The Influence of Transfer Pricing and Sales Growth on Decisions Tax Avoidance

Fenty Astrina[1], Vhadella Aurellita[2], M. Orba Kurniawan[3]

[1,2,3]Accounting Study Program, Faculty of Economics and Business, University of Muhammadiyah Palembang

ABSTRACT: The formulation of the problem in this study is how the influence of *transfer pricing* and *sales growth on tax avoidance* decisions (a case study on a coal sub-sector mining company listed on the Indonesia Stock Exchange for the 2017-2021 period). The type of research used is associative research. The data used is secondary data. The sample in this study were 12 coal mining companies listed on the Indonesia Stock Exchange in 2017-2021. Data collection technique is document analysis . The data analysis method in this research is quantitative analysis. The results of this study indicate that transfer pricing and sales growth have a significant effect on tax avoidance, partially transfer pricing has a significant effect on tax avoidance , sales growth has no significant effect on tax avoidance.

KEYWORDS: Transfer Pricing, Sales growth, Tax Avoidance

1. INTRODUCTION

Indonesia is one of the developing countries that always carry out development. To realize national development, the government requires substantial funds both from domestic sources and from foreign loans. One of the domestic revenues that has a very large contribution to national development is taxes (Muamala, 2019). The Law of the Republic of Indonesia Number 6 of 1983 concerning General Provisions and Tax Procedures as last amended by Law of the Republic of Indonesia Number 16 of 2009 explains that tax is a mandatory contribution to the state owed by an individual or entity that is coercive based on the law without receiving direct compensation and is used for the needs of the state for the greatest prosperity of the people.

Taxes have a very important role in a country, without taxes the life of the country will not be able to run well. Infrastructure development as well as the construction of public facilities are all financed by taxes. Therefore, the government will continue to strive to increase tax revenues to meet national development needs . The implementation of tax collection by the government does not always get good welcome from the company. Companies as corporate taxpayers always try to pay taxes as low as possible because taxes will reduce income or net income, while the government hopes to get as much income from taxes as possible in order to finance the implementation of government programs that are realized for the community (Maisyaroh, 2016).

This difference in interests causes taxpayers to tend to want to reduce the amount of tax payments in order to get as much profit as possible, both legally and illegally (Waluyo, 2010) This is what encourages companies to reduce tax payments legally, one of which is through tax *avoidance* .

tax avoidance is efforts made by the company to minimize the tax burden . Tax avoidance is considered legal because it is still in accordance with tax laws and regulations, but the government objected because tax avoidance actions could harm the state (Suandy, 2016) This is because the greater the company's income, the greater the tax charged, by taking advantage of gaps and loopholes in the company's tax regulations, it can reduce the amount of the tax burden, which can be done through *Transfer Pricing* , and *Sales Growth* (Mayangsari & Rohman, 2015) .

Tax evasion activities can result in several bad risks for the company, including fines and the company's bad reputation in the eyes of the public. However, this risk is usually judged not to be proportional to what is obtained by the company, namely the low amount of tax payable which affects the company's profit. In Indonesia, the practice of tax avoidance has been widely practiced and Indonesia is one of the developing countries with the largest losses caused by tax avoidance (Mayangsari & Rohman, 2015) .

Tax avoidance in some countries is triggered by various factors, namely the existence of *tax haven* countries, where these countries apply very low tax rates, thus triggering multinational companies to invest in *tax haven countries.* Another factor that

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companies do to avoid taxes is the practice *of transfer pricing* (Panjalusman et al., 2018) .

According to members of the IAI National Governing Council, *Transfer Pricing* is used by companies to minimize the amount of tax paid through price engineering transferred between divisions. Furthermore, according to the *Executive Director of the Center for Indonesian Taxation* , the practice of Transfer Pricing is mostly carried out by multinational companies in minimizing tax payments to the State, as a result , Indonesia has the potential to lose tax revenue of up to Rp. 100 trillion annually (www.cita.or.id).

In addition to *transfer pricing,* another factor that affects *tax avoidance* is *Sales Growth* , according to (Aprianto & Dwimulyani, 2019) sales *growth* is a measure that shows the development of sales levels from year to year or it can be said that a comparison chart between sales from the previous year to the previous year. this (current year). Sales growth in a company shows that the greater the sales volume, the profit to be generated will also increase which can cause the tax to be paid by the company to be greater (Dewinta & Setiawan, 2016) . This indicates that sales growth can also affect activities in tax avoidance (Irawati et al., 2020)

Previous research (Monica & Irawati, 2021) , (Pratiwi, 2020) , (Putri & Mulyani, 2020) stated that *Transfer Pricing* has an effect on *Tax Avoidance* . While the research results (Putra, 2017) , (Prambudi & Asalam, 2021) stated that *Transfer Pricing* has no significant effect on *TaxAvoidance.* According to (Malik et al., 2020) , (Munif, 2018) Stating that *Sales Growth* has a significant effect on *Tax Avoidance* . While the research results (Ningsih & Noviari, 2022) , (Monica & Irawati, 2021) shows that *Sales Growth* has no significant effect on *Tax Avoidance* .

Based on the results of secondary data collection regarding *Tax Avoidance, Sales Growth, Transfer Pricing* in Coal Sub Sector Mining Companies listed on the IDX 2017-2021, it shows that at PT. Adaro Energy Tbk, the highest tax avoidance rate occurred in 2017 of 0.261 and in 2019 of 0.349, the lowest level of tax avoidance in 2020 to 2021 Where the smaller the ETR value means the company has a greater chance of tax avoidance and vice versa (Titiek and Y.anni , 2016). Likewise, *sales growth* has increased in 2017 to 2021, meaning that there is a possibility for companies to avoid tax .

At the company PT. Golden Energy mines TBK, *Tax Avoidance* in 2017 to 2022 has decreased, meaning it is possible for companies to do tax avoidance by means of *transfer pricing,* because seen from the proportion of value obtained by *transfer pricing* has increased from 2017 to 2021. Likewise with *Sales Growth which has fluctuated* from 2017 to 2021, meaning that the company is likely to do tax evasion.

Agency Theory

Agency theory put forward by (Jensen & Meckling, 2012) which explains that the relationship that arises is due to a contract between shareholders who delegate the responsibility for managing the company to management. Agency theory was built as an effort to understand and solve problems that arise when there is incomplete information at the time of contracting. The contract in question is a contract between shareholders and management (Gudono, 2014) .

This conflict occurs because humans are economic creatures who have a selfish nature always prioritize their own interests. With the differences in the goals of shareholders and managers, they want their respective goals to be fulfilled, as a result, a conflict of interest arises. This causes management to be able to take *transfer pricing actions* to avoid *tax avoidance* so that tax payments will be low.

Transfer Pricing

Based on the regulation of the Director General of Taxes Number: PER-32/PJ/2011, *Transfer pricing* is the determination of prices in transactions between parties that have a special relationship (Ministry of Finance, 2010) . *Transfer pricing* is a company policy in determining the transfer price of a transaction between parties that is affected by a special relationship Tampubolon & Zulham (2018:10). *Transfer Pricing* is a company policy in determining the transfer price of a transaction, either in the form of goods or services or financial transactions carried out by the company (Writing Team of UMM Accounting Study Program, 2022) . *Transfer Pricing* is often referred to as a reasonable action in *Tax Avoidance activities, companies carry out transfer pricing* practices to reduce the amount of profit, so that tax payments to the state are low (Nurrahmi, AD, & Rahayu, 2020)

Based on some of the definitions above, it can be concluded that *Transfer pricing* is a company policy to determine the price of a transaction between related parties. *Transfer Pricing* Measurement the following formula is used:

$$RTP = \frac{\text{Accounts receivable to parties who have a special relationship}}{\text{Total Receivables}}$$

Source: tampubolon & zulham (2018)

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Special Relationship

Before proving *transfer pricing,* it must first be proven that the parties have a special relationship. According to the Income Tax Law, a special relationship between taxpayers occurs because of dependence or connection with one another due to ownership or use of technology. In the event that the taxpayer's special relationship occurs because of a blood relationship or marriage, in accordance with Article 18 (14) of the Income Tax Law (Tampubolon, 2018) namely:

a. Taxpayers have direct or indirect capital participation of at least 25% in other taxpayers, or a relationship between taxpayers with participation of at least 25% in two or more taxpayers, as well as the relationship between two or more taxpayers which is called terminated.

b. Taxpayers supervise other taxpayers or two or more taxpayers are under the same control, either directly or indirectly.

c. There is a family relationship, either by blood or in a straight line and or sideways one degree.

Sales Growth

Sales Growth is a ratio used to measure how much the company's ability to maintain its position in the industry and economy (Fahmi, 2014) *Sales Growth* shows the extent to which the company can increase its sales with total sales as a whole (Kasmir, 2018). Based on several definitions, it can be concluded that *sales growth* describes an increase in sales from year to year.

Sales growth can be measured based on changes in the company's total sales. If the level of sales increases, profits will also increase, so that it will have an impact on the high cost of taxes to be paid and of course it will allow *Tax Avoidance* action to occur. (Oktamawati, 2017) .

Measurement of *sales growth* in this study used the following formula:

$$Sales\ Growth = \frac{Current\ Sales - Previous\ Sales}{Previous\ Sales} \times 100\%$$

Source: Cashmere (2016:107)

Tax Avoidance

Tax avoidance is one of the efforts made to minimize or even eliminate the tax burden that is still within the framework of tax laws or tax regulations. The purpose of *tax avoidance is* to maximize *after tax returns* because taxes are an element of reducing profits available, both for distribution to shareholders and for investment. (Suandy, 2016) *Tax Avoidance* is an effort to streamline the *tax* burden by avoiding taxation by directing it to transactions that are not tax objects. the purpose of reducing the tax that must be paid.

Measurement of Tax Avoidance in this study can be used the following formula:

$$ETR = \frac{Tax\ expense}{Expense\ Before\ Tax}$$

Source: Suandy (2016:8)

Hypothesis

Based on the framework of thought, the research hypothesis is proposed as an answer to the formulation of this research problem as follows:

H $_1$: *Transfer Pricing* and *Sales Growth* Affect *Tax Avoidance* in Coal Sector Mining Companies Listed on the Indonesia Stock Exchange in 2017-2021

H $_{2.a}$: *Transfer Pricing* Affects *Tax Avoidance* in Coal Sector Mining Companies Listed on the Indonesia Stock Exchange in 2017-2021

H $_{3.b}$: *Sales Growth* Affects *Tax Avoidance* in Coal Sector Mining Companies Listed on the Indonesia Stock Exchange in 2017-2021

2. METHODOLOGY

The type of research used by the author in this study is associative research. The data used in this study is secondary data. Secondary data is data obtained through collecting information from existing sources, such as data on company financial statements at www.idx.co.id, journals, articles, and previous studies. The location of this research was carried out in 25 Coal Sector Mining Companies Listed on the Indonesia Stock Exchange (IDX) in 2017 − 2021. The dependent variable in this study is *Tax Avoidance* (Y), while the independent variables are *Transfer Pricing (* X1) and *sales growth* (X2). The population used in this study

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were 25 coal mining companies listed on the Indonesia Stock Exchange (IDX). In this study, the sampling technique used was *purposive sampling method.* namely the technique of determining the sample with certain considerations or criteria (Sugiyono, 2016) so that the research sample is 12 coal mining companies listed on the Indonesia Stock Exchange (IDX) in 2017-2021. The data collection method in this study uses the document analysis method, which is to analyze the contents of research supporting documents such as annual financial report documents and independent audit reports at www.idx.co.id.

The data analysis method used in this research is quantitative data analysis. The analytical technique used to determine the effect of *transfer pricing* and *sales growth on tax avoidance* in mining companies in the coal sector is multiple linear regression analysis, either jointly or partially. The data analysis technique in this research is assisted by the *statistical program for special science* (SPSS). Before doing analysis First, the following tests must be carried out:

CLASSIC ASSUMPTION TEST

According to (Wiratna, 2018) The classical assumption test consists of:

a. Normality test

Normality test aims to measure whether the data is normally distributed. In this study, to detect the normality of the data, it was carried out through statistical analysis using the *Kolmologorv Smirnov (KS)* test.

b. Multicollinearity Test

The multicollinearity test aims to determine whether or not there is a high correlation between independent variables in a multiple-current regression model. To test multicollinearity, it can be seen from the *Tolerance Value* or *Variance Inflation Factor* (VIF). if the tolerant value> 0.10 and the VIF value <10.0 then there is no multicollinearity in the regression model.

c. Heteroscedasticity Test

Heteroscedasticity test aims to test the difference in residual variance from one observation period to another observation period . How to predict the presence or absence of heteroscedasticity in a model can be seen with a scatterplot image pattern, a regression that cannot occur heteroscedasticity, if:

1) The data points spread above and below / around the number 0.
2) Data points do not collect just above or below.
3) The spread of data points must not form a wavy pattern that widens then narrows and widens back.
4) The spread of dots and not patterned.

d. Autocorrelation Test

The autocorrelation test aims to determine whether there is a correlation between the previous variables. To detect autocorrelation by performing the Run Test test, i.e. If the Asymp.sig (2-tailed) value is greater than 0.05 then there are no symptoms of autocorrelation

HYPOTHESIS TESTING

a. Multiple Linear Regression Analysis

Multiple linear regression analysis is a linear relationship between two or more dependent variables (X_1, X_2) with the dependent variable (Y) (Sugiyono, 2016) This analysis is used to determine the relationship between the independent variable and the dependent variable whether each variable is positively related or negative.

b. Joint Hypothesis Testing (F Test)

The F test aims to determine how much influence the independent variable (X_1, X_2) has on the dependent variable (Y) together

c. Parcial / Individual Test (t test)

The t test is a test that shows how much influence the independent variables (X_1, X_2)) have on the dependent variable individually.

3. RESULTS AND DISCUSSION

Classic assumption test

a. Normality Test Results

Normality test aims to determine whether the data used is normally distributed , so it can be used in statistics. In this study to detect the normality of the data using non-parametric statistics with Kolmogorov-Smirnov (KS). Based on the results of the normality test, it is known that the significance value is 0.202 > 0.05, so the residual value is normally distributed. As shown in the table below:

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Table 1. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		60
Normal Parameters [a]	mean	.0000000
	Std. Deviation	.14697006
Most Extreme Differences	Absolute	.138
	Positive	.138
	negative	-.133
Kolmogorov-Smirnov Z		1.070
asymp. Sig. (2-tailed)		.202
a. Test distribution is Normal.		

Source: SPSS Output Results version 16, 2022

b. Multicollinearity Test Results

multicollinearity test can be seen from the table as follows:

Table 2. Multicolonieriy test results

Coefficients [a]			
		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	Transfer Pricing	.895	1.117
	Sales Growth	.895	1.117
a. Dependent Variable: Tax Avoidance			

Source: SPSS Output Results version 16, 2022

Based on the table above, the tolerance value for the *Transfer Pricing* and *Sales Growth variables* is 0.895, which means the value is > 0.10. The VIF value of the *Transfer Pricing and Sales Growth variables* is 1.117 which means < 10.00, then these variables do not occur multicollinearity symptoms.

c. Heteroscedasticity Test

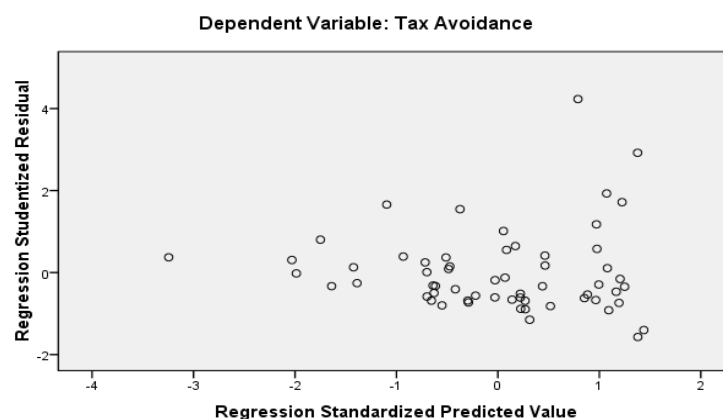The results of the heteroscedasticity test can be seen in Figure 1 below:

Scatterplot

Figure 1. Heteroscedasticity Test Results

Source: SPSS Output Results version 16, 2022

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Based on the picture above, the dots spread randomly and do not form a certain clear pattern and are spread both above and below zero on the Y axis. This means that there is no heteroscedasticity.

d. Autocorrelation Test
The results of the autocorrelation test in the study are shown in table 3 below:

Table 3. Autocorrelation Test Results

Runs Test

	Unstandardized Residual
Test Value [a]	-.04111
Cases < Test Value	30
Cases >= Test Value	30
Total Cases	60
Number of Runs	24
Z	-1.823
asymp. Sig. (2-tailed)	.068

a. median

Source: SPSS Output Results version 16, 2022

Based on the table above, it is known that the Asymp.sig (2-tailed) value of 0.068 is greater than 0.05, so it can be concluded that there are no autocorrelation symptoms or problems.

HYPOTHESIS TESTING
a. Multiple Linear Regression Analysis
This analysis is to determine the relationship between *Transfer pricing* and *Sales Growth variables on Tax Avoidance.* The results of multiple linear regression analysis are shown in table 4 below:

Table 4. Results of Multiple Linear Regression Calculations

Coefficients [a]

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	.264	.036		7.393	.000
Transfer Pricing	-.665	.221	-.390	-3.004	.004
Sales Growth	.034	.077	.057	.438	.663
a. Dependent Variable: Tax Avoidance					

Source: SPSS Output Results version 16, 2022

The results of multiple linear regression test on *transfer pricing* and *sales growth variables* on *tax avoidance,* the regression equation can be formulated as following :
Y = a + b1X1 + b2X2 + e
Y = 0.264 - 0.665 X1 + 0.034 X2 + e
1) Constant value of 0.264. this shows that if the *transfer pricing* and *sales growth variables are* considered constant or 0, then the *tax avoidance variable* will increase *by* 0.264
2) *Transfer pricing* regression coefficient value is -0.665, meaning that if *transfer pricing* decreases by one percent, *tax avoidance measures* will decrease by 0.665 assuming other variables are constant or fixed, and vice versa.
3) *sales growth* regression coefficient is 0.034, meaning that if *sales growth* increases by one percent of *sales growth,* then *tax avoidance* will increase of 0.034 assuming other variables are constant or fixed, and vice versa.

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b. Joint Test (F Test)

The F test was conducted to find out how much influence the *transfer pricing (* X1) and *sales growth* (X2) variables together had on the *tax avoidance variable* (Y). The results of joint hypothesis testing can be seen in table 5 below:

Table 5. Joint Test Results (F Test)

ANOVA [b]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.209	2	.104	4.671	.013 [a]
	Residual	1,274	57	.022		
	Total	1.483	59			
a. Predictors: (Constant), Sales Growth , Transfer Pricing						
b. Dependent Variable: Tax Avoidance						

Source: SPSS Output Results version 16, 2022

The table above explains that the $_{calculated\ F}$ value is 4.671 > F $_{table\ is}$ 3.161 with Sig 0.013 < 0.05, then Ho is rejected, and Ha is accepted, meaning that *transfer pricing* and *sales growth variables* together have a significant effect on *tax avoidance* in listed Coal Sector Mining Companies. on the Indonesia Stock Exchange in 2017 – 2021.

c. Partial Test (t Test)

The t-test was conducted to determine whether there was an influence of the *transfer pricing (* X1) and *sales growth* (X2) variables individually partially on the *tax avoidance variable* (Y). The results of individual or partial hypothesis testing can be seen in table 6 below:

Table 6. Partial Test Results (t Test)

Coefficients [a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.264	.036		7.393	.000
	Transfer Pricing	-.665	.221	-.390	-3.004	.004
	Sales Growth	.034	.077	.057	.438	.663
a. Dependent Variable: Tax Avoidance						

Source: SPSS Output Results version 16, 2022

1) Effect *of transfer pricing* (X1) on *tax avoidance* (Y)

The results of the hypothesis show that the *transfer pricing variable* (X1) has a t value of $_{-3.004}$, while the t $_{table}$ with significance level (α) 5% or 0.05 and (df) = nk-1 that is (60-2-1) = 57 is 1.672 meaning that t $_{count}$ is greater than t $_{table}$ that is -3.004 > 1.672 and significant 0.04 < 0.05, it can be concluded that Ho is rejected and Ha is accepted, meaning that *transfer pricing* (X1) has a significant and significant effect on *tax avoidance* (Y)

2) Effect of *sales growth* (X2) on *tax avoidance* (Y)

The results of the hypothesis show that the *sales growth variable* (X2) has a t - $_{count\ value}$ of 0.438 while the t - $_{table}$ with Significance level (α) 5% or 0.05 and (df) = nk-1 that is (60-2-1) = 57 is 1.672 meaning that t $_{count}$ is smaller than t $_{table}$ is 0.438 < 1.672 and significant is 0.663 > 0.05 so it can be concluded that Ho is accepted and Ha is rejected, meaning that *sales growth* has no effect and is not significant on *tax avoidance.*

DISCUSSION

Effect of *Transfer Pricing* and *Sales Growth on Tax* Avoidance

it shows that H1 is accepted while H0 $_{is}$ rejected, which means that the variable *Transfer pricing* and *sales growth* have a joint effect on *tax avoidance. Transfer pricing* is an effort to exchange products or services between two different entities within a

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company or related party which aims to avoid tax (Putri & Mulyani, 2020). *Sales growth* is an important role in working capital management, because sales growth can describe the good or bad level of sales growth of a company. Increased sales growth tends to make the company get a large profit. so that companies tend to practice *tax avoidance.*

At PT. Adaro Energy Tbk (ADRO) in 2020 - 2021, the company has a relatively high level of *transfer pricing* and *sales growth ratio, and low tax avoidance.* This shows that the *transfer pricing* and *sales growth variables* have a joint effect on *tax avoidance.* Where the greater the value of *transfer pricing,* the higher the level of *tax avoidance* by the company, as evidenced by the smaller the value of ETR, meaning that the amount of tax burden received by the State is getting smaller. Likewise with *sales growth,* the higher the value of *sales growth,* the greater the *tax avoidance actions* taken by the company. The increase in sales growth tends to make the company get a large profit, therefore the company will tend to practice *Tax Avoidance* (Whardhany et al., 2021) .

This study is in accordance with *agency theory,* where there is a relationship between the party who gives the authority (principal) and the party who receives the authority (agent) to minimize the company's tax burden so that the tax imposed is low, because low taxes result in high profits so that it benefits the company (Whardhany et al., 2021) .

The results of this study are in line with research conducted by (Monica & Irawati, 2021) , (Pratiwi, 2020) , (Wibawa, 2019) , (Herfiana, 2022) which states that *transfer pricing* and *sales growth variables* have a joint and significant effect on *tax avoidance.* However, this study is not in line with the results of research conducted by (Pratiwi, 2020) which states that *transfer pricing* and *sales growth* have no joint effect on *tax avoidance.*

Effect of *Transfer Pricing on Tax Avoidance*

Based on the results of hypothesis testing, it is shown that Ha2a is accepted and H0 $_{2a \text{ is}}$ rejected. This means that the *transfer pricing* variable has a significant effect on *tax avoidance.* The higher the *transfer pricing value,* the greater the opportunity for the company to take tax avoidance actions. The lower the *transfer pricing value,* the lower the company's tax avoidance will be.

PT. Adaro Energy Tbk (ADRO) has a relatively high *transfer pricing value.* This shows that *transfer pricing* has an effect on *tax avoidance. Transfer pricing* is an unreasonable pricing mechanism for the delivery of goods or services by related parties. This mechanism can be done by increasing the price (*mark up)* or lowering the price (mark *down),* which is mostly done by multinational companies. This can encourage *transfer pricing practices* that are used to avoid taxes. So the higher or lower the level *of transfer pricing* can affect *tax avoidance* in the company (Zen, 2022) .

This study is in accordance with *agency theory,* where there is a relationship between the *principal* and the *agent* of the company. the government wants to get a large tax while the company wants to pay a small amount of tax so that two different interests arise between the two parties, namely the government and the company. So, the agency theory which states that the parent company *transfers pricing* to its subsidiaries is deliberately done for tax avoidance. This is based on the company's desire to earn large profits (Herfiana, 2022) A multinational company will try to minimize the global tax burden by taking advantage of the gap in a country's tax provisions, so that there is an opportunity to avoid tax.

The results of this study are in line with research conducted by (Wibawa, 2019) , (Pratomo & Triswidyaria, 2021) and reinforced by research results (Pratiwi, 2020) which state that *transfer pricing* has a significant effect on *tax avoidance* . However, the results of this study are not in line with research conducted by (Prambudi & Asalam, 2021) which states that *transfer pricing* has no effect on *tax avoidance* .

Effect of *Sales Growth* on *Tax Avoidance*

Based on the results of hypothesis testing, it shows that Ha2 $_{b \text{ is}}$ rejected and H $_0$ 2 $_b$ is accepted, meaning that the *sales growth variable does* not have a significant effect on *tax avoidance.* . Increased *sales growth* This will enable the company to increase capacity and increase the company's operating activities which shows that the higher *sales growth* results in high corporate profits, so the company can give appreciation to the management for not taking *tax avoidance actions.*

PT. Golden Energy Mines TBK (GEMS) has a relatively high *sales growth value.* This shows that when sales growth increases, tax avoidance decreases. This means that sales growth does not affect the level of tax avoidance, where companies that experience high sales growth and perform good efficiency will gain large profits so that tax avoidance can be avoided or even do not carry out tax avoidance activities.

The size of the company's sales growth does not affect the company's decision to do *tax avoidance,* because companies with increasing or decreasing sales growth have the same obligation to pay taxes, so sales growth is not a benchmark for companies to do *tax avoidance.*

The results of this study are in line with the results of research conducted by (Oktamawati, 2017) , (Hidayat, 2018) , and (Monica & Irawati, 2021) which state that *Sales Growth* has no effect on *tax avoidance* . However, this study is not in line with research conducted by (Irawati et al., 2020) and (Za'imah et al., 2020) which state that *Sales Growth* has an effect on *tax avoidance* .

4. CONCLUSIONS

Based on the results of the research and discussion described in chapter IV, it can be concluded that, together, *Transfer Pricing* and *Sales Growth* have a significant effect on *tax avoidance.* Individually *Transfer Pricing has a* significant effect on *tax avoidance,* but *Sales Growth* has no significant effect on tax *avoidance* in Coal Sub-Sector Mining Companies Listed on the Indonesia Stock Exchange in 2017-2021.
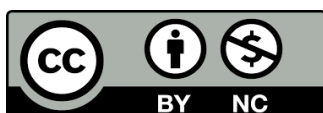
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