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The Role of Good Corporate Governance in Practice Tax Avoidance: Analysis Independent Commissioner, Capital Intensity, CEO, and Audit Quality on Sector Properties and Real Estate (2019-2023)

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ABSTRACT

This study aims to examine the impact of independent commissioners, capital intensity, CEOs, and audit quality on tax avoidance practices in property and real estate companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. Tax avoidance was measured using the Effective Tax Rate (ETR), while data were collected from annual financial reports and analyzed using multiple linear regression. The results reveal that independent commissioners and capital intensity have a significant negative effect on tax avoidance, indicating that the presence of independent commissioners and a high proportion of fixed assets in a company can reduce tax avoidance efforts. On the other hand, while CEOs and audit quality were statistically significant, they did not align with the initial hypotheses, thus failing to support them. These findings confirm that corporate governance and fixed asset composition play crucial roles in minimizing tax avoidance. This research is expected to serve as a reference for policymakers, business practitioners, and future researchers in understanding and addressing tax avoidance issues in Indonesia

INTRODUCTION

In accordance with the Law on Harmonization of Tax Regulations, tax is defined as an obligation for the community or companies that must still be paid to the government according to the provisions of the law, does not receive direct compensation, and is used to meet the needs of the state. Currently, tax is the main contributor to domestic revenue. Given the important role of tax in state revenue, the state is always trying to increase tax revenue, which is the main task of the Directorate General of Taxes (DJP) (Madia et al., 2023; Satriya et al., 2024).

Companies basically try to maximize the company's value as a strategic step to provide optimal economic benefits for its investors. The company's value has significant weight for investors, serving as a signal to evaluate the company's achievements and prospects. Many taxpayers use various methods so that they can avoid payment of taxes in a legal or illegal way, such as using unfair tax reduction schemes or shifting profits abroad where the tax rates are lower than in Indonesia (Astuti & Herawati, 2022).

In tax revenue, one of the entities involved is the company that is the taxpayer. Several companies, including property and real estate companies, use various strategies to minimize tax liabilities; sometimes corporations use legal but controversial and important tactics. This has a significant impact on state revenue and the company's image. Although carried out in limited legal ways, tax avoidance is considered a form of tax aggressiveness that can harm the state in terms of revenue and reflects low transparency and managerial ethics (Kovermann & Velt, 2021). At the company level, management as operational actors has access to more complete information than the company owners, so the potential for abuse of authority for personal gain can occur, so that good corporate governance (GCG) principles need to be applied to ensure that the company develops sustainably (Cristian & Poniman, 2023). In addition, management is often opportunistic to minimize the company's tax burden to increase individual profits. In line with the bonus plan theory (Fajarani, 2021). If management has large shares, they tend to avoid taxes to get higher rewards.

Indonesia has a high percentage of tax avoidance cases. This phenomenon is reflected in the government's unfulfilled tax revenue targets, which are caused by shareholders' efforts to maximize their investment profits through various schemes. subtraction obligation taxation (Nurcahyani & Rahmawati, 2024). Company property and real estate have a complex financial structure, large amounts of fixed assets, and high transaction values. This sector often utilizes various accounting strategies to manage its tax burden. This complexity provides incentives for managers to avoid tax in a strategic way, for example, through depreciation of assets or arrangement of marked fixed assets, which is a characteristic of high capital intensity.

The company implements capital intensity as part of a financial strategy managed by management to encourage increased business profitability (Ariyani & Sunarto, 2024). According to Mulya & Anggraeni (2022), this capital intensity can be a factor in tax aggressiveness efforts, because if the company's capital intensity value is high, the company's income must be used to pay the amortization burden of fixed assets.

LITERATURE REVIEW

Agency Theory

Jensen & Meckling (1976) stated that there is a contractual bond between the principal (capital owner) and the agent (company manager). According to Ariyani & Sunarto (2024), an agency relationship is formed when the company owner delegates management authority to management. professional. Suharto et al. (2022) go on to explain that theory. This maps the interaction between the principal as an external stakeholder and the agent who acts as the actor operational company. In practice, Putri & Setiawan (2023) explain that even though in normative management as an agent is obliged to maximize mark holder shares, there is often a divergence of interests that triggers agency conflicts. This phenomenon occurs when management objectives are not aligned with the principal's interests.

Legitimacy Theory

This theory argues that companies operate within a certain social framework and require legitimacy from society to maintain their sustainability. Therefore, the delivery of information is carried out as an effort by companies to show that their activities are in line with the values, norms, and expectations of society (Fitriana et al., 2025). The social contract theory argues that the legitimacy of a company's operations in an area is based on political support and government regulatory guarantees, which in this case function as representation of public interest. Sector property and real estate play a significant role in supporting economic growth and the development process, so companies must ensure compliance with regulations, including matters of taxation. Therefore, companies that are right in the Good Corporate Governance (GCG) system will tend to eliminate tax avoidance practices to maintain their reputation and legitimacy in front of investors.

Tax Avoidance

Companies avoid taxes to reduce their tax burden with legal strategies but are often in conflict with tax laws. Legal tax avoidance is still within the legal framework, although it often takes advantage of loopholes or weaknesses in regulations, unlike tax evasion, which is clearly illegal (Hanlon & Heitzman, 2019). Companies tend to consider various internal and external factors in making decisions to carry out tax avoidance. Internal factors include the structure of corporate governance, executive characteristics (such as CEO background), and financial and operational structures such as leverage, capital intensity, and profitability. External factors such as regulatory complexity, market pressure, and tax authority oversight also play an important role. A weak corporate governance structure is more likely to engage in tax avoidance due to weak oversight of fiscal policy. In this context, tax avoidance reflects the imbalance between managerial objectives and stakeholder interests (Richardson et al., 2020).

Independent Commissioner

As a guardian of corporate governance, the independent board of commissioners plays a strategic role in ensuring the implementation of corporate strategy, overseeing business management processes, and monitoring corporate accountability practices (Cristan & Poniman, 2023). Independent commissioners are expected to play a role in preventing opportunistic management actions and carrying out supervisory functions, including in terms of corporate taxation. According to Dewi & Oktaviani (2021), if the high proportion of independent commissioners in a company reflects a high Effective Tax Rate (ETR), it can be concluded that it can suppress tax avoidance. Independent commissioners have an influence in encouraging transparency and fiscal accountability of the company. Independent commissioners do not have family or economic ties with management, so they are more objective in evaluating risks and tax decisions in the company.

Another study by Richardson et al. (2020) shows that a high proportion of independent commissioners aims to avoid aggressive tax planning strategies, especially in countries with weak legal enforcement. Therefore, strong supervision can compensate for weaknesses in the regulatory environment. Napitupulu et al. (2022) also emphasized the important role of independent commissioners in reducing the tendency of managers to chase personal interests through tax manipulation. This influence is more significant on company leverage, tall or performance finance. Which

decrease, because it will be more aggressive in carrying out tax avoidance practices.
H1: Independent commissioners have a negative effect on tax avoidance.

Capital Intensity

Capital intensity represents the ratio between investment capital and the total value of the company's fixed assets. According to Ariyani & Sunarto (2024), fixed assets are a form of long-term investment. long Which nature productive in support company on activity operations are not for trading purposes. Sahara (2022) revealed that *capital intensity* has a positive interaction with legal tax avoidance. Higher capital intensity also has an impact on high tax avoidance treatment. High capital intensity means that the company's operational structure is more stable and transparent, as well as the budgeting and recording of assets, which are still relatively complex and structured. The opportunity to carry out tax manipulation becomes more limited because fixed assets are easier to monitor and generally note in a way that is clear in financial reports (Rachmawati & Martani, 2020).

Furthermore, the existence of large, fixed assets can encourage companies to be more compliant with tax regulations because the value of these assets can be an indicator of tax authority supervision. In this context, companies with high *capital intensity need to have* planning tax, which is good so that no trigger inspection or sanctions taxation (Sari & Nugroho, 2021). Besides that, assets are still usually financed through external long-term funding, which is monitored more strictly by creditors or auditors so that it will suppress aggressive tax avoidance behavior (Yulianti & Junaidi, 2022).
H2: Capital intensity has a negative effect on tax avoidance.

Chief Executive Officer (Ceo)

Chief executive officer (CEO) is the highest leader in the company's management structure, thus holding a strategic role in directing all organizational activities. A CEO is ideally equipped with academic and professional competencies relevant to the company, either through formal education in the form of a bachelor's degree or the development of strategic managerial skills. Operationally, the CEO's influence is reflected in various business policies and strategies so that they walk in a way that is effective and efficient (Suharto et al., 2022). Higher education forms intellectual abilities and managerial skills. Which is strong, including evaluating and exploring strategy savings tax in a legal way. Several studies show that CEOs with higher education or who majored in finance, economics, or business tend to do tax planning by taking advantage of tax avoidance opportunities.

Francis et al. (2020) found that CEO higher education is correlated with the tendency to engage in complex tax planning, especially in multinational companies that have multiple entities and different tax jurisdictions. The high level of CEO education indicates the CEO's high ability to evaluate risks and benefits. strategy of tax avoidance. Wicaksono & Ramadhani (2023) show that CEOs with education are tall and precisely involved in tax avoidance while still in a legal framework. This is in line with the principle of strategic tax behavior, which views taxes as a managerial variable that can be controlled to support cost efficiency and increase company value.
H3: CEO has a positive on tax avoidance.

AUDIT QUALITY

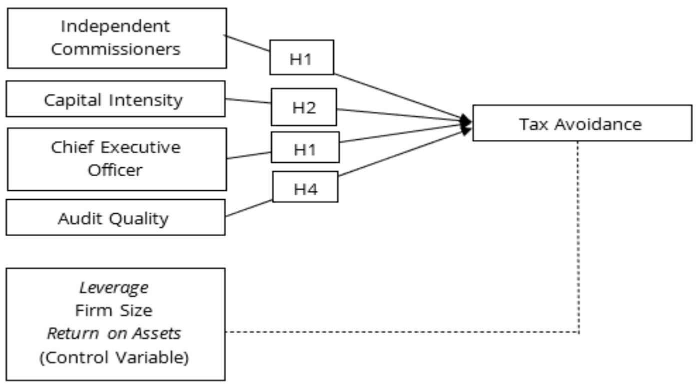
Several literature studies show that financial reports audited by a public accounting firm (KAP) Big Four, which are PricewaterhouseCoopers (PwC), Deloitte Touch Tohmatsu, KPMG, and Ernst & Young (E&Y), reflect high audit quality. Superior audit quality allows for a more accurate and reliable presentation of company value. Several studies indicate that the services of Big Four KAP auditors show a low level of fraud (Yunawati, 2021). Several empirical studies show that superior audit quality plays a significant role in increasing tax compliance.

As evidenced by Kanagaretnam et al. (2021), the Big Four KAPs tend to be able to create a disciplinary effect through three main mechanisms of a more robust internal control structure. robust implementation of standard professionalism and ethics Which is strict, as well as sensitive, to the tall against reputational risk when dealing with clients who implement aggressive tax strategies. This combination of factors forms an effective supervisory environment to minimize tax avoidance practices. Research by Lestari & Wicaksono (2023) shows that companies in Indonesia audited by Big Four KAP have a higher Effective Tax Rate (ETR), indicating low tax avoidance. This finding strengthens the argument that audit quality functions as a deterrent to aggressive tax avoidance practices.

H4: Audit Quality has a negative effect on tax avoidance.

Referring to the previous hypothesis development, the research framework in this study can be presented as follows:

Figure 1. Conceptual Framework



Source: Data Processing

METHODS

Research Data and Variables

This study uses a quantitative approach to test the relationship between the dependent variable, tax avoidance, and a few independent variables, including independent commissioners, chief executive officers (CEOs), capital intensity, and audit quality. In addition, this study also includes control variables in the form of firm size, leverage, and return on assets (ROA). The type of data used is secondary data obtained from the annual financial reports of property and real estate sector companies listed on the Indonesia Stock Exchange (BEI) during the period from 2019 until 2023. Determination sample done with purposive sampling method with specific criteria set as follows:

Table 1. Sample Research

Criteria	Amount
Property and *Real Estate* sector companies listed for the period 2019 to 2023	94
Company Which takes notes loss throughout the period 2019- 2023	(39)
The company that suspends or bankrupt during period 2019-2023	(22)
Company sector Properties and *Real Estate* Which IPO minimum 2019	(12)
Amount Population Sample	21
Year Study	5
Amount Research Sample	105
Data Outlier	(6)
Total Data Sample	99

Source: Indonesia Stock Exchange and Web Company

From the results above shown in table 1, this study produced 21 company samples from 94 companies that originate from sector properties and real estate, with a research period of 5 years, namely 2019-2023. In data processing, several outliers were found and had to be removed so that the number of samples obtained became 99 samples.

Tax Avoidance

According to Richardson et al. (2020), tax avoidance includes a variety of complex accounting practices, such as the use of offshore entities, transfer pricing engineering, and transaction restructuring. The level of tax avoidance is generally estimated through the effective tax rate. (ETR), which counted as the ratio between the burden tax that was paid in the year running against the company's profit. ETR calculation is done using the following formula:

$$\text{Effective Tax Rate (ETR)} = \frac{\text{Tax Expense}}{\text{Net Income}}$$

Independent Commissioners

The proportion of independent commissioners can be reflected in the high ETR value, which indicates low tax avoidance practices (Dewi & Oktaviani, 2021). In the context of this study, the independent commissioner variable is calculated using the following formula

$$\text{Independent Commissioners} = \frac{\text{Number of Independent Commissioners}}{\text{Total Number of Board Commissioners}}$$

Capital Intensity

Companies with high capital intensity have more flexibility in planning taxes. Phenomenon This happens because the proportion of assets that are still large will increase depreciation expense; in accounting, it functions as a reduction in taxable income. This study uses the proxy variable capital intensity, which is calculated using the following formula:

$$\text{Capital Intensity} = \frac{\text{Net Fixed Assets}}{\text{Total Assets}}$$

Chief Executive Officer (CEO)

Krause & Semadeni (2019) revealed that the educational background of business and finance, which is owned, will make a CEO use his expertise to compile a careful and aggressive tax strategy to optimize corporate profits. The CEO variable is operationalized using codes 0 and

1. Code 1 is given to CEOs with a background education in field finance, whereas code 0 is for those with no experience in the financial sector.

Audit Quality

The reputation of the KAP is an important indicator of the auditor's ability to maintain independence and professionalism and has a significant influence on audit results. Reputable KAPs, such as the Big Four KAPs, are associated with audit standards and better service quality. Audit quality measurement is carried out using a variable value of 1 if the audit is carried out by a KAP affiliated with the Big Four and a value of 0 for KAP outside the group (Sukmawati et al., 2024; Yustisi & Putri, 2021).

Method of analysis

The analysis uses multiple linear regression to examine the influence of independent variables, namely Independent Commissioner, CEO, Capital Intensity, and Audit Quality, on tax avoidance. The test was conducted with SPSS Statistics 25 using the following linear regression equation:

$$Y = \alpha\ 0 - \alpha\ 1\ KI - \alpha\ 2\ CI + \alpha\ 3\ CEO - \alpha\ 4\ AQ + \alpha\ 5\ LEV + \alpha\ 6\ SIZE + \alpha\ 7\ ROA + \varepsilon \ (1)$$

Information:
ETR: Effective Rate Tax
KI: Independent Commissioner
CI: Capital Intensity
CEO: Chief Executive Officer
AQ: Audit Quality
LEV: Leverage
SIZE: Firm Size
ROA: Return on Assets

RESULTS AND DISCUSSION

Results

Statistics Descriptive

Descriptive statistical analysis is used to provide an overview of the characteristics of the data from the 99 samples used. The statistical summary for each variable is as follows:

Table 2. Results Test Statistics Descriptive

Variables Study	Mark Minimum	Mark Maximum	Mark Flat-flat	Standard Deviation
ETR	0.00	0.87	0.5141	0.26222
KI	0.31	0.50	0.4090	0.08089
CEO	0.00	1.00	0.5354	0.50129
CI	0.00	0.65	0.0850	0.13771
AQ	0.00	1.00	0.2929	0.45742
SIZE	25.22	31.42	28.9827	1.52263
LEV	0.00	0.80	0.3536	0.17920
ROA	0.00	0.22	0.0482	0.04414

Source: Data Processing with IBM Statistics 25

Based on data that was processed and served on Table 2, with a total of 99 sample observations, the minimum and maximum values for the dependent variable Effective Tax Rate (ETR) are 0.00 and 0.87, respectively. Based on descriptive results analysis, the average ETR was recorded as high as 0.5141, with a standard deviation of 0.2622. Then for the first independent variable, namely the independent commissioner (KI), the minimum value is 0.31 and the maximum value is 0.50, the average value is 0.4090, and the standard deviation is 0.08089. The CEO variable measured using dummy data shows a minimum value of 0.00 and a maximum of 1.00, with an average value of 0.5354 and a standard deviation of 0.50129. Furthermore, the capital intensity (CI) variable has a range of values between 0.00 and 0.65, with a mark average of 0.0850 and a standard deviation as big as 0.1377. Finally, for the independent variable, namely the audit quality variable (AQ), the minimum and maximum values were recorded as big as 0.00 and 1.00, with a mark average of 0.2929 and a standard deviation of 0.4574.

On variable control, that is, company size (SIZE), mark the minimum, which got 25.22, and the maximum value of 31.42, with an average value of 28.9827 and a standard deviation of 1.5226. The leverage variable (LEV) in this study has a minimum value of 0.00 and a maximum value of 0.80, with an average of 0.3536 and a standard deviation of 0.17920. Finally, the return on assets variable (ROA) as an indicator of profitability shows a minimum mark of 0.00 and a maximum mark of 0.22, with an average value of 0.0482 and a standard deviation of 0.0441.

Normality Test

Normal testing is performed to ensure that the residuals from the regression model are distributed in a normal way. Results test normality in the study. This will be exposed in the following sections:

Table 3. Results Test Normality

One Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		99
Normal Parameters [a,b]	Mean	0
	Std. Deviation	0.19155296
Most Extreme Differences	Absolute	0.082
	Positive	0.082
	Negative	-0.066
Test Statistics		0.082
Asymp. Sig. (2- tailed)		0.102 [c]

Source: Data Processing with IBM Statistics 25

The results of the normality test using the One-Sample Kolmogorov-Smirnov Test showed a significant value of 0.102. Because this value exceeds the significance limit of 0.05, the residuals in the regression model can be considered normally.

Multicollinearity Test

Multicollinearity testing aims to detect the potential for high linear correlation between independent variables that can affect the stability of estimates in the regression model, which has the potential to cause distortion in the interpretation of the regression coefficients and reduce reliability results estimates. Testing This refers to two main indicators, namely the Variance Inflation Factor (VIF) and Tolerance indicators. The regression model is said to be free from multicollinearity symptoms if the VIF value is below 10 and the tolerance value exceeds 0.10. The results of the multicollinearity test based on the criteria are in the following table.

Table 4. Multicollinearity Test Results

Variables Study	Tolerance	VIF
KI	0.684	1,463
CEO	0.586	1,707
CI	0.800	1,249
AQ	0.478	2,092
SIZE	0.463	2.160
LEV	0.663	1,508
ROA	0.698	1,432

Source: Data Processing with IBM Statistics 25

Based on the test results, all variables in the model show VIF values ranging from 1.219 to 2.160 and tolerance values ranging from 0.463 to 0.800. In detail, the variables Commissioner Independent (KI) own VIF as big as 1,463 and Tolerance 0.684; variable CEO of 1.707 and 0.586; Capital Intensity (CI) of 1.249 and 0.800; Audit Quality (AQ) of 2.092 and 0.478; Size Company (SIZE) as big as 2,160 and 0.463; Leverage (LEV) as big as 1.508 and 0.663; and Return on Assets (ROA) of 1.432 and 0.698. Since all variables show a tolerance value > 0.10 and VIF < 10.00, it can be concluded that the regression model does not indicate any multicollinearity problems.

Heteroscedasticity Test

Park's test is used as a method to detect the presence of heteroscedasticity in the regression model. In testing, existence heteroscedasticity is identified if the significance is at or below 0.05. Conversely, if it exceeds 0.05, then there is no indication of heteroscedasticity. Based on these criteria, the results of the heteroscedasticity test are in the following table:

Table 5. Heteroscedasticity Test Results

Variables Study	Sig.	Sig. Value
KI	0.809	0.05
CEO	0.868	0.05
CI	0.736	0.05
AQ	0.258	0.05
SIZE	0.609	0.05
LEV	0.093	0.05
ROA	0.144	0.05

Source: Data Processing with IBM Statistics 25

Referring to the results, which displayed Table 5, all the overall variables showed a significance mark greater than 0.05. This indicates that in the regression model used, no symptoms of heteroscedasticity were found.

Autocorrelation Test

Run test used as a tool to detect the existence of pattern data residuals, which show the existence of autocorrelation in the regression model. Results testing show Mark Asymp. Sig. (2 tailed), namely 0.068, which exceeds the significance threshold of 0.05. This finding indicates that there is no indication of autocorrelation in the data. The results of the autocorrelation test are presented in the following table:

Table 6. Results Test Autocorrelation

Run Test	
	Unstandardized Residual
Test Value [a]	-.02089
Cases < Test Value	49
Cases >= Test Value	49
Total Cases	98
Number of Runs	41
Z	-1,828
Asymp. Sig. (2- tailed)	.068

Source: IBM SPSS Statistics 25

Hypothesis Test

The hypothesis testing process in this study uses a statistical significance approach. A hypothesis is considered significant and supported if the significance value is below the tolerance limit 0.05. On the contrary, if the mark significance exceeds the number, then the mark is considered insignificant, and the hypothesis is not supported. A summary of the hypothesis test results is presented in the following table:

Table 7. Hypothesis Test Result

Coefficientsa

MODEL	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-0.223	0.191		-1.165	0.247
KI	0.174	0.083	0.217	2,096	0.039
CEO	0.041	0.017	0.282	2.454	0.016
CI	0.190	0.052	0.363	3,671	0.000
AQ	-0.043	0.020	-0.275	-2.156	0.034
SIZE	0.004	0.006	0.094	0.725	0.470
LEV	0.157	0.044	0.388	3,548	0.001
ROA	-0.249	0.174	-0.152	-1.431	0.156

Source: Data Processing with IBM Statistics 25

DISCUSSION

Independent Commissioner and Tax Avoidance

Variables Independent Commissioner show sig 0.039 Which is at a lower threshold of 0.05, so it is concluded that there is a significant influence between this variable and tax avoidance practices. Although the regression coefficient is positive, the use of ETR as an indicator causes the direction of the relationship to be interpreted as a negative influence on tax avoidance. Therefore, the higher the proportion of independent commissioners in the company structure, the higher the ETR value, which reflects a better level of tax compliance, so that the tendency for tax avoidance practices decreases. This finding supports H1.

This finding is in line with the view of Cristan & Poniman (2023), who stated that the existence of independent commissioners reflects the principles of good corporate governance to supervise management behavior and prevent opportunistic actions, including tax avoidance practices. In line with that, Dewi & Oktaviani (2021) emphasized that the high proportion of independent commissioners in the company structure reflects good governance, thus contributing to reducing the intensity of tax avoidance practices carried out by the company.

Capital Intensity and Tax Avoidance

Variables Capital Intensity own coefficient worth negatives as big as -0.190 with mark sig 0.000 (<0.05). Because of that, H2 stated it was accepted. Connection negative This signifies that companies with a larger proportion of fixed assets tend to engage in lower levels of tax avoidance because ownership of fixed assets increases transparency and increases the likelihood of being audited.

This finding confirms that the higher the capital intensity indicated by the capital-to-fixed-assets ratio, the lower the tendency of companies to avoid taxes. Consistent with the findings of Ariyani & Sunarto (2024), which state that ownership of fixed assets as a form of long-term investment tends to reduce the motivation of companies to avoid taxes because these assets require transparent reporting.

Chief Executive Officer and Tax Avoidance

The sig value of the CEO is 0.016 (<0.05) with a positive coefficient, but because the direction of the hypothesis does not match the direction of the ETR coefficient, the H3 hypothesis is rejected. The CEO as a company leader has a strategic policy that can encourage the implementation of tax avoidance as one of the company's mechanisms to increase company value (Suharto et al., 2022).

Furthermore, research by Khan et al. (2021) revealed that this dual leadership structure can create a conflict of interest between corporate goals and tax obligations. This finding is reinforced by Adams et al. (2023), which indicates that companies with CEOs with financial or business educational backgrounds tend to show high levels of tax avoidance.

Audit Quality and Tax Avoidance

The sig value of 0.034 (<0.05), with a negative coefficient. However, in the interpretation of ETR, this result reflects an increase in ETR, which means that tax avoidance decreases. However, because the coefficient is not in the hypothesized direction, H4 is rejected. This finding is consistent with Pratama & Nugroho (2022), who emphasized that under certain conditions, audit quality does not always have a significant effect on tax avoidance behavior.

Temporary Lee & Park (2023) emphasize that effectiveness audits are very dependent on auditor competence and the complexity of the company's operations. On the other hand, Gupta et al. (2021) revealed that pressure from clients can reduce the auditor's ability to detect tax avoidance. Findings This is reinforced by Chen et al. (2020), who state that a strict regulatory environment will enhance the role of audit quality in limiting tax avoidance.

CONCLUSION AND SUGGESTION

Conclusion

The findings in this study are used to evaluate the extent to which the role of independent commissioners, capital intensity, Chief Executive Officer (CEO), and audit quality influence tax avoidance practices in companies that move in sector property and real estate, which are recorded in Exchange Effect Indonesia (BEI) during the period 2019 to 2023. Based on the results of the hypothesis testing, a number of main conclusions are outlined as follows:

1. The existence of independent commissioners has a negative effect on tax avoidance, indicating that the higher the proportion in the governance structure, the weaker the tendency to avoid taxes. This finding supports the first hypothesis (H1) and strengthens the important role of independent commissioners as supervisors of management performance so as not to engage in aggressive tax avoidance practices.

2. Capital intensity shows a negative relationship to tax avoidance. This means that companies with a large proportion of fixed assets to total assets tend to be more compliant with tax obligations. This condition reflects that long-term investments in the form of fixed assets are more transparent and have lower incentives to avoid tax. tax. Findings This supports H2. And in line with the studies of Sahara (2022) and Ariyani & Sunarto (2024).
3. The CEO shows significant influence in statistics on tax avoidance, but the direction of the relationship is contrary to the initial hypothesis so that H3 is rejected. Although the role of the CEO has influence in tax decisions, however, no, not in a way that automatically leads to increased tax avoidance practices. This finding is in line with that stated by Suharto et al. (2022).
4. Audit quality has a statistically significant effect, but the direction of the relationship is contrary to the initial hypothesis, causing H4 to be rejected. This shows that although auditor quality can increase quality reporting in finance, its impact on reducing tax avoidance is not always consistent (Yunawati, 2021; Pratama & Nugroho, 2022).

Suggestion

Further research can be conducted by adding other variables such as institutional ownership, audit committee, or research and development intensity as factors that may influence tax avoidance. Further studies can use a qualitative approach or combination method to dig deeper into managerial motivations in tax avoidance practices.

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