Tax Avoidance, Commissioners Proportion, Muslim Directors, Executive Character, and Principal Director's Age, Moderated by Company Size (Case Study: Companies Registered at ISSI in 207-2021)

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Abstract

This study aims to determine the effect of the proportion of Independent Commissioners, Muslim Board of Directors, Character of the Executive Board, and Age of the Main Director on Tax Avoidance with Company Size as Moderating in Companies Registered on ISSI in 2017-2021. This research is quantitative research with secondary data in the form of panel data. The sample collection technique was purposive sampling; the samples used were 32 companies registered with ISSI for the 2017-2021 period. The analytical tool used is the Eviews 9 application. The analytical method used is a descriptive test, stationarity test, F test, t-test, R^2 test, classic assumption test, and MRA test. The results showed that the variable proportion of independent commissioners, the Muslim board of directors, and the age of the principal director did not affect tax avoidance. Meanwhile, the character of the executive committee has a significant positive effect on tax avoidance. Based on the Moderated Regression Analysis test, it shows that the variable company size cannot moderate the influence of the proportion of independent commissioners, the Muslim board of directors, the character of the executive committee, and the age of the principal director on tax avoidance.

Key words: Independent Commissioners, Muslim Board of Directors, Character of Executive Board, Age of President Director, Company Size, Tax Avoidance

Introduction

The development of the Islamic finance industry has stimulated the development of the Indonesian economy, mainly state revenue from the tax sector. Taxes are contributions to the state that are paid by individuals or entities, are obligatory, and are used as much as possible for the benefit of the state and residents (www.pajak.go.id). Paying taxes is a sign of government commitment, and the involvement of taxpayers in paying taxes directly contributes to national financing and development. Taxes have four functions, one of which is the budgetary function. Based on the role of taxes in budgetary, it is essential to increase public awareness about the need for citizens to pay taxes. The amount of tax revenue each year has risen relatively, but recently it was discovered that Indonesia still needs to achieve its annual tax revenue target.

Tax avoidance is one of the challenges in maximizing tax collection. Tax avoidance is a tax trick in which companies use tax loopholes to minimize their taxes without violating existing laws. Tax avoidance is acceptable but undesirable because it often attracts insufficient attention and is even considered to have a negative connotation (Afriyanti et al., 2019). Not a few companies carry out tax avoidance activities; even companies that are included in the sharia category also carry out tax avoidance activities for P.T. Adaro was quoted from the *finance.detik.com* site on July 5, 2019, by Danang Sugianto, believed to have carried out transfer pricing through its subsidiary in Singapore, between 2009 and 2017. It was stated that PT Adaro arranged for it to pay less tax than it should have, namely Rp 1.75 trillion (www.finance.detik.com), and the DJP snared P.T. Toyota Astra Manufacturing Indonesia for tax avoidance of Rp. 1.2 trillion through transfer pricing through its overseas foster children (www.tempo.co/)

Corporate governance shows how the relationship between the company's different stakeholders interacts and influences organizational performance. The aspects of corporate governance managed by the company itself impact how well the company performs its obligations and tax planning procedures. The independent board of commissioners is a board that is not affiliated with major shareholders and does not consist of officers, majority shareholders, or management. Independent commissioners ensure that the supervisory system runs efficiently and follows established laws (Prasetyo & Pramuka, 2018). The research results of Irwan & Bambang (2018) show that the percentage of independent commissioners significantly affects tax avoidance. Meanwhile, Saputri's (2018) research states that the percentage of independent commissioners does not significantly affect tax avoidance.

The Board of Directors is one of the essential components in a company that is fully responsible for managing the company while remaining focused on the aims, objectives and the interests of stakeholders and shareholders. The Muslim board of directors consists of adherents of the Islamic faith who sit on the board of directors. Many aspects influence leadership behavior and patterns, one of which is religion, which can impact how a company manages its operations. Muslim directors must be able to use Islamic norms in tax avoidance activities because they have a more significant influence on Islam (Elfita & Agustina, 2020). Research conducted by Oliviana & Muid (2019) states that the board of directors has a significant negative effect on tax avoidance. Meanwhile, according to Erlina (2017), the board of directors does not affect tax avoidance.

Company executives vary in character in making decisions and enforcing company standards. The company's risk level can be a good indicator; the tendency of an executive to be a risk taker increases along with the company's risk level. Conversely, companies with a low level of risk tend to be risk-averse executives (Fitria, 2018). The results of research by Afriyanti et al. (2019) explain that the character of the executive board has a significant positive effect on tax avoidance. In contrast, research by Harlan & Trisnawati (2020) found that executive character does not affect tax avoidance.

The age of the principal director is believed to influence decision-making in the company. This was because the principal director was young and inexperienced. Conversely, those who are already senior have professional skills. Thus, the age of the principal director is one factor that influences how decisions are made in the company due to differences in risk preferences and understanding of work (Hariyanto & Utomo, 2018). The research results of Asroni & Yuyetta (2019) state that the age of the principal director has a significant negative effect on tax avoidance. On the contrary, Juliawaty & Astuti (2019) stated that the age of the principal director does not affect tax avoidance.

A scale called "company size" can place a company in the "large" or "small" category. Significant total assets are expected to increase the company's ability to generate significant and consistent profits. Thus it is possible to urge companies to implement tax avoidance (Tiong & Rakhman, 2021). According to Darmayanti & Merkusiwati (2019), company size does not affect tax avoidance. In contrast, Tiong & Rakhman's research (2021) shows that company size affects tax avoidance positively.

Based on the background above, the phenomenon of tax revenue that has yet to reach the target and cases of sharia companies involved in tax evasion is quite exciting, and researchers want to study it further. Researchers use the proportion of independent commissioners, Muslim boards of directors, the executive board's character, the principal director's age, and company size as variables to measure how important the oversight function is to compliance and obligations in corporate governance. The researcher chose the Muslim board of directors as an independent variable because it is rarely used. Previous research more often used the board of directors variable as an independent variable. For the variable company size, it is rarely used as a moderating variable in the effect of tax avoidance. In previous research, companies listed on the Indonesia Stock Exchange (IDX) in general or as a whole were used as research objects. This time the researcher will look at companies included in the Indonesian Sharia Stock Index (ISSI) as research objects.

Literature Review

Agency Theory

Agency theory describes the interaction between shareholders and management. Management is the party shareholders hired to represent and act in their best interest. According to Jensen and Meckling (1976), an agency relationship is a contract in which one or more principals delegate their authority to the agent to make decisions by the principal interests. Agency theory appears in the context of tax avoidance when there is a conflict of interest between agents and principals. Therefore, efficient and ideal supervision is needed from principals to agents for the company's future development (Nugraha & Mulyani, 2019).

The Effect of the Proportion of Independent Commissioners on Tax Avoidance

The board of commissioners functions as a monitoring mechanism and provides direction and guidance to the organization's management. The company's management conducts tax avoidance to reduce the company's tax liability. Therefore, tax management is indirectly influenced by the proportion of a company's board of commissioners. The company's tax avoidance may increase along with the number of commissioners (Sarra, 2017). Research (Saputri, 2018) concluded that there is an influence between the proportion of independent commissioners on tax avoidance. Meanwhile, (Prasetyo & Pramuka, 2018) concluded that the proportion of independent commissioners did not affect tax avoidance. The following hypotheses:

H1 = The proportion of Independent Commissioners hurts Tax Avoidance

The Influence of the Muslim Board of Directors on Tax Avoidance

The Board of Directors is one of the essential components in a company that is fully responsible for managing the company while remaining focused on the aims and objectives and the interests of stakeholders and shareholders. The Muslim board of directors consists of adherents of the Islamic faith who serve on the board of directors. Many aspects influence leadership behavior and patterns, one of which is religion, which can impact how a company manages its operations. Muslim board of directors should be able to use Islamic norms in tax avoidance activities because they significantly affect the Islamic religion (Elfita & Agustina, 2020). The research conducted (by Oliviana & Muid, 2019) states that there is a negative effect between the board of directors on tax avoidance. Meanwhile, (Yustin & Effendi, 2021) states that there is no influence between the board of directors on tax avoidance. The hypothesis put forward is:

H2 = The Muslim Board of Directors hurts Tax Avoidance.

The Effect of Executive Board Character on Tax Avoidance

Company executives play a great responsibility in deciding company-related policies and making decisions. Company executives have different characters when making company decisions and policies. Most of the company's assets will be invested in safe investments by risk-averse executives who will avoid any opportunities that could give rise to risk. Executives who are risk-takers are more likely to do so because they realize that the greater the risk, the greater the potential return (Sulistiyanti & Nugraha, 2019). Research (by Afriyanti et al., 2019); (and Nugraha & Mulyani, 2019) state that executive character positively influences tax avoidance. Meanwhile, (Noviani et al., 2018) state that executive character does not affect tax avoidance. The hypothesis put forward is:

H3 = Executive Character has a positive effect on Tax Avoidance

Effect of the Age of the Main Director on Tax Avoidance

Several factors affect the accuracy of the presidential director's decision-making, one of which is the age of the presidential director. The age of the principal director is suspected to be a factor in organizational decision-making (Hariyanto & Utomo, 2018). Age psychologically can affect a person's moral and ethical development. It is expected that high executive morality will reduce unethical activities related to tax evasion. Research (Asroni & Yuyetta, 2019); (and Fuad & yuwono, 2019) state that the age of the principal director significantly negatively affects tax avoidance. Meanwhile, (Juliawaty & Astuti, 2019) states that the age of the principal director does not affect tax avoidance. The hypothesis put forward is:

H4 = Main Director's age hurts Tax Avoidance

Effect of Company Size on Tax Avoidance

The company's decision to carry out tax avoidance is usually influenced by size. Large companies usually have better ability and stability to generate profits than companies with limited assets. Large and stable profits will be affected by a high tax burden. To carry out tax planning and lower tax payments, companies with significant assets make the most of their human capital (Darmayanti & Merkusiwati, 2019). Research (Tiong & Rakhman, 2021) states that there is a significant favorable influence between company size on tax avoidance. Meanwhile,(Darmayanti & Merkusiwati, 2019) and (Khairunisa et al., 2017) state that company size does not affect tax avoidance. The hypothesis put forward is:

H5 = Company size has a positive effect on Tax Avoidance

The Effect of the Proportion of Independent Commissioners on Tax Avoidance Moderated by Company Size

Because large companies have many professional human resources in managing their tax burden, independent commissioners are responsible for encouraging the implementation of good corporate governance. They are required to be more effective and strict in supervising managerial performance. With an independent board of commissioners carrying out its oversight function effectively, the board can determine whether managerial decisions are correct or wrong about established procedures, particularly in paying taxes. This helps minimize management misconduct, such as tax avoidance. Therefore, the size of the independent commissioners must be balanced with the company's size. A study (by Tiong & Rakhman, 2021) states that there is a significant influence between company size on tax avoidance. The hypothesis put forward is:

H6 = Company size strengthens the negative effect of the Proportion of Independent Commissioners on Tax Avoidance.

Influence of Muslim Board of Directors on Tax Avoidance moderated by Company Size

Supervision of the directors will be carried out as well as possible if the number of members is more. The number of board directors for large companies is usually more than for small companies. The Board of Directors is fully responsible for managing the company. The Muslim board of directors consists of adherents of the Islamic faith who serve on the board of directors. Muslim board of directors should be able to use Islamic norms in tax avoidance activities because they significantly affect the Islamic religion. A study (by Oliviana & Muid, 2019) states that the board of directors significantly negatively affects tax avoidance. The hypothesis developed in this study are:

H7 = Company size strengthens the negative influence of the Muslim Board of Directors on Tax Avoidance.

The Effect of Executive Board Character on Tax Avoidance moderated by Company Size

Company executives play a great responsibility in deciding company-related policies and making decisions. Most of the company's assets will be invested in safe investments by risk-averse executives who will avoid any opportunities that could give rise to risk. Executives who are risk-takers are more likely to do so because they realize that the greater the risk, the greater the potential return. The size of a company is considered to impact the fulfillment of its tax obligations. Companies with significant overall assets can generate large and consistent profits. Thus the company will be encouraged to do tax avoidance (Nugraha & Mulyani, 2019) states that there is a positive influence between executive character and tax avoidance. The hypothesis developed in this study are:

H8 = Company size strengthens the positive influence of Executive Character on Tax Avoidance.

The Effect of the Age of the Main Director on Tax Avoidance moderated by Company Size

The principal director's decision is one way to manage the company. Several factors affect the accuracy of the presidential director's decision-making, one of which is the age of the presidential director. Age can be used to indicate a person's level of experience and risk-taking propensity. This is because the principal director needs to be more experienced due to his young age. On the other hand, those who are already senior have professional expertise. Thus, the age of the principal director is one of the factors that influence how decisions are made in the company due to differences in risk preference and understanding of work (Asroni & Yuyetta, 2019) states that there is a negative effect between the age of the principal director and tax avoidance. The hypothesis developed in this research is:

H9 = Company size strengthens the negative effect of the Main Director's Age on Tax Avoidance.

Research methods

Types of research

This type of research is quantitative and uses secondary data, namely information compiled in published archives and usually presented as evidence, past records, or reports.

This study examines a sample of companies registered with ISSI from 2017 to 2021 based on each company's annual reports and bookkeeping.

Population and Sample

The research population comprised 361 companies listed on the Indonesian Sharia Stock Index (ISSI) for 2017-2021. This study used a sampling methodology called purposive sampling. The following standards were applied in this study:

1. Companies registered at ISSI consecutively during 2017-2021.

2. Have the necessary research data.

3. The company has no losses during 2017-2021 because losses result in a negative ETR value.

Based on predetermined criteria, the following are the results of the sample selection:

Table 1 Sample Selection Results

NO.	KETERANGAN	COMPANY
1.	During 2017–2021, the company consistently registered with ISSI.	361
2.	During the 2017–2021 period, the company was not consistently registered with ISSI.	(116)
3.	Does not have the necessary research data.	(186)
4.	The company experienced losses during 2017-2021	(27)
The sample meets the criteria		32
Observation Year		5
Total sample		160
Outliers		(26)
Final Sample Total		134

Source: Data processed

Data collection technique

The data collection method is a way of obtaining data to be analyzed or processed to make an assessment. Information from annual reports or financial statements of companies registered with ISSI was collected either through the official website of each sample company or the website www.idx.co.id; this information was then used in this study.

The following are the data collection methods used in this study:

1. Library research, collecting data or information by reading books from various sources, financial reports, and other materials related to this research.

2. Internet research. Researchers use the latest internet to ensure that the data they access is up to date because reference materials and scientific papers are constantly evolving.

Conceptual and Operational Definitions

Tax Avoidance (Y)

Tax avoidance is an effort to reduce the amount of tax that must be paid by taxpayers, which is done legally and safely because it does not violate tax laws and regulations, as well as tactics and strategies that are often used, namely taking advantage of the grey area loopholes in these regulations (Hidayati & Fidiana, 2017). The Cash Effective Tax Rate (CETR) is used in this study to measure the tax avoidance variable by dividing cash paid for tax expenses by profit before tax.

The proportion of Independent Commissioners (X1)

An independent commissioner is not a shareholder, director, or commissioner and does not manage the owner's business (Sarra, 2017). Calculating the proportion of independent commissioners is done by dividing the number of independent commissioners by the number of members of the board of commissioners.

Muslim Board of Directors (X2)

The Muslim board of directors consists of adherents of the Islamic faith who serve on the board of directors. Many aspects influence leadership behavior and patterns, one of which is religion, which can impact how a company manages its operations. Muslim board of directors should be able to use Islamic norms in tax avoidance activities because they significantly affect the Islamic religion (Elfita & Agustina, 2020). The Muslim board of directors variable is explained by a dummy variable, coded 1 (one) if there are Muslim directors and 0 (zero) if there are no Muslim directors.

The Character of The Executive Board (X3)

Executives are essential members of the company because they have the most influence and control over its operations. In this study, the executive character is predicted by firm risk. The risk of large companies shows that executives are more willing to take risks and vice versa (Merkusiwati & Damayanthi, 2019). To calculate company risk, divide EBITDA (Earning before Interest, Tax, Depreciation, and Amortization) by Total Assets (Fitria, 2018).

Age of The Main Director (X4)

Executive characteristics will influence how the company is managed. Several factors affect the accuracy of the presidential director's decision-making, one of which is the age of the presidential director. This is because the young principal director needs more experience. On the other hand, those who are already senior have professional expertise. Due to differences in risk preference and work understanding, the age of the principal director is one factor that influences how decisions are made in the company (Hariyanto & Utomo, 2018). The age of the principal director is obtained from the age stated in that year in the annual report.

Firm Size (Z)

Company size is a scale that can classify company size in several ways, including total assets, market value, average sales, and total sales. The company's size can be calculated by Log Total Assets (Tiong & Rakhman, 2021).

Data Analysis Technique

This study uses panel data regression to combine cross-section and time series data. The panel data approach is a technique for conducting empirical analysis on more dynamic data. In addition, the analytical method used is a descriptive statistical test, F test, t-test, R^2 test, classical assumption test (normality test, heteroscedasticity test, autocorrelation test, multicollinearity test), and MRA test. With the help of an analysis tool, namely the Eviews 9 application. The regression model equation is as follows:

$$\mathbf{Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5Z + \beta_6(X_1 Z) + \beta_7 (X_2 Z) + \beta_8 (X_3 Z) + \beta_9 (X_4 Z) + e}$$

Results and Discussion

Companies included in the Indonesian Sharia Stock Index (ISSI) from 2017 to 2021 are the main subjects of this research. Thirty-two companies were selected to represent a sample of 361 total companies using a purposive sampling technique. This study's descriptive analysis was carried out to describe the mean, maximum value, minimum value, and standard deviation. The findings of the descriptive statistical test are listed below:

Tabel 2 Analisis Statistik Deskriptif

	Y	X1	X2	X3	X4	Z
Mean	0.306930	0.414206	0.118750	0.046424	56.63125	15.07153
Median	0.271450	0.375000	0.000000	0.033410	55.00000	15.47814
Maximum	0.898204	0.833333	1.000000	0.243087	82.00000	27.01914
Minimum	0.002778	0.200000	0.000000	4.45E-05	36.00000	8.483202
Std. Dev.	0.178923	0.123357	0.324510	0.048714	9.592726	3.966171

Source: Data processed

Based on table 2 above, Y has a mean value of 0.306930 and a median value of 0.271450. At the same time, the maximum value is 0.898204, with a minimum value of 0.002778 and a standard deviation of 0.178923. The CETR value ranges from more than 0 and less than 1, and the average Y value is 0.306930, which is more than 0 and less than 1, concluding that the average of companies listed on ISSI in 2017-2021 is avoiding tax.

The mean value for the variable (X1) is 0.414206, and the median value is 0.375000. The maximum value is 0.833333, with a minimum value of 0.2000000 and a standard deviation of 0.123357. The mean value for the variable (X2) is 0.118750, and the median is 0.000000. The maximum value is 1.000000 with a minimum value of 0.000000 and a standard deviation of 0.324510. The mean value for the variable (X3) is 0.046424, and the median value is 0.033410. The maximum value is 0.243087, with a minimum value of 4.45E-05 and a standard deviation of 0.048714. The mean value for the variable (X4) is 56.63125, and the median value is 55.00000. The maximum value is 82.00000, with a minimum value of 36.00000 and a standard deviation of 9.592726. f. The mean value for the variable (Z) is 15.07153, and the median is 15.47814. The maximum value is 27.01914, with a minimum value of 8.483202 and a standard deviation of 3.966171.

Classical Assumption Measurements

Normality Test

The normality test determines whether the confounding or residual variables in the regression model have a normal distribution. The Jarque Bera test was used to perform this test. Residuals are considered generally distributed if the Prob value is > 0.05.

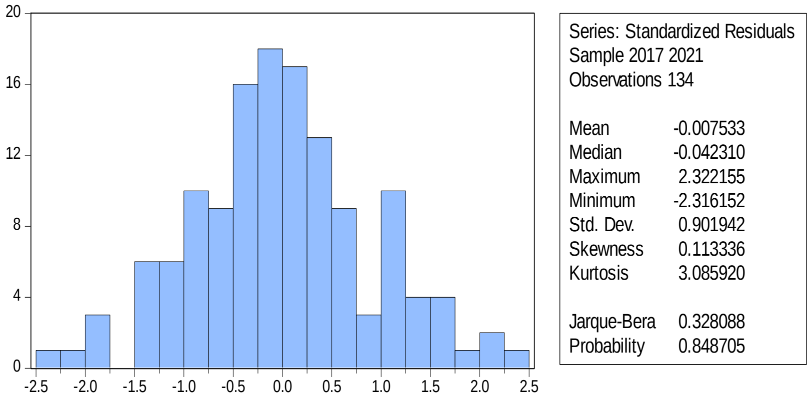

Figure 1 Normality Test

The normality test above means that the data is usually distributed, where the prob value is 0.848705 > 0.05 and the Jarque-Bera value is 0.328088.

Heteroscedasticity Measurement

The heteroscedasticity test aims to detect significant variance differences between the residuals of different observational variables in the regression model or to analyze data distribution. The heteroscedasticity test was carried out with the Glajser test.

Table 3 Heteroscedasticity Test

Dependent Variable: RESABS

Method: Panel EGLS (Cross-section random effects)

Date: 01/14/23 Time: 08:33

Sample: 2017 2021

Periods included: 5

Cross-sections included: 27

Total panel (unbalanced) observations: 134

Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.303656	1.478427	-0.205391	0.8376
X1	0.221764	1.256755	0.176458	0.8602
X2	0.119611	0.309886	0.385983	0.7002
X3	-0.199480	1.710733	-0.116605	0.9074
X4	0.014551	0.172315	0.084444	0.9328
Z	0.035834	0.388193	0.092310	0.9266
X1Z	0.052034	0.328443	0.158427	0.8744
X2Z	-0.042640	0.076749	-0.555579	0.5795
X3Z	0.082214	0.435496	0.188783	0.8506
X4Z	-0.003501	0.045593	-0.076795	0.9389

Source: processed data

If the test findings show a prob value > 0.05, there is no heteroscedasticity. According to the test findings above, the prob value. All variable values > 0.05. Therefore, there are no signs of heteroscedasticity in the data.

Autocorrelation Measurement

The autocorrelation test seeks to determine whether the residual of one observation is correlated with the residual of another observation (previous period) in the regression model. The autocorrelation test in this study used Durbin-Watson.

Table 4 Autocorrelation Test

R-squared	0.112529	Mean dependent var	0.275989
Adjusted R-squared	0.048116	S.D. dependent var	0.135620
S.E. of regression	0.131643	Sum squared resid	2.148900
F-statistic	1.746991	Durbin-Watson stat	1.892154
Prob(F-statistic)	0.085229		

Source: processed data

The test results above obtained a D.W. value of 1.892154, with a dL value of 1.6413 and a dU value of 1.7958. The 4-dL value is 2.3587, and the 4-dU value is 2.2042. It can be concluded that the D.W. value is not affected by autocorrelation because it is in the position dU < D.W. < 4-dU or 1.7958 < 1.892154 < 2.2042.

Multi Collinearity Measurement

When all or some independent variables have a perfect linear relationship, this is called multicollinearity. The multicollinearity test in this study uses the VIF test.

Table 5 Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.007843	1.222233	NA
X1	0.007142	1.104788	1.104788
X2	0.008112	1.254734	1.254734
X3	0.007898	1.221717	1.221717
X4	0.008422	1.302800	1.302800
Z	0.010555	1.632625	1.632625
X1Z	0.008718	1.206183	1.182259
X2Z	0.011155	1.372750	1.332148
X3Z	0.013118	1.595666	1.561784
X4Z	0.009970	1.394142	1.201349

Source: processed data

There is no multicollinearity problem if the VIF value is < 10 or the tolerance value is > 0.1. Meanwhile, it is considered to have a multicollinearity problem if the VIF value is > 10 or the tolerance value is < 0.1. Based on the test results above, the VIF value of each variable is < 10, which indicates no multicollinearity problem.

Hyphotesis Test

F-Test

The F test is used to ascertain whether the independent variables collectively impact the dependent variable.

Table 6 Test F

R-squared	0.112529	Mean dependent var	0.001701
Adjusted R-squared	0.048116	S.D. dependent var	0.798546
S.E. of regression	0.779092	Sum squared resid	75.26610
F-statistic	1.746991	Durbin-Watson stat	1.892154
Prob(F-statistic)	0.085229		

Source: processed data

When the probability value is ≤ 0.05, the regression model helps predict the combined effect of the independent and dependent variables. As can be seen from the regression results above, the Prob value (F-statistic) is 0.085229, where the value is > 0.05, which means that as a whole or together, there is no significant effect between the independent variables on the dependent variable.

t-Test

To find out to determine how much each independent variable contributes to understanding the dependent variable, a t-test is carried out.

Table 7 Test t

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.020230	0.139523	-0.144996	0.8849
X1	-0.112188	0.083413	-1.344970	0.1811
X2	-0.017608	0.124119	-0.141864	0.8874
X3	0.310775	0.127258	2.442084	0.0160
X4	-0.015778	0.123595	-0.127657	0.8986
Z	-0.267067	0.154755	-1.725744	0.0869
X1Z	-0.022782	0.086330	-0.263894	0.7923

X2Z	-0.011040	0.114504	-0.096420	0.9233
X3Z	-0.029872	0.147696	-0.202251	0.8401
X4Z	-0.064106	0.145283	-0.441246	0.6598

Source: processed data

Based on the findings of the t-test variable, the proportion of independent commissioners has a coefficient value of -0.112188, and the coefficient direction is negative, meaning that if there is an increase in the proportion of independent commissioners by one unit, the level of Tax Avoidance will decrease by 0.112188. Prob Value 0.1811 > 0.05 shows no effect between the independent board of commissioners proportion variable and the Tax Avoidance variable. This shows the rejection of the H1 hypothesis, which states that the proportion of independent commissioners significantly negatively affects tax evasion. When the proportion of independent commissioners has no impact on tax evasion, they often urge management to provide more detailed information to stakeholders and shareholders. This is because the independent board of commissioners is an external management component unaffected by management decisions or actions. The findings of this study support the research of Prasetyo & Pramuka (2018), which found no relationship between the proportion of independent commissioners and tax avoidance.

Based on the results of the t-test, the Muslim board of directors variable has a coefficient value of -0.017608, and the direction of the coefficient is negative. This means that if there is an increase in one unit of the Muslim board of directors, the level of tax avoidance will decrease by 0.017608. Prob Value: The Muslim board of directors shows 0.8874 > 0.05, so the Muslim board of directors variable does not affect the Tax Avoidance variable, so it is partially. This shows that H2 is rejected; namely, the Muslim board of directors significantly negatively affects tax avoidance. A Muslim board of directors is not a cause of tax avoidance in the company. This shows that a Muslim board of directors does not guarantee that the board of directors will manage the company effectively. The findings of this study support the research of Yustin & Effendi (2021), which found no correlation between the Muslim board of directors and tax avoidance.

Based on the results of the t-test, the executive board character variable proxied by corporate risk has a coefficient value of 0.310775, and the coefficient direction is positive, meaning that if there is an increase in one unit of executive board character, then the level of tax evasion will also increase by the same amount. Prob Value 0.0160 <0.05 indicates that statistically, there is a significant positive effect between the variables of the character of the executive board on the variable Tax Avoidance. This shows that H3, which states that the character of the executive board has a significant positive effect on Tax Avoidance, is accepted. Risk takers in the executive ranks are fearless in getting involved in debt financing. With debt financing, the company must pay interest on its corporate debt. The possibility of corporate tax avoidance tends to increase when executives are risk-takers. According to Afriyanti et al.'s research (2019), there is a significant positive effect between the executive board character variables on tax avoidance, and the findings of this study are in line with that study.

Based on the findings of the t-test, the principal director's age variable has a coefficient value of -0.015778. It has a negative direction, meaning that if the principal director's age increases by one unit, the level of tax avoidance will decrease by 0.015778. Results from Prob. 0.8986 > 0.05 indicates that, partially, there is no effect between the age of the principal director on the tax avoidance variable. This shows that H4 is rejected; namely, the principal director's age significantly negatively affects tax avoidance. The tendency of the chief director to decide whether to take or refrain from opportunistic actions that would benefit himself or the company to avoid paying corporate taxes is independent of age. This study's findings align with research by Juliawaty & Astuti (2019), which found no relationship between the age of directors and tax avoidance.

Based on the findings of the t-test, the firm size variable has a coefficient value of -0.267067 and has a negative direction. This means that if the age of the principal director is increased by one unit, then the level of tax avoidance will decrease by 0.267067. Prob Value 0.0869 > 0.05 indicates that the variable firm size partially does not affect the tax avoidance variable. This shows that H5, which shows that company size has a significant positive effect on tax avoidance, is rejected. Where tax avoidance is not affected by company size. The company's decision to avoid tax is not influenced by the size of the company as measured by its assets. In addition, because it will damage the company's reputation, the company will not take the risk of tax avoidance. Therefore, companies of both large and small sizes comply with applicable tax laws to benefit from them in the long term. According to Darmayanti & Merkusiwati's research (2019), there is no influence between company size variables on tax avoidance, and the results of this study support these findings.

From the MRA test, the regression coefficient that multiplies the proportion of independent commissioners with company size (X1*Z) has a value of -0.022782 and has a negative direction. This means that if X1*Z is increased by one unit, then the level of tax avoidance will decrease by 0.022782. The significance of X1*Z indicates Prob. 0.7923 > 0.05 so that partially X1, moderated by Z, does not affect the tax avoidance variable. The influence of the independent board of commissioners proportion variable on tax avoidance cannot be moderated by the company size variable. The results of this study reject H6; namely, company size strengthens the negative effect of the proportion of independent commissioners on tax avoidance. The supervisory role performed by an independent commissioner must be independent of company size. Regardless of the company's size, independent commissioners are still responsible for monitoring management and preventing tax avoidance practices by management. The research findings do not support the Political Cost Theory, which explains that tax actions will be minimized if the government focuses on large companies, this research cannot support. This study's findings align with Prastyatini & Yuliana's (2022) research, which found that company size cannot moderate the proportion of independent commissioners to tax avoidance.

Based on the MRA test, the multiplication of the Muslim board of directors and company size (X2*Z) has a regression coefficient of -0.011040 and is negative. This means that if X2*Z is increased by one unit, then the level of tax avoidance will decrease by 0.011040. Prob Value 0.9233 > 0.05 indicates that partially X2, moderated by Z, does not affect the tax avoidance variable. The company size variable cannot moderate the influence of the Muslim board of directors on Tax Avoidance. The findings of this study reject H7; namely, company size strengthens the negative influence of Muslim boards of directors on tax avoidance. The influence of the Muslim board of directors on tax avoidance strategy is not affected by firm size. This situation can arise because the size of the company cannot prevent the existence of a Muslim board of directors from carrying out their responsibilities and managing the company. The findings of this study follow the research of Yustin & Effendi (2022), which found no relationship between the board of directors and tax avoidance. Also, Darmayanti & Merkusiwati's research (2019) found that company size did not affect tax avoidance.

Based on the MRA test, the value of the regression coefficient multiplied by the character of the executive board proxied by company risk and company size (X3*Z) is -0.029872 and has a negative direction. This means that if X3*Z is increased by one unit, then the level of tax avoidance will decrease by 0.029872. Prob Value 0.8401 > 0.05 indicates that partially X3*Z does not affect the tax avoidance variable. The effect of executive board character on tax avoidance cannot be moderated by company size. The findings of this study reject H8; namely, company size strengthens the positive influence of Muslim boards of directors on tax avoidance. Company size does not affect the company's decision to carry out tax avoidance activities. Where company executives make corporate decisions. In addition, risk-averse executives dislike risks, making them less courageous when making company decisions. They focus more on assessments, not high risk, so they do not dare to engage in tax evasion. The findings of this study follow the research of Khairunisa et al. (2017), which stated that there is no effect between company size and tax avoidance.

From the MRA test, the value of the regression coefficient multiplied by the age of the principal director and company size (X4*Z) is -0.064106, and the direction of the coefficient is negative. This means that if X4*Z is increased by one unit, then the level of tax avoidance will decrease by 0.064106. Prob Value 0.6598 > 0.05 indicates that partially X4, moderated by Z, does not affect the Tax Avoidance variable. The effect of the age of the principal director on tax avoidance cannot be moderated by company size. The research findings reject H9; namely, company size strengthens the negative effect of the age of the principal director on tax avoidance. In tax avoidance measures, company size cannot affect the age of the principal director, and differences in risk preference and understanding of work can affect the age of the principal director in making company decisions. This study's findings follow the research of Juliawaty & Astuti (2019), which found no relationship between the age of the principal director and tax avoidance. Also, research by Darmayanti & Merkusiwati (2019) found no relationship between company size and tax avoidance.

Conclusion

From the research findings that have been carried out, it means that the Proportion Effect of Independent Commissioners, Muslim Board of Directors, Character of Executive Board, Age of Main Director on Tax Avoidance with Company Size as Moderation in Companies listed on the Indonesian Sharia Stock Index (ISSI) for the 2017-2021 period, namely : (1) the proportion of independent board of commissioners, Muslim board of directors, age of the principal director, and company size has no effect on tax avoidance, (2) there is a significant positive effect between the character of the executive board on tax avoidance, (3) the relationship between the proportion of board of commissioners independent with tax evasion cannot be moderated by firm size, (4) relationship between Muslim board of directors and tax evasion cannot be moderated by firm size (5) relationship between executive board character and tax evasion cannot be moderated by firm size (6) relationship between age chief director and avoidance pa Jak cannot be moderated by company size.

Limitations

Sources of reference for the age of the principal director still need to be improved; there are many outlier data in this study, and many companies need to meet the criteria in this study.

Suggestion

Future researchers can expand the variables that can affect tax avoidance so that they can thoroughly analyze company behavior related to tax avoidance. The addition of additional variables which are expected to have an impact on tax avoidance behavior can be used to increase the value of the coefficient of determination.

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