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The effect of institutional and managerial ownership on tax avoidance: an empirical study of coal subsector mining companies listed on the Indonesian stock exchange

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Abstract

This study aims to determine whether institutional and managerial ownership affect tax avoidance in coal subsector mining companies listed on the Indonesian stock exchange. The factors tested in this study are institutional ownership and managerial ownership, while tax avoidance is the dependent variable. The research method used in this study is the explanatory method. The population in this study are coal mining companies listed on the Indonesian stock exchange. The sampling technique used in this study was purposive sampling with a total sample of 6 companies. The data analysis used in this research is panel data regression analysis. The program used to analyze the data is Eviews 12. Based on the study results, it can be concluded as follows: (1) the study results show that institutional ownership affects tax avoidance in companies in the coal mining sub-sector listed on the Indonesia Stock Exchange. (2) The study results show that managerial ownership affects tax avoidance in coal mining sub-sector companies listed on the Indonesia Stock Exchange. (3) The study results show that institutional and managerial ownership affect tax avoidance in coal mining sub-sector companies listed on the Indonesia Stock Exchange.

Keywords: Institutional Ownership, Managerial Ownership, Tax Avoidance

1. Introduction

Minister of Finance Sri Mulyani said that due to tax evasion, global tax revenue loses around IDR 3,360 trillion annually by transferring profits between countries (base erosion and profit shifting). The Tax Justice Network reports that, Indonesia is estimated to suffer losses of up to 4.86 billion USD or the equivalent of Rp. 68.7 billion (exchange rate of Rp. 14,149) due to tax evasion. The State of Tax Justice 2020 report states that cases of tax avoidance in Indonesia are ranked 4th in Asia, with the highest ranking in China, followed by India and Japan (Kompas.com, 2020). This data illustrates that Indonesia's tax avoidance level is still very high.

Like the tax avoidance phenomenon in the mining sector carried out by PT. Adaro Energi Tbk (ADRO) in 2019. In a report, this case surfaced in a report released by Global Witness entitled Taxing Times for Adaro on 4 July 2019, PT. Adaro Energy Tbk reportedly committed tax evasion by trans-transferring pricing through its Singapore subsidiary, trade Service International, from 2009 to 2017. This resulted in tax receipts that Indonesia received USD 125 million lower than it should have been. The tax avoidance scheme carried out by PT. Adaro, namely by selling its coal to a subsidiary in Singapore (Coal trade Service International) like a buyer at a lower price and then selling the coal back to other countries at a much higher price so that the profit and marketing expenses are more minor and the income is subject to taxes are also reduced.

On the other hand, tax evasion can cause agency conflicts or conflicts of interest between management and debt holders. Agency conflict will cause agency costs. When agency costs decrease, agency costs will decrease. Meanwhile, the way to reduce agency costs between shareholders and managers is by increasing managerial ownership, dividend financing, using debt, and considering the risk of institutional ownership (Jensen & Meckling, 1976).

From this phenomenon, the decision to carry out tax avoidance is related to the company's ownership structure. Shareholders have the authority to influence management policies. One of the policies that can be influenced is the payment of the tax burden. The high tax burden can be reduced by company management by taking advantage of tax regulation loopholes which are commonly referred to as gray areas. The share ownership structure will affect management's attitude in determining whether to take tax avoidance (Claessens et al., 2000).

According to Rozeff (1992), the ownership structure is the portion or percentage of company shares owned by company insiders or management of the total shares issued by the company. This was also stated by Sudana (2011), ownership structure is a separation between company owners and company managers. The owner or shareholder is a party that invests capital in the company, while the. At the same time, the party is appointed by the owner and in the authority to make decisions in managing the company, hoping that the manager will act in the owner's interests. The company structure arises from comparing the percentage of shares owned by shareholders in one company. One of the company policies to obtain capital is by issuing shares. The more shares sold, the more shares circulate in the community and shares owned by anyone who buys these shares. Therefore a company can be owned by an individual, family, public (public), government, foreign parties, or people in the company (managerial) (Mangoting & Hadi, 2014).

According to Shien (2006) ownership by the government, financial institutions, legal entities, foreign institutions, and representative funds are companies classified as corporate ownership structures in the form of institutional ownership. According to Bernandhi (2013), institutional ownership is ownership of company shares or institutions such as insurance companies, banks, investment companies, and other institutional owners.

According to Wijayanti (2009), the proportion or number of shareholdings owned by the public or the general public who have no special relationship with the company and also stated by Suchman (1995), public ownership is ownership by individual investors outside management and have no special relationship. Share ownership by the public illustrates the level of company ownership. Meanwhile, managerial ownership is the level of share ownership by management actively involved in decision-making (Bernandhi, 2013). In this study, institutional and managerial ownership are the main focus of factors influencing tax avoidance.

Researchers chose institutional ownership and managerial ownership as a factor in the practice of tax avoidance because, as stated by Jensen & Meckling (1976), corporate ownership and institutional ownership are two mechanisms that can control agency problems in companies. The Agency Theory also describes the relationship between shareholders and managers as the relationship between agents and principals. Managers as agents and institutional owners as principals. The principal gives the agent a mandate or trust to run the company's business in the principal's interests. Thus, the manager decides to maximize any resources. Thus, in addition to institutional ownership, things that can affect agency conflict are managerial ownership, namely shareholders from internal companies (management) who actively participate in company decision-making (Dewi, 2008)

Agency conflict will be minimized if the manager is the company's owner or vice versa. The owner is a manager. Managers and owners of the company will align their interests with the interests of shareholders (Endraswati, 2012). Thus, if there is a misalignment of interests, it will cause an unfavorable relationship between the agent and the principal, both of which can be used as the closest determinant of the occurrence of fraud leading to tax avoidance practices. The existence of institutional ownership has an essential meaning in monitoring management because the existence of institutional ownership will increase optimal supervision. After all, it is considered capable of monitoring every decision managers take effectively. With a high level of institutional ownership, the greater the level of supervision of managers can reduce conflicts

of interest between management so that agency problems and opportunities for tax evasion are reduced.

Based on the background described above, this study examines the Effects of Institutional Ownership and Managerial Ownership on Tax Avoidance.

2. Method

The type of research in this research is explanatory. It aims to examine the effect of institutional and managerial ownership on tax avoidance in coal mining subsector companies listed on the IDX. In this study, researchers research the coal mining sub-sectored on the Indonesia Stock Exchange (IDX). Company data was retrieved from www.idx.co.id. The time of the study was carried out for ± 3 months.

The population in this study are all coal mining sub-sector companies listed on the Indonesia Stock Exchange (IDX) observation period, totaling 28 companies. Of the 28 manufacturing companies in the coal sub-sector listed on the Indonesia Stock Exchange (IDX) for 2018-2021, 6 were selected as samples for this study. The following list of research samples can be seen in Table 1.

Table 1

Sample of Coal sub-sector Mining Companies listed on the Indonesia Stock Exchange (IDX)

No	Company	Code
1	PT. Adaro Energy Indonesia Tbk	ADRO
2	PT. Indo Tambangraya Megah Tbk	ITMG
3	PT. Indika Energy Indonesia Tbk	INDY
4	PT. Delta Dunia Makmur Tbk	DOID
5	PT. Golden Eagle Energy Tbk	SMMT
6	PT. Indonesian Natural Resources	KKGI

The author's data and information collection techniques in compiling this journal are *library* study and *internet* study. Internet studies are conducted to obtain secondary data through the internet site www.idx.co.id, the o company's official website to be studied, and other related sites to obtain the required data. Furthermore, the data analysis used in this study is panel data regression analysis. The program used to analyze the data is Eviews 12.

3. Research Results and Discussion

Descriptive Statistical Analysis

Variable Descriptive Analysis of Institutional Ownership (X_1), Managerial Ownership (X_2), and Tax Avoidance (Y).

Table 2

Descriptive statistics

	Tax Avoidance	Institutional Ownership	Managerial ownership
Means	0.453	0.607	0.226
Median	0.400	0.650	0.050
Maximum	1,030	0.850	1,000
Minimum	0.000	0.370	0.000
Std. Dev	0.360	0.159	0.372
Skewness	0.612211	-0.607212	0.737148
kurtosis	2.599801	1.590283	1.759593
Observations	30	30	30

Source: Eviews 12 output results, data processed (2023)

Based on Table 2, it can be seen that the characteristics of the data on each variable are Institutional Ownership (X_1), Managerial Ownership (X_2), and Tax Avoidance (Y). In the

variable Institutional Ownership (X_1), an average of 0.607 is obtained with a median of 0.650. The maximum value obtained is 0.850, which indicates during the year of observation of institutional ownership owned by the company with a size of 85%, namely Golden Eagle Energy Tbk, while the minimum value obtained is 0.030, with a standard deviation of 0.159. The descriptive statistical analysis results show a standard deviation value that is smaller than the mean (mean), thus indicating that the results are quite pretty

In the variable Managerial Ownership (X_2), an average of 0.226 is obtained with a median of 0.050. The maximum value obtained was 1,000 at Indo Tambangraya Megah Tbk, while the minimum was 0,000, with a standard deviation of 0.372. The standard deviation more significant than the mean indicates that the data used in the managerial ownership variable is extensive, so the data distribution can be wrong.

Meanwhile, for the Tax Avoidance (Y) variable, an average of 0.453 is obtained with a median of 0.400. The maximum value obtained is 1.030 at Resource Alam Indonesia Tbk in 2020, while the minimum is 0.000, with a standard deviation of 0.360. The descriptive statistical analysis res show a standard deviation value smaller than the mean (mean), thus indicating that the results are pretty good.

Panel Data Model Selection Test

Three tests determine the most appropriate technique for estimating panel data regression. First, the fixed effect significance test (Chow test) is used to choose between the standard and fixed effect methods. Second, the Hausman test is used to choose between a fixed effect and a random effect, and third, the Lagrange Multiplier (LM) test is used to choose between an expected effect and a random effect.

Chow test

According to Ghozali (2016), The Chow test is a tool to test the coefficients' similarity. Gregory Chow discovered that this test was carried out to determine the common effect or fixed effect model to be selected. Data estimation can be done to find out which common effect or fixed effect model will be selected. Based on the results of panel data testing using the Chow test, the results are as follows:

Table 3

Chow test

Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			
Effect Test	Statistics	df	Prob.
Cross-section F	0.786959	(5,22)	0.5701
Chi-square cross-sections	4.936293	5	0.4237

Source: Eviews 12 output results, data processed (2023)

Based on Table 3 above shows that the chi-square cross-section value of 0.4237 is greater than the probability value of 0.05, namely ($0.4237 > 0.05$), so the Chow test results accept H_0 . This means the model rejects the fixed effect model and follows the standard effect model.

Hausman test

According to Ghozali (2016), the Hausman test is a model selection between the fixed and random effect models. The null hypothesis in the Hausman test is that the fixed effect and random effect models' estimators e not significantly different. The Hausmann test uses chi-square distribution. Based on the results of panel data testing using the Hausman test, the results are as follows.

Table 4

Hausman test

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	Chi-Sq. Statistics	Chi-Sq. df	Prob.
Random cross-sections	2.814451	2	0.2448

Source: Eviews 12 output results, data processed (2023)

Based on Table 4 above, shows that the random chi-square cross-section value of 0.2448 is greater than the probability value of 0.05, namely ($0.2448 > 0.05$), so the Hausman test results accept H_0 . This means the model rejects the fixed effect model and follows the random effect model.

Lagrange Multiplier Test

This test is used to determine whether the panel data model is regressed with the standard effect model or with the random effect model (Widarjono, 2017). Based on the results of panel data testing using the Lagrange multiplier test, the results are as follows.

Table 5

Lagrange Multiplier Test

Lagrange Multiplier Tests For Random Effects			
Null hypotheses: No effects			
Alternative hypotheses Two-sided (Breush Pagan and one-sided (all other) alternatives			
	Hypothesis test		
	Cross-section	time	Both
Breusch-Pagan	1.576573 (0.2093)	0.164728 (0.6848)	1.741301 (0.1870)
Honda	-1.255617 (0.8954)	-0.405867 (0.6576)	-1.174846 (0.8800)
King-Wu	-1.255617 (0.8954)	-0.405867 (0.6576)	-1.139593 (0.8728)
Standardized Honda	-0.832475 (0.7974)	-0.200908 (0.5796)	-3.872099 (0.9999)
Standardized King-Wu	-0.832475 (0.7974)	-0.200908 (0.5796)	-3.809768 (0.9999)
Gourieroux, et al.	--	--	0.000000 (1.0000)

Source: Eviews 12 output results, data processed (2023)

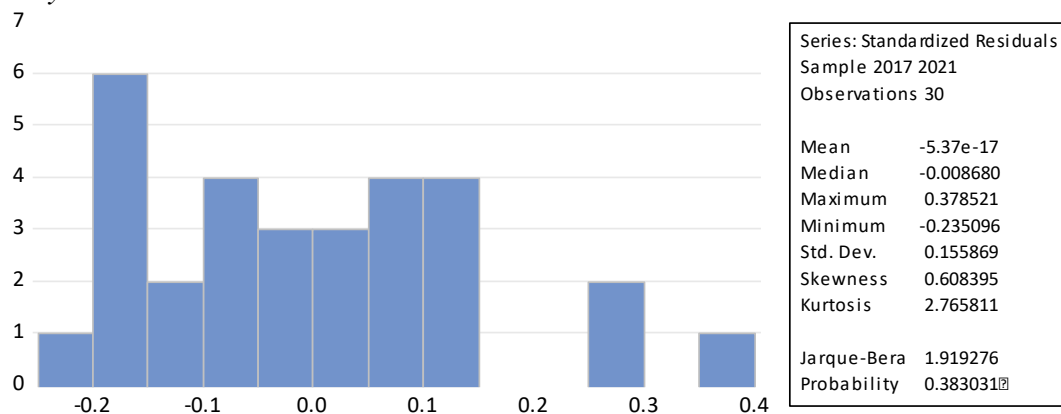
Based on Able 4 above, it shows that the random chi-square cross-section value of 0.2093 is greater than the probability value of 0.05, namely ($0.2093 > 0.05$), so the Lagrange multiplier test results accept H_0 . This means the model accepts the common effect model and rejects the random effect model. From the three tests for selecting the panel data model, it shows that the right model to use is the common effect model.

Classic Assumption test results

Normality test

The normality test aims to test whether in the regression model, the dependent variable and independent variable both have a normal distribution or not. Based on the results of the normality test using the Jarque Bera test, the following results are obtained.

Figure 1
 Normality test



Source: Eviews 12 output results, data processed (2023)

Based on Figure 1, it can be seen that the probability value or significance value obtained from the Jarque-Bera test is 1.919. Because the probability value on the Jarque-Bera test is greater than the 5% error rate (0.05), it can be concluded that the regression model is usually distributed, where the distribution of residual data forms a standard distribution curve.

Multicollinearity Test

This test aims to test whether the regression analysis model found a correlation between independent variables (independent). A good regression model is a regression model that does not have a correlation between the independent variables. Based on the results of the multicollinearity test using the variance inflation factor (VIF) value, the following results are obtained.

Table 6

Multicollinearity Test

Variance Inflation factors			
Date: 03/26/23 Time: 13.28			
Samples: 1 30			
Included observations: 30			
Variables	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.013717	15.77004	NA
KI	0.036876	16.32597	1.064092
km	0.051288	3.664376	1.064092

Source: Eviews 12 output results, data processed (2023)

Based on table 6 of the multicollinearity test results above, it can be seen that the centered variance inflation factor (VIF) value indicates the value of each variable is not more than 10 or <10. Therefore it can be concluded that there is no multicollinearity between the independent variables in the regression model.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether from the regression model there is an inequality of variance from the residuals of one observation to another. If the variance of the residuals from one observation to another observation remains, then it is called homoscedasticity, and if the variances are different, it is called heteroscedasticity. Based on the results of the heteroscedasticity test using the White test, the following results are obtained.

Table 7
Heteroscedasticity Test

Heteroskedasticity Test: White			
Null hypothesis: Homokedasticity			
F-statistics	1.987434	Prob. F(2,27)	0.1566
Obs*R-squared	3.849767	Prob. Chi-Square(2)	0.1459
Scaled explained SS	2.753174	Prob. Chi-Square(2)	0.2524

Source: Eviews 12 output results, data processed (2023)

Based on Table 7, the results of the heteroscedasticity test show that the Obs*R-squared multiplication value is 3.849. Then from the chi-square table there is an error rate of 5% (0.05) and degrees of freedom 2 obtained a value of 5.591. If seen from the R-squared value (3.849) it shows a value less than the value of chi-square table (5.591) and the probability value of chi-square is 0.145 which indicates a value greater than the error rate of 5% (0.05), it can be concluded that there are no symptoms of heteroscedasticity in the regression model.

Autocorrelation Test

This test aims to test whether in the linear regression model, there is a correlation between the confounding errors in period t and the confounding errors in the t-1 period (previously) to test whether there is autocorrelation in this study using the Durbin-Watson test. Based on the results of the autocorrelation test, the following results are obtained.

Table 8

Autocorrelation Test

R-squared	0.368868	Mean dependent var	0.308667
Adjusted R-squared	0.322117	SD dependent var	0.196201
SE of regression	0.161539	Akaike info criterion	-0.713499
Sum squared residue	0.704562	Schwarz criterion	-0.573379
Likelihood logs	1.70248	Hannan-Quinn criteria	-0.668873
F-statistics	7.890131	Durbin-Watson stat	2.365058
Prob(F-statistic)	0.002003		

Source: Eviews 12 output results, data processed (2023)

Based on table 8, the autocorrelation test results show the Durbin Watson number of 2.365, this value will be compared with the DW table with the number of observations (n) = 30, the number of independent variables (k) = 2 and a significance level of 0.05, the value dl = 1.283 and value du = 1.566. Because the value of DW = 2.365 is above the value of du = 1.5666, but below the value of 4-du = 2.434 (1.566 < 2.365 < 2.434), because DW is between the values of du and 4-du (du < d < 4-du) then the hypothesis that there is no positive and negative autocorrelation in the regression model is accepted or cannot be rejected.

Panel Data Regression Analysis

Regression analysis is used to find out the relationship between the variables so that from the relationship obtained one variable can be estimated, if the values of other variables are known. The regression model equation used by the author is the panel data regression model equation (panel data regression). The following results are obtained based on the test results using panel data regression analysis.

Table 10
 Panel Data Regression Analysis

Dependent Variable: CETR				
Method: Panel Least Squares				
Date: 03/26/23 Time: 13:21				
Sample: 2017 2021				
The period included: 5				
Cross-sections included: 6				
Total panel (balanced) observations: 30				
Variables	coefficient	std. Error	t-Statistics	Prob.
C	0.757032	0.117121	6,463,694	0.0000
KI	-0.722385	0.19203	-3,761,828	0.0008
Km	-0.071116	0.226469	-2,181,021	0.0259

Source: Eviews 12 Output Results, data processed (2023)

The regression equation model formed based on the results of the study is as follows:

$$\hat{y} = 0.757032 - 0.722385X_1 - 0.071116X_2$$

From the regression equation model in Table 9 it can be explained as follows:

1. If $\alpha = a$ constant of 0.757032, it means that if the independent variables, namely institutional ownership and managerial ownership, are considered constant (value 0), then the dependent variable, namely the tax avoidance variable, will have a value of 0.757032.
2. If the regression coefficient value of the institutional ownership variable shows (-0.722385), it means that the institutional ownership variable increases by (one) unit. In contrast, the other independent variable, namely managerial ownership, is considered constant (value 0), then the dependent variable is the tax avoidance variable. Will decrease by (-0.722385).
3. If the regression coefficient value of the managerial ownership variable shows (-0.071116), it means that if the managerial ownership variable increases by (one) unit, while the other independent variable, namely the institutional ownership variable, is considered constant (value 0), then the dependent variable, namely the tax avoidance variable, will increase by (-0.071116).

Model Testing

Model Test or Simultaneous Test

This test aims to show the effect of the independent variables individually on the dependent variable. Based on the results of partial hypothesis testing, the following results are obtained. Based on Table 11, the partial test results are as follows:

Table 11

Partial Model Test (t-test)

Dependent Variable : CETR				
Method : Panel Least Squares				
Date :03/26/23 Time : 13:21				
Sample: 2017 2021				
Period included 5				
Cross-sections included: 6				
Total panel (balanced) observations: 30				
Variables	coefficient	std. Error	t-Statistics	Prob.
C	0.757032	0.117121	6,463,694	0.0000
KI	-0.722385	0.19203	-3,761,828	0.0008
km	-0.071116	0.226469	-2.181021	0.0259

Source: Eviews 12 output results, data processed (2023)

1. Based on the results of the t (partial) test on the regression model, the significance value of the institutional ownership variable was obtained by $0.0008 < 0.05$ (significant level of research significance). It can also be seen from the comparison results between t_{count} and t_{table} , namely $3.761 > 2.051$. It can be concluded that H_1 is accepted, meaning that partially institutional ownership influences tax avoidance.
2. Based on the results of the t (partial) test on the regression model, the significance value of the institutional ownership variable is obtained by $0.025 < 0.05$ (significant level of research significance). It can also be seen from the results of the comparison between t_{count} and t_{table} , namely $2.181 > 2.051$, it can be concluded that H_1 is accepted, meaning that partially institutional ownership affects tax avoidance.

The F test is carried out on the model formed, whether the model is appropriate or not. The F test aims to determine whether all the independent variables together have a significantly influence on the dependent variable. Based on the results of simultaneous hypothesis testing, the following results are obtained.

Table 12

Simultaneous Model Test (F Test)

R-squared	0.368868	Mean dependent var	0.308667
Adjusted R-squared	0.322117	SD dependent var	0.196201
SE of regression	0.161539	Akaike info criterion	-0.713499
Sum squared residue	0.704562	Schwarz criterion	-0.573379
Likelihood logs	1.70248	Hannan-Quinn criteria	-0.668873
F-statistics	7.890131	Durbin-Watson stat	2.365058
Prob (F-statistic)	0.002003		

Source: Eviews 12 output results, data processed (2023)

Based on the hypothesis testing (Ftest) results in Table 12 above, the simultaneous regression model significance value is 0.002. This value is smaller than the 0.05 (5%) significance level, which is $0.002 < 0.05$, and can also be seen from the comparison between F_{count} and F_{table} , which shows a value of $7.890 > 3.35$. It can be concluded that H_3 is accepted, meaning simultaneously or simultaneously institutional ownership and managerial ownership affect tax avoidance.

Determination Coefficient Test

The coefficient of determination test measures how far the model can explain the variation of the independent variable to the dependent variable. The coefficient of determination indicated by the R^2 value of the regression model is used to determine the variability of the dependent variable which the independent variables can explain. Below will be presented the results of testing the coefficient of determination, as follows.

Table 13

Determination Coefficient Test

R-squared	0.368868	Mean dependent var	0.308667
Adjusted R-squared	0.322117	SD dependent var	0.196201
SE of regression	0.161539	Akaike info criterion	-0.713499
Sum squared residue	0.704562	Schwarz criterion	-0.573379
Likelihood logs	1.70248	Hannan-Quinn criteria	-0.668873
F-statistics	7.890131	Durbin-Watson stat	2.365058
Prob (F-statistic)	0.002003		

Source: Eviews 12 output results, data processed (2023)

Based on the results of testing the coefficient of determination in Table 13 above, it shows that the value of R^2 is 0.368, which means that the variability of the dependent variable,

namely tax avoidance, can be explained by the independent variables, namely institutional ownership and managerial ownership, namely 36.8%. At the same time, the remaining is other variables outside the research model explain 63.2%. Where the value of R^2 is close to 0, which indicates the ability of the independent variables, namely institutional ownership and managerial ownership, to explain the dependent variable, namely tax avoidance, is minimal.

Discussion

Effect of institutional ownership on tax avoidance

Institutional ownership is the proportion of share ownership owned by the founding institutions of companies or institutions such as banks, insurance companies, investment companies, and other institutional ownership, which is measured using the percentage of the number of shares owned by institutional investors. Tax avoidance is an act of taxpayers who seek to reduce or minimize the tax burden without violating applicable laws. Based on the t_{test} the results of this study have shown that institutional ownership affects tax avoidance, with a value of 3.761 on t_{count} , which exceeds t_{table} , which is 2.051. This is evident in the 2017-2021 period. Institutional ownership has a stable average or has not decreased or increased, and tax avoidance has an average tendency to decrease, although there has been an increase in 2018 and 2020. This is due to increased tax burden due to increased corporate profits.

As well as being supported by agency theory which has the understanding that there is a relationship between shareholders (principals) and managers (agents), then if it is associated with the effect of tax avoidance and institutional ownership, that is, the more institutional ownership, the higher the level of supervision and vice versa. Because the higher the level of institutional ownership, the higher the tax burden that must be paid because, with high supervision, it can reduce the opportunity for tax avoidance practices carried out by companies. With the large proportion and voting rights owned by institutional owners, it can force managers to focus on company performance and minimize opportunities to take actions only concerned with personal gain. The results of this study are also supported by previous researchers, namely Krisna (2019), who stated that institutional ownership affects tax avoidance.

The Effect of Managerial Ownership on Tax Avoidance

Managerial ownership is the proportion of share ownership owned by management, measured using the percentage of shares owned by management. Tax avoidance is an act of taxpayers who seek to reduce or minimize the tax burden without violating applicable laws. Based on the t_{test} the results of this study have shown that managerial ownership affects tax avoidance, with a value of 2.181 on t_{count} which exceeds t_{table} which is 2.051.

Managerial ownership has an increase on average, and tax avoidance which has an average tendency to decrease, even though there was an increase in 2018 and 2020. This was due to the tax burden, which also increased due to increased company profits. As well as being supported by agency theory which has the understanding that there is a relationship between shareholders (principals) and managers (agents), then if it is associated with the effect of tax avoidance and managerial ownership, that is, the more or the level of managerial ownership increases, the smaller the chance of fraud occurring carried out by managers, because by increasing the level of managerial ownership, it can reduce the opportunities for tax avoidance practices to occur, because by increasing the level of managerial ownership it tends to make managers consider the continuity of their company, which can realize the consequences received so that the policy does not support evasion tax. The results of this study are also supported by previous researchers, namely Putri & Lawita (2019), who stated that managerial ownership affects tax avoidance.

4. Conclusion

Based on the results of the analysis and discussion that has been carried out, the following conclusions can be drawn: (1) the results of the study show that institutional ownership affects

tax avoidance in companies in the coal mining sub-sector listed on the Indonesia Stock Exchange. (2) The study results show that managerial ownership affects tax avoidance in coal mining sub-sector companies listed on the Indonesia Stock Exchange. (3) The study results show that institutional and managerial ownership affect tax avoidance in coal mining sub-sector companies listed on the Indonesia Stock Exchange.

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