



Journal of Economics and Business

Sadjiarto, Arja, Florencia, and Nevanda, Olivia. (2019), Effects of Political Connections and Corporate Governance on Tax Aggressiveness in Indonesian Service and Banking Sectors, Vol.2, No.1, 190-204.

ISSN 2615-3726

DOI: 10.31014/aior.1992.02.01.79

The online version of this article can be found at:
<https://www.asianinstituteofresearch.org/>

Published by:
The Asian Institute of Research

The *Journal of Economics and Business* is an Open Access publication. It may be read, copied and distributed free of charge according to the conditions of the Creative Commons Attribution 4.0 International license.

The Asian Institute of Research *Journal of Economics and Business* is a peer-reviewed International Journal. The journal covers scholarly articles in the fields of Economics and Business, which includes, but not limited to, Business Economics (Micro and Macro), Finance, Management, Marketing, Business Law, Entrepreneurship, Behavioral and Health Economics, Government Taxation and Regulations, Financial Markets, International Economics, Investment, and Economic Development. As the journal is Open Access, it ensures high visibility and the increase of citations for all research articles published. The *Journal of Economics and Business* aims to facilitate scholarly work on recent theoretical and practical aspects of Economics and Business.



ASIAN INSTITUTE OF RESEARCH
Connecting Scholars Worldwide



Effects of Political Connections and Corporate Governance on Tax Aggressiveness in Indonesian Service and Banking Sectors

Arja Sadjiarto¹, Florencia², Olivia Nevanda³

¹ Tax Accounting, Petra Christian University, Indonesia. Email: arja@petra.ac.id

² Tax Accounting, Petra Christian University, Indonesia. Email: limantoflorencia@yahoo.com

³ Tax Accounting, Petra Christian University, Indonesia. Email: olivia.nevanda@yahoo.com

Abstract

We investigate whether political connections and corporate governance have any effects on tax aggressiveness in service and banking sector in Indonesia. Corporate governance act as the independent variable on the first model, and as moderating variable on the second model. Tax aggressiveness is measured using effective tax rates. Political connection is measured with the amount of any connection between the company and its board member's political background. While the measurement of corporate governance are among others: board independence, board size, CEO duality, institutional ownership, and external auditor's reputation. We took the samples service companies and banks listed on the Indonesia Stock Exchange for the period 2013-2017. The analysis used in this study is the multiple linear regression analysis. The finding is that political connection does not influence tax aggressiveness in both sectors. In the service sector, corporate governance measured with CEO duality and institutional ownership has a negative effect on tax aggressiveness, while the other measurements have no effect. While in banking sectors, board size has a negative effect, institutional ownership and external auditor's reputation have a positive influence. Corporate governance did not moderate the influence of political connections on tax aggressiveness in both sectors.

Keywords: Corporate Governance, Tax Aggressiveness, Political Connections

1. Introduction

The governmental purpose of maximizing revenue from taxes is not the same as the company purpose as a taxpayer, in which the company attempts to minimize the tax burdens, so it gets higher net income. The actions of tax-saving conducted by a number of companies in Indonesia are aimed not to do tax evasions, but considerably to the purpose of saving many tax expenses paid by the company by way of utilizing gaps available within tax regulations in Indonesia (Suandy, 2014, Pranoto, and Widagdo, 2016).

Wahab, Ariff, Marzuki, Zuraidah, & Sanusi (2017); Wicaksono (2017); Pranoto & Widagdo (2016); Boussaidi & Hamed (2015); Putri (2014); Mulyadi, Anwar, & Krisma (2014); Kim dan Zhang(2013), investigated the influences of political connection and corporate governance towards tax aggressiveness. According to Wahab, Ariff, Marzuki, Zuraidah, & Sanusi (2017), they found that political related positively towards tax aggressiveness. The more who have political connections, so it can enable to do tax aggressiveness. Good governance can prevent

the company from practicing company tax aggressiveness policies. Corporate governance not only have an effect on tax aggressiveness but also moderating the effect of political connection toward tax aggressiveness (Wahab et al. 2017) negatively. Whereas according to Pranoto & Widagdo (2016), political connection probably may be used by the taxpayer for helping to reduce the possibilities of tax inspections or reduce any tax sanctions by utilizing the relationship with government officials.

From the researches of Boussaidi & Hamed (2015); Putri (2014); Mulyadi, Anwar, & Krisma (2014), it is known that corporate governance also influences toward tax aggressiveness. The research of Boussaidi & Hamed (2015) found that corporate governance has positive influences toward tax aggressiveness, whereas the research of Putri (2014) found that corporate governance has negative influences toward company tax aggressiveness. Kim and Zhang (2013) stated that a company with a political connection could easily access for getting information about tax regulations or law enforcement in the future, so the company could arrange more complex tax strategies.

The samples taken are from service and banking sectors listed in Indonesian Stock Exchange in the period of 2013 to 2017. Compared with manufacturing sectors, the service sector has a higher percentage of growth, and then its tax aggressiveness tends to be higher. The banking sector is one of the biggest country tax contributors after the manufacturing company.

2. Literature Review

Agency theory explains about the relationship between management and the company owner. In agency theory, there are two parties, i.e., the management who acts as an agent and the stakeholders as principal. Jensen and Meckling (1976) defined agency relationship as contract or agreement conducted by one or more people (principals) for binding other person (agent) in order to manage services in company activities in which the agent parties have the authorities upon the management.

According to Saeed (2013), corporate governance is a system applied in the company for directly controlling operational activities. Sandy and Lukviarman (2015) stated that corporate governance for some company would support operational activities. Implementational of corporate governance mechanism should be company main attention, then it will make agent follow the policy and regulations (Lestari and Putri, 2017).

Gomez (2009) in Wicaksono (2017) explained that the special relationship with the government enables the company getting different treatment from the government compared with the one which did not have. The indicator of this political connection is whether the independent commissioner currently has past experience or currently still being a politician who affiliates to a political party and/or governmental official, and/or military official. Tiaras and Wijaya, (2015) explained that company tax aggressiveness action is some action of engineering incomes charged by taxes conducted by the company. The enforcement from tax aggressiveness is for the purpose of minimizing tax debts, and the ways conducted do not violate the valid determinations.

2.1. Hypothesis Development

Wahab, Ariff, Marzuki, Zuraidah, Sanusi (2017) showed that there are positive influences of political connection towards tax aggressiveness. The company related by political connection has benefits of risk decreases, accesses to information about tax changes, so the company related politically has lower detection risks because of protected by political connection (Kim and Zhang, 2016). The company related to the political connection in paying taxes has effectiveness level far lower than the company unrelated (Adhikari et al., 2006). Based on the explanations, this research assumes that by the company which has a political connection, so it will increase the company tax aggressiveness.

H₁. Political connection influences towards tax aggressiveness

Sandy and Hamed (2015) found that corporate governance has positive influences towards tax aggressiveness. The positive influences can be explained that the higher the corporate governance will lead to the lower the tax aggressiveness. Corporate governance or management has important roles in the company's tax attitudes. It

prevents the company from practices of tax aggressiveness (Wahab *et al.*, 2017). The company that applies a good corporate governance will have a lower tax aggressiveness.

H₂: Corporate governance influences towards tax aggressiveness.

According to Wahab *et al.*, corporate governance has roles in preventing or reducing company political involvements, so it decreases its tax aggressiveness. But, in certain conditions, political connection personal dimension can continue giving benefits for the company related politically. The relationship of the three variables also positions corporate governance as the variable that moderates the influences of political connection towards tax aggressiveness. According to Ward, Brown, and Rodriguez (2009), the company which applied good corporate governance will pursue the principles of openness, honesty, responsibility, so that the political intervention will be more insignificant.

H₃: Corporate governance moderates the influences of political connections toward tax aggressiveness.

3. Research Method

3.1. Samples

The population are 2 sectors listed in Indonesian Stock Exchange in the period of 2013 to 2017, i.e., service and banking sectors.

Table 3.1 Samples in the Service Sector

Sample Criteria	Total	Unit
Service sector companies listed in Indonesian Stock Exchange in 2013 to 2017	221	Company
Service sector companies that do not issue complete annual reports listed in Indonesian Stock Exchange in 2013 to 2017	112	Company
Service sector companies with negative income taxes	48	Company
Companies that meet the requirements	61	Company
Companies affected by outliers	7	Company
Company become the object of research	54	Company
Years observed	5	Year
Data used	270	Data

Companies that meet the criteria for research are 61 companies because there are two main requirements that must be fulfilled, namely: completeness of financial statements published on the Indonesia Stock Exchange from 2013-2017. During that period the company did not experience losses. There were also several companies not publishing on the website. The number of data that meet the criteria for 5 years is 305 company data. But outliers were made so that only 270 data were used.

Table 3.2 Samples in the Banking Sector

Sample Criteria	Total	Unit
Banking sector companies listed on the Indonesia Stock Exchange in 2013-2017	43	Company
Banking sector companies that do not issue complete annual reports listed on the Indonesia Stock Exchange in 2013-2017	1	Company
Banking sector companies with negative income tax	5	Company
Companies that meet the requirements	37	Company
Companies affected by outliers	14	Company
Companies become the object of research	23	Company
Years observed	5	Year
Data used	115	Data

Companies that meet the criteria for research are 37 companies because there are two main requirements that must be fulfilled, namely: completeness of financial statements published on the Indonesia Stock Exchange from 2013 to 2017 and during that period the company did not experience losses, but there were also several companies not publishing on the website. The number of companies that meet the criteria for 5 years is 185 company data. But outliers were made so that only 115 data were used.

3.2 Variables Operationalization

The other independent variable in this study is political connections. Political connections that can be used in this study refer to the research of Pranoto and Widagdo (2016) because they are adjusted to companies in Indonesia, that political connection variables will be measured using numbers, by counting the number of directors of companies, external auditors and board independence who have political connections

Corporate governance measurement refers to research by Wahab et al. (2017), which is categorized into internal and external governance mechanisms. For internal governance mechanisms, including:

1. Board Independence (BINDit), measured by the comparison of the number of independent directors and the overall company director.
2. Board Size (LBSIZEit) is measured from the Ln transformation of the total number of commissioners in the company.
3. CEO Duality (DUALITYit) means that there are multiple positions between the board of commissioners and the board of directors. DUALITYit in its measurement uses a dummy, with a value of "1" when the role of the CEO and chairman is separated and "0" when CEO duality in the company exists.

For external governance mechanisms, including:

1. Institutional Investors (INSTOWNit), Institutional Investors can be seen from the percentage of share ownership by the institution to the total number of shares. The indicator used for the presentation is the percentage of shares held by other companies, the data is represented by the percentage of 5 shareholders of the top institutional investors.
2. External auditor (BIGNit), is an independent company audit of financial statements in Indonesia. Represented by the value "1" when the company uses an audit service by one of the BIG 4; if not the value "0".

The dependent variable in this study is tax aggressiveness. Measurement of tax aggressiveness by using effective tax rate (ETR) with the following formula (Wahab, Ariff, Marzuki, Zuraidah, Sanusi, 2016):

$$ETR = \frac{\text{Total Tax Expense}}{\text{Pretax income}} \quad (1)$$

The control variable in this research adopts the research of Wahab *et al.* (2017), and it is adjusted by the research objects. The following ones are control variables used in this research:

1. Firm Size is a measurement scale used for classifying big or small company. Size measurement is measured by using natural logarithm from the total assets.

$$ASSETS = \text{Ln} (\text{Total Assets}) \quad (2)$$

2. *Leverage*, is a ratio that describes company capital structure and describes company financing decisions. *Leverage* can be calculated by using proportions of the total debts divided by the total assets owned by the company.

$$DEBT = \frac{\text{Total Utang}}{\text{Total Ekuitas}} \quad (3)$$

3. *Market-to-book ratio*, is comparison or ratio between market value and book value.

$$MTBV = \frac{\text{Market Capitalization}}{\text{Total Book Value}} \quad (4)$$

3.3 The Model of Analysis

The analysis models used in this research use the research models available in the research of Wahab et al. (2017). The first model uses two independent variables, i.e., Corporate Governance and political connections and one dependent variable, i.e., tax aggressiveness. Whereas, the second model uses one independent variable, i.e., political connections, one moderation variable, i.e., Corporate Governance and one dependent variable, i.e., tax aggressiveness.

Model 1:

$$TAX_AGRR_{it} = \beta_0 + \beta_1 POLCON_{it} + \beta_2 CGOV_{it} + \beta_3 ASSETS_{it} + \beta_4 DEBT_{it} + B5MTBV_{it} + e \quad (5)$$

Model 2:

$$TAX_AGRR_{it} = \beta_0 + \beta_1 POLCON_{it} + \beta_2 CGOV_{it} + \beta_3 POLCON_{it} * CGOV_{it} + \beta_4 ASSETS_{it} + \beta_5 DEBT_{it} + \beta_6 MTBV_{it} + e \quad (6)$$

TAX_AGRR_{it}: tax aggressiveness is measured by effective values of tax rates (ETR).

POLCON_{it}: political connections, is measured by dummy, the value variable is "1" if the company is related politically and "0" if not

CGOV_{it}: corporate governance, this variable can be categorized into internal and external mechanisms

ASSETS_{it}: firm size, measured by Ln_Total Asset.

DEBT_{it}: leverage, measured by the total debts divided by the total equities.

MTBV_{it}: market-to-book ratio, measured by the capitalization market ratio divided by the total book values.

The following ones are the data results of *Descriptive Statistics* for service and banking sectors:

Table 3.3 Service Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
POLCONit	270	,00	1,00	,5111	,50080
BINDit	270	,00	,40	,1251	,12452
LBSIZEit	270	,69	2,30	1,4932	,33822
DUALITYit	270	,00	1,00	,5000	,50093
INSTOWNit	270	,00	,99	,6443	,21905
BIGNit	270	,00	1,00	,4704	,50005
ASSETSit	270	10,77	19,11	14,9601	1,66457
DEBTit	270	-2,59	2,61	-,1574	,93255
MTBVit	270	-1,00	4,95	2,0618	1,48633
TAX_AGRRit	270	,00	,86	,2402	,12898
POLCONit*BINDit	270	,00	,40	,0614	,10068
POLCONit*LBSIZEit	270	,00	2,30	,8407	,85058
POLCONit*DUALITYit	270	,00	1,00	,2667	,44304
POLCONit*INSTOWNit	270	,00	,99	,3133	,35087
POLCONit*BIGNit	270	,00	1,00	,2667	,44304
Valid N (listwise)	270				

Table 3.4 Banking Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
BINDit	115	,33333	1,00000	,5865424	,12091016
LBSIZEit	115	3,00000	12,00000	6,5478261	2,39972030
DUALITYit	115	,00000	1,00000	,8695652	,33825505
INSTOWNit	115	,11170	,97100	,6009591	,26251700
BIGNit	115	,00000	1,00000	,5478261	,49988557
POLCONit	115	,00000	8,00000	1,8956522	2,05782168
ETR	115	,06162	,37626	,2433106	,04497240
Asset (Firm Size)	115	27,47413	34,65629	31,0976333	1,73079894
DEBT	115	-150,97095	153,26524	14,2952712	28,31375922

MTBV	115	,00000	3,96521	1,4485821	,87506586
POLCONit_BINDit	115	,00000	4,00000	1,0896687	1,20216641
POLCONit_LBSIZEit	115	,00000	88,00000	14,1826087	18,35066929
POLCONit_DUALITYit	115	,00000	8,00000	1,8260870	2,10371797
POLCONit_INSTOWNit	115	,00000	4,31520	,9863965	1,00163888
POLCONit_BIGNit	115	,00000	8,00000	1,4086957	2,03433532
Valid N (listwise)	115				

Results of Analysis and Discussion

The feasibility test of the model in this study includes: Determination Coefficient Test, Simultaneous Significance Test (F Test) and Individual Parameter Significance Test (t test). The test was conducted with a model without moderation and with moderation of the interaction test (MRA). The following is a summary of the table of test results for each of these analyzes:

Table 2. Regression Test Results in the Service Sector

Variable	Without moderation	MRA1	MRA2	MRA3	MRA4	MRA5
Constants	0,381 (0,000)	0,373 (0,001)	0,358 (0,002)	0,377 (0,000)	0,393 (0,000)	0,381 (0,000)
POLCONit	0,017 (0,357)	0,009 (0,729)	0,059 (0,448)	0,023 (0,323)	-0,042 (0,435)	0,028 (0,229)
BINDit	-0,006 (0,927)	-0,030 (0,711)	-0,009 (0,881)	-0,006 (0,919)	-0,007 (0,915)	-0,006 (0,928)
LBSIZEit	0,019 (0,545)	0,021 (0,515)	0,033 (0,820)	0,020 (0,536)	0,025 (0,434)	0,017 (0,593)
DUALITYit	-0,076 (0,000*)	-0,076 (0,000)	-0,076 (0,000)	-0,070 (0,002)	-0,077 (0,000)	-0,077 (0,000)
INSTOWNit	-0,093 (0,015*)	-0,093 (0,015)	-0,095 (0,013)	-0,093 (0,015)	-0,143 (0,014)	-0,093 (0,015)
BIGNit	-0,007 (0,713)	-0,008 (0,699)	-0,009 (0,656)	-0,008 (0,686)	-0,012 (0,565)	0,006 (0,828)
LnAssetIT	-0,004 (0,592)	-0,003 (0,662)	-0,003 (0,646)	-0,004 (0,596)	-0,003 (0,713)	-0,004 (0,576)
DEBTit	0,023 (0,006)	0,023 (0,006)	0,023 (0,006)	0,023 (0,006)	0,024 (0,005)	0,023 (0,005)
MTBVit	-0,006 (0,355)	-0,007 (0,316)	-0,006 (0,370)	-0,006 (0,357)	-0,007 (0,245)	-0,006 (0,377)
POLCONit*BINDit		0,060 (0,636)				
POLCONit*LBSIZEit			-0,029 (0,576)			
POLCONit*DUALITYit				-0,012 (0,686)		
POLCONit*INSTOWNit					0,085 (0,245)	
POLCONit*BiIGNit						-0,023 (0,439)
Adjusted R Square	0,105	0,103	0,103	0,103	0,107	0,104
Sig.F	0,000	0,000	0,000	0,000	0,000	0,000

The Determination Coefficient Test (R^2) is a test to see whether the regression model is appropriate or not using the adjusted R^2 value as the Determination Coefficient Value. Based on the results of the analysis of the Service

sector in table 2, it shows that the adjusted R^2 value or unmoderated coefficient is 0,105. From these results indicate that the independent variables together affect the dependent variable by 10,5% and the remaining 89,5% is explained by other variables that have not been studied.

The moderating results of the BIND variable (board independence), LBSIZE (board size), and DUALITY (CEO duality) are seen in the table that the adjusted R^2 value between moderation and R^2 uses the first test moderation, the second test, and the third test decreases to 0,103 % (10,3%). This explains that independent board, board size, and CEO duality are not moderating variables.

The results of INSTOWN moderation (institutional investors) in the table can be seen that the adjusted R^2 value has increased from R^2 before moderation to 0,017 (17%). This explains that institutional investors as moderating variables strengthen the regression model by 2%.

The moderation results of BIGN (external auditor) in the table can be seen the adjusted R^2 value between without moderation and R^2 using moderation in the fifth test decreased to 0,104 (14%). This explains that the external auditor is not a moderating variable.

Table 3. Regression Test Results in the Banking Sector

Variable	Without moderation	MRA1	MRA2	MRA3	MRA4	MRA5
Constants	0,162 (0,379)	0,159 (0,396)	0,158 (0,393)	0,164 (0,379)	0,168 (0,363)	0,154 (0,424)
POLCONit	-0,001 (0,762)	0,000294 (0,977)	0,004 (0,505)	0,001 (0,960)	0,005 (0,375)	- 0,000275 (0,943)
BINDit	-0,001 (0,973)	0,002 (0,963)	-0,004 (0,911)	-0,002 (0,959)	-0,001 (0,983)	-0,002 (0,957)
LBSIZEit	-0,008 (0,046*)	-0,008 (0,047)	-0,006 (0,122)	-0,008 (0,047)	-0,008 (0,047)	-0,008 (0,048)
DUALITYit	0,004 (0,744)	-0,004 (0,740)	0,002 (0,850)	0,005 (0,778)	0,002 (0,852)	0,004 (0,748)
INSTOWNit	0,054 (0,001*)	0,054 (0,001)	0,052 (0,002)	0,054 (0,002)	0,073 (0,002)	0,053 (0,003)
BIGNit	0,027 (0,10)	0,027 (0,013)	0,028 (0,010)	0,028 (0,011)	0,025 (0,025)	0,029 (0,028)
LnAssetIT	0,003 (0,619)	0,003 (0,618)	0,003 (0,616)	0,003 (0,632)	0,003 (0,672)	0,004 (0,605)
DEBTit	0,000119 (0,389)	0,000123 (0,395)	0,0000756 (0,608)	0,000119 (0,390)	0,000130 (0,349)	0,000109 (0,475)
MTBVit	-0,014 (0,002*)	-0,014 (0,002)	-0,015 (0,002)	-0,014 (0,002)	-0,014 (0,002)	-0,015 (0,002)
POLCONit* BINDit		-0,002 (0,919)				
POLCONit* LBSIZEit			-0,001 (0,396)			
POLCONit* DUALITYit				-0,002 (0,933)		
POLCONit* INSTOWNit					-0,012 (0,268)	
POLCONit* BiIGNit						-0,001 (0,879)
Adjusted R Square	0,253	0,246	0,251	0,246	0,255	0,246
Sig.F	0,000	0,000	0,000	0,000	0,000	0,000

The correlation coefficient is a coefficient to explain the two-way relationship between the independent variables studied and the dependent variable. Based on the results of the regression analysis in the Banking sector in Table 3, it shows that the value of the Determination Coefficient or Adjusted R² before moderation is 0, This shows that the independent variables are Politic Connection, Corporate Governance (Board Independence, Board Size, CEO Duality, Institutional Investors, and External Auditors), Firm Size, Leverage, and Market to Book Ratio jointly affect the dependent variable namely Tax Aggressiveness (ETR) of 25,3% and the remaining 74,7% is influenced by other variables not explained in this study.

The result of BINDit moderation or board independence is adjusted R² value of 0,246 (24,6%) which means it has decreased. This shows that board independence is not a moderating variable. Furthermore, LBSIZE moderation results or board size obtained the adjusted R² value decreased by 0,251 (25,1%). This shows that board size is not a moderating variable. The results of DUALITY moderation or CEO duality obtained by the adjusted R² value decreased by 0,246 (24,6%). This shows that CEO duality is not a moderating variable.

INSTOWN moderation results or institutional investors obtained an adjusted R² value of 0,255 (25,5%), which means experiencing an increase before moderation of 0,002%. This shows that Institutional Investors are moderating variables reinforcing the regression model of 0,002%. Furthermore, the results of moderation of BIGN or external auditors obtained adjusted R² values decreased by 0,246 (24,6%). This shows that the external auditor is not a moderating variable.

Simultaneous tests were used to determine the compatibility of linear regression models between the dependent variables Tax Aggressiveness, the independent variable Political Connection, the moderating variable of Corporate Governance, and the Firm Size control variable, Leverage, and MTBV. Based on table 4, the results of the regression model test, both those that do not use moderation and those using moderation, have a significant value of 0,000 <0,05. Thus, a decent regression model is used to test the hypothesis, because it has a significance of <0.05.

Individual Parameter Significance Test or also called t test is used to determine the effect or significance of each independent variable and control variable on the dependent variable. The significance of the influence in the results of research in a test can be determined by looking at the significance of the t test if the value is sig. p <0.05 which means that it has a significant influence between the independent variable and the control variable on the dependent variable.

Table 4. Summary of Significance Test, T-Test without Moderation of the Service Sector

Independent Variables / Controls	Regression Coefficient	t-count	Significance	Information
(Constant)	0,381	3,610	0,000	
POLCONit	0,017	0,923	0,357	No influence
BINDit	-0,006	-0,092	0,927	No influence
LBSIZEit	0,019	0,605	0,545	No influence
DUALITYit	-0,076	-4,851	0,000	Negative influence
INSTOWNit	-0,093	-2,449	0,015	Negative influence
BIGNit	-0,007	-0,369	0,713	No influence
ASSETS	-0,004	-0,537	0,592	No influence
DEBT	0,023	2,789	0,006	Positive influence
MTBV	-0,006	-0,927	0,355	No influence

Based on the results of the summary test of significance, the T-test without moderation shows the coefficient value of each research variable so that the regression equation formed is as follows:

$$\text{TAX_AGRR}_{it} = 0,381 + 0,017 \text{ POLCON}_{it} - 0,006 \text{ BIND}_{it} + 0,019 \text{ LBSIZE}_{it} - 0,076 \text{ DUALITY}_{it} - 0,093 \text{ INSTOWN}_{it} - 0,007 \text{ BIGN}_{it} - 0,004 \text{ ASSETS}_{it} + 0,023 \text{ DEBT}_{it} - 0,006 \text{ MTBV}_{it}$$

Table 5. Summary of Test for Significance, T-Test without Moderation of the Banking Sector

Independent Variables / Controls	Regression Coefficient	t-count	Significance	Information
(Constant)	0,162	0,883	0,379	
POLCON _{it}	-0,001	-0,304	0,762	No influence
BIND _{it}	-0,001	-0,034	0,973	No influence
LBSIZE _{it}	-0,008	-2,018	0,046	Negative influences
DUALITY _{it}	0,004	0,327	0,744	No influence
INSTOWN _{it}	0,054	3,339	0,001	Positive influence
BIGN _{it}	0,027	2,609	0,01	Positive influence
Asset (<i>Firm Size</i>)	0,003	0,498	0,619	No influence
DEBT	0,000119	0,865	0,389	No influence
MTBV	-0,014	-3,197	0,002	Negative influences

Based on the estimated regression model in table 5, the regression model is obtained as follows:

$$\text{TAX_AGRR}_{it} = 0,162 - 0,001 \text{ POLCON}_{it} - 0,0001 \text{ BIND}_{it} - 0,008 \text{ LBSIZE}_{it} + 0,004 \text{ DUALITY}_{it} + 0,054 \text{ INSTOWN}_{it} + 0,027 \text{ BIGN}_{it} + 0,003 \text{ Firm Size} + 0,000119 \text{ DEBT}_{it} - 0,014 \text{ MTBV}_{it}$$

In the first regression model shows the existence of positive and negative coefficients. Positive coefficient shows a unidirectional change between the independent variables on the dependent variable and vice versa if the negative coefficient shows the opposite change between the independent variables on the dependent variable.

1. The t test value of the POLCON_{it} variable in the service sector is 0.357 ($p > 0.05$), and the regression coefficient value is 0.017, and it can be concluded that political connections have a positive and insignificant influence on Tax Aggressiveness. For the t test value of the POLCON_{it} variable in the banking sector at 0.762 ($p > 0.05$) and the regression coefficient value of -0.001 (negative), the political connection has a negative but not significant influence on tax aggressiveness. Political connections are not influential because companies whose shares are mostly owned by the government are defined as low-risk taxpayers, in accordance with Minister of Finance Regulation No. 71 / PMK.03 / 2010. In this regulation, it illustrates the belief that companies whose majority shareholders are the government do not carry out tax avoidance. The closeness of the company makes the company more careful in making any decisions in order to continue to get an award from the government as an obedient taxpayer. Compliant companies often get awards from the government so that they can be said to improve the company's reputation. This encourages companies to always follow various government regulations issued. Utilizing closeness to political parties can indeed be said to provide several benefits for the company, but the company must consider of the long-term impacts. The poor reputation of the company will have an impact in the long term so that it can reduce people's trust and could cause any business's loss.
2. The value of the BIND_{it} variable in the service sector is 0.357 ($p > 0.05$) and the regression coefficient value of -0.006, the board independence has a negative influence but is not significant on tax aggressiveness. The

value of the BINDit variable t test in the banking sector is 0.973 ($p > 0.05$), and the regression coefficient value is -0.001 (negative), the board independence has a negative but not significant influence on tax aggressiveness. The results of this study support the results of research conducted by Ridha and Martani (2014), Pradipta and Supriyadi (2015), Utami and Setyawan (2015). According to Indonesia's Stock Exchange advisory board (BAPEPAM) Regulation Number IA concerning General Provisions for Listing of Equity Securities in the C-1 letter exchange, where in order to implement good corporate governance the listed companies are required to have independent commissioners with a composition of at least 30% of the board of commissioners. The existence of independent commissioners in companies in Indonesia has not been able to meet the composition regulated by the guidelines of good corporate governance, namely 30% (Laily, 2017) so that it could be the reason why the board independence does not have a significant impact on tax effectiveness. Viewed from the average value of BINDit variables in the service sector (12%) and for the banking sector (58%, it) can be said that although small or large the independence of the boards in the company does not affect decision making in tax aggressiveness.

3. The LBSIZEit variable t test value in the service sector is 0.927 ($p > 0.05$), and the regression coefficient value is 0.019, it can be concluded that board size has a positive and insignificant influence on tax aggressiveness. Positive influence can be explained that the more the number of company directors causes higher tax aggressiveness. However, the influence of board size on tax aggressiveness was stated to be insignificant in concluding that it was not significant. The results of this study support the results of research conducted by Budiman, 2012 (in Ni Nyoman and I Ketut, 2014) that the board size of directors does not influence on tax aggressiveness. The reason for the board size of directors does not influence on tax aggressiveness because of the action of tax aggressiveness by the company with its determination through policies taken by the company's leaders themselves.

For the LBSIZEit variable t value in the banking sector is 0.046 ($p < 0.05$) and the regression coefficient value is -0.008 (negative), the board size has a negative and significant influence on tax aggressiveness. The results of this study are similar to previous studies conducted by Wahab et al. (2017). This negative relationship indicates that the larger size of the board acts as a monitoring mechanism and prevents tax aggressiveness. Hubaid (2016) argues that small councils may look more effective in improving performance and limiting director incentive avoidance because the performance of each member is easier to be monitored and decisions can be made faster.

4. The t test value of the DUALITYit variable in the service sector is 0,000 ($p < 0.05$), and the regression coefficient value is -0,076, CEO duality has a significant negative influence on tax aggressiveness. The results from the data above show that CEO duality has been shown to have a significant influence on tax aggressiveness. Negative influences indicate that when a company owner joins the ranks of management or the board of commissioners will cause tax aggressiveness to decline. Decreasing tax aggressiveness, which means that the higher the tax burden paid compared to pre-tax profits. The explanation can be revealed that when a company owner is actively involved in the composition of the board of directors or the board of commissioners shows a tendency to pay taxes higher than pre-tax profit.

For the t test value, DUALITYit variable in the banking sector is 0.744 ($p > 0.05$), and the regression coefficient value is 0.004 (positive), the CEO Duality has a positive but not significant influence on Tax Aggressiveness. From the descriptive results show that the average value of CEO Duality is 0.8 or close to 1. That is, the company has a CEO and board of directors separately. In Indonesia rarely there are CEO Duality, because of Indonesia more use of two-tiers board system. In the data the banking sector having CEO Duality no more than 5 company, so is it can be said that CEO Duality does not affect in plan tax aggressiveness company.

5. The t test value of the INSTOWNit variable in the service sector is 0.015 ($p < 0.05$) and the regression coefficient value is -0.093, Institutional Investors have a significant negative influence on Tax Aggressiveness. These results indicate that institutional ownership is proven to have a significant influence on tax aggressiveness. Negative influences indicate that when the higher the percentage of institutional ownership in the company, it can cause tax aggressiveness to decrease. Decreasing tax aggressiveness means the higher the tax burden paid compared to pre-tax profits. These results support research from (Dewi and Jati, 2014) institutional investor ownership of shares whose shares are owned by institutions such as companies, foreign investor insurance companies, except for individual ownership. Institutional owners participate in conducting supervision and management, but institutional owners entrust the board of

commissioners because it is the duty of the board of commissioners who represent institutional owners. Institutional ownership has a high percentage of ownership of the company's shares so that institutional owners have the ability to pressure management to follow the interests of institutional owners. Whereas, the t test value of INSTOWNit variable in the banking sector is 0.001 ($p < 0.05$) and the regression coefficient is 0.054 (positive), Institutional Investment has a positive and significant influence on Tax Aggressiveness. With the presence of institutional ownership or INSTOWNit in a company plays an important role to monitor, discipline and influence managers in tax management (Shafer and Simmons, 2006). The greater the institutional ownership held by the institution, the greater the pressure the company management will take to carry out tax avoidance.

6. The t test value of the BIGNit variable in the service sector is 0.713 ($p > 0.05$), and the regression coefficient value is -0.007, the external auditor is not a significantly negative influence on Tax Aggressiveness. The Big 4 proved not to have a significant influence on tax aggressiveness. The quality of external auditors can be illustrated by the difference between the use of Big Four and non-Big Four auditors. The reason is that the Public Accountants Office in the Big Four has the competence to express errors in reporting in company management, professionalism to maintain that the public accounting. The firm remains an option for the company, as a way to avoid conflicts of interest, and ensure the integrity of the audit process and evidence for demands for transparency on company performance (Boussaidi & Hamed, 2015).

Whereas, for the banking sector, the t-test value of the BIGNit variable is 0.01 ($p < 0.05$) and the regression coefficient of 0.027 (positive), the Institutional External Auditor has a positive and significant influence on Tax Aggressiveness. External Auditor or BIGNit is a company that uses public accounting firm BIG 4 to conduct an audit. The selection of Big 4 public accounting firm services can be caused by the reputation and international credibility of the auditor. Therefore, the appointment of Big 4 auditors is a sign for the public that the reported financial statements have high credibility. Previous studies showed that auditors in the Big 4 group had higher quality than non Big 4. As in the study by Becker et al. (1998) in Alves 2013 found that Big 4 auditors provided higher audit quality than non Big 4 auditors because Big 4 auditors had greater incentives to provide higher audit quality than non Big 4. According to Maharani (2015) and Fadhilah (2014) which stated that the size of the public accounting firm has a positive influence on tax avoidance. Based on the results of the analysis and testing that has been done shows that the size of a large public accounting firm allows the company to carry out tax aggressiveness. Large public accounting firm (BIG 4) can facilitate companies in conducting tax aggressiveness, considering public accounting firm also offers non-assurance services in the form of tax services where these opportunities can be used by companies to minimize their tax burden in order to achieve their interests.

7. The t test value of the ASSETSit variable in the service sector is 0.592 ($p > 0.05$), and the regression coefficient value is -0.004, it can be concluded that firm size has no significant negative influence on Tax Aggressiveness. For the multiplication sector banking, the test value t ASSETSit variable is 0.619 ($p > 0.05$), and the regression coefficient value is 0.003 (positive), it can be concluded that ASSETSit has a positive but not significant influence on Tax Aggressiveness.
8. The t test value of the DEBTit variable on sector services is 0.006 ($p < 0.05$) and the regression coefficient value is 0.023, it can be concluded that leverage has a significant positive influence on Tax Aggressiveness. For the banking sector Test value t DEBTit variable is 0.389 ($p > 0.05$), and the regression coefficient value is 0.000119 (positive), it can be concluded that DEBTit has a positive but not significant influence on Tax Aggressiveness.
9. The t test value of the MTBVit variable in the service sector is 0.355 ($p > 0.05$), and the regression coefficient value is -0.006, it can be concluded that the market-to-book ratio has a negative influence but not significant on tax aggressiveness. In the banking sector, the t-test value of the MTBV variable is 0.002 ($p < 0.05$), and the regression coefficient value is -0.014 (negative), it can be concluded that MTBV has a negative and significant influence on tax aggressiveness.

This study uses interaction tests or moderation tests. Interaction Test or moderation test is the application of multiple linear regression where the equation contains an element of interaction (multiplying two / more independent variables).

Table 6 Summary of Moderation Regression Tests in the Service Sector

Feasibility Test R ²	Coef	Adjust R ²	Sig	Results	Interaction
Without moderation		0,105			
POLCONit*BINDit	0,060	0,103	0,636	Not Moderating	Not Strengthening / Weakening
POLCONit*LBSIZEit	-0,029	0,103	0,576	Not Moderating	Not Strengthening / Weakening
POLCONit*DUALITYit	-0,012	0,103	0,686	Not Moderating	Not Strengthening / Weakening
POLCONit*INSTOWNit	0,085	0,107	0,245	Not Moderating	Not Strengthening / Weakening
POLCONit*BIIGNit	-0,023	0,104	0,439	Not Moderating	Not Strengthening / Weakening

Table 7 Summary of Moderation Regression Test in the Banking Sector

Feasibility Test R ²	Coef	Adjust R ²	Sig	Results	Interaction
Without moderation		0,253			
POLCONit*BINDit	-0,002	0,246	0,919	Not Moderating	Not Strengthening / Weakening
POLCONit*LBSIZEit	-0,001	0,251	0,396	Not Moderating	Not Strengthening / Weakening
POLCONit*DUALITYit	-0,002	0,246	0,933	Not Moderating	Not Strengthening / Weakening
POLCONit*INSTOWNit	-0,012	0,255	0,268	Not Moderating	Not Strengthening / Weakening
POLCONit*BIIGNit	-0,001	0,246	0,879	Not Moderating	Not Strengthening / Weakening

Based on table 6 and table 7 above, it can be explained that:

1. Based on the test results, it shows the significance value for the POLCONit * BINDIT variable on the service sector of 0.636 ($p > 0.05$) and the significance value for the POLCONit * BINDIT variable the banking sector is 0.919 ($p > 0.05$). This shows that board independence does not moderate the influence of political connection on tax aggressiveness. Board independence does not have a significant influence on tax aggressiveness, meaning that the number of independent boards does not affect the level of tax aggressiveness. The reason can be explained that the task of board independent in the company is to ensure the performance of the company in accordance with good governance in accordance with applicable regulations. But the number of board independent in each company in Indonesia is relatively small, that is, on average only 1 person so that when faced with the scope of company operations with complicated financial reports, the existence of the independent board does not have an impact on the high and low tax efficiency. The supervision carried out by a board independent on financial reporting is relatively limited because the average number is only 1 person and the presence of the board of commissioners in this company still does not have the full power to participate in corporate policy making.
2. Based on the test results, it shows that the significance value for the POLCONit*LBSIZEit variable in the service sector is 0.576 ($p > 0.05$) and the significance value for the POLCONit*LBSIZEit variable in the banking sector is 0.396 ($p > 0.05$). This shows that the size of the board does not moderate the influence of political connection on tax aggressiveness. In this study, it was found that the size of the board had no influence on aggressive tax in the service sector seen from the average value in the service sector which has a board of commissioners of more than 5 people. This can explain that the more members of the board of commissioners, the more difficult it will be in making a policy decision that will be made. Because the role of the board of commissioners is to assess and direct the company's strategy, monitor the implementation and make changes if needed, monitor the process of change going forward.
3. Based on the test results that show the significance value for the POLCONit * DUALITYit variable of 0.686 ($p > 0.05$) and for the significance value for the POLCONit * DUALITYit variable in the banking sector at 0.933 ($p > 0.05$). This shows that CEO duality is not able to moderate the influence of political connection on tax aggressiveness. The results of testing the data show that CEO duality is not proven to mediate the influence of political connection on tax aggressiveness. The presence or absence of CEO duality does not affect the influence of political connections on tax aggressiveness. This is because the owner who is actively involved in company management does not try to utilize his political connections to influence tax aggressiveness. It is assumed that it relates to transparency that is increasingly strong in financial reporting and because of the flow of information so that all proximity to power holders is very risky when utilized for tax aggressiveness. This condition causes owners who are actively involved in company management (CEO duality) not to try to take advantage of the influence of political counseling on tax aggressiveness.

4. Based on the test results that show the significance value for the POLCONit*INSTOWNit variable in the service sector of 0.245 ($p > 0.05$) and the significance value for the POLCONit*INSTOWNit variable in the banking sector of 0.268 ($p > 0.05$). This shows that institutional investors are not able to moderate the influence of political connections on tax aggressiveness. The results of testing the data show that institutional ownership is not proven to mediate the influence of political connection on tax aggressiveness. The presence or absence or high or low of institutional ownership does not affect the influence of political connection on tax aggressiveness. According to Fenny and Winata (2017), institutional ownership does not affect the relationship between political connections to tax aggressiveness, because institutional ownership only pays attention to the company's profits received and does not think of the company's good reputation.
5. Based on the test results, it shows the significance value for the POLCONit * BIGNit variable in the service sector of 0.439 ($p > 0.05$) and the banking sector shows a significance value for the POLCONit * BIGNit variable of 0.879 ($p > 0.05$). This shows that external auditors are not able to moderate the influence of political connection on tax aggressiveness. The results of testing the data indicate that audit quality is not proven to mediate the influence of political connection on tax aggressiveness. The auditor's status does not affect the influence of political connection on tax aggressiveness. This is because public accounting firm conducts audits in accordance with the applicable guidelines and regulations and runs them as auditors, namely actions in terms of auditing financial statements so that public accounting firm does not have an influence between political connections on tax aggressiveness.

Conclusion

Based on the results of hypothesis testing and discussion, the conclusions of this study are as follows:

1. Political Connection has a positive and not significant influence directly on tax aggressiveness in the service sector company, while in the Banking sector Political Connection has a direct negative influence on tax aggressiveness.
2. Board independence has a negative and not significant influence directly on tax aggressiveness in the Services and Banking sector companies.
3. Board size has a positive and not significant influence directly on tax aggressiveness in service sector companies, whereas in the banking sector Board size has a direct negative and significant influence on tax aggressiveness.
4. CEO duality has a direct negative influence on tax aggressiveness in the service sector company, while in the banking sector CEO duality has a direct and not significant positive influence on tax aggressiveness.
5. Institutional investment has a negative and significant direct influence on tax aggressiveness in service sector companies, while in the banking sector institutional investment has a direct positive and significant influence on tax aggressiveness.
6. External auditors have a negative and not significant influence directly on tax aggressiveness in service sector companies, while in the banking sector, external auditors have a direct positive and significant influence on tax aggressiveness.
7. Firm size has a negative and not significant influence directly on tax aggressiveness in service sector companies, while in the Banking sector Firm size has a positive and not significant direct influence on tax aggressiveness.
8. Leverage has a positive and significant influence on tax aggressiveness in service sector companies, while in the banking sector leverage has a positive and not significant influence on tax aggressiveness.
9. Market-to-book ratio has a negative and not significant influence on tax aggressiveness in service sector companies, while in the Banking sector Market-to-book ratio has a direct and negative influence on tax aggressiveness.
10. Corporate governance which includes Board Independence, board size, CEO duality, institutional investors, and external auditors does not mediate the influence of political connections on tax aggressiveness in the Services and Banking sector companies.

References

- Alves, M., Fereira, I., Froufe, H., Abreu, R., Martins, A&Pintado, M. 2013. Antimicrobial Activity of Phenolic Compound Identified in Wild Mushrooms, SAR Analysis, and Docking Studies. *Journal of Applied Microbiology* ISSN 1364-5072
- Boussaidi, A., dan Hamed, M. S. (2015). "The Impact of Governance Mechanisms on Tax Aggressiveness: Empirical Evidence From Tunisian Context." *Journal of Asian Business Strategy*, 5(1)2015: 1-12
- Dewi, N. K., & Jati, I. (2014). Pengaruh Karakter Eksekutif, Karakteristik Perusahaan, dan Dimensi Tata Kelola Perusahaan yang Baik Pada Tax Avoidance Di Bursa Efek Indonesia. *E-Jurnal Akuntansi*, 249-260.
- Ebaid, Ibrahim El-Sayed. 2011." Internal Audit Function: An Exploratory Study From Egyptian Listed Firms". *International Journal Of Law and Management*, Vol. 53, No.2, pp. 108-128.
- Fadhilah, R. (2014). *Pengaruh Good Corporate Governance Terhadap Tax Avoidance*. Universitas Negeri Padang.
- Gomez, E. T. (2009). "The rise and fall of capital: Corporate Malaysia in historical perspective." *Journal of Contemporary Asia*, 39 (3), 345-381.
- Hamonangan Siallagan. Dan Mas'ud Machfoedz. 2006. Mekanisme Corporate Governance, Kualitas Laba dan Nilai Perusahaan. SNA 9 Padang
- Jefriando, M. (2017). Target pajak 2017 turun jadi Rp 1.283,6 triliun. Retrieved From File: <https://m.detik.com/finance/berita-ekonomi-bisnis/d-3575383/target-pajak-2017-turun-jadi-rp-12836-triliun>
- Jensen, M. C. dan Meckling, W. H. (1976). "Theory of The Firm: Managerial Behaviour, Agency Cost, and Ownership Structure". *Journal of Financial and Economics*. 3 (4) : 305-360
- Khurana, I. K. dan W. J. Moser. (2009). *Institutional Ownership and Tax Aggressiveness*. www.ssrn.com
- Kim, C., dan Zhang, L. 2013. *Corporate Connections and Tax Aggressiveness*. City University of Hong Kong
- Kusuma, H. (2018). Penerimaan Pajak Kurang Rp 109 Triliun di 2018. Retrieved From File: <https://finance.detik.com/berita-ekonomi-bisnis/d-4368566/penerimaan-pajak-kurang-rp-109-triliun-di-2018>
- Lestari, G. A. W., dan Putri, A. D. (2017). "Pengaruh Corporate Governance, koneksi politik dan Leverage terhadap Penghindaran Pajak". *E-Jurnal Akuntansi Universitas Udayana* Vol.18.3
- Maharani, I Gusti Ayu Cahya dan Ketut Alit Suardana. 2014. Pengaruh Corporate Governance, Profitabilitas, dan Karakteristik Eksekutif Tax Avoidance Perusahaan Manufaktur. *E-Jurnal Akuntansi* ISSN: 2302-8556.
- Mulyadi, M. S., Anwar, Y., & Krisma, E. B. A. D. (2014). "Examining Corporate Governance and Corporate Tax Management." *International Journal of Finance & Banking Studies* 3(3), 47-52.
- Nasser, A. T., Wahid, E. A., Nazri, S. N., & Hudaib, M. (2006). Auditor-client relationship: the case of audit tenure and auditor switching in Malaysia. *Managerial Auditing Journal*.
- Pemerintah Indonesia. 2010. Peraturan Menteri Keuangan Nomor 71/PMK.03/2010 tentang Pengusaha Kena Pajak Berisiko Rendah yang Diberikan Pengembalian Pendahuluan Kelebihan Pajak
- Pradipta dan Supriyadi. 2015. Pengaruh Corporate Social Responsibility (CSR), Profitabilitas, Leverage, dan Komisaris Independen Terhadap Praktik Penghindaran Pajak. *Jurnal*. Universitas Gadjah Mada.
- Pranata, Febri Mashudi, Puspa, Dwi Fitri, dan Herawati. 2014. Pengaruh Karakter Eksekutif dan Corporate Governance terhadap Tax Avoidance. *E-Journal Universitas Bung Hatta*, Vol. 4, No. 1, 1-15.
- Pranoto, B. A. & Widagdo, A. K. (2016). "Pengaruh Koneksi Politik Dan Corporate Governance Terhadap Tax Aggressiveness". *Seminar Nasional dan The 3rd Call for Syariah Paper*. Syariah Paper Accounting FEB UMS.
- Putri, L. T. Y. (2014). "Pengaruh likuiditas, manajemen laba, dan Corporate Governance terhadap agresivitas pajak perusahaan (studi empiris pada perusahaan yang terdaftar di BEI periode 2008 – 2012)". *Jurnal Akuntansi* 2 (1), 1 – 25.
- Ridha, M., & Martani, D. (2019). Analisis Terhadap Agresivitas Pajak, Agresivitas Pelaporan Keuangan, Kepemilikan Keluarga, dan Tata Kelola Perusahaan di Indonesia. *Simposium Nasional Akuntansi*.
- Saeed, A. (2013). "The Effect of Managerial Stock Ownership on The Value of Listed Companies in Tehran Stock Exchange." *Advances in environmental Biology*, 7 (8), pp: 1612-1615.
- Sandy, S. & Lukviarman, N. (2015). "Pengaruh Corporate Governance Terhadap Tax Avoidance: Studi Empiris Pada Perusahaan Manufaktur". *JAAI*, 19 (2) : 85-98
- Suandy, E. (2014). *Hukum Pajak*, Edisi 6. Yogyakarta : Salemba Empat
- Suprimarini, N. D., & Suprasto H, B. (2017). Pengaruh Corporate Sosial Responsibility, Kualitas Audit, dan Kepemilikan Institusional Pada Agresivitas Pajak. *E-Jurnal Akuntansi Universitas Udayana*, 1349-1377.
- Tiaras, I. & Wijaya, H. (2015). "Pengaruh likuiditas, leverage, manajemen laba, komisaris independen, dan ukuran perusahaan terhadap agresivitas pajak". *Jurnal Akuntansi*, 19 (3), 380-397.
- Utami, W. T., & Setyawan, H. (2015). Pengaruh Kepemilikan Keluarga Terhadap Tindakan Pajak Agresif Dengan Corporate Governance Sebagai Variabel Moderating. *Conference In Business, Accounting, and Management*, (pp. 413-421).

- Wahab, E. A. A., Arif, A. M., Marzuki, M. M., & Sanusi, Z. M. (2017). Political connections, corporate governance, and tax aggressiveness in Malaysia. *Asian Review of Accounting*, Vol. 25 Issue: 3, pp.424-451.
- Ward, A., Brown, J., & Rodriguez, D., (2009) "Governance Bundles, Firm Performance and the Substitutability and Complementarity of Governance Mechanisms." *Corporate Governance*, 17 (5): 646-660
- Wicaksono, A. P. N. (2017). "Koneksi politik dan agresivitas pajak: Fenomena di indonesia." *Jurnal Ilmu Akuntansi* 10 (1), 167–180.
- Winata, F. (2014). *Pengaruh Corporate Governance Terhadap Tax Avoidance Pada Perusahaan yang Terdaftar Di Bursa Efek Indonesia Tahun 2013*. Surabaya: Tax & Accounting Review.