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**Research Article**

# Analysis of the Effect of Profitability, Company Size, and Leverage on Tax Aggressiveness in Manufacturing Sub-Sector Companies Listed on the Indonesia Stock Exchange (Food and Beverage Manufacturing Sub-Sector Companies for the 2021-2025 Period)

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***Abstract:*** *This study aims to analyze the effect of Profitability, Company Size, and Leverage on Tax Aggressiveness in food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2021–2025 period. This study uses a quantitative approach utilizing secondary data obtained from company financial reports. The sampling technique used was purposive sampling to obtain a number of companies that met the research criteria. Data were analyzed using multiple linear regression methods with the help of SPSS software. The results show that Profitability has a negative and significant effect on Tax Aggressiveness. Meanwhile, Company Size and Leverage do not have a significant effect on Tax Aggressiveness. Simultaneously, Profitability, Company Size, and Leverage do not have a significant effect on Tax Aggressiveness. The Adjusted R Square value of 0.021 indicates that the three independent variables are able to explain Tax Aggressiveness by 2.1%, while the remaining 97.9% is explained by other variables outside this study.*

***Keywords:Profitability, Company Size, Leverage, Tax Aggressiveness.***

## 1. Introduction

Taxes are a source of state revenue that plays a strategic role in supporting national development, financing public services, and improving public welfare. In Indonesia, the contribution of tax revenues to the State Budget (APBN) continues to be a key component in supporting the country's fiscal sustainability. Therefore, taxpayer compliance, including corporate compliance, is a crucial factor in maintaining optimal state revenue. However, in practice, various companies still attempt to minimize their tax burden through tax planning strategies, both conservative and aggressive (Safitri & Muid, 2020).

Tax aggressiveness is a company's action aimed at reducing tax liabilities through various strategies that exploit loopholes in existing tax regulations. This practice spans a broad spectrum, ranging from legal tax avoidance to actions bordering on tax violations. For companies, taxes are often viewed as a burden that can reduce net income, prompting management to implement various tax efficiency strategies to maintain profitability (Harnovinsah et al., 2025).

The phenomenon of tax aggressiveness is a significant issue, particularly for manufacturing companies that contribute significantly to the national economy. One manufacturing subsector that has shown relatively stable growth is the food and beverage subsector. The characteristics of this industry, characterized by high market demand, large sales volumes, and complex operational activities, make companies in this subsector have high profit potential. This situation can increase corporate tax liabilities and encourage management to implement various tax management strategies to reduce the tax burden (Mayndarto, 2022).

The phenomenon of tax aggressiveness in Indonesia is reflected in several tax cases involving large companies. One widely discussed case is the tax dispute involving PT Toyota Motor Manufacturing

Indonesia (TMMIN). The Directorate General of Taxes found discrepancies between the company's reported sales figures and the tax authorities' audit results, potentially leading to significant tax underpayments. This case demonstrates that aggressive tax management practices remain a concern in the Indonesian tax system and indicates that companies employ various alternative strategies to minimize their tax burdens (Mayndarto, 2022).

Theoretically, tax aggressiveness can be influenced by various internal company factors. One frequently studied factor is profitability. Companies with high profitability tend to generate higher profits, resulting in higher tax liabilities. This situation can encourage management to engage in more intensive tax planning to maintain the company's profitability. Research by Erlina (2021) and Meldisthy et al. (2024) found that profitability significantly influences tax aggressiveness. However, research by Supriyatno et al. (2025) showed different results, indicating that profitability had no significant effect on tax aggressiveness.

The average graph of the research variables shows an increase in the Effective Tax Rate (ETR) from 2023 to 2024. This increase indicates that companies generally paid a higher amount of tax compared to the previous year. The change in the ETR value indicates fluctuations in corporate tax payment rates, which may be influenced by changes in the tax strategies implemented. This condition indicates that businesses have different policies for meeting their tax responsibilities. Several variables, including profitability, company size, and leverage, are suspected to influence these differences. Therefore, it is important to further study how these three variables influence the level of tax aggressiveness of companies in the food and beverage industry.

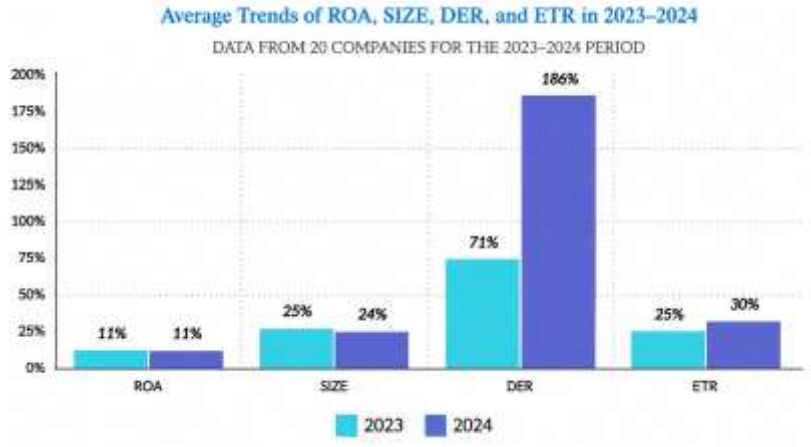



Figure 1. Average Trends in ROA, SIZE, DER, and ETR for 2023-2024
Source: processed by the author in 2026

The Effective Tax Rate (ETR) increased from 25% in 2023 to 30% in 2024, as shown by the average trend graph of the research variables. Companies' Return on Non-Assets (ROA) tended to be stable, company size (Size) experienced a slight decline, and leverage, as proxied by Debt to Equity (DER), showed a significant increase. However, these increases indicate that companies generally paid higher taxes than in the previous year. Changes in each of these variables indicate changes in the financial performance of businesses in the food and beverage sector. This condition is suspected to impact business tax policy, particularly regarding tax aggressiveness.

In addition to profitability, company size is also thought to influence tax aggressiveness. Larger companies generally have better resources, managerial capabilities, and access to professionals skilled in tax planning. However, large companies also face greater scrutiny from the government, investors, and the public, requiring them to consider the reputational risks associated with aggressive tax

practices. Previous research has shown inconsistencies. Meldisthy et al. (2024) and Endaryati et al. (2021) found that company size influences tax aggressiveness, while Erlina (2021) and Safitri and Muid (2020) found that company size had no significant effect on tax aggressiveness.

Another factor that potentially influences tax aggressiveness is leverage. The use of debt in a company's capital structure generates interest expenses that can be used as a tax deductible expense. Therefore, companies with high levels of leverage have a greater opportunity to reduce their tax burden through tax benefits on debt interest. Research by Krisna and Supadmi (2023) and Rahman et al. (2025) found that leverage influences tax aggressiveness. Conversely, research by Meldisthy et al. (2024) and Safitri and Muid (2020) showed that leverage had no significant effect on tax aggressiveness.

Based on the above description, there are still inconsistencies in research results regarding the effect of profitability, company size, and leverage on tax aggressiveness. This situation indicates a research gap that requires further examination. Furthermore, most previous studies were conducted in different industrial sectors and used relatively limited observation periods. This study offers a contribution by re-examining the relationship between profitability, company size, and leverage on tax aggressiveness in food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2021–2025 period. This research period is interesting because it took place after the implementation of the 2021 Law on Harmonization of Tax Regulations (UU HPP), which brought various changes to the Indonesian tax system.

Based on empirical phenomena, inconsistencies in previous research results, and the importance of understanding corporate tax behavior in the food and beverage subsector, this study aims to analyze the effect of profitability, company size, and leverage on tax aggressiveness in food and beverage subsector companies listed on the Indonesia Stock Exchange for the 2021–2025 period.

**Formulation of the problem**

Based on the phenomenon of tax aggressiveness in manufacturing companies in the food and beverage sub-sector, as well as the inconsistency of previous research results regarding the influence of profitability, company size, and leverage on tax aggressiveness, the problem formulation in this study is as follows:

1. How does profitability affect tax aggressiveness in food and beverage subsector companies listed on the Indonesia Stock Exchange for the 2021–2025 period?
2. How does company size affect tax aggressiveness in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2021–2025 period?
3. How does leverage affect tax aggressiveness in food and beverage subsector companies listed on the Indonesia Stock Exchange for the 2021–2025 period?
4. How do profitability, company size, and leverage simultaneously influence tax aggressiveness in food and beverage subsector companies listed on the Indonesia Stock Exchange for the 2021–2025 period?

## 2. Literature Review

**Profitability**

Profitability is a company's ability to generate profits by utilizing all its resources over a specific period. Profitability is a key indicator in assessing company performance because it reflects management's effectiveness in managing assets and capital to generate profits. The higher a company's profitability, the better its ability to create shareholder value and maintain business continuity (Kasmir, 2021).

In this study, profitability is proxied using Return on Assets (ROA). ROA is used because it demonstrates a company's ability to generate net profit based on its total assets. The higher the ROA, the higher the company's efficiency in utilizing assets to generate profits. According to Brigham and Houston (2022), Return on Assets can be calculated using the following formula:

**Formula: ROA = Net Profit / Total Assets**

From a tax perspective, companies with high profitability tend to face a higher tax burden because corporate income tax is calculated based on the company's profits. This situation can encourage management to implement various tax planning strategies to reduce the tax burden. Therefore, profitability is often associated with a company's tendency to engage in tax aggressiveness (Meldisthy et al., 2024).

**Firm Size**

Firm size is a measure of a company's size, as measured by total assets, total sales, and market value. Firm size reflects a company's economic capacity, operational capabilities, and the complexity of its business activities. Larger companies generally have more adequate resources than smaller ones, both financially and humanly (Hery, 2021).

In this study, company size is measured using the natural logarithm of total assets (Ln Total Assets). The natural logarithm aims to reduce large differences in asset values between companies, making the data more normal and easier to analyze. The formula used is as follows:

**Formula: Firm Size = Ln (Total Assets)**

Large companies generally have better tax planning capabilities due to the support of professional resources, better administrative systems, and access to tax consultants. However, large companies also face stricter scrutiny from the government, investors, and the public, requiring them to consider reputational risks when engaging in tax aggressive practices. Therefore, the relationship between company size and tax aggressiveness continues to show mixed results in various empirical studies (Erlina, 2021).

**Leverage**

Leverage is a ratio that reflects the extent to which a company uses debt as a source of funding for operational and investment activities. Leverage indicates a company's ability to meet short-term and long-term obligations arising from debt use. The higher a company's leverage, the greater its dependence on external funding sources (Kasmir, 2021).

In this study, leverage is proxied using the Debt to Equity Ratio (DER). DER shows the comparison between a company's total liabilities and total equity. This ratio can be calculated using the following formula:

**Formula: DER = Total Liabilities / Total Equity**

In a tax context, the use of debt provides the benefit of reducing taxable income through deductible interest expenses. The higher a company's debt level, the greater the interest expense that can be used to reduce taxable income. Therefore, leverage is suspected to be related to tax aggressiveness because companies can exploit the tax benefits of using debt to reduce their tax liabilities (Rahman et al., 2025).

**Tax Aggressiveness**

Tax aggressiveness is a company's action aimed at minimizing its tax burden through various tax planning strategies that exploit weaknesses or loopholes in tax regulations. Tax aggressiveness spans a

broad spectrum, ranging from legal tax avoidance to actions bordering on tax violations. Companies engage in these practices to maintain after-tax profits and increase corporate value (Frank et al., 2009).

In this study, tax aggressiveness is measured using the Effective Tax Rate (ETR). The ETR is a ratio comparing income tax expense to profit before tax. This measurement is widely used in tax research because it accurately reflects the actual tax burden borne by a company. The ETR formula is as follows:

**Formula: ETR = Income Tax Expense / Profit Before Tax**

The lower the ETR value compared to the applicable tax rate, the greater the indication of tax aggressiveness within the company. Conversely, an ETR value approaching or exceeding the corporate tax rate indicates a relatively higher level of tax compliance. Therefore, ETR is one of the most commonly used proxies in research on tax aggressiveness (Hanlon & Heitzman, 2010).

**Framework**

The framework of thought in this research is as follows:

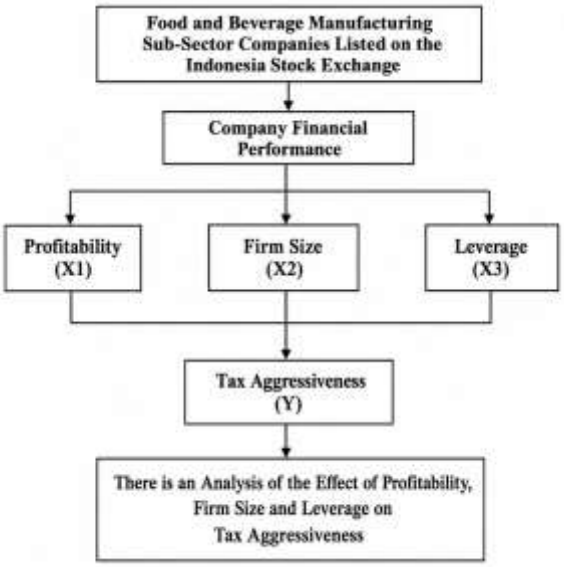



**Figure 2. Framework of Thought**

## 3. RESEARCH METHOD

### Research Design

This study employed a quantitative approach with a causal associative research design. This approach was used to examine the relationship and influence between independent variables on the dependent variable through statistical analysis. The causal associative design was chosen because this study aimed to explain the influence of profitability, company size, and leverage on tax aggressiveness in food and beverage subsector companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2025 period.

The independent variables in this study consist of profitability, proxied by Return on Assets (ROA), company size, proxied by Firm Size (Ln Total Assets), and leverage, proxied by the Debt to Equity Ratio (DER). The dependent variable in this study is tax aggressiveness, proxied by the Effective Tax Rate (ETR).

### Population and Sample

The population in this study was all food and beverage subsector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2025 period. The food and beverage subsector was selected based on its industry characteristics, which significantly contribute to the national manufacturing

sector and demonstrate relatively stable operational activity compared to other subsectors. The sampling technique used was purposive sampling, which is a sampling technique based on specific criteria tailored to the research objectives. The sample selection criteria are as follows:

a. Food and beverage sub-sector companies listed on the Indonesia Stock Exchange during the 2021–2025 period.
b. Companies that published complete and consecutive annual financial reports during the research period.
c. Companies that provide the data needed to measure research variables, namely ROA, Firm Size, DER, and ETR.
d. Companies that did not experience delisting during the research period.

**Data Collection Sources and Techniques**

This study uses secondary data obtained from the annual financial reports of food and beverage subsector companies listed on the Indonesia Stock Exchange for the 2021–2025 period. Data were obtained through the official Indonesia Stock Exchange website (www.idx.co.id) and the official websites of each company. Data collection was conducted through documentation studies. Documentation studies are a data collection technique carried out by collecting, studying, and processing various documents relevant to the research, particularly financial statements and company annual reports. The data collected included total assets, total liabilities, total equity, net income, profit before tax, and income tax expense, which were used to calculate the research variables.

**Data Analysis Techniques**

Data analysis was performed using the Statistical Package for the Social Sciences (SPSS) software. The initial stage of analysis was conducted through descriptive statistics to provide an overview of the characteristics of the research data, including the minimum, maximum, average, and standard deviation values of each variable. Next, classical assumption tests were conducted, consisting of normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests to ensure that the regression model met the required statistical assumptions. Hypothesis testing was conducted using multiple linear regression analysis to determine the effect of profitability, company size, and leverage on tax aggressiveness. In addition, the t-test was used to test the effect of each independent variable partially on tax aggressiveness, while the F-test was used to test the effect of independent variables simultaneously. The coefficient of determination (Adjusted $R^2$) was used to measure the ability of the variables of profitability, company size, and leverage to explain variations in tax aggressiveness. The decision-making criteria used a significance level of 5 percent ($\alpha = 0.05$), where the hypothesis was accepted if the significance value was less than 0.05.

## 4. RESULTS AND DISCUSSION

**Research Object**

This research was conducted on food and beverage companies listed on the Indonesia Stock Exchange for the 2021-2025 period. The research object was chosen because food and beverage companies are a growing manufacturing sector and make a significant contribution to the Indonesian economy. Furthermore, companies in this sector also have complex operational activities, making them interesting for tax aggressiveness research. The research objects in this study include profitability, company size, and leverage as independent variables, with tax aggressiveness as the dependent variable. The data used is secondary data in the form of annual financial reports obtained from the official website of the Indonesia Stock Exchange and the respective companies' official websites.

**Descriptive statistics**

Descriptive statistical tests are used to provide an overview or describe the characteristics of the research data through the minimum, maximum, average (mean), and standard deviation values of each studied variable. The variables used in this study include profitability, company size, leverage, and tax aggressiveness. A total of 100 data sets were used in this study, obtained from food and beverage sub-sector companies that met the sample criteria during the 2021-2025 research period.

Table 1. Descriptive Statistical Test

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Standard Deviation |
|---|---|---|---|---|---|
| X1 Profitability | 100 | ,01 | ,34 | ,1082 | ,06924 |
| X2 Company Size | 100 | 14.08 | 31.08 | 23,8553 | 5.97151 |
| X3 Leverage | 100 | ,06 | 2.14 | ,6554 | ,48418 |
| Y Tax Aggresivenes | 100 | ,04 | ,80 | ,2213 | ,06812 |
| Valid N (listwise) | 100 | | | | |

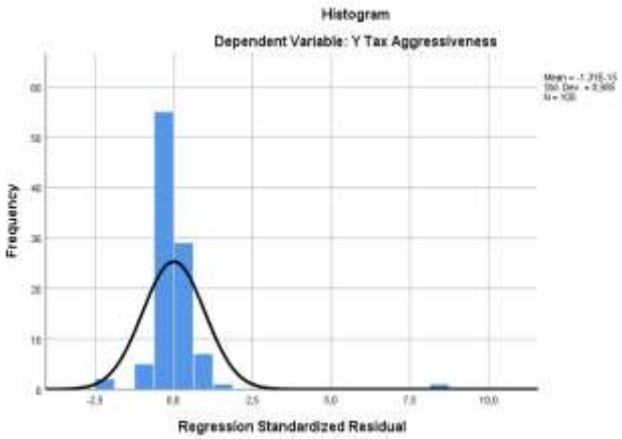
Source: processed by researchers

Based on the descriptive statistics table, it is known that:

a. The profitability variable has a minimum value of 0.01 and a maximum value of 0.34 with an average value (mean) of 0.1082 and a standard deviation of 0.06924.
b. The company size variable has a minimum value of 14.08 and a maximum value of 31.08 with an average (mean) of 23.8553 and a standard deviation of 5.97151.
c. The leverage variable has a minimum value of 0.6 and a maximum value of 2.14 with an average (mean) of 0.6554 and a standard deviation of 0.48418.
d. The Tax Aggressiveness variable has a minimum value of 0.04 and a maximum value of 0.80 with an average (mean) of 0.2213 and a standard deviation of 0.06812.

**Data Normality Test**

A normality test using a histogram is performed by examining the residual data distribution pattern formed on the graph. Data are considered normally distributed if the histogram displays a symmetrical bell-shaped curve that is not excessively skewed to the left or right. Conversely, if the data distribution does not form a bell-shaped curve or exhibits significant skewness, the data are considered non-normally distributed.




Source: processed by researchers

Figure 3. Histogram Graph

Based on the histogram graph above, the residual data distribution pattern forms a bell-shaped curve and exhibits a relatively symmetrical distribution. Furthermore, there is no significant skewness to the left or right. This pattern indicates that the residual data is normally distributed. Therefore, it can be concluded that the regression model in this study meets the assumption of normality based on the histogram analysis.

**Multiple Linear Regression Test**

Multiple linear regression analysis is used to determine the effect of two or more independent variables on a single dependent variable. In this study, multiple linear regression analysis was used to examine the effect of profitability, company size, and leverage on tax aggressiveness in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2021-2025 period. The multiple linear regression equation model used in this study is as follows:

**Y = α + β1X1 + β2X2 + β3X3 + e**

Information :

Y = Tax Aggressiveness
α = Constant
β1 β2 β3 = Regression Coefficient
X1 = Profitability
X2 = Company Size
X3 = Leverage
e = Error

The results of multiple linear regression testing in this study are presented in the following table.

Table 2. Multiple Linear Regression Test

| Coefficientsa | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | ,253 | ,036 | | 6,971 | ,000 |
| | X1 Profitability | -,229 | ,104 | -,233 | -2,201 | ,030 |
| | X2 Company Size | ,000 | ,001 | -,018 | -,176 | ,861 |
| | X3 Leverage | -,003 | ,014 | -,018 | -,181 | ,857 |
| a. Dependent Variable: Y Tax Aggressiveness | | | | | | |

Source: processed by researchers

Based on the results of the multiple linear regression test in the coefficients table, the following regression equation was obtained:

$$Y = 0.253 - 0.229X_1 + 0.000 - 0.003X_2X_3$$

a. The constant value of 0.253 indicates that if the variables Profitability (X1), Company Size (X2), and Leverage (X3) have a value of 0, then the Tax Aggressiveness (Y) value is 0.253.
b. The Profitability regression coefficient (X1) of -0.229 indicates that every 1 unit increase in profitability will reduce Tax Aggressiveness by 0.229 units, assuming other variables are constant.
c. The regression coefficient of Company Size (X2) of 0.000 indicates that every 1 unit increase in company size does not provide a significant change in Tax Aggressiveness, assuming other variables are constant.
d. The Leverage regression coefficient (X3) of -0.003 indicates that every 1 unit increase in Leverage will increase the Tax Aggressiveness value by 0.003 units, assuming other variables are constant.

**Coefficient of Determination Test**

The coefficient of determination (R2) test aims to determine the extent to which an independent variable can explain the dependent variable. The coefficient of determination value indicates the proportion of changes in the dependent variable explained by the independent variable in the regression model. The greater the coefficient of determination (R2), the greater the independent variable's ability to explain the dependent variable. The results of the coefficient of determination (R2) test in this study are presented in the following table.

Table 3. Determination Coefficient Test

**Model Summary**

| Model | R | R Square | Adjusted R Square | Standard Error of the Estimate | Durbin-Watson |
|---|---|---|---|---|---|
| 1 | ,225a | ,051 | ,021 | ,06739 | 1,939 |

a. Predictors: (Constant), X3 Leverage, X2 Company Size, X1 Profitability

b. Dependent Variable: Y Tax Aggressiveness

Source: processed by researchers

Based on the test results in the coefficient of determination test table above, the Adjusted R Square value was obtained at 0.021 or 2.1%. This indicates that the variables Profitability, company size, and leverage are able to explain 2.1%, while the remaining 97.9% is explained by other factors outside this research model. Thus, it can be concluded that the ability of the variables Profitability, company size, and leverage in explaining changes in Tax Aggressiveness is relatively low, so there are still other variables outside the research model that have the potential to influence tax aggressiveness.

**Discussion of Research Results**

**InfluenceProfitability versus tax aggressiveness**

Based on the results of the hypothesis test, the profitability variable has a significance value of 0.030, which is less than 0.05. This indicates that profitability has a significant effect on tax aggressiveness in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2021-2025 period. The negative regression coefficient indicates that profitability has a negative effect on tax aggressiveness. Therefore, the hypothesis stating that profitability influences tax aggressiveness is accepted. In this study, Return on Assets (ROA) is used to project profitability. This is because this ratio can illustrate a company's ability to generate profits using all its assets. The level of asset value (ROA) also indicates how well management manages the company's assets to generate profits. The higher the ROA, the more profitable the company.

A company's ability to generate profits from its operations is known as profitability. A company's profitability level can indicate how well management manages its resources to generate profits. Companies with high profitability tend to pay more attention to tax compliance and maintaining their reputation, so they tend to avoid tax aggressiveness that can pose tax risks and damage the company's image in the eyes of investors and the public. Research shows that the higher a business's profitability level, the less likely it is to engage in tax aggressiveness. Companies with high profitability levels are generally more prudent in tax management because they have better financial capacity to meet their tax obligations in accordance with applicable regulations. Furthermore, financial statements must fairly present the company's financial position and performance, according to PSAK 201 of the Indonesian Institute of Accountants. To determine a company's profitability level, the Return on Assets (ROA)

calculation is based on net income listed in the income statement. Therefore, company profitability information can be used to assess how a business conducts its operations and its tax compliance.

The results of this study are not in line with research conducted by(Meldisthy et al., 2024)shows that profitability has a significant positive effect on tax aggressiveness. The study explains that the higher a company's profitability, the greater the company's tendency to engage in tax aggressiveness to minimize its tax burden. Furthermore, research conducted by(C. Septiana, L. Hakim, 2025)also found that profitability has a significant influence on tax aggressiveness. However, in this study, profitability was shown to have a significant negative effect on tax aggressiveness. The difference in results is likely due to differences in the research period, sample characteristics, company conditions, and industrial sectors used. Therefore, profitability does influence tax aggressiveness in the food and beverage sub-sector companies studied in this study.H1: Profitability has an effect on tax aggressiveness.

**The Influence of Company Size on Tax Aggressiveness**

Based on the results of the hypothesis testing, the company size variable has a significance value of 0.861, which is greater than 0.05, with a regression coefficient value of 0.000. These results indicate that company size does not significantly influence tax aggressiveness. Thus, the hypothesis stating that company size influences tax aggressiveness is rejected. To determine how large or small a company is, company size can be seen from the number of assets, sales, stock market value, and revenue. The larger a company, the more resources and operational activities it has. In this study, the natural logarithm of total assets (Ln Total Assets) is used to proxy company size. The results of this study indicate that company size does not affect the level of tax aggressiveness in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2021–2025 period. This indicates that both large and small companies still have an obligation to comply with applicable tax regulations, so company size is not a primary factor determining the level of corporate tax aggressiveness.

Company size also indicates how well a company manages its operational activities and resources. Larger companies typically have greater resources, more complex management systems, and broader access to funding sources than smaller companies. Furthermore, larger companies typically have more stable financial conditions and are considered more capable of sustaining their business in the long term. The results of this study are inconsistent with research conducted by(Endaryati, Subroto, 2021)which states that company size influences tax aggressiveness. This study explains that company size is one factor that can influence corporate tax policy. In addition, research conducted by(Meldisthy et al., 2024)also found that company size significantly influences the level of tax aggressiveness. However, in this study, company size was not shown to significantly influence tax aggressiveness. The difference in results is likely due to differences in the research period, sample characteristics, company conditions, and industrial sectors used. Therefore, company size is not a primary factor influencing tax aggressiveness in the food and beverage sub-sector companies studied in this study.H2: Company size has an effect on tax aggressiveness practices is rejected.

**The Influence of Leverage on Tax Aggressiveness**

Based on the results of the hypothesis test, the leverage variable has a significance value of 0.857, which is smaller than 0.05, with a regression coefficient value of -0.003. These results indicate that leverage does not significantly influence tax aggressiveness. Thus, the hypothesis stating that leverage influences tax aggressiveness is rejected. Leverage is a ratio used to measure the extent to which a company uses debt to finance its operational activities. A high level of leverage indicates that the company has a large proportion of debt compared to its capital. The use of debt in a company will incur

interest expenses that can reduce taxable income. Therefore, theoretically, leverage is often associated with tax aggressiveness. In relation to tax aggressiveness, companies with high levels of leverage are considered to have the opportunity to utilize interest expenses as a taxable income deduction to reduce the company's tax burden. Therefore, leverage is often considered a factor that can influence corporate tax policy.

However, the results of this study indicate that the level of corporate leverage does not affect tax aggressiveness in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2021–2025 period. This indicates that companies do not consider debt use as a primary factor in aggressive tax management. Companies continue to consider tax compliance and the risks that may arise from tax aggressiveness. These results are inconsistent with research conducted by(Endaryati, Subroto, 2021)which states that leverage influences tax aggressiveness. This research explains that a company's debt level can influence the tax policies implemented by the company. Furthermore, research conducted by(Rahman et al., 2025)also found that leverage has a positive and significant effect on tax aggressiveness.H3: Leverage has an effect on tax aggressiveness practices is rejected.

**The simultaneous influence of profitability, company size and leverage on tax aggressiveness**

Based on the results of the simultaneous test (F-test), a significance value of 0.169 was obtained, which is less than 0.05. This indicates that profitability, company size, and leverage together do not significantly influence tax aggressiveness in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2021-2025 period. Therefore, the hypothesis stating that profitability, company size, and leverage simultaneously influence tax aggressiveness is rejected. The results of this study indicate that tax aggressiveness cannot be explained by the combination of profitability, company size, and leverage. This indicates that company behavior in managing taxes is not only influenced by these three variables but can also be influenced by other factors outside the research model. Although profitability is proven to have a partial effect on tax aggressiveness, the three independent variables in this study simultaneously cannot have a significant effect on tax aggressiveness. This indicates that the influence of each variable individually is not strong enough when tested together in a regression model.

The results of this study are not in line with research conducted by(Krisna & Supadmi, 2023)which shows that profitability, company size, and leverage simultaneously influence tax aggressiveness. This study explains that these three variables are factors that can influence company policies in managing tax obligations. Furthermore, research conducted by(Margie.LA, Habibah, 2021)also found that profitability, company size and leverage, these three variables together have an influence on tax aggressiveness.These results indicate that corporate tax aggressiveness is not influenced by a single factor, but rather by a combination of several interrelated factors. This finding reinforces previous research that found that profitability, company size, and leverage simultaneously influence tax aggressiveness. The differences in these results are likely due to differences in the research period, sample characteristics, company conditions, and the industrial sectors used. Furthermore, the Adjusted R Square value of 0.021 indicates that the variables Profitability, Company Size, and Leverage only explain 2.1% of Tax Aggressiveness, while the remaining 97.9% is explained by factors outside the research model. Therefore, other factors outside the research model have the potential to influence Tax Aggressiveness and require further investigation in future research.H4: Profitability, company size and leverage simultaneously influence the tax aggressiveness received.

## 5. CONCLUSION

This study aims to analyze the influence of profitability, firm size, and leverage on tax aggressiveness in food and beverage subsector companies listed on the Indonesia Stock Exchange for the 2021–2025 period. The results show that profitability has a negative and significant effect on tax aggressiveness. Conversely, firm size and leverage do not significantly influence tax aggressiveness. Simultaneously, profitability, firm size, and leverage do not significantly influence tax aggressiveness. These findings indicate that tax aggressiveness is influenced not only by profitability, firm size, and leverage but also by other factors outside the research model. This study provides an empirical contribution to the development of tax accounting literature, particularly regarding the determinants of tax aggressiveness in food and beverage manufacturing companies. Future research is recommended to add other variables such as corporate governance, capital intensity, liquidity, and corporate social responsibility to more comprehensively explain tax aggressiveness.

## 6. REFERENCES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