The Corporate Tax Aggressiveness Dynamics In Indonesia : A Comparative Study Pre, During And Post COVID-19

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ABSTRACT

The COVID-19 pandemic has caused major disruption to the global economy, affecting corporate revenues and financial stability. This research aims to (1) identify and evaluate changes in the level of corporate tax aggressiveness in three different time periods; before, during and after the COVID-19 pandemic, (2) identify patterns and trends in corporate tax behavior in each period to understand whether there have been significant changes in tax aggressiveness related to economic conditions and government policies during the pandemic. This research uses a sample of 57 financial sector companies listed on the Indonesia Stock Exchange (IDX) during the 2016-2023 period. The data analysis method uses the Kruskal-Wallis test. The results show that tax aggressiveness before the COVID-19 pandemic was lower than during the pandemic, but higher than after the COVID-19 pandemic. In addition, this research contributes to providing new insights and empirical evidence to the academic literature on how global crises, such as the COVID-19 pandemic, impact corporate tax behavior**.**

Keywords : covid-19 pandemic; economic breakdown; tax aggressiveness; financial company

I. INTRODUCTION

The COVID-19 (Corona Virus Disease 2019) pandemic is a disease outbreak that originated in Wuhan, China and spread to all countries in the world. In Indonesia, the first positive case of COVID-19 was found on March 2, 2020 and quickly infected residents in various regions in Indonesia (Puspasari et al., 2022). It has been more than a year since the COVID-19 pandemic hit Indonesia. Apparently, the outbreak has resulted in the "de-globalization" of this process by forcing countries to close borders, prevent the normal flow of goods, capital and people, and halt business and production activities at least temporarily. Nonetheless, countries are already starting to feel the macroeconomic impact of the outbreak and economists are increasingly paying attention to its effects (Barua, 2020). At the same time, various sudden policies were rolled out, such as the closure of markets, places of worship, universities, and all schools while keeping in mind the disease outbreak. Apart from causing a health crisis, the pandemic also triggered an economic crisis that even led to a recession (Firmansyah & Ardiansyah, 2021). If this continues, economic conditions will continue to deteriorate and even enter the brink of economic crisis and recession. In the last 12 years, Indonesia itself has experienced major economic shocks, namely the Asian financial crisis which began in mid-1997 and peaked in 1998 and the global economic crisis in 2008 and 2009 (Vanani & Suselo, 2021).

Based on the SPIME results for the second quarter of (*2020*), respondents stated that Indonesia's economic performance was lower than the previous year where in 2020 it grew by 0.03% (yoy), down compared to the realization in 2019 of 5.02% (yoy). This is due to the sluggish world economy, the decline in people's purchasing power, and the continued spread of the Corona Virus Disease (COVID-19) pandemic in Indonesia. In addition, through finance minister Sri Mulyani said that Indonesia will enter the brink of recession, if economic growth continues to decline. Based on the report on the Indonesian economy in the third quarter, which was delivered during the press statement of the finance minister regarding economic growth in the third quarter on the youtube channel of the Indonesian Ministry of Finance, the Indonesian economy was minus 3.49% in the third quarter of 2020 (Ravn & Sterk, 2017).

The COVID-19 pandemic has also had an impact on the decline in state revenue from taxes. Taxes are the main source of state revenue used to finance state expenditure. In 2020, tax revenue contracted as a result of the economic slowdown and incentivizing the impact of the Covid-19 pandemic. In 2021, tax revenue will continue to support economic recovery in a more measured manner and is projected to grow positively in line with the prospect of improving the economy and support for the continuation of tax administration reform. In measuring the performance of tax revenue in a country, there are many ways, one of which is by using the tax ratio or Tax Ratio. The function of taxes in the Tax Ratio is to obtain how much approximately the portion of taxes in a country's economy. The higher the Tax Ratio, the higher the State Budget (APBN) so that it can be used for various state needs in terms of development or facilities Judging from Indonesia's tax ratio, Indonesia's tax ratio is relatively low. This was stated by Sri Mulyani Indrawati (2021), state revenue, especially taxation in 2020 experienced a tremendous impact due to the Covid-19 pandemic where Indonesia's tax ratio fell below 9 percent. However, the government responded to economic instability by issuing tax incentive policies so that state tax revenues were further reduced. This was done by the government as a National Economic Recovery (NER) effort (Puspasari et al., 2022). The government's efforts to optimize the tax sector are not without obstacles. On the other hand, business people consider taxes as an investment burden. Companies responded well to this incentive, according to the Minister of Finance's statement on November 25, 2020, which stated that more than 451,026 companies had applied for tax incentives, and as many as 214,097 applications had been approved by the Ministry of Finance (Nordiansyah, 2020). During 2020, the government spent 56.12 trillion rupiah or about 46.51 percent of the budget allocation of 120.61 trillion rupiah for this incentive (Timorria, 2021). This government tax policy is expected to reduce the burden on companies and help their cash flow during the pandemic.

Therefore, it is not uncommon for companies to seek ways to reduce their tax burden (Wulandari, 2022). One of the management actions planned to avoid high corporate taxes is tax aggressiveness (Wulandari, 2022). Tax incentives provided by the government include a reduction in tax rates, a reduction in tax burden, and relaxation of tax services (Barid & Wulandari, 2021). This incentive policy encourages companies to practice tax aggressiveness, namely reducing the amount of tax to be paid. Tax planning actions, whether it uses a method that is considered to be lebagl, namely tax aggressiveness (tax avoidance) or tax evasion (tax evasion). Tax aggressiveness (tax avoidance) is defined as one of the actions taken by taxpayers to reduce their tax burden legally that does not violate tax regulations (Rusli, 2021). During the COVID-19 pandemic, tax incentives also provide opportunities for managers to implement tax aggressiveness practices. Tax aggressiveness is a way or effort made by a taxpayer in manipulating, hiding, and even illegally eliminating tax debt or avoiding not paying taxes as they are owed according to tax legislation that should be paid (Aldhian & Damayanti, 2021). The purpose of this tax aggressiveness is to optimize company profits (Firmansyah & Ardiansyah, 2021). Tax aggressiveness is carried out by continuing to comply with tax obligations legally and according to the provisions, but the amount of tax paid is arranged so that it is as minimal as possible. According to the Tax Justice Network, cited by (Barid & Wulandari, 2021). According to the Tax Justice Network, in 2020 there were 69.1 trillion rupiah of taxes that could not be collected due to the practice of tax aggressiveness in Indonesia.

The provision of incentives in the form of a reduction in tax rates can be used by company management to carry out tax aggressiveness. Tax aggressiveness is a tax planning action that can be legal or illegal. A company is said to carry out tax aggressiveness if it aggressively reduces its tax burden, either through legal means such as tax aggressiveness (tax avoidance) or illegal means such as tax evasion. The more loopholes a company utilizes, the more aggressive the company is considered to be. The government has developed tax reform for 2021-2024 with the aim of encouraging national economic growth, optimizing state revenue through the addition of tax objects and subjects, as well as increasing taxpayer compliance and improving governance and administration. However, during this pandemic, economic activity has been severely disrupted, so tax revenue has contracted. To avoid a deeper economic contraction, the government issued several policies and stimulus packages, including in the tax sector, such as providing tax incentives for workers in sectors directly affected by the pandemic.

This condition is supported by the internal motivation of the company that considers tax as a burden and can reduce profits in a significant portion coupled with the encouragement of shareholders to take tax aggressiveness actions to increase firm value (Walah et al., 2023). In addition, during a pandemic the level of control and supervision over the provision of tax incentives is likely to decrease. Therefore, the practice of tax aggressiveness during the pandemic period has increased.

Previous research on changes in the level of tax aggressiveness before and during the COVID-19 pandemic has been conducted by (Barid & Wulandari, 2021) and (Firmansyah & Ardiansyah, 2021). Research results (Barid & Wulandari, 2021) showed that there was an increase in tax aggressiveness practices by manufacturing companies listed on the IDX during the COVID-19 pandemic, with the research period of 2019 and 2020. Meanwhile, (Firmansyah & Ardiansyah, 2021) found that there was no difference in the level of tax aggressiveness between the pandemic and pre-pandemic eras in consumer goods industry companies listed on the IDX for the 2019 and 2020 periods. However, there are still not many studies that highlight how the trend of changes in tax aggressiveness during the period before, during and after the COVID 19 pandemic.

This research is important because it contributes insight into how the pandemic affects the tax behavior of financial sector companies, as well as the impact on tax policy and state financial stability. This is the first time this research has been conducted with the object of 57 financial sector companies in Indonesia in the period 2016 - 2023, thus providing a significant empirical contribution. In addition, this research was conducted because of the gap in the results of previous studies. Several studies show different results regarding the level of tax aggressiveness during the pandemic. Therefore, this study aims to fill the gap and provide useful additional information for the government, investors and academics regarding the dynamics of tax aggressiveness during the global crisis. The results of this study are expected to be an important reference for future policy making, especially in the face of unexpected economic crises such as a pandemic.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Agency Theory

Agency theory is a theory that discusses the relationship between the delegation of authority in making decisions from the owner (principal) to the agent or those assigned based on the employment contract (Regista Cahyani, 2023). This condition means that the agent as the manager of the company can act to fulfill his personal interests. This is contrary to the interests of the principal who seeks to maximize the return on its resources, so that this relationship triggers a difference in interests between the owner of the company and the manager which causes inefficient information obtained by both. It is widely accepted that the main objective of public company management is to maximize shareholder value (Landry et al., 2013). The difference in interests between the principle and agent can affect various matters relating to company performance, one of which is the company's policy regarding corporate tax. The agent is given the authority and decision-making authority by the principle to run the company (Barid & Wulandari, 2021)

COVID-19 and Economic Breakdown

Indonesia has been hit hard by the spread of the Corona virus. Not only human health, this Corona virus also disrupts economic health around the world. Many studies estimate that Indonesia's economic growth in the worst case scenario could be minus 0.4 percent (Sholahuddin et al., 2021). Similarly, based on Bank Indonesia's assessment, economic growth will fall to 2.3 percent; even in a worse scenario, it could be negative 0.4 percent (Sholahuddin et al., 2021). Current conditions have an impact on the decline in household consumption, which is estimated at 3.2 percent to 1.2 percent (Sholahuddin et al., 2021). This condition also has an impact on the sharp decline in investment. Previously, the government was quite optimistic that investment would grow by six percent. However, with the current COVID-19 conditions, investment is expected to fall to a level of one percent or at worst could reach minus four percent. This study aims to understand the condition of the Indonesian economy based on the above evidence that resulted in "economic losses", as found above. However, a significant determining factor may be the extent to which the disruptions caused by COVID-19 may hurt the transactional sector of the economy at various levels of business. More importantly, the ownership of capital by entrepreneurs and governments is critical. For example, during the current recession, when there are many bad debts and an unbalanced supply of capital, automatic recovery is difficult (Taskinsoy, 2020).

Tax Aggressiveness

The term given to aggressive actions regarding a company's tax policy Among them is known as tax aggressiveness. The definition of tax aggressiveness itself is an action designed to reduce taxable income with appropriate tax planning which is classified or not classified as tax evasion (Pandia & Wailan’ An, 2022). (Lietz, 2013) Tax aggressiveness is at a lower aggregation that can trigger limited tax avoidance actions. Tax aggressiveness is the company's effort to minimize the tax burden that must be paid either legally, illegally or both (Pratama et al., 2022).

HYPOTHESIS DEVELOPMENT

Based on various studies that have been conducted previously, it is found that economic crisis conditions are often a trigger for companies to adopt more aggressive tax policies as a strategy to manage their finances. (Anwar, 2022). In this context, the COVID-19 pandemic puts significant additional pressure on firms' cash flows and profitability, thus putting firms in a more vulnerable position and encouraging them to seek more efficient ways to reduce their tax burden (Lubis et al., 2021). This pandemic, with all its negative impacts on the economy, is likely to affect companies' decisions to minimize their tax liabilities as an effort to maintain business continuity amid high uncertainty. (Nyoman Rianti Apriliasari & Aisyah Hidayati, 2024). In line with agency theory, company managers hold the responsibility of safeguarding the economic stability of the company. This duty becomes especially critical during challenging periods, such as when the company experiences a widespread decline in sales, as seen during the pandemic. Managers are expected to take proactive measures to mitigate the impact of such difficulties and ensure the company's continued financial health (Firmansyah & Ardiansyah, 2021). Based on the existing literature and the assumptions above, the hypotheses developed in this study are as follows:

H1: There is a difference in the average level of tax aggressiveness before, during and after the COVID-19 pandemic.

II. RESEARCH METHOD

Data Collection

This study collected comprehensive data from the financial statements of 57 companies engaged in the financial sector and listed on the Indonesia Stock Exchange (IDX) during the period 2016 to 2023. In this study, the time period is divided into three important parts, namely the period 2016 - 2019 which is considered a period before the COVID-19 pandemic, then the period 2020 - 2021 which represents the ongoing period of the COVID-19 pandemic, and the period 2022 - 2023 which describes the conditions after the COVID-19 pandemic began to subside. The data used in this study is secondary data taken from the company's financial statements and annual reports that have been officially published on the Indonesia Stock Exchange website, which can be accessed through the address www.idx.co.id. This data includes various important information, including total income tax paid by the company as well as profit before tax, which will be used as the basis of analysis in this study.

Sampling Method

This research applies the purposive sampling method, which is a sampling technique carried out by selecting samples based on specific criteria that have been previously determined in accordance with the research objectives. The criteria used in the sample selection process are as follows: First, the companies selected must be companies that have audited their financial statements consistently in the period 2016 to 2023. Second, eligible companies are companies that use an accounting period that ends on December 31 each year, so that the uniformity of the financial reporting period can be maintained. Third, the companies selected are companies that during the research period, namely 2016 to 2023, did not stop or suspend their operational activities, so that the data generated is more valid and relevant for analysis.

Variable Measurement

The variable of this study, namely tax aggressiveness, this study uses the ETR (Effective Tax Rate) method. According to (Regista Cahyani, 2023) ETR is considered relevant for detecting tax aggressiveness because basically the practice of tax aggressiveness still pays taxes so that there is still cash coming out of the company but the ratio paid is not balanced with the income received by the company that year. The formula used to calculate tax aggressiveness, namely:

$$ETR = \frac{total\ income\ tax}{income\ before\ tax}$$

Meanwhile, the observation period of this study are consist 3 different types, namely: before COVID-19 pandemic which is marked by the numbers 1 (pre-COVID-19 pandemic in 2016-2019), 2 (during the COVID-19 pandemic in 2020-2021) and 3 (post-COVID-19 pandemic in 2022-2023.

Hypothesis Test

To analyze the data, this study used the Kruskal-Wallis method, which is a non-parametric test used to compare the distribution of one ordinal or interval variable in more than two independent groups. (Junaidi, 2010). This test is suitable for use when the data does not meet the assumption of normal distribution. Researchers used SPSS version 23 software for Windows as a statistical analysis tool. SPSS (Statistical Package for the Social Sciences) is a statistical software that is widely used for quantitative data analysis.

The mean comparison test is designed to support the hypothesis that there is a change in the level of tax aggressiveness practices in the period during the COVID-19 pandemic in 2020- 2021.

III. RESULTS AND DISCUSSION

Descriptive analysis is conducted to determine the variation of data without further reviewing or drawing conclusions. On the other hand, descriptive analysis is carried out to facilitate the process of analyzing and interpreting data. Table 1 summarizes the results of the descriptive test of this research data, including the minimum, maximum, mean and standard deviation of the tax aggressiveness variable and the COVID-19 pandemic period.

Table 1: Descriptive Test 1

	N	Mean	Std. Deviation	Minimum	Maximum
Tax Aggressiveness	315	24,7556	14,73911	-55.75	92.50
Period	315	1,7524	,83071	1.00	3.00

Source: data processing result, spss2024

Based on Table 1, it can be seen the results of descriptive analysis conducted for all observations of 315 data from 57 companies in the period 2016 to 2023. This descriptive analysis provides an overview of the characteristics of the data used in the study, especially regarding the tax aggressiveness variable. The analysis results show that the tax aggressiveness variable has a minimum value of -55.75 and a maximum value of 92.50. This means that there are companies that have very low to negative levels of tax aggressiveness, while other companies show very high levels of tax aggressiveness. The average value of this variable is 24.75, which indicates the average level of tax aggressiveness of all companies observed during the study period. In addition, the standard deviation obtained is 14.73. This standard deviation is smaller than the mean value, which indicates that the spread of data is relatively consistent around the mean value. In other words, the variation in the level of tax aggressiveness among these companies is not too large, so this average can be considered a good representation of the overall data used in the study. This indicates that the tax aggressiveness variable in most companies is within a range that is quite close to the mean, reflecting a homogeneous pattern of behavior among the observed sample.

For the period variable, the minimum value recorded in this study is 1.00, while the maximum value recorded reaches 3.00. This shows that the data related to the period variable has a range that is not too wide, but still varies. The average value obtained from this variable is 1.75, with a standard deviation of

0.83. The standard deviation is smaller than the average value, as is also the case with the tax aggressiveness variable, indicating that this average can be considered a good representation of the overall data. In other words, although the range of values of the period variable is relatively limited, the distribution of the data is quite even around the mean value. This indicates that the average value of the period variable is able to describe the data as a whole quite accurately, without too much variation in it.

Furthermore, overall, the standard deviation value that is smaller than the average, both in the period variable and the tax aggressiveness variable, provides a clear indication that the data used in this study tends to be stable and does not spread too far from its average value. This consistent and not too varied data distribution signals that the data collected has homogeneous characteristics and can be relied upon as a good representation of the entire population under study. Thus, the results of this descriptive analysis provide a strong basis for continuing further research, assuming that the data obtained has a good and representative distribution. It also provides confidence that the results of further analysis can be interpreted with a higher level of confidence, as this stable data is able to provide more reliable results and support valid conclusions.

Table 2: Ranks

	Period		Mean Rank
Tax Aggressiveness	Before COVID-19	157	163.34
	During COVID-19	79	172.06
	After COVID-19	79	133.32
	Total	315	

Source: data processing result, spss2024

The test results displayed in the table provide a more detailed picture of the level of tax aggressiveness that occurred during three different periods: before, during, and after the COVID-19 pandemic. In the period before COVID-19, there are 157 data analyzed, with a mean rank of 163.34. This mean rank provides a clear indication of how the data related to tax aggressiveness practices are distributed within the group of companies in this period. In general, the mean rank value of 163.34 suggests that the practice of tax aggressiveness in the pre-pandemic period tends to follow a pattern that can be considered as a baseline or normal condition, which reflects the situation of companies before the economic disruption caused by the global pandemic.

Furthermore, during the COVID-19 period, there were 79 data analyzed, and the mean rank obtained for this period was 172.06. The increase in mean rank from 163.34 in the pre- pandemic period to 172.06 during the pandemic indicates an increasing trend in the practice of tax aggressiveness by companies. This increase indicates that many companies may be forced to be more aggressive in their tax policies during the pandemic. The contributing factor is most likely the significant economic pressure and financial uncertainty faced by companies due to the pandemic, which forces them to look for ways to minimize their tax burden in order to maintain cash flow stability and operational continuity.

After the pandemic, 79 data were analyzed to see how the situation after the crisis subsided, and the mean rank obtained was 133.32. The significant decrease in the mean rank from 172.06 during the pandemic to 133.32 after the pandemic suggests that companies tend to reduce their tax aggressiveness practices once the situation starts to stabilize. This decrease can be interpreted that after the pandemic ended, many companies began to return to more conservative or normal tax practices. This may happen because economic stability is gradually recovering, so the pressures or incentives that drove companies to increase tax aggressiveness during the pandemic begin to diminish. Companies may feel that they no longer need to use more aggressive strategies to reduce taxes because the risks and uncertainties are far less than during the peak of the pandemic.

Based on the test results conducted, there is a significant increase in the practice of tax aggressiveness during the COVID-19 pandemic. This is evidenced by the decrease in the Effective Tax Rate (ETR) value, which is an indicator of the higher level of tax aggressiveness carried out by companies during this period. The decrease in ETR indicates that companies tend to minimize the tax burden that must be paid, with the aim of increasing net profits, even in crisis conditions.

According to agency theory, company managers have a responsibility to maintain the economic stability of the company, especially when the company faces difficult situations, such as the widespread decline in sales during the pandemic. In this situation, managers seek to increase company profits in ways that may be more aggressive, one of which is by taking steps to reduce tax liabilities. Tax aggressiveness is carried out as a strategy to maintain company profitability amid economic uncertainty caused by the pandemic.

Despite the government's efforts to provide various tax incentives to ease the burden on companies and help businesses deal with the economic impact of the pandemic, some companies have taken advantage of this opportunity to further increase their tax aggressiveness practices. With tax incentives, companies should be able to stabilize their finances without having to engage in excessive tax avoidance. However, in reality, many companies see this incentive as an opportunity to further reduce the tax burden they pay, so that their tax aggressiveness strategy increases. This shows a contradiction between the government's goal in providing incentives and the realization by companies, where instead of helping stabilize the broader economy, companies tend to use it for the sake of increasing their internal profits. This is consistent with research conducted by (Barid & Wulandari, 2021) which found an increase in tax aggressiveness practices during the pandemic. However, the research results from (Firmansyah & Ardiansyah, 2021) however, the research results from (Firmansyah & Ardiansyah, 2021) are different, which state that there is no difference in the level of tax aggressiveness before and during the pandemic.

The changes in mean rank from the periods before, during, and after the pandemic reflect the dynamics in corporate tax strategies influenced by external conditions such as the pandemic. The increase in tax aggressiveness during the pandemic indicates firms' response to the crisis situation, while the decrease after the pandemic reflects a return to more standard tax practices as economic conditions recover. It should also be noted that the amount of data in the periods during and after COVID-19 (79 each) is less compared to the period before COVID-19 (157). Although the amount of data varies, the change in the mean rank trend shows a significant trend towards changes in corporate tax aggressiveness. Despite the increase during the pandemic, the practice tends to decrease after the pandemic, which may be due to improved economic conditions and decreased incentives for tax aggressiveness.

Table 3: Significance Test

	Tax Aggressiveness
Chi-Square	8.222
df	2
Asymp. Sig.	.016

Source: data processing result, spss2024

The results of the Kruskal-Wallis analysis conducted showed a significant difference in the level of tax aggressiveness between the periods before, during, and after the COVID-19 pandemic. The chi-square value obtained from this analysis is 8.22. This chi-square is used to measure the extent to which the data obtained from the study differs from the expected data if there is no difference between the groups being compared. The larger the chi-square value, the more likely there is a

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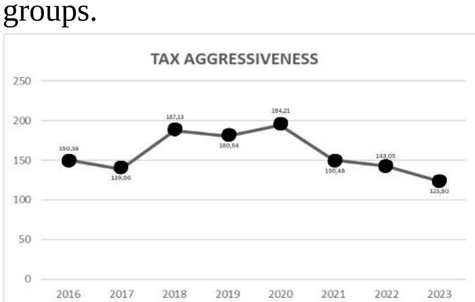
significant difference between the groups being tested. In this case, the asymp. sig value obtained was 0.016, which is much smaller than the significant threshold of 0.05 ($p < 0.05$). This indicates that the test results indicate a significant difference in the level of tax aggressiveness across the three time periods compared. Since this asymp. sig value is smaller than 0.05, we can reject the null hypothesis stating that there is no difference between the groups, and accept the alternative hypothesis indicating that there is a significant difference between the groups.



Source: data processing result, spss2024

The graph shows the level of tax aggressiveness from the period before the COVID-19 pandemic (2016 - 2029), during the COVID-19 pandemic (2020 - 2021) and the period after the COVID-19 pandemic (2022 - 2023). In 2016 the level of tax aggressiveness started from 150.36, there was a decrease in 2017 to 139.06. In 2018 it showed a fairly high increase, namely at 187.13, and experienced a slight decrease to 180.54 but was still quite high compared to 2017. In the COVID-19 pandemic period in 2020 there was an increase again to 194.21 which was the highest number in the period but experienced a very drastic decline in 2021 with a figure of 150.48. Entering the period after the COVID-19 pandemic in 2022, the tax aggressiveness rate decreased to 143.05 and in 2023 the decline continued with the lowest tax aggressiveness rate throughout the period, namely 123.80.

Based on the results of this significance test, it can be concluded that there are significant differences in the level of tax aggressiveness in the three periods analyzed, namely before, during, and after the COVID-19 pandemic. These results indicate that the COVID-19 pandemic has had a real and significant impact on company behavior regarding their tax aggressiveness. This difference in the level of tax aggressiveness is likely due to various factors related to the economic situation during the pandemic, such as economic pressures that encourage companies to be more aggressive in reducing their tax burden, or government policies that may provide tax incentives during the period.

Furthermore, the results of this analysis confirm that the COVID-19 pandemic has affected corporate tax policies and strategies in a significant way. Companies seem to have adjusted their tax strategies to respond to the changing economic environment caused by the pandemic, either by increasing or decreasing their level of tax aggressiveness depending on the situation at hand. Understanding these significant differences is crucial for policymakers, tax authorities, and researchers, as it can help in formulating and implementing tax policies that are more effective in managing and supervising corporate tax behavior during times of crisis or uncertain economic situations.

Overall, the results of this Kruskal-Wallis analysis provide strong evidence that the COVID- 19 pandemic has significantly affected the level of corporate tax aggressiveness, and this difference can be measured statistically with the results showing significance. These findings not only expand our understanding of how the global crisis affects corporate tax behavior, but also offer important insights for the design of tax policies that are more adaptive and responsive to changing economic situations.

IV. CONCLUSION

The results of this study show that over a period covering seven years, from 2016 to 2023, there is a very significant dynamic in the level of tax aggressiveness of these companies. The observed changes occurred at three different time periods: before the COVID-19 pandemic hit, during the peak of the pandemic that shook the global economy, and after the pandemic began to subside. This study specifically uses the Kruskal-Wallis data analysis method, a statistical method used to identify changes in the level of tax aggressiveness, which is influenced by fluctuations in economic conditions and various policies implemented by the government in response to the impact of the pandemic.

In the period before the COVID-19 pandemic, the level of tax aggressiveness among these companies was relatively lower than the level of aggressiveness recorded during the pandemic. However, this level of tax aggressiveness is still higher when compared to the period after the pandemic began to be controlled. During the pandemic, many companies have actively utilized various tax incentives provided by the government as part of efforts to support economic recovery. These incentives, in turn, drove an increase in tax aggressiveness, as companies sought to reduce their tax burden in more aggressive ways. However, post-pandemic, there has been a significant decline in the level of tax aggressiveness, which is strongly suspected to be the result of the government's tightening of tax policies and increased scrutiny of unethical tax practices. In addition, improvements in general economic conditions also reduce the pressure for companies to adopt aggressive tax avoidance strategies.

The findings of this study highlight that the COVID-19 pandemic has not only impacted global health and economy, but also triggered substantial changes in corporate tax behavior. The pandemic has created conditions where companies feel compelled to manipulate their tax obligations through more intensive tax aggressiveness practices.

In addition to making a significant empirical contribution to the academic literature, this study also offers valuable insights into how global crises, such as the COVID-19 pandemic, can affect and change corporate tax behavior. The results of this study are expected to serve as animportant reference for policymakers, investors, and academics in designing and implementing more effective, fair, and sustainable tax strategies, especially in the face of unforeseen economic challenges in the future.

The limitation in this study is that the sample used only includes financial sector companies listed on the Indonesia Stock Exchange in 2016-2023, and the research focus is limited to the Indonesian region. Future research is expected to expand the scope of studies on tax aggressiveness by using a more diverse sample and covering a wider geographic area.

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