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The Effect of Capital Intensity and Leverage against Tax Aggressiveness (The Empirical Studies at Mining Companies which have been registered on Indonesia Stock Exchange during the Period of 2014-2018)

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Abstract:- This research has purposed to determine (1) the effect of capital intensity on tax aggressiveness (2) The Impact of leverage on tax aggressiveness (3) The influence of capital intensity and leverage has simultaneously influence towards the tax aggressiveness from mining companies which have been registered on the Indonesia Stock Exchange in the 2014-2018 period. The research used quantitative description methods by total population of 47 mining companies which have been registered. on the Indonesia Stock Exchange during the 2014-2018 period.The Determination of the sample using purposive sampling method and contained sample of 45 samples. The Data analysis techniques by using descriptive statistics and multiple linear regression. The conclution of this research is the capital intensity has affect on the tax aggressiveness, while leverage has no affects on the tax aggressiveness. Meanwhile the capital intensity and leverage has simultaneously affects on the tax aggressiveness.

Keywords:- *Capital Intensity, Leverage and Tax Aggressiveness.*

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I. INTRODUCTION

A. Background of the Problems

The Tax according to Law No.6 of 2009 was concerning about General Provisions and Taxation Procedures article 1 (1), tax is a mandatory contribution to country owed by a private person or coercive body under the Act, and do not get rewarded directly and used for state purposes for the greatest prosperity of the people. Tax is one of source for govt to financing all the costs and development of the country. Tax is to be called as a prime source of Country's revenue. It is because the greatest source of the country's income comes from the tax around 80% from Local Government Budget (APBN).

There has a different purposed between taxes obligation and Government. As for taxes obligations paid of the taxes even its on small scale because by paying the taxes it could means has decreased the economic capacity of the taxes obligations. While for government needed to received those income which the greatest source was came from the taxes to financing all the government costs. The Difference interests between the tax authorities and taxpayers will cause non compliance company as a taxpayer.

Companies are more profit oriented, this can trigger by maximizing company profits and reduction of expenses including expenses tax, so the companies are trying to minimize the tax burden Which bear. The Ways of that can be done by companies include planning tax (tax planning) or with tax aggressiveness. Tax planning can be done in two ways by tax avoidance and tax evasion.

According to Frank, et al. (2009) in Suyanto and Suparmono (2012), mentioned that the tax aggressiveness is an act of manipulation taxable income which made by company through planning actions tax, both use legal means (tax avoidance) or illegal (tax evasion). Although not all actions were done with violation of regulations, however the more gaps that are used then the company has considered increasingly aggressive towards the taxes.

Based on Directorate General of taxes, Robert Pakpahan confessed that the compliance to pay the taxes in Nature resource area still catagorized as low. The contribution from mining sector to the newest tax receipts has reached 7%. In practice there has still many companies do the tax aggressiveness which often shaped by tax avoidance (tax avoidance). This can be seen from the number of Indonesian mining companies that don't have a Taxpayer Identification Number (NPWP). The Deputy Chairperson of the KPK Laode Muhammad Syarif stated that many mining companies are operate without a business license or even has permission but doesn't have that Taxpayer Identification Number (NPWP). Even though there are companies that are licensed and have a NPWP, but there's also has a game When reporting their income, even on those exporting data. Note at Indonesian ports with notes from overseas ports are different in number more is in the outer harbor country. That means the payment to the government was only fews (economy.okezone.com). Those fact shows that there are still many mining companies that do the tax avoidance, so it's a lot of potential state revenue from the sector mining that has not been absorbed yet.

There are several factors that could affected the level of tax aggressiveness companies including the capital intensity and leverage. First the intensity of capital has several terms inside the mentioned was like the intensity of fixed assetsor capital intensity. Capital intensity is an investment activity which carried out by company associated with investment in form of fixed assets (capital). High ownership of fixed assets resulting the depreciation expense too high, so profits go down and the corporate tax burden falls too. So with the high amount of assets on the company That has pushed the company commits to tax aggressiveness. According to Noor et al (2010) in Savitri and Rahmawati (2017) stated that the companies which have a proportion of assets those who remain high will pay taxes the low one. Because the company will benefit from costs depreciation inherent in assets.

The next factor is leverage. The leverage is a ratio Which indicates the amount of external capital that company uses for carry out its operational activities. The Calculation Results of leverage ratio had signifies that how much assets are owned by the company comes from loan capital the company. If the company have a high source of loan funds, then the company will pay the burden on high interest to creditors. The Interest expense will reduce profits, so with the profit reduction then it would reduces the tax expenses in one current period.

Research who conducted by Ayem and Setyadi (2019) stated that there has an positive significant influence between the capital intensity of tax aggressiveness. Andhari and Sukartha (2017) states that the capital intensity has positive effect on tax aggressiveness which means the capital intensity have a direct connection with tax aggressiveness. When the capital intensity has increase, then the company will increasingly aggressive towards obligations the tax. The results of this research are in line with research who conducted by Surbaki (2012), Sabli and Noor (2012) in Ardyansyah (2014). The Company prefer investing in assets resulting in a depreciation expense the height and from the load will reduce company profits so it could affect the liability Corporate taxation. Meanwhile the results from Novitasari (2017) and Savitri research and Rahmawati (2017) has show the different results which namely the intensity of fixed assets Has no effect on tax aggresiveness.

The Research whom conducted by Suyanto and Suparmono (2012) and research from Nurjanah, Diatmika and Yasa (2017) states that leverage has influential positive and significant towards tax aggresiveness. This result could be identified that the company has debt on high use tax incentives in form of deductions on loan interest, so the companies can reduce the tax expenses which is borne by the company. Meanwhile, according to Mustika research (2017) that was mentioned that the leverage does not has significant effect on the tax aggressiveness.

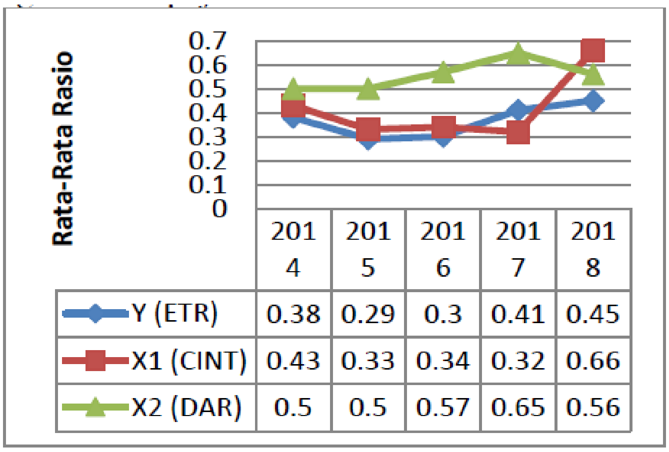

Fig 1:- ETR, CINT, and DAR a Mining Company which have been registered on the Indonesia Stock Exchange Period 2014-2018 (In Decimal)
Source: Data Processed (2019)

Figure 1 shows that the average ETR mining company from years 2014-2018 has experienced volatility. On 2018 the average ETR will reach 0.45, while the average ETR is the lowest found in 2015 which is 0.29, It was indicated that the company Was increasingly aggressive toward taxes. As we know that the company which has an ETR between 0-1, if its approaching 0 indicates that Companies are increasingly aggressive towards taxes or even greater than the tax aggressiveness. If its close to 1means the tax aggressiveness is getting smaller. According to Hanlon (2010) in Astuti and Aryani (2016) The ETR is one measure of avoidance tax. The greater of the ETR value then the level of tax avoidance is increasingly small, and vice versa the smaller ETR value will shows the great magnitude of the tax avoidance.

This theory has Strengthen Nugroho research (2015) which states that the lower the ETR value has indicates the existence of tax aggressiveness in the company. The Low ETR shows that the income tax expense which has smaller than the prior income tax. Seeing from the Figure 1 the intensity capital has experiences fluctuation every year. The intensity of capital has experienced the increase in 2017-2018 with value of 0.32 to 0.66, but tax aggressiveness has decreased, this can be seen from The ETR value increase in 2017 to 2018 Which is from 0.41 to 0.45. Where's the value of an increased ETR has indicates that The tax Expenses that paid by the company has increased,and also means that the aggressiveness would reduced the company tax. From the data it shows that the difference which occurs between actual and theoretical ones mentioned that the capital intensity can affect the tax aggressiveness. The greater of the intensity of capital, the lower tax payments. And its vice versa the lower capital intensity, the greater tax payment. That event one of which can be caused by the company who does not hoard the assets and how to increase the load so it would minimize the taxes and its assets used as a company operational.

The Leverage has fluctuated every year but tends to rise, this can be seen from 2015-2017. But not followed by a decline of ETR value. This is not in line with theory which states that the leverage could affected the tax aggressiveness, when the leverage increases the ETR will decreased which indicates that the Tax aggressiveness Also increases so the tax payments also decreased because it was influenced by debt interest that should be paid off and it will reduce the taxable profits, so the tax paid would decreases, And vice versa.

Based on those background that has been described above so the authors has interested to take the research tittle *"The Impact of Capital Intensity And the Leverage against The Tax Aggresiveness at The Minings Company which have been registered on the stock exchange In period of 2014 - 2018 ".*

B. The Research Purposes

The purpose of this research as its follows:

- To find out whether there has an influence or not of the capital intensity (X1) towards tax aggressiveness (Y) on the mining companies which have been registered on the Indonesia Stock Exchange.
- To determined whether there is or not The effect of leverage (X2) towards the tax aggressiveness (Y) on the mining companies Which have been registered on the Indonesia Stock Exchange.
- To find out which has or not the simultaneous effect of capital intensity (X1) and the leverage (X2) towards the tax aggressiveness (Y) on the mining companies which have been registered on the Indonesia Stock Exchange.

II. THE THEORY RESEARCH

A. Agency Theory

According to Luayyi (2010) in Nugraha (2015) has mentioned that in agency or the agency theory there has an contract or agreement between the owners resources with managers to managed the company and achieve the main goal of the company namely maximizing the earn profits, and sometimes the manager does various ways to reach the goal.

The Agency theory appears when there has an contract between the owner of authority (principle) with authorized party (agent) to run the company. Manager as an agent, has an obligation to provide the information regarding the company to the owner of the company (principle) because the managers are considered more understand and know the real situation of the company. However sometimes the managers didn't report the factual state and conditions of the company.This could be a benefit to managers andcovered all the weaknesses of manager's performance (Nugraha, 2015).

Difference of interests between company owner (principle) and manager (agent) causes it to happen agency issues that can affect company performance, one of them is in corporate taxation policy. Agent can take advantage of its own out of cooperation with the principle because of the tax management done by the agent. As we know that currently Indonesia uses self assessment system that provides authority to the company to calculate the tax yourself. This situation can be utilized by the manager (agent) to manipulate taxable income company tax to be lower, so any taxes paid getting smaller.

B. Tax Aggressiveness

According to Mardiasmo (2016) tax aggresiveness is a resistance which actively covers all efforts and actionsWhose conducted by taxpayers with the purpose of avoiding taxes. In The forms such as:

- Tax avoidance, is a relief efforts to the tax expenses by not violating the constitution.
- Tax evasion, is relief efforts to the tax expenses by breaking the rules (embezzlement tax).

According to Frank et al. (2009) in Suyant and Suparmono (2012), tax aggressiveness is an act of manipulation the income taxes which made by the company through the tax planning actions, both ways are used by classified as legally (tax avoidance) or illegal (tax evasion).

C. Capital Intensity

According to Yoehana (2013) in Nugraha (2015), capital intensity or the ratio of capital intensity is the activity which related to the company investment by investing in fixed assets and inventories. The Capital intensity ratio can show efficient use of assets for generate sales. According to Novitasari (2017), capital intensity is an investment activity which done by company related to investing in fixed assets (capital).

D. Leverage

According to Irham Fahmi (2018), use of funds from loan sources often studied in terms of leverage ratios. The leverage ratio is a capability of company in running an activities where the funds used are from the proceeds of the loan. According to Murhadi (2013) states that the ratio of leverage is the ratio who describe the proportion of debt to assets or equity. The category which include in the leverage ratio is a debt ratio,where the higher the debt ratio (DR) will indicate an increasingly risk of a company because of the greater debt which used to buy all the assets.

E. Thinking Framework

- *The impact of capital intensity against the tax aggressiveness*

The capital intensity is a the ratio which used to measure how much the company's wealth is invested in fixed assets. The greater the company's investment in form of fixed assets, the greater the depreciation expense that to be borne by the company. The depreciation load / expenses will be added to the company expenses and causing company profits to decline, so the tax paid of the company also declined.

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The Research which conducted by Ayem and Setyadi (2019) and Andhari and Sukartha (2017) who stated that the capital intensity has a positive effect on tax aggressiveness. Which means that the capital intensity has a connection In line with tax aggressiveness. When the capital intensity increases, then the company will be increasingly aggressive towards the tax obligations. These Research result are in line with the research which conducted by Surbaki (2012), Sabli and Noor (2012) in Ardyansyah (2014) States that the Companies prefer to invest on assets resulting in depreciation expense which is high, and from that expenses it will reduce the company profits so could affect the liability corporate taxation. Meanwhile the results of these results by Novitasari (2017) and Savitri and also Rahmawati (2017) shows results the different, namely the intensity of fixed assets has no effect on tax aggressiveness. This caused of the company that has a level of that intensity on assets would remains high indeed They use of these fixed assets for company operationals.

➢ *The effect of leverage on tax aggressiveness*

Leverage is a measurement ratio about how big the company has use the debt to finance the operating company and finance assets owned. Leverage which used by companies to add interest expense, it because the debt will bear the interest that should be paid off by the company. An Interest expense which appears will reduce the company profits so the tax paid would decreased too.

The Research which conducted by Suyanto and Suparmono (2012) and other research from Nurjanah, Diatmika and Yasa (2017) stated that the leverage has influential positive and significant towards the tax aggressiveness. This result can be identified that the company has high debt In use of tax incentives in form of the deductions on loan interest, so the companies could reduce the tax expenses which is borne by the company. Meanwhile, according to Mustika research (2017) mentioned that the leverage does not have significant effect on tax aggressiveness.

➢ *The simultaneously effect of capital intensity and leverage against the tax aggressiveness*

Companies tend to be oriented on profit, this can triggered by maximizing company profits and decrease in expenses including the tax expenses . On the enlarge of the company's profit will do by various ways, one of them is tax planning or tax aggressiveness. The Companies that have capital intensity and high leverage has An opportunity to do the tax aggressiveness that because the greater of company investment in form of assets The greater the depreciation expense has to be borne by the company. The depreciation expenses will added to the company expenses and causing the company profits has to decline, so the tax paid of the company also been declined. While The leverage has used to minimize the tax due to debt will cause emergence of interest expense,and this interest expense will reduce profits so that the tax would reduced. Debt can be used for operational financing and adding the company assets, so besides get interest expense from debt also get depreciation expenses from the purchase of these assets.

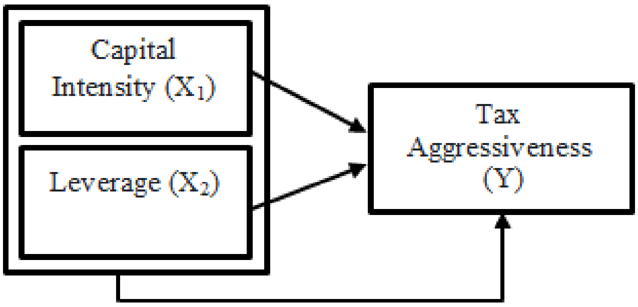

Fig 2:- Thinking Framework

F. Research Hypothesis

H1: The capital intensity is allegedly has an influences towards the Tax Aggressiveness at the Mining Company which have been registered on The Indonesian Stock Exchange During Period of 2014-2018.

H2: The Leverage is allegedly has an influence towards the Tax Aggressiveness at the Mining Company which have been registered on the Indonesia Stock Exchange During Period of 2014-2018.

H3: The Capital intensity an Leverage reputedly has an simultaneously effect towards the Tax Aggressiveness at the Mining Company which have been registered on the Indonesia Stock Exchange during period of 2014-2018.

III. RESEARCH METHODS

The research method that used on this research is the quantitative descriptive method which aims to describe as systematic, factual, and accurate regarding The facts and nature of certain populations, or try to describe the phenomenon in detail (Joseph, 2017). This research has using a regression research with multiple model. The population is the generalization area who consisted of objects / subjects That has qualities and certain characteristics which set by the researchers to learn and then withdraw the conclusion (Sugiyono, 2017: 80). Based on the understanding above, so the population that been used in this research was an entire mining company which have been registered on the Indonesia Stock Exchange in 2014-2018 which amounted to 47 companies. Samples is a portion of selected and representative to that population (Yusuf, 2017:62). The sample used was selected by using the purposive sampling method namely the technique of determining the sample with take a predetermined sample previously based on intent and the research purposed according to some of criteria.

The data source that have been used in this research was secondary data, such as company financial statements from the mining companies which have been registered on the Indonesia Stock Exchange (IDX) by accessing the IDX official site at www.idx.co.id and the other relevant source such as Indonesian Capital Market Directory (ICMD).The Data collection techniques on this research is study literature study review and documentation.

The data analysis has used to simplifying data and make it easier to interpreted. This analysis could be done by the use of multiple regression by process and hypothesis test which has been submitted. The Multiple regression techniques could be drawn the directly effect of each independent variable or togetherness. This research has used several tests such as the descriptive statistics, classics assumptions test like normality test, multicollinearity test, and autocorrelation test, multiple regression analysis and hypothesis examination. All the tests were processed by using SPSS (Statistical Package for Social Sciences) version 23.

IV. THE RESEARCH RESULTS AND DISCUSSION

A. Statistical Descriptive Analysis

Statistics

		AGRESIVITAS PAJAK	INTENSITAS MODAL	LEVERAGE
N	Valid	45	45	45
	Missing	0	0	0
Mean		,3384	,5647	,3753
Median		,3000	,5500	,3900
Mode		,25[a]	,47	,42
Std. Deviation		,10904	,14048	,10983
Variance		,012	,020	,012
Range		,56	,52	,43
Minimum		,21	,30	,14
Maximum		,77	,82	,57

Table 1:- Descriptive Statistics Test Result
Source: Data Processed (2019)

B. The Data Analysis Requirements Examination Test

According to the Normality test results by using the One Sample of Kolmogorov-Smirnove test, it could be seen that the asymp value. Sig (2-tailed) has amounted to 0.103, which is greater than α =0.05, so it can be concluded that the data residuals are normally distributed.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		45
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	,07926128
Most Extreme Differences	Absolute	,120
	Positive	,120
	Negative	-,106
Test Statistic		,120
Asymp. Sig. (2-tailed)		,103[c]

Table 2:- Normality Test Results One-Sample Kolmogorov-Smirnov Test
Source: Data Processed (2019)

Based on the Calculation results shows that The Capital Intensity and Leverage variables has a tolerance value > 0.10, which is a value of Capital Intensity is 0.998 and The Leverage is 0.998. Meanwhile the value of Variance Inflation Factor (VIF) of Capital Intensity and Leverage variables < 10 with Capital Intensity value of 1,002 and leverage of 1,002. Then it can be concluded that multicollinearity did not occur.

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1	(Constant)	,332	,123		2,704	,010		
	SQRT_CAPIN	,345	,129	,382	2,675	,011	,998	1,002
	SQRT_DAR	-,022	,131	-,023	-,164	,870	,998	1,002

Table 3:- Multicollinearity Test Results
Source: Data Processed (2019)

Based on the data from the table above,It can be seen that the Durbin-Watson count value in the amount of 2,080. The Durbin-Watson table values with a significance value of 5% (α = 0.05),number of samples (n = 45), and total Independent variable (k = 2) then obtained dl = 1.4298 and du = 1.6148 and value (4 - du) = (4 - 1.6148) = 2.33852. So the Data was declared free of autocorrelation if, du <d <(4 - du). That result that obtained from the existing data is 1.6148<2,012 <2,3852, and it can be concluded

That data was autocorrelated free.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,382[a]	,146	,105	,08113	2,012

Table 4:- Autocorrelation Test Results
Source: Data Processed (2019)

Based on the table below, the heteroscedasticity test results by using the Glejser test shows the significance value of capital intensity variable is 0.502 > 0.05, meaning that does not occur the heteroscedasticity on the Capital intensity variable. Meanwhile on the Leverages variable the Leverage has a significance value of 0.722 > 0.05, meaning that does not occurs the heteroscedasticity on the Leverage variable. So it can be concluded that both of independent variable does not occur the heteroscedasticity.

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Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-,007	,084		-,086	,932
	INTENSITAS MODAL	,060	,088	,104	,677	,502
	LEVERAGE	,032	,090	,055	,358	,722

a. Dependent Variable: ABS_RES

Table 5:- Heteroscedasticity Test Results
Source: Data Processed (2019)

Based on the data which display on scatterplot it seen that the plot spread randomly above or below the numbers of 0 or around 0 on the Y axis. Based on the heteroscedasticity test by using chart analysis above it can be seen that the regression model that formed otherwise the symptoms shows do not occur the heteroscedasticity.

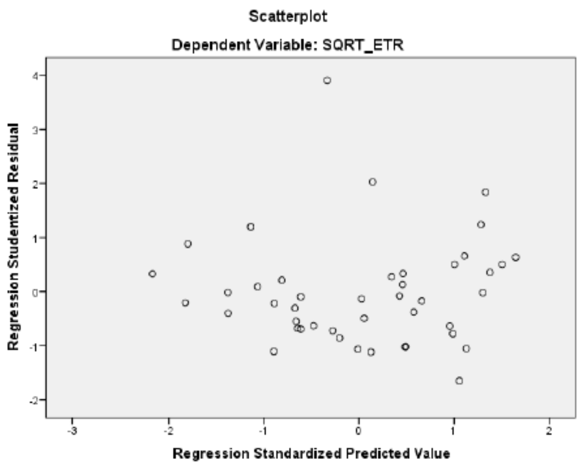

Fig 3:- Scatterplot
Source: Data Processed (2019)

C. Hypothesis Test

Based on the table 5, it can be known that regression linear equation as its following:

$Y = \alpha + \beta 1X1 + \beta 2X2 + e$
$TAG_{it} = 0.332 + 0.345$ IM - 0.022 Lev + e

The results of the multiple regression analysis equation shows that:

- A constant value of 0.332 states that if independent variable is considered as constant (value of 0), then the value tax aggressiveness is equal to 0.332.
- Capital intensity coefficient (X_1) equal to 0.345, the coefficient has worth positive means the greater the value of capital intensity, it also increasing the tax aggressiveness. This matter shows that if the other independents variables are of fixed in value (cash), then each addition capital intensity of 1 time then will be followed by an increase in value of tax aggressiveness of 0.345.
- The Leverage coefficient (X_2) of -0.022, the coefficient has negative that means increasing value leverage then the smaller the value of tax aggressiveness. This matter shows that if other independents variable are fixed of value (cash), then each addition 1 time leverage will followed by a decrease in tax aggressiveness of 0.022.

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	,332	,123		2,704	,010
	SQRT_CAPIN	,345	,129	,382	2,675	,011
	SQRT_DAR	-,022	,131	-,023	-,164	,870

Table 6:- Results of Multiple Linear Regression Analysis
Source: Data Processed (2019)

Based on the data table 6, the values of adjusted R^2 (adjusted R Square) is 0.105. This means that 10.5% of Tax aggressiveness occurs that influence by capital intensity variables and leverage. While the remaining 89.5% was influenced by other variables which are not examined in this research.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,382[a]	,146	,105	,08113	2,012

Table 7:- The Determination Coefficient Test Results
Source: Data Processed (2019)

The t test results in table 8, has shows that the results of t count of 2.675 and significance value of 0.011. And concluded that t count > t table or 2.675 > 2.01669, with the value of sig. < 0.05 or 0.011 < 0.05, this means that the capital intensity has an effect on tax aggressiveness. Or it can be interpreted as H_0 was rejected and H_1 was received.

The t test results in table 8, shows that the result of tcount of -0.164 and a significance value of 0.870. Then it was concluded that the value of -test> -table or -0,164 > -2,01669, with the value of sig. > 0.05 or 0.870 > 0.05, this means that leverage has no effect on tax aggressiveness. Or it could be means that H_0 was accepted and H_2 was rejected.

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Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,332	,123		2,704	,010
	SQRT_CAPIN	,345	,129	,382	2,675	,011
	SQRT_DAR	-,022	,131	-,023	-,164	,870

Table 8:- The t Test Results
Source: Data Processed (2019)

The F test results in table 9 bellow shows that the F count result of 3.579 and the significance value of 0.037. Then it was concluded that the value of F count > F table or 3,579 > 3,22, with a sig. <0.05 or 0.037 <0.05, this means that the capital intensity and leverage has simultaneously affect the tax aggressiveness Or it can be interpreted that H0 was rejected and H3 Was accepted.

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	,047	2	,024	3,579	,037[b]
	Residual	,276	42	,007		
	Total	,324	44			

Table 9:- The F Test Results
Source: Data Processed (2019)

D. The Discussion of the Research Results

➢ *The Effect of Capital Intensity Against Tax Aggressiveness*

The t test results for the capital intensity variable has obtained the t count value of 2.675 with the significance value of 0.011. And use a 5% significance limit ($\alpha = 0.05$), and a table of 2.01669. It could be concluded that t count > t table or 2.675 > 2.01669, with the value of sig. <0.05 or 0.011 <0.05. This means that capital intensity has an effect on tax aggressiveness.

The results of this research was indicated that the capital Intensity has direct connection with tax aggressiveness, when the capital intensity increases, Then the company will be more aggressive Against tax obligations. The Capital intensity is a ratio which used to measure how great the wealth of the company are invested in fixed assets. The Companies are preferred to invest on fixed assets, because the bigger company investment in form of assets, the greater the depreciation expenses has to be borne by the company. The depreciation expenses would be add to the company expenses and causing the company profits to decline, so the tax paid of the company would also declined.

The results of this research are in line with the research which conducted by Ayem and Setyadi (2019) and Andhari and Sukartha (2017) which states that capital intensity (capital intensity) has an positive influenceson tax aggressiveness. The Results on this research are in line with the research which conducted by Surbaki (2012), Sabli and Noor (2012) in Ardyansyah (2014)

➢ *The Influence of Leverage on Tax Aggressiveness*

The t test results for leverage variables has the value of t-count is -0.164 and a significance value of 0.870. With use a 5% significance limit ($\alpha = 0.05$), and a table of 2.01669. it could be concluded that the value of – t test > -t table or -0,164 > -2,01669, with the value of sig. > 0.05 or 0.870 > 0.05. This means that the leverage has no effect on tax aggressiveness.

The results of this research was identified that the leverage has not affect towards the tax aggressiveness at company. The Leverage is a ratio which measures how big a company use debt to finance the operational company and finance the assets owned. Leverage can be used by companies to reduce their tax payment, It because the debt will cause an interest expenses so that it will reduce the profits Of the company and the tax paid has also decreased. However in this case the company did not utilized the tax incentives in form of interest loans deductions to reduce the tax expenses which is borne by the company. Because the company which has a high debt value means the greater the funding from debt and resulted in even higher the interest expense arising from debt. This interest expense will reduce the corporate tax expenses. so the company doesn't need to do the tax avoidance aggressive manner.

The results of this study are in line with research which conducted by Mustika (2017) states that the leverage has not significant influence on tax aggressiveness.

➢ *The Simultaneously influence of Capital Intensity and Leverage Against Tax Aggressiveness*

The F test results was to find out whether the independent variables simultaneously has an affect towards the dependent F count variable value which obtained is 3,579 and the significance value of 0.037. With use a 5% significance limit ($\alpha = 0.05$), and the F table value is 3.22. Then it can be concluded that the value of F count > F table or 3.579 > 3.22, with the value of sig.< 0.05 or 0.037 < 0.05, and this means the capital intensity and leverage has simultaneously effect on tax aggressiveness. Meanwhile the influence of independent variables of tax aggressiveness by 10.5%, while the remaining 89.5% was influenced by other factors.

Companies tend to be oriented in profit, this could be triggered by maximizing the company profits and decrease in expenses including tax expenses. In enlarge the company's profit do various ways, one of them is tax planning or tax aggressiveness. The Companies that have capital intensity and leverage has opportunity to do the tax aggressiveness. This is because the bigger company investment in form of assets, the greater the depreciation expenses to be borne by company. The depreciation expenses will be add to the company expenses and causing the company profits to decline, so the tax paid to the company was also declined. While The leverage was used to minimize the tax due to debt will cause emergence of interest expense and this interest expense will reduce the profits so that the tax would reduced. Debt can be used for financing the operational costs and adding the company assets, so besides earned the interest expense from debt it also get a load depreciation expenses from that buying assets.

The results of this research are in line with the research which conducted by Safitri (2018) states that capital intensity and leverage have an simultaneous effect with tax aggressiveness.

➢ *The Research Limitations*

In its research, the researchers has experiencing various limitations which hampered the results of research to fit with the proposed of hypothesis, so that can be taken into consideration for next researcher. The limitations these are as its follows:

- The number of samples has used is 45 samples only.
- The company population For sampling only the mining company.
- Lots of Factors which influence tax aggressiveness are many, but in this research only using the 2 variables, i.e. capital intensity and leverage.
- This research only uses period research of 5 years which calculated from 2014-2018.

V. CONCLUSIONS, IMPLICATIONS AND SUGGESTIONS

A. *Conclusion*

This research has purpose to determined the effect of capital intensity and leverage on tax aggressiveness at mining company which have been registered on Indonesia Stock Exchange for period 2014-2018. Based on the research results and the discussion that has been done above then the several conclusions can be drawn:

➢ Capital intensity has influences to the tax aggressiveness at mining companies on 2014-2018. It means that the higher the intensity of the company's capital, then the greater the tax aggressiveness which conducted by the company.
➢ Leverage has no effect on tax aggressiveness at mining companies period of 2014-2018. This means that high and low leverage will not affect the tax aggressiveness.
➢ Capital Intensity and leverage has simultaneous effect on tax aggressiveness at mining companies on period of 2014-2018.

B. *Implication*

Based on the conclusions of research above, the policy implications which can be done in this research as its follows:

➢ The Investment in form of fixed assets can be an option of company to reduce the tax payment.
➢ Companies with high revenue does not need to attempt the taxes avoidance with enlarging the company's debt. Because the debt will increase the interest expense, so taxes are paid down. But high debt were also has a risk on high rate of interest return.
➢ The huge companies has expected to use the resources that it has for make good tax planning and the company can manage Its assets as well.

C. *Suggestion*

Based on the results of the analysis that researchers have done, this research has still many shortcomings so it still needs to be fixed for the future research. As for advice from researchers are as follows:

➢ Future research are expected to multiplied the sample so data research which used in this research will become more valid.
➢ Future research were expected to multiply the independent variable in research like Size of Corporate, CSR (Corporate Social Responsibility), Profitability, Profit Management and Audit Committee to find out the effect on company's tax aggressiveness.
➢ The Future research were expected can use to other measure to look for tax aggressiveness at company. For example the measurement by using CETR (Cash Effective Tax Rate), or BTD (Book Tax Difference).
➢ The Future research were expected to use the samples from another company.

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