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The Effect Of Corporate Social Responsibility And Leverage On Tax Planning With Institutional Ownership As A Moderating Variable

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ABSTRACT

This study aims to assess the effect of Corporate Social Responsibility (CSR) and leverage on tax planning, with institutional ownership as a moderating variable. The population consists of companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) during the period 2020–2024. The sample was selected using purposive sampling and employed a quantitative approach using Moderated Regression Analysis (MRA). The results show that CSR does not have a significant effect on tax planning, meaning that the amount of CSR expenditure does not directly affect a company's ETR. Meanwhile, leverage has a positive and significant effect on tax planning, indicating that the use of debt is related to changes in tax burdens through interest expenses. Institutional ownership was unable to moderate the relationship between CSR and tax planning, but it was proven to weaken the effect of leverage on tax planning. Simultaneously, the model's ability to explain tax planning was still relatively low, with a coefficient of determination value below 10 percent, indicating that tax planning practices in the food and beverage sub-sector were more influenced by factors other than the research variables. These findings confirm that companies in this sub-sector are more focused on operational stability, regulatory compliance, and public legitimacy than on aggressive tax saving strategies.

INTRODUCTION

Taxes are a fiscal instrument that plays an important role in national development, as stipulated in Law Number 28 of 2007, which states that taxes are mandatory contributions that are compulsory without direct compensation for the benefit of the wider community. In business practice, taxes are often seen as a burden that reduces net profit, thus encouraging the emergence of tax management strategies such as tax planning and tax avoidance. The food and beverage sub-sector has made a strategic contribution to the economy, with an average contribution of 6.47% to the national GDP in the last five years (Directorate General of IKM, 2024).However, data shows that the Effective Tax Rate (ETR) of companies in this sub-sector is relatively low and fluctuated throughout 2020-2024.

Table 1. Food and Beverage Sub-Sector Companies Listed on the IDX in 2020-2024 with Low ETR

No	Code	Tax Planning (ETR)				
		2020	2021	2022	2023	2024
1	ADES	19,13%	21,33%	21,39%	21,42%	21,02%
2	BUDI	3,20%	19,52%	19,79%	19,46%	20,17%
3	MYOR	21,82%	21,85%	21,39%	20,74%	20,96%
4	PSGO	11,04%	4,93%	19,09%	16,73%	20,13%
5	SKLT	23,63%	16,91%	19,01%	19,59%	21,39%
6	SMAR	26,25%	21,27%	19,12%	17,23%	19,37%
7	TAPG	12,90%	15,66%	16,28%	14,42%	17,48%

Source: Data Processed, 2025

Table 1 shows inconsistent effective tax payment patterns in the food and beverage sub-sector from 2020 to 2024. This phenomenon indicates that tax planning strategies in this sub-sector tend to be aggressive and create a contradiction between the important role of companies in the economy and their relatively low actual fiscal contribution to the state.

Conceptually, tax planning is understood as a legal effort by companies to take advantage of tax provisions to reduce their tax burden (Firdayanti & Kiswanto, 2020). Although legally valid, this practice raises ethical issues because companies face a trade-off between tax efficiency and social accountability (Hamdani & Helmy, 2023). One important factor associated with tax planning is Corporate Social Responsibility (CSR), which is seen as a means of social legitimacy as described in Legitimacy Theory by (Dowling & Pfeffer, 1975). CSR is seen as a means for companies to build social legitimacy, namely efforts to demonstrate commitment to social and environmental issues so that the company's activities gain acceptance and support from the community (Romli & Zaputra, 2021). The results of the study show a variety of relationships, with some studies finding that CSR has a negative effect on tax avoidance (Ding et al., 2022), while other studies claim that it has no significant effect (Hamdani & Helmy, 2023) or even show that CSR is used as symbolic legitimacy to cover up aggressive tax strategies, especially in companies with political connections (Almutairi & Abdelazim, 2025). In certain contexts, mandatory CSR disclosure in China has even been accompanied by an increase in tax avoidance as companies seek to offset CSR costs through tax efficiency (Jiang et al., 2022).

Another internal factor often associated with tax planning is leverage, as debt structures provide tax reduction benefits through interest expenses that can reduce taxable income according to the Agency Theory framework (Jensen & Meckling, 1976). Several studies show that leverage increases the likelihood of companies engaging in tax avoidance (Nugroho et al., 2023), but other studies state that there is no significant influence between leverage and tax aggressiveness (Prasetya & Hariyono, 2023). This inconsistency shows that the effect of leverage on tax planning is contextual and depends on regulations, governance quality, and creditor supervision (Hendra & Sastradipraja, 2025). In addition, institutional ownership is often seen as capable of improving monitoring of management because institutional investors have an interest in maintaining the value of their investments (Putri & Kustinah, 2025). However, research on the effectiveness of this mechanism also shows inconsistent results. Some studies show that institutional ownership strengthens the influence of CSR and leverage on tax aggressiveness (Firdayanti & Kiswanto, 2020), but several other studies find that this mechanism is insignificant (Hamdani & Helmy, 2023), so its effectiveness is still debatable.

Based on the results of previous studies, there is a research gap that needs to be explored further regarding the relationship between CSR and tax planning, which still shows conflicting results, namely whether CSR suppresses tax planning practices or actually serves as an instrument of legitimacy. Furthermore, the effect of leverage has not yielded conclusive results because there are differences in findings between studies that show a significant effect and those that do not (Nugroho et al., 2023; Prasetya & Hariyono, 2023). In addition, the role of institutional ownership as a moderating variable is still ambivalent because it shows different results (Firdayanti & Kiswanto, 2020; Hamdani & Helmy, 2023). In the context of the food and beverage sub-sector, which has a low ETR and plays a strategic role in the national economy, re-testing the relationship between these variables is relevant and necessary.

This study focuses on the food and beverage sub-sector, which is relatively rarely studied but contributes significantly to the national GDP. The use of CSR expenditure as an indicator of social commitment is more tangible than mere CSR disclosure. Testing the moderating role of institutional ownership in the post-pandemic context and changes in digital tax policy. In addition, the use of ETR as a tax planning proxy is because ETR is able to reflect a company's actual tax burden more directly, is relatively stable, and is easier to compare between companies compared to other tax planning proxies.

Based on this background, this study aims to analyze the influence of Corporate Social Responsibility (CSR) and Leverage on Tax Planning in food and beverage sub-sector companies listed on the IDX for the 2020-2024 period, as well as to examine the role of institutional ownership as a moderating variable in this relationship. This study also aims to provide empirical understanding of how corporate social commitment and funding structure influence tax strategies in strategic sub-sectors, as well as assess the effectiveness of institutional investor oversight in strengthening the legitimacy effect of CSR and weakening the leverage incentive in aggressive tax practices. Thus, this study is expected to enrich the literature on tax accounting, governance, and sustainability, as well as provide recommendations for regulators, companies, and investors in formulating fiscal oversight policies and strategies.

LITERATURE REVIEW

Agency Theory

Agency Theory (Jensen & Meckling, 1976) provides a relevant analytical basis for understanding why companies tend to engage in tax burden management. The structure of the relationship between agents and principals creates space for management to make decisions that are not always in line with the interests of the tax authorities or capital owners, especially when information about the company's internal conditions is not fully distributed symmetrically. In the context of taxation, this theory views management actions related to tax planning as a rational response to incentives to increase after-tax profits. Information asymmetry reinforces this tendency because management has more comprehensive knowledge of the company's operations than the tax authorities. Companies then take advantage of the room for interpretation in tax regulations to reduce their tax burden without neglecting formal compliance.

On the other hand, Agency Theory views external oversight mechanisms as an important instrument for limiting opportunistic behavior. One such mechanism is institutional ownership, which serves as a mechanism that can increase pressure on management not to adopt excessive tax strategies that are detrimental to shareholders or create long-term legal risks. Institutional ownership refers to a situation where a majority of a company's shares are controlled by a particular institution or entity. In practice, institutional shareholders with a dominant position can also give rise to new conflicts of interest if they prioritize their own interests (Tyas & Binekas, 2023). Thus, Agency Theory not only helps explain why companies engage in tax planning, but also reduces the control factors that could potentially moderate such practices.

Legitimacy Theory

Legitimacy Theory (Dowling & Pfeffer, 1975) provides a perspective that a company's success is not only determined by internal financial performance, but also by the social acceptance given by the community. CSR is positioned as an instrument to obtain this legitimacy, because through social and environmental activities, companies seek to demonstrate alignment with public norms. However, the literature shows that the relationship between CSR and tax behavior is not always linear. Some studies find that companies that are active in CSR activities tend to be more cautious in designing fiscal strategies because they consider the social risks that arise if the public becomes aware of aggressive tax avoidance practices (Ding et al., 2022). Other studies show that companies with high CSR activities do not always implement more ethical tax practices (Hamdani & Helmy, 2023). Even in companies with political connections, intense CSR activities can become symbolic legitimacy to cover up aggressive taxation strategies (Almutairi & Abdelazim, 2025). Evidence from Jiang et al. (2022) reinforces the argument that CSR implementation does not guarantee more compliant tax behavior. In certain contexts, mandatory CSR disclosure in China actually encourages companies to engage in tax avoidance as compensation for increased CSR costs.

The Relationship between Corporate Social Responsibility and Tax Planning

Corporate Social Responsibility is a manifestation of a company's commitment to fulfilling its social and environmental responsibilities to its stakeholders. CSR is one of the company's strategies that will be useful for investors as stakeholders in monitoring the company (Hartikayanti & Siregar, 2018). Companies with high CSR costs usually place legal compliance, including taxation, as part of their strategy to maintain public legitimacy. In this context, CSR is not only a social activity, but also a signal of accountability and transparency that can increase public trust and maintain business sustainability. Legitimacy Theory predicts that companies that have gained social legitimacy will avoid practices that could damage their reputation, including overly aggressive tax planning.

CSR can also be viewed as an agency cost, as it is an expense incurred by managers to reduce conflicts of interest with capital owners and the community. Substantial CSR can reduce managers' incentives to engage in aggressive tax planning, but symbolic CSR can actually become window dressing to cover up tax avoidance. Although some studies report insignificant results (Hamdani & Helmy, 2023), conceptually CSR is still expected to have a negative effect on the level of tax aggressiveness. Thus, the influence of CSR on tax planning is important to re-examine in the food and beverage sub-sector, which has operational characteristics that are closely related to the public interest.

H1: Corporate Social Responsibility (CSR) influences Tax Planning.

The Relationship between Leverage and Tax Planning

Leverage reflects the extent to which a company uses debt as a source of funding. From an agency perspective, leverage creates potential conflicts between management and creditors. Managers have an incentive to use interest expenses as a means of tax shielding, as interest expenses can reduce taxable income. Companies with high leverage have large interest expenses that can be optimized through tax planning to reduce their tax liabilities.

However, from a social legitimacy perspective, the use of overly aggressive leverage for the purpose of minimizing taxes can be perceived negatively by the public. Therefore, companies are in a position to balance tax efficiency with the need to maintain legitimacy. Empirical research findings vary, with some supporting the positive influence of leverage on tax planning,

while other studies highlight the role of shareholder oversight or regulation in curbing such incentives. However, leverage is generally still seen as a key driver in tax saving strategies.
H2: Leverage influences Tax Planning.

The Relationship of Institutional Ownership in Moderating Corporate Social Responsibility on Tax Planning

Institutional ownership plays an important role in ensuring that corporate governance practices are carried out in accordance with the principles of accountability. Institutional investors have stronger monitoring capabilities than individual investors because they have resources, expertise, and a long-term investment orientation. In the context of the relationship between CSR and tax planning, institutional ownership can strengthen the negative influence of CSR on tax planning through two mechanisms, namely increasing oversight so that CSR practices are substantive rather than merely symbolic legitimacy and ensuring that companies do not adopt aggressive tax strategies that could potentially damage their reputation.

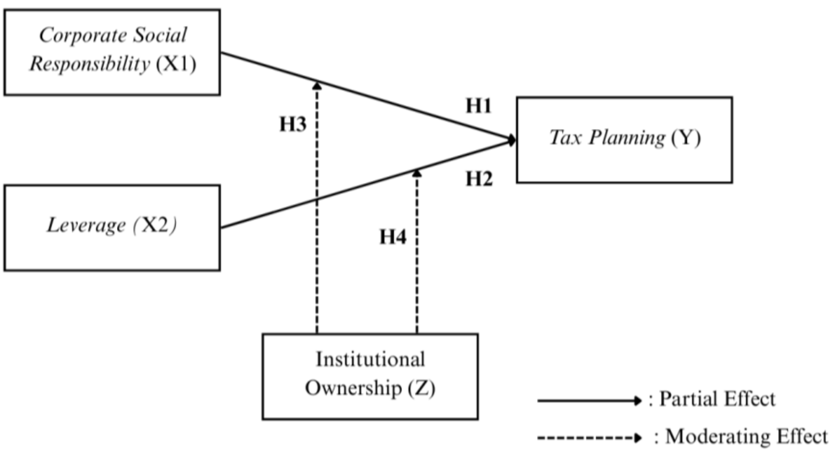
Institutional investors who care about the company's long-term reputation tend to reject aggressive tax planning practices, as these can lead to litigation, reputational risks, and fiscal sanctions. Therefore, companies with high CSR expenditures and large institutional ownership are predicted to be more cautious in their tax strategies.
H3: Institutional Ownership moderates the relationship between CSR and Tax Planning.

The Relationship of Institutional Ownership in Moderating Leverage on Tax Planning

Institutional ownership also plays a role in moderating the relationship between leverage and tax planning. High leverage does provide incentives for companies to take advantage of tax shields. However, the presence of institutional investors makes companies more accountable in their use of debt. From the perspective of Agency Theory, institutional monitoring reduces the scope for managers to use excessive leverage solely to avoid taxes. From a legitimacy perspective, overly aggressive use of leverage can damage a company's image, so institutional investors with a long-term orientation tend to discourage such practices.

High leverage reflects increased financial risk for the company, prompting institutional investors to exercise stricter oversight of the company's funding policies. Under these circumstances, institutional investors tend to direct management to focus debt use on operational activities and productive investments, rather than on short-term tax planning strategies. Therefore, institutional ownership is seen as capable of weakening the influence of leverage on tax planning.
H4: Institutional ownership moderates the relationship between leverage and tax planning.

Figure 1. Conceptual Framework



Source: Data Processed, 2025

METHODS

This study uses a quantitative approach with a causal design to examine the effect of CSR and leverage on tax planning and assess the role of institutional ownership as a moderating variable. This approach was chosen because it is in line with the research objective, which emphasizes the empirical testing of relationships between variables based on numerical data. The research population includes all food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2024 period, and the sample was determined using purposive sampling based on the completeness of data related to CSR costs, tax payments, pre-tax profits, capital structure, and institutional ownership.

Table 2. Sample Selection Criteria

No	Description	Total
1	Food and beverage sub-sector companies listed on the Indonesia Stock Exchange in the observation period (2020–2024).	83
2	Companies that did not disclose total CSR costs in 2020–2024.	(25)
3	Companies that incurred losses during 2020-2024.	(27)
4	Companies that were delisted during 2020-2024.	(4)
Total Research Sample		27
Research Period 2020-2024		5
Number of Analysis Units during 2020-2024		135

Source: Data Processed, 2025

Based on Table 2, through these selection criteria, 27 companies with a total of 135 analysis units were obtained. The research data came from annual financial reports, sustainability reports, and official publications from the IDX and related companies, which were collected through documentation techniques. The selection of this secondary data was based on the need for information that had been audited, verified, and could be processed objectively.

The dependent variable in this study is tax planning. Based on research conducted by (Rahmawaty & Astuti, 2023), tax planning is measured using the Effective Tax Rate. The lower the ETR value compared to the normal tax rate of 22%, the higher the indication of tax planning practices in the company.

$$ETR = \frac{Income\ Tax\ Expense}{Profit\ Before\ Tax}$$

The independent variables in this study are CSR and Leverage. CSR is measured using total CSR costs, which have strategic significance because it is able to show the company's real commitment to social and environmental activities through the amount of funds actually spent (Firdayanti & Kiswanto, 2020). Higher CSR costs may indicate the company's commitment to gaining social legitimacy and strengthening relationships with stakeholders. Thus, companies tend to be more cautious and avoid aggressive tax planning practices.

$$CSR = \sum CSR\ Cost\ Company$$

Leverage is measured using the Debt to Equity Ratio (DER) (Rahmawaty & Astuti, 2023). A higher DER value indicates that the company is increasingly dependent on debt to finance its operational and investment activities.

$$DER = \frac{Total\ Debt}{Total\ Equity}$$

Institutional ownership as a moderating variable is measured by comparing the number of shares owned by institutions with the total outstanding shares (Firdayanti & Kiswanto, 2020).

The higher the level of institutional ownership, the stronger the monitoring mechanism of management. This is expected to suppress opportunistic behavior of management, including in tax planning practices.

$$Institutional\ Ownership = \frac{The\ Number\ of\ Shares\ Owned\ by\ Institutions}{Total\ Outstanding\ Share}$$

Data Analysis Techniques

Data analysis in this study was conducted using SPSS 27.0 through several stages, beginning with descriptive statistics to describe the characteristics of each variable, followed by classical assumption tests covering normality, multicollinearity, heteroscedasticity, and autocorrelation to ensure the feasibility of the regression model. Hypothesis testing was performed using Moderated Regression Analysis (MRA) to test the direct effect of CSR and leverage on tax planning while assessing the role of institutional ownership as a moderating variable through the formation of interaction variables. The t-test and F-test were used to test the significance of partial and simultaneous effects, while the coefficient of determination was analyzed to assess the model's ability to explain variations in corporate tax planning.

RESULTS

Descriptive Statistics

The Descriptive Statistics table bellow, describes the descriptive statistical characteristics of each research variable, namely Corporate Social Responsibility (CSR), Leverage, Tax Planning, and Institutional Ownership, which were analyzed using 135 observation data. This study represents the conditions of companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange during the 2020–2024 period.

Table 3. Descriptive Statistics Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
CSR	135	0	780619000000	47135765874,19	131354591520,938
Leverage	135	0,0639	7,9407	0,923356	0,9446144
Tax Planning	135	-2,6030	2,6030	0,000000	0,9915042
Institutional Ownership	135	0,0000	1,0000	0,656804	0,2127027
Valid N (listwise)	135				

Source: SPSS 27 Output (2025)

The Corporate Social Responsibility (CSR) variable has a minimum value of 0, which means that there are companies that do not report or spend on CSR. The maximum CSR value reaches IDR 780,619,000,000, with an average value of IDR 47,135,765,874.19. The large standard deviation value of IDR 131,354,591,520.938 indicates that CSR expenditures and disclosures vary greatly between companies, depending on the size and policies of each company.

The leverage variable has a minimum value of 0.0639 and a maximum value of 7.9407. The average leverage value of 0.923356 indicates that, in general, companies in the food and beverage sub-sector use a fairly balanced amount of debt to support their operational activities. The standard deviation of 0.9446144 indicates that the level of debt usage among companies varied considerably during the research period.

The tax planning variable has a minimum value of –2.6030 and a maximum value of 2.6030, with an average value of 0.0000. The standard deviation of 0.9915042 shows that tax planning practices vary between companies, with some companies pursuing tax efficiency, while others are more cautious in fulfilling their tax obligations.

Meanwhile, institutional ownership has a minimum value of 0.0000 and a maximum value of 1.0000, with an average value of 0.656804. This indicates that most companies in the food and beverage sub-sector are owned by institutional investors. The standard deviation value of 0.2127027 shows that institutional ownership among companies was relatively stable during the 2020–2024 period.

Normality Test

Table 4. Normality Test Results

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			134
Normal Parameters[a,b]	Mean		0,0000000
	Std. Deviation		0,95032980
Most Extreme Differences	Absolute		0,038
	Positive		0,038
	Negative		-0,030
Test Statistic			0,038
Asymp. Sig. (2-tailed)[c]			.200[d]
Monte Carlo Sig. (2-tailed)[e]	Sig.		0,925
	99% Confidence Interval	Lower Bound	0,918
		Upper Bound	0,931

Source: SPSS 27 Output (2025)

Based on the results of the One-Sample Kolmogorov–Smirnov normality test, the residuals in the research model for the food and beverage sub-sector for the 2020–2024 period show an Asymp. Sig. value of 0.200, which is greater than the significance level of 0.05. This indicates that the residual data is normally distributed, so that the regression model used in this study has met the normality assumption and is suitable for further statistical analysis.

Multicollinearity Test

Table 5. Multicollinearity Test Results

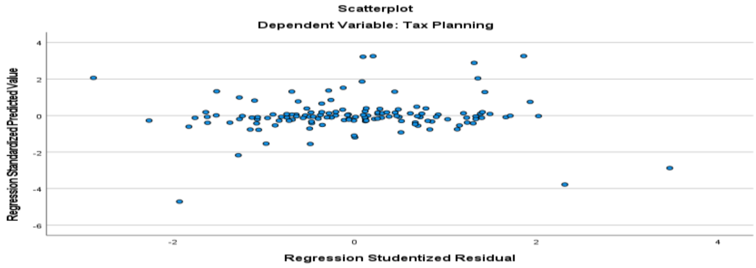
Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	CSR	0.999	1.001
	Leverage	0.999	1.001
	Institutional Ownership	0.999	1.001

Source: SPSS 27 Output (2025)

Based on the results of the multicollinearity test on companies in the food and beverage sub-sector for the 2020–2024 period, all independent variables show values that meet the criteria for multicollinearity freedom. The CSR variable has a tolerance value of 0.999 and a VIF of 1.001, the leverage variable also has a tolerance value of 0.999 and a VIF of 1.001, as does institutional ownership with a tolerance value of 0.999 and a VIF of 1.001. All tolerance values are above 0.10 and the VIF values are well below 10, so it can be concluded that there are no symptoms of multicollinearity between the independent variables.

Heteroscedasticity Test

Figure 2. Heteroscedasticity Test Results



Source: SPSS 27 Output (2025)

Figure 2 shows that the results of the heteroscedasticity test indicate no heteroscedasticity in the regression model. This is because the residual points are randomly scattered above and below the zero line and do not form a specific pattern.

Autocorrelation Test

This test was conducted using the Durbin-Watson method with a significance level of 5%. The initial test results showed a Durbin-Watson value of 1.256, while based on the sample size (n) of 135 and the number of variables (k) of 3, the dU value obtained from the Durbin-Watson table was 1.7645 with a dL of 1.6738. Since the Durbin-Watson value is smaller than dL, it can be concluded that there are indications of positive autocorrelation in the regression model. Thus, the residuals in the model are not yet fully independent, so further handling or testing is needed to make the regression model more suitable for use in subsequent analyses.

To correct autocorrelation in the initial model, this study applied the Cochrane–Orcutt method, which transforms the regression equation by considering interperiod residual correlations. This process requires lagged residual values, so one observation cannot be used and the effective sample size is reduced to 134, which is then used in the final estimation. After the transformation, all classical assumption tests were retested, resulting in a Durbin–Watson (d) value of 1.994 with a sample size (n) of 134. Based on the Durbin–Watson value distribution table, a dU value (1.7638) and (4 − dU) = 2.2362 were obtained. Because the value of d = 1.994 is between dU and (4 − dU), it can be concluded that there is no autocorrelation in the regression model, so the residuals are independent and the regression model is suitable for further hypothesis testing.

Moderated Regression Analysis (MRA) Test

Table 6. Moderated Regression Analysis (MRA) Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.270	0.284		-0.948	0.345
	CSR	8.060E-13	0.000	0.077	0.347	0.729
	Leverage	1.232	0.490	1.096	2,516	0.013
	Institutional Ownership	0.613	0.645	0.095	0.950	0.344
	CSR x IO	3.687E-14	0.000	0.001	0.006	0.995
	Leverage x IO	-3.181	1.124	-1.242	-2,829	0.005
a. Dependent Variable: Tax Planning						

Source: SPSS 27 Output (2025)

Based on the results of Moderated Regression Analysis (MRA) on companies in the food and beverage sub-sector for the period 2020–2024, the leverage variable was proven to have a significant effect on tax planning with a significance value of 0.013, while CSR and institutional ownership did not show a significant direct effect. The interaction between CSR and institutional ownership has a significance value of 0.995, indicating that institutional ownership is unable to moderate the effect of CSR on tax planning. Conversely, the interaction between leverage and institutional ownership shows a negative and significant effect with a significance value of 0.005, indicating that institutional ownership weakens the effect of leverage on tax planning. These findings show that institutional investors play a more effective role in controlling corporate financing policies than in strengthening the implementation of CSR on tax planning strategies in the food and beverage sub-sector.

Determination Coefficient Test (R^2)

The coefficient of determination (R^2) ranges from 0 to 1. An R^2 value close to 1 indicates that the regression model has a good ability to explain the relationship between independent and dependent variables. Meanwhile, if the R^2 value is close to 0, then the independent variables as a whole contribute little to the variation in the dependent variable. The coefficient of determination test results show an R Square value of 0.081 and an Adjusted R Square of 0.045, which means that CSR, leverage, institutional ownership, and their moderating interaction can only explain about 4.5% of the variation in tax planning in companies in the food and beverage sub-sector during the 2020–2024 period, while the remaining 95.5% is influenced by other factors outside the model.

F Test (Simultaneous)

The F test was conducted to test whether all independent variables are independent without exception so that they have a combined effect on the dependent variable in the regression model. If the sig value is less than 0.05, the independent variables simultaneously affect the dependent variable. Based on the F test results for companies in the food and beverage sub-sector for the 2020–2024 period, a calculated F value of 2.264 was obtained with a significance level of 0.052. This significance value is slightly greater than the 0.05 threshold, so it can be concluded that simultaneously, the variables of CSR, leverage, institutional ownership, and their moderating interaction do not yet have a significant effect on tax planning. These results indicate that collectively, the variables in the model are not yet able to strongly explain the variation in tax planning of companies in the food and beverage sub-sector during the research period.

T Test (Partial)

The t-test (partial) is used to determine the effect of each independent variable on the dependent variable Tax Planning.

Table 7. Partial T-Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-0.270	0.284		-0.948	0.345
	CSR	8.060E-13	0.000	0.077	0.347	0.729
	Leverage	1,232	0.490	1,096	2,516	0.013
	Institutional Ownership	0.613	0.645	0.095	0.950	0.344
	CSR x IO	3.687E-14	0.000	0.001	0.006	0.995
	Leverage x IO	-3.181	1.124	-1.242	-2,829	0.005

Source: SPSS 27 Output (2025)

Based on the t-test results in the Moderated Regression Analysis (MRA) model for food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the period 2020–2024, the effect of each variable on tax planning can be explained as follows.

First, the Corporate Social Responsibility (CSR) variable has a significance level of 0.729, which is above the significance threshold of 0.05. This result indicates that CSR does not have a significant effect on tax planning. These findings indicate that CSR spending and implementation in food and beverage companies during the research period was more focused on fulfilling regulatory obligations and maintaining social legitimacy, rather than being part of corporate tax planning strategies.

Second, the leverage variable shows a positive coefficient of 1.232 with a significance value of 0.013, which is less than 0.05. This indicates that leverage has a positive and significant effect on tax planning. This means that the higher the level of debt usage, the greater the tendency for companies in the food and beverage sub-sector to engage in tax planning. This condition reflects the use of debt interest expenses as a deduction from taxable income, particularly in the face of cost pressures and economic uncertainty during the 2020–2024 period.

Third, the institutional ownership variable has a coefficient value of 0.613 with a significance level of 0.344, so it does not have a significant effect on tax planning. This finding shows that the presence of institutional investors in food and beverage sub-sector companies does not directly influence tax planning policies, because the focus of supervision is more directed at performance stability and business sustainability rather than corporate fiscal strategies.

Fourth, the interaction between CSR and institutional ownership has a significance value of 0.995, indicating that institutional ownership does not moderate the influence of CSR on tax planning. This result indicates that the role of institutional investors has not been able to strengthen or change the relationship between CSR and corporate tax policy, so that CSR activities remain separate from tax planning strategies.

Fifth, the interaction between leverage and institutional ownership shows a negative coefficient of -3.181 with a significance level of 0.005, which means it has a significant effect on tax planning. This finding indicates that institutional ownership can weaken the effect of leverage on tax planning. In other words, the greater the institutional ownership, the more limited the use of debt as a means of tax planning. This reflects the supervisory function of institutional investors, which encourages the management of companies in the food and beverage sub-sector to be more cautious in using debt to avoid fiscal and reputational risks.

DISCUSSION

The Effect of Corporate Social Responsibility on Tax Planning

The t-test results show that CSR has a very small positive coefficient and is not significant for tax planning, with a significance value of 0.729 (>0.05). This finding indicates that the hypothesis stating that CSR affects tax planning is rejected, meaning that CSR does not have a negative and significant effect on tax planning. When linked to research data on one company from the food and beverage sub-sector, namely PT Astra Argo Lestari Tbk, it shows an inverse relationship, in accordance with the calculation of CSR values for five years, namely from 2020 to 2024, which show CSR values of 71,632,000,000, 86,699,000,000, 111,026,000,000, 88,526,000,000, and 88,506,000,000. This is followed by the tax planning value for five years, namely from 2020 to 2024, which shows an ETR of 38.89%, 29.03%, 26.23%, 27.38%, and 30.48%, respectively.

Based on sustainability reports and annual reports, CSR programs in the food and beverage sub-sector generally focus on issues directly related to consumers, such as food safety, waste management, energy efficiency, and community empowerment, especially during the post-pandemic recovery period when companies are required to maintain public trust and business sustainability. Within the framework of legitimacy theory, CSR is implemented to obtain and maintain social acceptance from the community and regulators, so that management tends to separate CSR policies from tax strategies in order to avoid negative perceptions, such as the assumption that CSR is used to cover up tax avoidance practices. From the perspective of agency theory, this caution also aims to avoid conflicts of interest with capital owners and reduce reputational risk. These findings are in line with by Firdayanti & Kiswanto (2020), who reported that CSR does not have a significant effect on tax aggressiveness, so that corporate social activities do not automatically change tax management patterns. On the other hand, these results differ from the findings of Lumbantobing & Siagian (2021) who found a negative and significant influence between CSR and tax aggressiveness in the same sub-sector but in different periods. The study shows that when CSR is implemented in a more integrated manner with governance, companies tend to avoid aggressive tax avoidance. The difference in the results of this study suggests that the relationship between CSR and tax planning is very sensitive to the context of time, regulatory pressure, and the intensity of stakeholder supervision.

The Effect of Leverage on Tax Planning

Leverage shows a positive and significant effect on tax planning with a significance value of 0.013 (<0.05), thus accepting the hypothesis of leverage's effect on tax planning. The positive coefficient indicates that an increase in leverage is followed by a change in ETR, reflecting the tax implications of debt use. When linked to research data on one company from the food and beverage sub-sector, namely PT Budi Starch & Sweetener Tbk, it shows a unidirectional relationship according to the test results, which means that if leverage increases, tax planning practices will increase. Similarly, if leverage decreases, tax planning will decrease. This is in line with the calculation results, which show that the leverage value for five years, namely from 2020 to 2024, shows leverage values of 124.10%, 115.70%, 119.62%, 109.12%, and 135.73%, respectively. This is followed by the tax planning value for five years, namely from 2020 to 2024, which shows ETR values of 3.20%, 19.52%, 19.79%, 19.46%, and 20.17%, respectively.

In the food and beverage sub-sector for the 2020–2024 period, the impact of leverage on tax planning is related to the increasing need for operational and investment financing to maintain the supply chain, production efficiency, and business stability amid post-pandemic uncertainty, including increases in raw material prices and distribution costs. The use of debt incurs interest expenses that, in accounting terms, reduce taxable income and thus impact tax planning. However, based on financial reports, this practice is generally carried out in a moderate and cautious manner, more as an effort to maintain liquidity and business sustainability than as an aggressive tax avoidance strategy. These findings are in line with agency theory, which views financing decisions as a means of increasing corporate efficiency, including tax efficiency, but still within controlled risk limits. These results are consistent with the research of by Nugroho et al. (2023) and Herlina et al. (2024), which concluded that leverage has a positive and significant effect on tax avoidance through interest tax shields. However, these findings differ from the research by by Ekawati & Utami (2024) and Anggraini & Wijaya (2024), which show that leverage does not have a significant effect on tax avoidance. Differences in the context of the sub-sector and research period may explain these discrepancies, where in certain sectors debt is more directed towards maintaining financial stability than as a tax planning tool. These differences emphasize that the role of leverage in tax planning is highly dependent on industry characteristics, managerial policies, and the regulatory pressures and reputational risks faced by companies.

The Role of Institutional Ownership in Moderating the Relationship between Corporate Social Responsibility and Tax Planning

The test results show that institutional ownership is unable to moderate the relationship between CSR and tax planning. This is based on the t-test results for the interaction between CSR and institutional ownership, which show an insignificant coefficient with a significance value of 0.995 (>0.05). When linked to the research data, it can be seen that although the CSR value of PT Astra Argo Lestari Tbk increased significantly in the 2020–2022 period and was relatively stable in 2023–2024, these changes were not followed by a consistent pattern of decline or increase in ETR. This condition persists in companies with a relatively stable and dominant institutional ownership structure, so that the institutional oversight function is not directed at linking CSR spending with corporate tax policy.

From the perspective of legitimacy theory, institutional investors actually encourage companies to maintain CSR consistency for the sake of reputation stability and business sustainability, especially since this sub-sector is highly sensitive to public perception. Meanwhile, according to agency theory, although institutional ownership acts as a monitoring mechanism, the focus of such monitoring is more on operational performance and long-term risks, rather than on the integration of CSR and tax planning. These findings are consistent with studies by Hamdani & Helmy (2023) and Salsabila & Oktris (2025), which report that institutional ownership is ineffective as a moderator of the relationship between CSR and tax avoidance because investors focus more on profitability, performance stability, and general compliance with regulations. This indicates that the institutional monitoring function in Indonesia, especially in the food and beverage sub-sector, has not utilized CSR as an indicator of corporate fiscal discipline. Conversely, the results of this study contradict those of Firdayanti & Kiswanto (2020) and Sagina et al. (2024), who found a significant moderating role in sectors with high ownership concentration, thus confirming that the effectiveness of institutional ownership as a moderating variable is highly dependent on sector characteristics, ownership structure, and the level of institutional investor involvement in corporate oversight.

The Role of Institutional Ownership in Moderating the Relationship between Leverage and Tax Planning

The test results show that institutional ownership significantly moderates the relationship between leverage and tax planning. Based on the t-test results for the interaction between leverage and institutional ownership, the results are significant with a significance value of 0.005 (<0.05) and a negative coefficient. This indicates that institutional ownership is able to moderate the relationship between leverage and tax planning, thus accepting the moderation hypothesis. Substantively, this finding shows that the greater the institutional ownership, the weaker the effect of leverage on tax planning. Empirically, although the data shows that an increase in leverage at PT Budi Starch & Sweetener Tbk during the 2020–2024 period was followed by an increase in ETR, this relationship did not occur aggressively when the institutional ownership structure was at a relatively high level. This indicates that institutional investors did not encourage management to maximize the tax benefits of debt but rather limited the use of leverage to remain at a safe level. Although interest expenses from debt continue to reduce taxable income and affect the ETR, institutional oversight prevents companies from excessively increasing debt for tax planning purposes. This is evident from the relatively stable ETR pattern in the range of 19–20% after 2021, even though leverage increased again in 2024.

In the food and beverage sub-sector for the 2020–2024 period, institutional investors play an active role in monitoring debt usage to ensure it remains under control amid economic uncertainty and fluctuations in raw material prices in the post-pandemic period. This oversight is more directed at maintaining a healthy capital structure and cash flow stability, so that leverage is not used excessively or opportunistically for tax savings purposes. This is in line with agency theory, where institutional ownership serves as a control mechanism to limit managerial behavior that could potentially increase financial risks that could disrupt the company's operational sustainability, including through debt policies that have an impact on taxes. These findings are consistent with Hakim & Cahyonowati (2024) and Rahmawaty & Astuti (2023), which show that institutional ownership can weaken companies' tendency to use debt as a tax saving instrument. Institutional investors play an effective supervisory role over funding policies, thereby encouraging management to be more cautious in using leverage for fiscal purposes. However, the results of this study are inconsistent with Ekawati & Utami (2024) and Anggraini & Wijaya (2024), who state that institutional ownership does not play a moderating role because the focus of supervision is more on performance stability and general compliance. This difference confirms that the role of institutional ownership in moderating the influence of leverage on tax avoidance is greatly influenced by the direction of investment objectives, policies in fund management, and the level of investor caution regarding reputational risk and compliance with tax regulations.

CONCLUSION

The results show that CSR does not have a significant effect on tax planning as proxied by the Effective Tax Rate (ETR), while leverage has a positive effect on tax planning in food and beverage sub-sector companies in the 2020–2024 period. Institutional ownership does not moderate the influence of CSR on tax planning, but it has been proven to weaken the influence of leverage on tax planning. These findings indicate that CSR practices in this sub-sector are more oriented towards fulfilling social legitimacy and regulatory compliance rather than as a strategic instrument in tax management. Conversely, leverage affects tax planning through the mechanism of reducing taxable income due to interest expenses, although this effect is limited by institutional investor oversight. Theoretically, these results are in line with Legitimacy Theory, which views CSR as a means of gaining social acceptance, and Agency Theory, which emphasizes the supervisory function of institutional investors in reducing opportunistic behavior by management.

Implicitly, this study confirms that the relationship between CSR, leverage, and tax planning is contextual and influenced by industry characteristics and corporate governance. For management, these findings indicate the importance of integrating CSR policies with capital structure and tax compliance so that they are not only oriented towards legitimacy, but also corporate efficiency and sustainability. Meanwhile, for institutional investors and regulators, the results of this study emphasize the need to strengthen oversight mechanisms for funding and taxation policies to maintain a balance between fiscal efficiency, financial stability, and corporate social legitimacy.

LIMITATION

This study has several limitations that need to be considered when interpreting the findings. The scope of the study, which only covers the food and beverage sub-sector for the period 2020-2024, limits the generalization of the results, given that the characteristics of this industry differ from other manufacturing sectors, which have more diverse cost structures and tax planning patterns. The variables tested are also limited to CSR, leverage, and institutional ownership, so the model does not fully capture other important factors that are empirically relevant to tax planning. In addition, the measurement of CSR using CSR cost proxies still has limitations in representing the quality and effectiveness of corporate social responsibility implementation. The specific conditions during the 2020-2024 research period, which includes the pandemic and economic recovery, also have the potential to affect companies' operational and fiscal policies, so the results of this study more closely reflect the conditions during that period than a completely stable economic condition. Considering these limitations, further research is recommended to expand the scope of the industrial sector, add more comprehensive tax planning determinants such as profitability, company size, or governance, use CSR measurements based on more representative disclosure indices, and consider observation periods in more stable economic conditions to improve the accuracy and explanatory power of the model.

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