursuing aggressive tax strategies. Institutional ownership also has the right to supervise the company's development, allowing it to force management to behave in accordance with the company's objectives rather than personal interests, such as lowering corporation taxes.

Based on the above statement, it can be concluded that institutional ownership has a significant impact on the tax aggressiveness of the company. The test results show that the third hypothesis, which states the impact of institutional ownership on tax aggressiveness, is accepted and supported by the research data. Within the framework of agency theory, institutional ownership plays a role in encouraging companies to adopt more aggressive taxation strategies, with the aim of maximizing the value of investments. Thus, institutional ownership not only serves as a supervisor, but also serves as an incentive for companies to carry out more aggressive tax planning.

CONCLUSIONS AND RECOMMENDATIONS

This study uncovered some relevant conclusions regarding the impact of the audit committee, capital intensity, and institutional ownership on aggressive texts in manufacturing enterprises listed on the Indonesia Stock Exchange.

In the series of Hypothesis Testing, the following results were obtained:

1. The analysis's findings indicate that the audit committee variable has an impact on tax aggressiveness. This shows that manufacturing companies in the food and beverage sub-sector listed on the IDX for the 2021-2023 period have a good audit committee role in supervising company

management in accordance with agency theory, which states that good supervision can minimize tax aggressive practices.

2. The analysis shows that capital intensity has no significant impact on tax aggression. Although capital intensity is theoretically related to tax avoidance because it describes how much a company invests assets in the form of inventory and fixed assets, this study shows that capital intensity does not affect tax aggressiveness in manufacturing companies in the food and beverage sub-sector listed on the IDX for the 2021-2023 period.
3. This analysis demonstrates that institutional ownership influences tax aggression. This demonstrates that manufacturing companies in the food and beverage sub-sector listed on the IDX from 2021 to 2023 may effectively monitor companies and encourage management not to be tax aggressive.

Overall, the findings of this study indicate that influential audit committees and institutional ownership have an impact on tax aggressiveness, whereas capital intensity has no impact on tax aggressiveness in manufacturing companies in the food and beverage sub-sector listed on the IDX between 2021 and 2023.

FURTHER STUDY

For the next researcher, it is suggested to research and expand research variables that have the potential to affect tax aggressiveness to obtain more varied research results. In addition, it is also recommended to expand the population and year of the study to get better and more accurate results.

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