



THE EFFECT OF PROFITABILITY AND PROFIT MANAGEMENT ON CORPORATE INCOME TAX PAYABLE (EMPIRICAL STUDY ON IDX MANUFACTURING COMPANIES 2015-2020)

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ABSTRACT

This study aims to analyze Profitability and Earnings Management on Income Tax (Pph) of Agency Payable of pharmaceutical Industry companies listed on the Indonesia Stock Exchange (IDX). This research use library data collection techniques and documentary studies, the sample in this study amounted to 11 pharmaceutical industry companies listed on the Indonesia stock Exchange (IDX) in 2015-2020, the data analysis technique used in this study is associative analysis technique. The data in this study are in the form of annual financial statements, closing price of shares, & the number of outstanding shares listed on the Indonesia stock Exchange (IDX) website. Based on the results of the analysis, it can be seen the Profitability has no effect on Corporate Income Tax (Pph) Payable with a significant value of 0,324, while the Earnings Management Variable has no significant effect on Corporate Income Tax (Pph) payable with a value of 0,067. From the results of the coefficient of determination, the results is 0,031. This means that 3,1% of the Corporate Income tax (PPH) Variable payable can be explained by Profitability and Earnings Management. While the remaining 96,9% can be explained by other factors other than the independent variable used.

Keywords: Influence, Profitability, Earnings Management, Corporate Income tax (Pph) payable.

INTRODUCTION

The company established has its own goals, and will try its best so that the goals obtained are achieved. One of the main goals is to be able to get the maximum profit possible and consistently get maximum profit from time to time. Due to the good and bad financial performance of the company can be measured through the profits generated. The greater the profit generated, the better the company's performance, and can attract investors to invest in the company because of good financial performance.

When investors have decided to join the company by investing, then as a company it is necessary to maintain shareholder trust in their company, namely by increasing the value of the company by managing all existing resources in the company as optimally as possible Riny (2018) stated, "Company value is the perspective of investors on the level of success of the company in managing its resources, reflected in the company's share price.". It can be said that maintaining or

increasing the value of the company is a long-term goal of the company, which will directly attract the attention of potential investors to invest in the company.

In this era of globalization, Indonesia faces a dynamic world economy. With the development of business, Indonesia no longer relies on natural resources such as government revenues in the State Budget (APBN), but now Indonesia relies on taxes because of the economic performance of taxpayers throughout the country.

In this case, according to the income tax law, Pph regulates the imposition of income tax on an entity. This tax relates to income received during a tax year. Entities are taxed When receiving or obtaining income, hereinafter referred to as mandatory entities.

Suandy opinion (2011) Income tax is a tax imposed on subjective taxpayers starting or ending in the tax year.

Tax according to Article 1 paragraph 1 of the KUP Law is a taxpayer contribution to the state that must be paid and must be paid by a company or legal entity according to law without direct compensation and used to meet state needs. Taxes play an important role in state development, meaning that according to applicable law taxes function as the main source of state funds used to fund the state treasury, taxes are also referred to as regularends and commercial redistribution stability tools that function for national infrastructure development. On the other hand, Indonesia has high economic potential in terms of business group development. Government agencies and as a source of expenditure for businesses. The financial statement is an integral part of the Annual Tax Return, the financial statements in the amortization of the Annual Tax Return serve as a source of documents from the company's profit and loss so that the calculation of tax payments. Profit is a measure of revenue in a company to increase and maintain its business. The growth of an enterprise depends on business continuity and profitability.

To measure the income tax burden, it can be determined from all income generated from a company itself, then generate taxable income for the company and its transfer to corporate income tax insurance, therefore to determine the size of the scale of profits and costs generated or borne by the company.

Profitability describes a company's ability to earn net profit as a result of a set of business policies and decisions. The Profitability Ratio measures how well a profit is doing. The higher the level of profitability, the better the ability of a company to survive in running its business.

Profitability is also one of the benchmarks used by investors to research company performance to make investment decisions. In a company, high costs and profits slightly affect the level of profitability of an enterprise. In this case, the company tends to control the costs incurred as effectively as possible so that the company generates the maximum profit, so that the company's profitability level is well maintained, the better the company's performance and ability to make profits. According to Saidi (2010) he explained that profitability is the performance of a company to generate profits. Investors invest shares in the company. The higher the company's ability to make a profit, the greater the profit that investors will expect, the more valuable the company will be. On the other hand, Sartono (2010) argues that profitability is the company's ability in relation to sales, total assets and capital.

To regulate profitability using the operating profit ratio which means the rate of return that can be seen directly from the income statement of a company. Operating profit ratio assesses the effectiveness of a person in managing operating costs. The magnitude of the rate of return indicates that the company's performance is good.

In this study, the author uses the Return on Assets formula to determine the level of profitability in 2015-2020. Return on Assets (ROA) is a ratio used to measure the ability of

company management to obtain overall profits (profits). The greater the ROA of a company, the greater the level of profit achieved by the company and the better the company's position in terms of asset use.

One of the main goals of large and small businesses is to obtain maximum profits. Profit is often used as a basis for taxation, dividend policy, investment guidelines, decision returns and predictive elements (Harnanto, 2013). In addition, income generated from business activities is subject to corporate income tax in accordance with Law No. 16 Article 1 paragraph 1 of 2009 concerning general provisions and tax procedures, Tax means that taxes have taxpayer contributions to the state that are coercive based on laws and regulations and do not get rewards used for state purposes for state purposes for the prosperity of society.

Currently, all countries are in need of funds to carry out state and government activities both for state and government activities both for routine activities and routine activities and development activities. Currently in Indonesia, especially income tax which plays an important role in the implementation of development in order to create a just society and, Makmur, provides sufficient financing for the administration of the country. One of them is Corporate Income Tax (corporate income tax), which is an income tax imposed on an income or profit entity at home or abroad.

Therefore, the government must be firm in supervising and authorizing the fulfillment of tax obligations imposed by taxpayers, but the Self-assessment system gives authority to individual and corporate taxpayers to calculate and report their tax payments. However, in practice, tax enforcement in Indonesia using this system can involve several risks, including information risk, half-life risk, and government revenue risk. This risk is a separate issue, because it is not impossible for all companies to carry out tax avoidance and carry out tax operations by calculating and assessing their own income tax (Pph). Therefore, financial reporting engineering becomes a central issue as a source of misuse of information that can harm stakeholders.

Profit management is managed by a manager to fulfill the responsibility of business owners for increasing profits and the company's market value that increases during the exclusive period as company manager. Lack of information and knowledge about external parties such as company owners and investors and focused on profit management. Company owners often encourage managers to manipulate their profits. This can result in potential violations committed by profit management not necessarily making negative efforts that can be detrimental due to lack of profit-oriented and manipulation of accounting data, but vulnerable to financial performance. Financial performance has a negative impact on company performance, the company's financial performance is also an impact due to the origin of revenue management practices which result in a decrease in a company's financial performance.

One of the objectives of both manufacturing and non-manufacturing companies is to maximize the welfare of shareholders or investors using how to maximize company value using how to maximize company value using how to obtain maximum profit (Pohhan, 2013). In addition, tax payment is one of the responsibilities of the company to manage tax affairs and the amount of tax that becomes small. One of the good tax management with the use of debt is the interest expense on debt, including portfolio struggles that can result in a decrease in income, due to a reduction in corporate taxable profits paid by the company.

According to the differences that have been made about corporate income tax payable, this study uses profitability ratios and profit management to find out how profitability ratios and profit management affect corporate income tax payable (pph). Therefore, researchers will analyze the

effect of Profitability and Profit Management on corporate income tax payable (Empirical Study on manufacturing companies listed on IDX Year (2015-2020).

Identify the Problem

Based on the background of the problems described above, several problems can be defined as follows:

- a. The Effect of Profitability on Corporate Income Tax Payable (PPh) on Manufacturing companies listed on the IDX in 2015-2020.
- b. The Effect of Profit Management on Corporate Income Tax payable (PPh) on Manufacturing companies listed on the IDX in 2015-2020.

Problem Limitation

This study limits research on the Effect of Profitability and Profit Management by using Corporate Income Tax payable (pPh). Registered in IDX Manufacturing companies in 2015-2020.

Problem Statement

1. Is there an effect of profitability on corporate income tax (Pph) payable empirical study on manufacturing companies listed on the IDX in 2015-2020?
2. Is there any effect of Profit Management on Corporate Income Tax (Pph) Payable empirical study on manufacturing companies listed on the IDX in 2015-2020?

Research Objectives

1. To obtain empirical evidence on the effect of profitability on Corporate Income Tax (Pph) payable empirical studies on manufacturing companies listed on the IDX in 2015-2020?
2. To obtain empirical evidence on the effect of Profit Management on Corporate Income Tax (Pph) payable empirical studies on manufacturing companies listed on the IDX in 2015-2020?

Research Uses

Based on the objectives to be achieved in this study is expected to provide benefits and useful for:

1. Theoretical

This research is expected to add empirical evidence on the effect of Profitability and Profit Management on Corporate Income Tax (Pph) Payable.

2. Practical

a. For Academics

As a reference to make it easier for academics to learn company financial management and about the concept of taxation.

b. For researchers

To deepen the author's knowledge, especially related to Profitability and Profit Management and taxation systems.

c. For Government

The results of the study are expected to help the government, especially the directorate general of taxes, to issue regulations related to the maximum amount of capital use in companies derived from external funds in the form of debt or related interest for tax purposes. In addition, to initiate profit management practices, the government can issue strict regulations related to the application of transparency in financial statements and in the form of strict sanctions against companies that commit financial reporting irregularities.

RESEARCH METHODS

Object of Research

The object of research is a variable studied by the researcher located in the place where the research was conducted. The research object used is a pharmaceutical industry company listed on

the Indonesia Stock Exchange (IDX) during the 2020 period for the financial year ending on December 31. The reason behind the selection of pharmaceutical industry companies to be the object of this research is because pharmaceutical industry companies are rarely the object of research related to company value, besides that pharmaceutical industry companies are also one of the potential sectors because of the higher permits for medicinal products or other health products. So the company studied is a company that is still operating or not delisted, did not experience losses during the research period, and has fairly complete data.

The following is a list of pharmaceutical industry companies listed on the Indonesia Stock Exchange (IDX) in 2015-2020.

Table 3. 1 Pharmaceutical Industry Company Data

No	Stock	Company name
1	BMHS	Bundamedik Tbk
2	CARE	Metro Healthcare indonesia Tbk
3	DGNS	Diagnostics Laboratory utam Tbk
4	DVLA	Darya varia laborotoria Tbk
5	HEAL	Medikaloka Hermina Tbk
6	INAF	Indofarma Tbk
7	IRRA	Itama Ranoroya Tbk
8	KAEF	Kimia farma Tbk
9	KLBF	Kalbe Farma Tbk
10	BRAND	Merck Tbk
11	MICA	Mitra Keluarga karyasehat tbk

No	Stock	Company name
12	PEHA	Phapros Tbk
13	PRDA	Prodia widyahasada Tbk
14	PRIM	Royal Prima Tbk
15	PYFA	Pyridam Farma Tbk
16	SAME	sarana Mediatama metropolitan Tbk
17	SCPI	Merck sharp Dhome phama Tbk
18	SIDO	Herbal and Pharmaceutical Industry Sido Muncul Tbk
19	SILO	Siloam International Hospital Tbk
20	SOH	soho Global Health Tbk
21	SRAJ	Sejahteraya Anungrah Tbk
22	TSPC	Tempo Scan pacific Tbk

Source : www.idx.co.id. January 2022.

A. Research plan and phase

Table 3. 2
Research plan and phase

No	Action Plan	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022
1	Proposal drafting					
2	Seminar Proposal					
3	Data Collection					
4	Management and Data Analysis					
5	Preparation Report Final Project / Thesis					

Source : processed by the author (2022).

Research Data**Data Sources and Types of Research****Data Sources**

The source of data in research is the subject from which the data is obtained. In this study, data sources obtained from the annual financial report of go-public pharmaceuticals which publish financial data on the Indonesia Stock Exchange (IDX) website for 2015-2020 as well as reports on closing prices and the number of outstanding shares of pharmaceutical industry companies in 2015-2020 which are also made from the Indonesia Stock Exchange (IDX) website. From the previous explanation, we can know that the type of data used is secondary data.

Types of Research

Research Approach used in this study is a quantitative approach that uses a series of information in the form of annual reports and audited financial statements of companies listed on the IDX (Indonesia Stock Exchange).

RESULTS AND DISCUSSION**Object of study**

The object of this research is a pharmaceutical company listed on the Indonesia Stock Exchange (IDX) in 2016-2020. Pharmaceutical companies are interesting to conduct research using financial statements because pharmaceutical companies are drug industries that every year experience demand for drugs or health products needed by the people of Indonesia and especially for the middle class because not everyone needs drugs to treat diseases.

Pharmaceuticals are a potential industrial sector in Indonesia. Every year there is a significant increase in the pace of investment, both from foreign and domestic investment. The advantage of the pharmaceutical industry is that medicinal products will still be needed by the community even in difficult economic conditions. Coupled with the condition of people's increased purchasing power, spending on health products will increase from just to cure diseases but to increase by spending on disease prevention products and supplements.

The object of this study was selected using the purposive sampling method, namely there are criteria in the selection of samples to be presented the object of research. From the criteria that have been determined, researchers obtained 11 companies, here is a brief profile of 11 pharmaceutical industry companies.

Company History

PT Darya- Varia Laboratoria Tbk

PT. Darya varia laboratoria Tbk (DVLA) is a pharmaceutical company engaged as a manufacturer of medicines, providers of health care products and cosmetics. DVLA was established in 1067 and listed on the Indonesia Stock Exchange in 1994. DVLA's head office is located in Jakarta and the factory is located in Bogor. DVLA has three main business areas, namely: prescription business, consumer health business (over-the-counter drugs), export and toll manufacturing business.

PT Kimia Farma Tbk

Kimia Farma Tbk (KAEF) is one of the pharmaceutical sub-sector companies on the Indonesia Stock Exchange which was established on August 16, 1971. KAEF's head office is located at jln. Veteran No. 9. Jakarta 10110. On the other hand, production activities are located in Jakarta, Bandung, Semarang, Watudakon (Mojokerto), and Tanjong Morawa – Medan. The organization of KAEF has been commercial since 1817, at that time KAEF was engaged in the distribution of drugs and medicinal raw materials. The scope of KAEF's activities is to provide high quality goods and services, especially in the chemical, pharmaceutical, biological, health, food / beverage, and opotek industries.

PT Kalabe Farma Tbk

Kalbe Farma Tbk (KLBF) is one of the pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange, established on September 16, 1966 and began operating in 1966. Suprpto cav 4, cempaka putih, Jakarta 10510. Manufacturing operations and factories located in delta silicon industry, Jl MH Thamrin, blol A31, Lippo cikarang, Bekasi, j West Java, KLBF has received an effective statement from Bapepamlk to proceed with its initial public offering in 1991. It was listed on the Indonesia Stock Exchange (IDX) on July 30, 1991. KLBF's business scope includes activities in the pharmaceutical, representative and commercial fields. Its main activities are engaged in the development, manufacture and trade of pharmaceutical preparations, medicinal products, supplements, nutrition, primary health food and beverages.

PT Merck Tbk

Merk Tbk (MRKK) is one of the pharmaceutical sub-sector companies on the Indonesia Stock Exchange which was established on October 14, 1970, previously the company was named PT Merck Indonesia Tbk. Merck's head office is located on Jl. Tb simatupang no 8. Pasar Rebo, East Jakarta 13760-Indonesia. Merck received effective conditions from Bapepam-lk to conduct an initial public offering of Brand Shares (IPO) to the public, then the shares were listed on the Indonesia Stock Exchange (IDX) on July 23, 1981. The scope of the Brand's activities is engaged in trade, industry, services related to business activities, management consulting services, and property rental services. Merck's main activities include product marketing for prescription and non-prescription drugs, therapeutic products related to fertility, neurology, diabetes, and cardogy, the brand also offers a wide range of advanced chemical instruments and chemical products for bio-production, research boi and related groups.

PT Mitra Keluarga karyasehat Tbk

PT Mitra Keluarga Karyasehat Tbk (MIKA) was established on January 3, 1995 and began commercial operations in 1995. Mitra Keluarga Head Office is located on Jl. Let. Suprpto Kav 4,

Central Jakarta 10510 and the operational office is located at Jalan Bukit Gading Raya Kav 2, Kelapa Gading Jakarta 14240- Indonesia.

Based on the partnership partners of the company, the scope of activities of Mika is engaged in Management consulting and administrative services. including hospital management services. Currently, MIKA's main business is to run a business indirectly through subsidiaries in the field of health services, namely by providing medical services by owning and managing hospitals under the name Mitra Keluarga. On March 12, 2015, MIKA obtained an effective statement from the Financial Services Authority (OJK) to conduct an initial public offering of MIKA Shares (IPO).

PT Prodia Widyahusada Tbk

PT Prodia Widyahusada (PRDA) was established on February 8, 1988 and operated commercially in 1988. Prodia is headquartered at Prodia Tower, Jl. Kramat Raya No. 150, Central Jakarta 10430 – Indonesia. Proda has 251 outlets (Clinical Laboratories) spread across Indonesia. Based on the status of the company, the scope of Prodia' s activities is determined by the Health by rigid companies such as the creation of clinics, health laboratories, hospital management, research centers and nurse education as well as organizing public health checks.

PT Pyridam Farma Tbk

Pyridam Farma Tbk (PYFA) is one of the pharmaceutical sub-sector companies in Bursa Indonesia consisting of PT Pyrima on November 27, 1977, and started its commercial business activities in 1977. PYFA's head office is located in shophouse villa Blok kebon jeruk f3, jl. Raya Kebon Jeruk, Jakarta 11530 and its production activities are located in Cobodas Village, Pacet, Cianjur, West Java. On September 27, 2001, PYFA obtained an effective statement from Bapepam-lk to conduct an initial public offering (IPO) of PYFA to the public, and on October 16, 2001, PYFA's shares and warrants were for pharmaceuticals, medical devices, plastic industry. And other chemical industries. PYFA also conducts trade, including import, export. Pyfa's business activities are not only producing, but also developing medicines (pharmaceuticals) and medical device trading.

PT Sarana Mediatama Metropolitan Tbk

PT Mediatama Metropolitan Tbk (SAME) was established on November 13, 1984 and started commercial activities in 1984. The head office (SAME) is located at jl. West Pulomas VI NO. 20, kayu putih, pulo Gadung, East Jakarta 13210-Indonesia. The shareholder of sarana mediatama metropolitan Tbk is PT Omni Health Care (Peusahaab Induk),

Based on the company's articles of association, the scope of SAME's activities is to do business in the health sector. SAME's main business activities include, Hospitals, clinics, polyclinics, health centers, specialist houses and specialist clinics (Ophthalm, ENT, skin, lung, cancer and other health support services such as laboratories, facilities and related business activities). On December 27, 2012, SAME received an effective statement from bepapam-lk to conduct an initial public offering of SAME's shares (IPO). The shares were listed on the Indonesia Stock Exchange (IDX) on January 11, 2013.

PT Industri Jamu dan Farmasi Sido Muncul Tbk

SIDO Muncul Industri Jamu dan Farmasi Tbk (SIDO) is a sub-sector company listed on the Indonesia Stock Exchange established on March 18, 1975. SIDO Head Office is located at Menara Suara Merdeka Building, lt. 16, Jl Padanaran No.30 Semarang 50134-Indonesia, and its production activities are located on Jl. Seokarno Hatta km 28, Bergas District, Klepu, Semarang. SIDO received an effective statement from the Financial Services Authority (OJK) to conduct an initial public offering (IPO), SIDO to the public on December 10, 2013. Then the shares were listed on December 18, 2013 on the Indonesia Stock Exchange (IDX). The scope of SIDO's activities is to

run a business in the herbal industry which includes the herbal industry, cosmetics, drugs (pharmaceuticals). Beverages and food related to health, land transportation, trade and services.

PT Siloam International Hospital Tbk

Siloam Hospital Group (SILO) is the leading private hospital network in Indonesia and has become a benchmark (standard value) in quality health services in Indonesia. To meet the needs of world-class medical services for all levels of society in Indonesia, soloam's business strategy based on economies of scale allows each hospital unit to operate at a lower cost. Thus, the company's vision to realize international quality health services in Indonesia based on the divine dignity can be a platform for Siloam to respond to the social transformation that Indonesia is sweet.

PT Tempo Scan Pacific Tbk

PT. PT. Tempo Scan Pacifik Tbk (TSCP) is one of the pharmaceutical sub-sector companies on the Indonesia Stock Exchange which was established on May 20, 1970 under the name PT Scanchemia on May 24, 1994 TSCP obtained an effective request from Bapepam-lk to conduct an initial public offering of TSCP shares (IPO) to the public, Then On June 17, 1994 its shares were listed in Indonesia Stock Exchange (IDX). The company's commercial activities began in 1970. TSCP Head Office is located at tempo scan tower, 16th floor, Jl H.R Rusana Said kav 34, Jakarta 12950, and its production activities are located in Cikarang, West Java. TSCP's business activities include consumer products and distribution.

Descriptive Statistics of Research Variables

This study aims to analyze the impact of Profitability and Profit Management on Corporate Income Tax (Pph) Payable on pharmaceutical industry companies listed on the Indonesia Stock Exchange (IDX) in 2015-2020. Data description in this study using Descriptive Statistical Analysis. Data management in this study was carried out with the help of SPSS 25 Software. The results of Descriptive Statistics in this study are presented as follows

The output of statistical processing data can be seen in the following table:

Table 4. 1 Statistical Description of Research Variables

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Income Tax Payable	60	12440 810	26614600 0000	8886737469 5.12	8445764004 6.459
Profitability	60	.11	3.23	1.1618	.77568
Profit Management	60	-.86	1.07	.0382	.42087
Valid N (listwise)	60				

Source : Processed with SPSS 25, January 2022

Based on the results of descriptive statistical analysis in table 4.1 can be explained as follows:

On the Variable Income Tax (Pph) of the Payable Agency The number of observations used (N) is 60 data which is valid data without any missing data. Income Tax Payable has a minimum value of 0.124,40,810 and a maximum value of 0.266.146.000.000, while the average value is 0.888.673.746.951.2 and the standard deviation value is 0, 844.576.40.046.459.

On the Profitability Variable, the number of observations used (N) is 60 data which is valid data. Profitability has a minimum value of 0.11 and a maximum value of 0.323. While the average value is 0.11618 and the standard deviation is 0.77568.

In the Profit Management variable, the number of observations used (N) is 60 customs, which is valid data. Probability has a minimum value of 0.-86 and a maximum value of 0.107. As for the average value of 0.0382 and standard deviation of 0.42087.

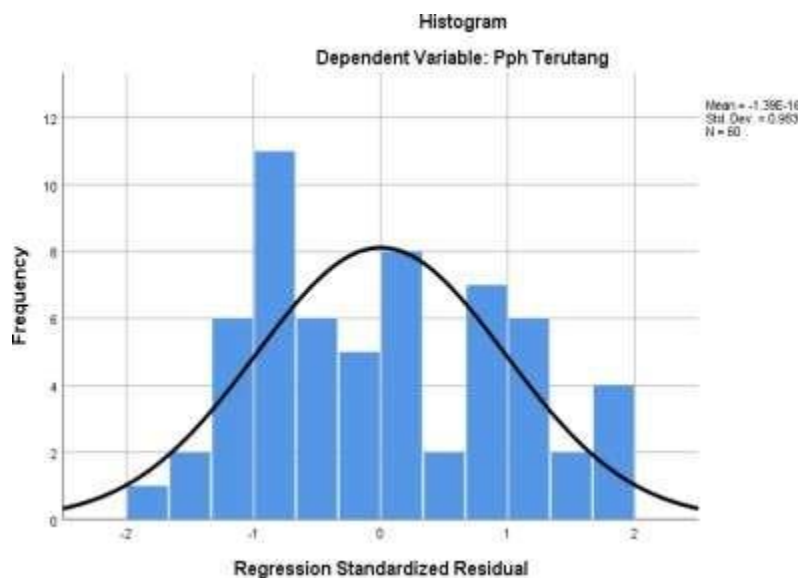
2. Classical Assumption test results

a. Normality Test

1) Normality Test Through Histogram and Normal P-Plot

The normality test aims to test whether the regression model, bound variable and independent variable both have normal or near-normal distribution. Data normality is viewed through the Histogram display normal curve, based on the shape of the curve image Data is said to be normal if the shape of the curve has a slope that tends to be even, on the left and right sides, and a bell-shaped curve that is almost perfect.

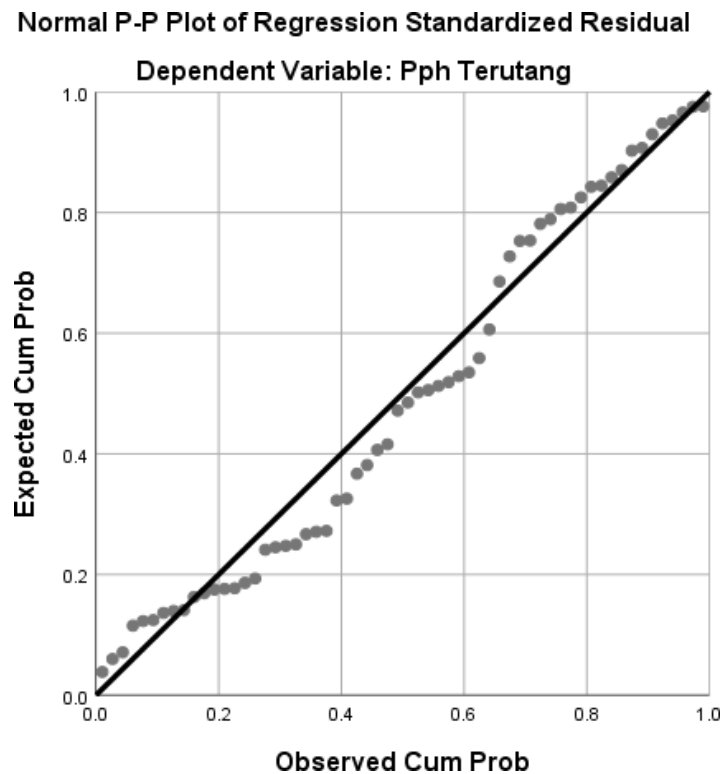
Figure 4. 1 Normality Test Results



Source: processed with SPSS 25, January 2022

Based on figure 4.1 shows that the data can be said to be Normal, because the curve is not inclined (tilted) to the right or left, but tends to be in the middle and shaped like a bell. Furthermore, the detection of normality can also be done by looking at the normal curve P- Plot, the spread of data (points) on the diagonal axis of the graph. The normal distribution will form one diagonal straight line and the plotting data will be compared to the diagonal straight line. If the distribution of data is normal, then the line connecting the real data will follow the diagonal line.

Figure 4. 2 Normality Test Results



Source : processed with SPSS 25, January 2022

Based on figure 4.2 above, it shows that the model in this study meets the assumption of normality, because the data points are around the diagonal line and move in the direction of the diagonal line.

Normality Test through One-sample Kolmogorov-smirnov Test

To obtain a more significant level of normality test, this study also used the Kolmogorov-smirnov non-parametric static assumption test. Normal distributed data is shown with significant values above 0.05 or 5% (Ghozali, 2016).

Table 4. 2 Statistical Normality Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual	
N		60	
Normal Parameters ^{a, b}	Mean	-.0000081	
	Std. Deviation	8.17113E+10	
Most Extreme Differences	Absolute	.115	
	Positive	.115	
	Negative	-.073	
Test Statistic		.115	
Asymp. Sig. (2-tailed)		.048 ^c	
Monte Carlo Sig. (2-tailed)	Sig.	.381 ^d	
	99% Confidence Interval	Lower Bound	.368
		Upper Bound	.393

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. Based on 10000 sampled tables with starting seed 2000000.

Source : processed with SPSS 25, January 2022

Based on table 4.2, it can be concluded that the normality test using the Kolmogorov-smirnov test can be found that the Unstandardized Residual value has a sig of 0.381, this means that all data are normally distributed. A GIS value of more than 0.05 is therefore declared significant.

b. Multicollinearity Test

The multicollinearity test aims to test whether the regression model found a correlation between independent variables. If there is a correlation between independent variables, there is multicorrelation in the regression model. To determine whether or not multicollinearity occurs by looking at the value of tolanrance value and variance inflation factor (VIF) as follows:

Table 4. 3 Results of multicolonicity

Type		Collinearity Statistics	
		Tolerance	V I F
1	(Constant)		
	Profitability	.963	1.039
	Profit Management	.963	1.039
a. Dependent Variable: Income Tax Payable			

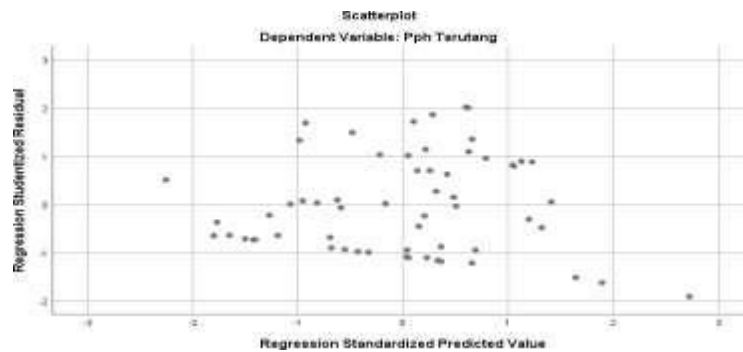
Source : processed with SPSS 25, January 2022

Based on table 4.3 above, it shows that the VIF value of both Profitability and Profit Management is not more than 10 ($VIF < 10$), foreign, namely: 1.039 and 1.039, respectively. The tolerance values are 0.963 and 0.963 respectively which indicates more than 0.1 (Tolerance > 0.1). So it can be concluded that the regression model in this study is free from the problem of multicollinearity between independent variables in the regression model.

c. Heterokedasticity Test

Heterokedacity test is to test whether in the regression model there is an inequality of variance and residual or observations to other observations. If the variance of the residuals of one observation to another remains, it is called heteroscedacity. To determine heroskedesity can use scatterplot graphs. The scarettplot graph is as follows:

Figure 4. 3 Heteroscedasticity Test Results



Source : processed with SPSS 25, January 2022

From the scatterplot graph, it can be seen that the points spread randomly and are scattered both above and below the number 0 on the Y axis.

d. Autocorrelation Test Results

Based on the results of the Durbin Watson autocorrelation test, it shows the requirements for the autorelating pass test to use durbin Watson 1-3 at a value of 1.418. Then it can be concluded that no autocorrelation occurs.

Table 4. 4 Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.253 ^a	.064	.031	8.313E+10	1.418

a. Predictors: (Constant), X2, X1
b. Dependent Variable: Y

Source : processed with SPSS 25, January 2022

3. Multiple Linear Regression

Multiple regression models aim to predict the magnitude of the dependent variable using dependent variable data that is already known in magnitude. Multiple linear regression models are generally used to examine the effect of two or more independent variables on dependent variables with an interval or ratio measurement scale in a linear equation.

Table 4. 5 Multiple Linear Analysis Results

Coefficients^a				
Type		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(constant)	107152214027.648	19885752644.534	
	Profitability	-14131902994.782	14219049493.373	-.130
	Profit Management	-48870202812.379	26206502958.853	-.244
a. Dependent Variable: Income Tax Payable				

Based on the results of data processing using multiple regression in table 4.5, it can be seen that the magnitude of the influence of each variable used in this study is X1 (Profitability) = - 14,131,902,294,782, and X2 (Profit Management) = - 48,870,202,812,379, with a constant of 107,152,214,027,648, so that the regression equation model obtained is:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = 107,152,214,027,648 - 14,131,902,294,782 \text{ Profitability} + 48,870,202,812,379 \text{ Profit Management} + e$$

Results Test the hypothesis
Coefficient of Determination Test Results

Table 4. 6 Coefficient of Determination Test Results

Model Summary^b				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.253	.064	.031	83132508881.991

a. Predictors: (Constant), X2, X1
 b. Dependent Variable: Y

Source : processed with SPSS 25, January 2022

Based on table 4.6 above, it shows that the *Adjusted R Square* value is 0.031 or 31%. This shows that the contribution of independent variables of Profitability and Profit Management to the Outstanding Corporate Income Tax is 31%. Meanwhile, the remaining 96.9% is influenced by other factors such as compliance, compliance and mandatory

understanding of applicable tax laws, *Frim size*, and company ownership.

Simultaneous Significant Test (F-Test)

Test F is used to determine whether the independent variables profitability and profit management, together, do not have a significant effect on the dependent variable of corporate income tax payable.

**Table 4. 7
Simultaneous Test Results (F-Test)**

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.692E+22	2	1.346E+22	1.948	.152 ^b
	Residual	3.939E+23	67	6.911E+21		
	Total	4.209E+23	69			

a. Dependent Variable: Pph Terutang

b. Predictors: (Constant), Management Laba, Profitabilitas

Source : processed with SPSS 25, January 2022

Based on table 4.6 hypothesis (Test F) obtained a significant value of simultaneous regression model of 0.152. This value is greater than the Significance level value of 0.05 (5%), which is $0.152 > 0.05$.

Partial Significant Test (T-Test)

The T test is performed to determine how the influence of each independent variable on the dependent variable partially. For two-teled testing testing is done by comparing the significant level (sig) of the test results t with a, where a is set to be 0.05. The results of the t-test are as follows:

Table 4. 8 T Test Results

Coefficients ^a						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
1	(Constant)	10715 2214 027.6 48	1988 5752 644.5 34		5.388	.000
	Profitability	- 141319029 94.782	1421 9049 493.3 73	- .13 0		

Management	-	2620	-	-	.067
		6502	.24	1.	
			4	86	
Profit	488702028	958.8		5	
	12.379	53			
a. Dependent Variable: Income Tax Payable					

Source : processed with SPSS 25, January 2022

This static T test is used to determine whether in regression models, the independent variable has no partial effect on the dependent variable. The t test is conducted to determine which of the two independent variables affects the corporate income tax payable. The t test is carried out by comparing t-count with t-table, the significant level is 0.05, with the degree of freedom (df) = n-k-1 which is 60-2-1 = 57 (n is the number of samples and k is the number of independent variables, then obtained t table of 2.00247. So that the test results can be shown as follows:

The Effect of Profitability on Corporate Income Tax Payable. That obtained a significant value of $t_{hitung} > 0.05$ (significant level). In addition, it can also be seen from the results of the comparison between t-count and t-table which shows a t-count value of -0.994, while t-table is 2.00247. This calculated value $< t_{tabel}$ (-0.994 < 2.00247) so H_0 is accepted.

Effect of Profit Management on Corporate Income Tax payable. That obtained a significant value of the Profit management variable of $0.067 > 0.05$ (significant level). In addition, it can also be seen from the results of the comparison between the t-count and t-table which shows a t-count value of -1.865, while the t-table is 2.00247. It is a t-count value $< t_{tabel}$ (- 1.865 < 2.00247) so H_0 is accepted.

Based on the results of research obtained regarding the analysis of Profitability and Profit Management Against Corporate Income Tax (Pph) Payable to pharmaceutical industry companies listed on the Indonesia Stock Exchange, the following are the detailed results of the analysis and testing can be explained as follows.

1. The Effect of Profitability on Corporate Income Tax (Pph) Payable

Based on the results of the partial hypothesis test (t-test) in table 4.7, the Profitability variable obtained a significance value of $0.324 > 0.05$ (significance level). In addition, it can also be seen from the results of the comparison between t-count and t-table which shows a t-count value of -0.994, while t-table is 2.00247. From these results, it can be seen that $t_{hitung} < t_{tabel}$, which is -0.994 < 2.00247, it can be concluded that H_{a1} is rejected, meaning that partially variable Profitability does not have a significant effect on the direction of the positive coefficient on the variable Corporate Income Tax Payable,

The findings of this study are the same as researchers Nisa et al. (2018) who found that profitability does not have a positive relationship with the income tax of the payable entity.

2. Effect of Profit Management on Corporate Income Tax Payable

Based on table 4.7 of the results of the *iji parsila* (t-test) in the regression model, the significance value of the profit management variable was obtained as $0.087 > 0.05$ (significance level). In addition, judging from the results of the comparison between t-count and t-table which shows a t-count value of -0.1865, while t-table is 2.00247. From these results, it can be seen that $t_{hitung} < t_{tabel}$, which is

$-0.1865 < 2.00247$, it can be concluded that H_{a2} is rejected, meaning that partially the profit management variable does not have a significant effect on the variable Corporate Income Tax Payable.

For other research results related to the theme, namely around profit and tax management, these results are in line with research conducted by Darma & Fitri (2021) which states that profit management variables do not have a significant effect on corporate income tax variables in manufacturing companies listed on the IDX in the 2015-2017 period.

CONCLUSION

Based on data analysis and discussion in the previous chapters, conclusions can be drawn in this study, which are as follows: Based on the results of the t test (partial) Profitability measured by Return on Assets (ROA) obtained a significant value of $0.324 > 0.05$ and t- calculate ($0.994 < t$ -table (2.00247)), so it can be concluded that Profitability does not have a significant effect on Corporate Income Tax (Pph) Payable. Based on the results of the t (partial) test of Profit Management measured by discretionary accrual obtained a significant value of $0.067 > 0.05$ and t-count ($1.865 < t$ -table (2.00247)), it can be concluded that Profit Management does not have a significant effect on Corporate Income Tax (Pph) Payable. Based on the simultaneous results (test f) of Profitability as measured by Return on Assets (ROA) and Profit Management as measured by discretionary accrual obtained a significant value of $0.152 > 0.05$ and t-calculate ($0.994 < t$ -tebel (2.00247)), so it can be concluded that Profitability and Profit Management do not simultaneously affect the Income Tax (Pph) of the Outstanding Entity. The ability to explain the R-square value is 27% which means that the ability of the independent variable to explain the dependent variable is quite limited. The limitation in this study is that the author only uses pharmaceutical industry companies listed on the Indonesia Stock Exchange (IDX) in 2015-2020 as research samples.

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