The Influence of Profitability, Leverage, Firm Size, and Sales Growth on Tax Management

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Abstract: This study aims to analyze the effect of profitability, leverage, firm size, and sales growth on tax management in healthcare sector companies listed on the Indonesia Stock Exchange during the 2021–2025 period. This study employs a quantitative approach using a purposive sampling method and secondary data obtained from annual reports and financial statements, resulting in 53 observations after the elimination of outlier data. The data were analyzed using multiple linear regression with SPSS version 26. The results indicate that profitability and sales growth have a positive effect on tax management, while leverage has a negative effect on tax management. Meanwhile, firm size has no significant effect on tax management. The findings are expected to contribute to taxation research by providing additional evidence on tax management determinants and assisting companies in optimizing their tax planning strategies.

Keywords: Profitability, Leverage, Company Size, Sales Growth, Tax Management

1. Introduction

Based on Law Number 7 of 2021 concerning the Harmonization of Tax Regulations, taxes are obligations that must be fulfilled by taxpayers in accordance with the applicable laws and regulations. Tax revenues are utilized to support government administration and improve public welfare. In addition, taxes constitute one of the primary sources of state revenue and play a crucial role in financing various public needs, including education, healthcare, infrastructure, and social services. According to data from the Directorate General of Taxes (DGT, 2022), tax revenue remains the largest contributor to the structure of state revenue. This condition indicates that the success of national development is highly dependent on the optimization of tax revenue collection.

From a corporate perspective, taxes are generally regarded as an expense that can reduce net profit. Consequently, companies seek to manage their tax obligations efficiently through the implementation of tax management practices. Ningsih and Ruwanti (2024) stated that tax management is carried out to organize the fulfillment of tax obligations without violating applicable regulations. Similarly, Pohan (2022) explained that tax management refers to a series of efforts undertaken by taxpayers to fulfill their tax obligations effectively and efficiently in accordance with tax regulations.

Therefore, tax management is not an illegal practice but rather a strategy employed by companies to optimize the management of tax expenses within the boundaries of the law.

Agency theory explains the existence of conflicting interests between the government as the principal and corporate management as the agent. The government expects companies to fulfill their tax obligations in accordance with applicable regulations, whereas management seeks to manage tax expenses efficiently in order to maximize corporate profits. This conflict of interest serves as the basis for companies to implement tax management as part of their financial management strategy.

A phenomenon related to tax management can be observed in the case of PT Indofarma Tbk, which encountered issues in its financial statements that potentially affected the company's tax obligations. According to Devi et al. (2024), this condition highlights the importance of tax management that prioritizes compliance with tax regulations to avoid legal risks and potential losses to the state. This phenomenon indicates that corporate efforts in implementing tax management remain a relevant topic for further investigation, particularly concerning the factors that influence companies' decisions in managing their tax obligations.

Several factors are believed to influence tax management, namely profitability, leverage, firm size, and sales growth. Profitability reflects a company's ability to generate profits and is often associated with increased incentives for companies to engage in tax management practices (Albertus & Susanty, 2024). Leverage is also considered to influence tax management, as interest expenses can be utilized by companies as a deduction from taxable income (Sari & Ramli, 2023). Furthermore, firm size and sales growth are regarded as important factors because they are related to the complexity of a company's operations and increased profitability, which may affect corporate tax policies (Safitri & Hasanah, 2024).

Tax management can be defined as a series of strategic actions aimed at addressing various tax-related issues faced by taxpayers in an efficient and effective manner. Several factors are believed to influence tax management, including profitability, leverage, firm size, and sales growth. Profitability is one of the primary indicators used to assess a company's efficiency in generating profits through the utilization of its assets and capital. Regarding profitability, Erlitasari et al. (2022), Sidabalok et al. (2022), Hidayah and Umiah (2022), Albertus and Susanty (2024), and Amanda et al. (2025) found that profitability has a significant effect on tax management. However, Sinaga et al. (2022) and Febriyanti and Susanty (2023) reported a negative effect of profitability on tax management, while Tholibin et al. (2022), Laurencia and Veny (2022), and Kamarullah (2025) found that profitability has no effect on tax management.The second factor influencing tax management is leverage. A high level of leverage increases interest expenses, which, under tax regulations, may be deducted from taxable income and consequently affect a company's strategy in managing its tax obligations (Sari & Ramli, 2023). Concerning leverage, Febriyanti and Susanty (2023), Imaniar et al. (2024), and Amanda et al. (2025) found a significant effect on tax management. In contrast, Satria and Nathan (2023), Ermadiani et al. (2023), Devi et al. (2024), and Kamarullah (2025) reported different directions of influence. Meanwhile, Erlitasari et al. (2022), Hidayah and Umiah (2022), Laurencia and Veny (2022), Nadiya and Ridwan (2024), and Felicia et al. (2024) concluded that leverage has no effect on tax management.

The third factor influencing tax management is firm size. Firm size can be measured by total assets, which represent the scale of business operations and the operational capacity of a business entity (Santoso & Pratiwi, 2023). Hanum and Manullang (2022) found that firm size has a positive and significant effect on tax management, which is consistent with the findings of Erlitasari et al. (2022), Tholibin et al. (2022), Ermadiani et al. (2023), and Nadiya and Ridwan (2024). In addition, Noviaty et al. (2022), Febriyanti and Susanty (2023), and Asilasyarqi and Yohanes (2023) reported that firm size has a negative and significant effect on tax management. However, these findings differ from those of Devi et al. (2024), Ardiyani and Tantra (2024), Felicia et al. (2024), Amanda et al. (2025), and Kamarullah (2026), who concluded that firm size has no effect on tax management. The fourth factor influencing tax management is sales growth. Sales growth is an important indicator in assessing a company's financial condition because it has strategic implications for corporate performance (Izzatun Ainiyah et al., 2025). Safitri and Hasanah (2024) and Ruslaini and Linn (2023) found that sales growth has a positive and significant effect on tax management. In contrast, Ermadiani et al. (2023) and Azizah and Rosyati (2025) reported that sales growth has a negative and significant effect on tax management. However, different findings were reported by Amanda et al. (2024) and Erickson et al. (2024), who concluded that sales growth has no effect on tax management.

2. Research Method

This study employed a quantitative approach and a causal-comparative research design, utilizing numerical data obtained from corporate financial statements. This approach was chosen because it enables the examination of the effects of profitability, leverage, firm size, and sales growth on tax management.

This study utilized secondary data obtained from companies' annual reports and financial statements. The data were collected from the official website of the Indonesia Stock Exchange (IDX) and the official websites of the respective companies. The research sample was selected using a purposive sampling method based on several criteria, namely consumer non-cyclical sector companies listed on the Indonesia Stock Exchange during the 2021–2023 period, companies that published complete annual reports and financial statements throughout the observation period, and companies that provided sufficient data for measuring all research variables.

Tax management, as measured by the Cash Effective Tax Rate (CETR), was employed as the dependent variable in this study. Meanwhile, the independent variables consisted of profitability, measured by Return on Equity (ROE), leverage, measured by the Debt-to-Asset Ratio (DAR), firm size, measured by the natural logarithm of total assets (Ln Total Assets), and sales growth, measured by the Sales Growth ratio. The operational definitions of the variables are presented in the following table.

Table 1. Operational Definition of Variables

Variable	Measurement (Minimum Three References for Each Variable and Publication Year)	Scale
Y = Tax Management	Cash ETR = Cash Tax Paid / Profit Before Tax (Sinaga & Rahmanto, 2022) (Noviaty, *et al.*, 2022) (Setyapurnama, 2025)	Ratio
X1 = Profitability	Return On Equity Ratio = Net Profit After Tax / Total Equity (Nyman, *et al.*, 2022) (Howard, *et al.*, 2024) (Carolina & Yusuf, 2025)	Ratio
X2 = Leverage	Debt To Asset Ratio = Total Liability / Total Asset (Erlitasari, *et al.*, 2022) (Imaniar, *et al.*, 2024) (Nadira Kamarullah, 2025)	Ratio
X3 = Firm Size	Size = Natural Logarithm Total Asset (Hanum & Manullang, 2022) (Hidayah & Umiah, 2022) (Ermadiani, *et al.*, 2023)	Ratio
X4 = Sales Growth	Sales Growth = (Sales t - (Sales t-1))/Sales t-1 (Ermadiani, *et al.*, 2023) (Amanda, *et al.*, 2024) (Safitri & Hasanah, 2024)	Ratio

The research data were processed using SPSS version 26. Data analysis was conducted through descriptive statistics, classical assumption tests, multiple linear regression analysis, the coefficient of determination test, the F-test, and the t-test. The classical assumption tests consisted of the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test. The regression model used in this study is formulated as follows:

$$Y = \alpha + \beta 1ROE + \beta 2DAR + \beta 3SIZE + \beta 4PP + e$$

Keterangan:

Y = Tax Management (CETR)
α = Constant
β1–β4 = Regression Coefficients
ROE = Profitability
DAR = Leverage
SIZE = Firm Size
PP = Salesh Growth
e = Error

3. Results and Discussion

This study utilized annual report data from healthcare sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2025 period. Initially, the study consisted of 75 observations obtained from 15 companies over a five-year period. During the data analysis process, 22 observations were identified as outliers and

excluded from the dataset to reduce bias and improve data normality. Following the removal of these outliers, the final sample comprised 53 observations, which were subsequently used for hypothesis testing and further analysis.

3.1.1. Descriptive Statistics

Table 2. Descriptive Statistics Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
PROFITABILITAS	53	.00500	.36320	.15375	.08245
TINGKAT UTANG	53	.09370	.45090	.25318	.10848
UKURAN PERUSAHAAN	53	27.44320	31.05530	29.20429	1.01409
PERTUMBUHAN PENJUALAN	53	-.16480	.64680	.07991	.12089
MANAJEMEN PERPAJAKAN	53	.06760	.59950	.31145	.13432
Valid N (listwise)	53				

Source: Author's Analysis Using SPSS Statistics Version 26

The results presented in Table 2 indicate that this study utilized 53 observations. The independent variables consisted of profitability (X1), leverage (X2), firm size (X3), and sales growth (X4), while tax management (Y) served as the dependent variable. The descriptive statistical analysis of these variables is explained as follows:

1. Profitability, as measured by Return on Equity (ROE), recorded a minimum value of 0.00497 for PT Sarana Meditama Metropolitan Tbk in 2024 and a maximum value of 0.36324 for PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2021. The variable had a mean value of 0.1538 and a standard deviation of 0.08245. Since the standard deviation is lower than the mean value, it indicates that the data are relatively homogeneous and exhibit a low level of variability.
2. Leverage, as measured by the Debt-to-Asset Ratio (DAR), recorded a minimum value of 0.09367 for PT Kedoya Adyaraya Tbk in 2023 and a maximum value of 0.45093 for PT Soho Global Health Tbk in 2021. The variable had a mean value of 0.2532 and a standard deviation of 0.10848. Since the mean value is higher than the standard deviation, it can be concluded that the data are relatively homogeneous, indicating that there are no extreme differences among the sample observations.
3. Firm size, as measured by the natural logarithm of total assets (Size), recorded a minimum value of 27.44324 for PT Kedoya Adyaraya Tbk in 2023 and a maximum value of 31.05526 for PT Kalbe Farma Tbk in 2025. The variable had a mean value of 29.2043 and a standard deviation of 1.01409. Since the mean value exceeds the standard deviation, the data can be considered relatively homogeneous, indicating limited variation among the sample observations.
4. Sales growth recorded a minimum value of -0.16479 for PT Medikaloka Hermina Tbk in 2022 and a maximum value of 0.64683 for PT Bundamedik Tbk in 2021. The variable had a mean value of 0.0799 and a standard deviation of 0.12089. Since the standard deviation exceeds the mean value, the data exhibit relatively high variability and can be considered

heterogeneous, indicating considerable variation among the sample observations.

5. Tax management, as measured by the Cash Effective Tax Rate (CETR), recorded a minimum value of 0.06757 for PT Soho Global Health Tbk in 2021 and a maximum value of 0.59951 for PT Tempo Scan Pacific Tbk in 2021. The variable had a mean value of 0.3114 and a standard deviation of 0.14352. Since the mean value exceeds the standard deviation, the data can be considered relatively homogeneous, indicating limited variation among the sample observations.

3.1.2. Normality Test

Table 3. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		53
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.10923451
Most Extreme Differences	Absolute	.106
	Positive	.106
	Negative	-.064
Test Statistic		.106
Asymp. Sig. (2-tailed)		.197[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: Author's Analysis Using SPSS Statistics Version 26

Table 3 shows that the Asymp. Sig. (2-tailed) value is 0.197, which is greater than 0.05. Therefore, the residual data are considered to be normally distributed, indicating that the normality assumption has been satisfied by the regression model.

3.1.3. Multicollinearity Test

Tabel 4. Multicollinearity Test Results

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	PROFITABILITAS	.965	1.036
	TINGKAT UTANG	.973	1.028
	UKURAN PERUSAHAAN	.995	1.005
	PERTUMBUHAN PENJUALAN	.957	1.045

a. Dependent Variable: MANAJEMEN PERPAJAKAN

Source: Author's Analysis Using SPSS Statistics Version 26

Table 4 indicates that all independent variables have tolerance values exceeding 0.10 and Variance Inflation Factor (VIF) values below 10. These results suggest that the regression model does not suffer from multicollinearity.

3.1.4. Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

Correlations			
			Unstandardized Residual
Glejser	ROE	Sig. (2-tailed)	0,231
	DAR	Sig. (2-tailed)	0,225
	SIZE	Sig. (2-tailed)	0,327
	PP	Sig. (2-tailed)	0,193
	Unstandardized Residual	Sig. (2-tailed)	
		N	53

Source: Author's Analysis Using SPSS Statistics Version 26

The results of the heteroscedasticity test using the Glejser method, as shown in Table 5, indicate that the significance values of all independent variables are greater than 0.05. These findings suggest that the regression model does not suffer from heteroscedasticity.

3.1.5. Autocorrelation Test

Table 6. Autocorrelation Test Results

Runs Test

	Unstandardized Residual
Test Value[a]	-.01923
Cases < Test Value	26
Cases >= Test Value	27
Total Cases	53
Number of Runs	28
Z	.141
Asymp. Sig. (2-tailed)	.888

a. Median

Source: Author's Analysis Using SPSS Statistics Version 26

Based on the results of the Run Test presented in Table 6, the Asymp. Sig. (2-tailed) value is 0.888, which is greater than 0.05. Therefore, it can be concluded that the regression model does not suffer from autocorrelation.

3.1.6. Multiple Linear Regression Analysis

Table 7. Multiple Linear Regression Analysis Results

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-.029	.456		-.063	.950
	PROFITABILITAS	-.542	.195	-.333	-2.785	.008
	TINGKAT UTANG	.289	.147	.234	1.964	.055
	UKURAN PERUSAHAAN	.013	.016	.099	.842	.404
	PERTUMBUHAN PENJUALAN	-.416	.133	-.375	-3.123	.003

a. Dependent Variable: MANAJEMEN PERPAJAKAN

Source: Author's Analysis Using SPSS Statistics Version 26

Based on the results shown in the table above, the multiple linear regression equation can be expressed as follows:

CETR = -0,029 - 0,542ROE + 0,289DAR + 0,013SIZE - 0,416PP + e

Based on the regression equation, tax management (Y) serves as the dependent variable with a negative constant value of -0.029. This indicates that when profitability (X1), leverage (X2), firm size (X3), and sales growth (X4) are assumed to be zero, the value of tax management is -0.029. The profitability variable (X1) has a negative regression coefficient of -0.542, indicating that a one-unit increase in profitability will decrease tax management by 0.542 units, assuming that leverage (X2), firm size (X3), and sales growth (X4) remain constant. Conversely, a one-unit decrease in profitability will increase tax management by 0.542 units. Leverage (X2) has a positive regression coefficient of 0.289, indicating that a one-unit increase in leverage will increase tax management by 0.289 units, assuming that profitability (X1), firm size (X3), and sales growth (X4) remain constant. Conversely, a decrease in leverage will reduce tax management by the same amount. Firm size (X3) has a positive regression coefficient of 0.013, indicating that a one-unit increase in firm size will increase tax management by 0.013 units, assuming that profitability (X1), leverage (X2), and sales growth (X4) remain constant. Conversely, a decrease in firm size will reduce tax management by the same amount. Sales growth (X4) has a negative regression coefficient of -0.416, indicating that a one-unit increase in sales growth will decrease tax management by 0.416 units, assuming that profitability (X1), leverage (X2), and firm size (X3) remain constant. Conversely, a decrease in sales growth will increase tax management by the same amount.

3.1.7. Coefficient of Determination Analysis

Table 8. Coefficient of Determination Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.582[a]	.339	.284	.11369

a. Predictors: (Constant), PERTUMBUHAN PENJUALAN, UKURAN PERUSAHAAN, TINGKAT UTANG, PROFITABILITAS

b. Dependent Variable: MANAJEMEN PERPAJAKAN

Source: Author's Analysis Using SPSS Statistics Version 26

The Adjusted R-Square value presented in Table 8 is 0.284, indicating that profitability, leverage, firm size, and sales growth collectively explain 28.4% of the variation in tax management. The remaining 71.6% of the variation in tax management is explained by other factors not included in the research model.

3.1.8. F-Test

Tabel 9. Uji Statistik F

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.318	4	.079	6.145	.000[b]
	Residual	.620	48	.013		
	Total	.938	52			

a. Dependent Variable: MANAJEMEN PERPAJAKAN

b. Predictors: (Constant), PERTUMBUHAN PENJUALAN, UKURAN PERUSAHAAN, TINGKAT UTANG, PROFITABILITAS

Source: Author's Analysis Using SPSS Statistics Version 26

Table 9 indicates a significance value of 0.000, which is below the 0.05 significance level. This finding suggests that the regression model is statistically fit and suitable for analysis. Accordingly, profitability, leverage, firm size, and sales growth simultaneously exert a significant effect on tax management.

3.1.9. t-Test Results

Tabel 10. t-Test Results

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.029	.456		-.063	.950
	PROFITABILITAS	-.542	.195	-.333	-2.785	.008
	TINGKAT UTANG	.289	.147	.234	1.964	.055
	UKURAN PERUSAHAAN	.013	.016	.099	.842	.404
	PERTUMBUHAN PENJUALAN	-.416	.133	-.375	-3.123	.003

a. Dependent Variable: MANAJEMEN PERPAJAKAN

Source: Author's Analysis Using SPSS Statistics Version 26

The t-test was conducted to examine the effect of each independent variable on tax management. The significance values used in this study were one-tailed significance values, obtained by dividing the two-tailed significance values from the SPSS output by two, as the research hypotheses were formulated directionally. Based on Table 10, profitability has a significance value of 0.004 with a beta coefficient of -0.542. Leverage has a significance value of 0.0275 with a beta coefficient of 0.289. Firm size has a significance value of 0.202, while sales growth has a significance value of 0.0015 with a beta coefficient of -0.416. The results indicate that profitability, leverage, and sales growth significantly affect tax management, while firm size does not significantly affect tax management. Since tax management is proxied by the Cash Effective Tax Rate (CETR), a negative regression coefficient indicates a decrease in CETR, which reflects a higher level of tax management. Therefore, profitability and sales growth have a

positive effect on tax management, whereas leverage has a negative effect on tax management. Meanwhile, firm size has no significant effect on tax management.

3.2. Discussion

3.2.1. The Effect of Profitability on Tax Management

Profitability reflects a company's ability to generate profits from its operational activities. From the perspective of agency theory, differing interests between the government and companies may influence corporate tax policies. Higher levels of profitability are associated with greater potential tax liabilities. Therefore, companies tend to implement tax management strategies to optimize their tax obligations while remaining compliant with applicable tax regulations.

The test results indicate that profitability has a significant effect on tax management, with a significance value of 0.004. The negative regression coefficient suggests that an increase in profitability tends to reduce the CETR value. Since CETR is a proxy that has an inverse relationship with tax management, a decrease in CETR indicates an increase in tax management practices. Therefore, companies with higher levels of profitability tend to engage in more intensive tax management activities. These findings are consistent with the studies conducted by Erlitasari et al. (2022), Sidabalok et al. (2022), and Hidayah and Umiah (2022).

3.2.2. The Effect of Leverage on Tax Management

Leverage reflects the extent to which a company utilizes debt financing to support its business activities. Interest expenses arising from the use of debt can be deducted from taxable income, thereby affecting the company's tax obligations. However, higher levels of leverage also increase monitoring by creditors, which may encourage companies to adopt a more conservative approach in implementing tax management strategies.

The results of the study indicate that leverage has a significance value of 0.0275, which is lower than 0.05. Therefore, leverage has a significant effect on tax management. The positive regression coefficient indicates that an increase in leverage is associated with an increase in the CETR value. Since CETR has an inverse relationship with tax management, an increase in CETR reflects a lower level of tax management practices. Thus, companies with higher levels of leverage tend to engage in less intensive tax management activities. These findings are consistent with the studies conducted by Satria and Nathan (2023), Asilasyarqi and Yohanes (2023), and Febe (2024), which found that leverage significantly affects tax management. The results are also supported by Monica and Josephine (2024), who reported that leverage influences a company's effective tax rate. These findings suggest that the use of debt financing may affect the management of corporate tax obligations through the utilization of interest expenses that are deductible for tax purposes.

3.2.3. The Effect of Firm Size on Tax Management

Firm size reflects the scale of a company and is generally measured by the total assets owned by the company. Larger companies are often considered to possess greater resources, assets, and more complex operational activities than smaller companies. From the perspective of agency theory, both large and small companies share a common interest in managing tax expenses efficiently in order to maximize profits. However, a company's decision to engage in tax management is not determined solely by its size but is also influenced by various other factors, such as corporate policies, financial conditions, and the level of compliance with tax regulations.

The results of the study indicate that firm size has a significance value of 0.202, which exceeds 0.05. Therefore, firm size does not have a significant effect on tax management. These findings suggest that the size of a company does not determine the level of tax management practices among healthcare sector companies listed on the Indonesia Stock Exchange during the 2021–2025 period. This condition indicates that companies of different sizes generally exhibit similar levels of tax compliance, implying that firm size is not a primary factor influencing tax management. Consequently, larger companies do not necessarily have a greater tendency to engage in tax management practices than smaller companies. These findings are consistent with the studies conducted by Suparmin and Satiman (2023), Laurencia and Veny (2022), and Amanda et al. (2024), which also found that firm size does not significantly affect tax management.

3.2.4. The Effect of Sales Growth on Tax Management

Sales growth reflects a company's ability to increase its sales performance over time. A high level of sales growth indicates an increase in the company's operational activities, which is generally accompanied by higher revenue and profitability. From the perspective of agency theory, increased profitability may encourage companies, as agents, to manage their tax obligations more efficiently in order to maintain after-tax profits. Therefore, companies experiencing higher sales growth are generally more likely to require effective tax planning and tax management strategies.

The results of the study indicate that sales growth has a significance value of 0.0015, indicating a significant effect on tax management. The negative regression coefficient suggests that an increase in sales growth is associated with a decrease in the CETR value. Since CETR has an inverse relationship with tax management, a decrease in CETR reflects an increase in tax management practices. Therefore, companies with higher sales growth tend to engage in more intensive tax management activities. These findings are consistent with the studies conducted by Safitri and Hasanah (2024) and Ruslaini and Linn (2023), which found that sales growth significantly affects tax management. This condition may occur because an increase in sales is generally accompanied by higher revenue and profitability, which can potentially increase the company's tax burden. Consequently, companies are encouraged to manage their tax obligations more efficiently.

4. Conclusion

This study examined the effects of profitability, leverage, firm size, and sales growth on tax management among healthcare sector companies listed on the Indonesia Stock Exchange during the 2021–2025 period. The findings indicate that profitability and sales growth contribute to an increase in tax management practices, whereas leverage contributes to a decrease in tax management. Firm size was found to have no significant effect on tax management. Furthermore, all independent variables jointly have a significant effect on tax management. These findings support agency theory, which explains the existence of conflicting interests between companies and the government regarding the management of tax obligations.

The findings of this study indicate that company performance factors, particularly profitability and sales growth, play an important role in encouraging companies to engage in tax management practices. Meanwhile, higher leverage tends to

reduce tax management practices, as companies may already benefit from tax deductions through interest expenses and are subject to greater monitoring by creditors. Therefore, companies should consider profitability, financing structure, and sales growth when determining optimal tax policies while maintaining compliance with applicable tax regulations. Future research is recommended to develop the research model by employing alternative proxies for tax management, extending the observation period, and incorporating additional relevant independent variables. Such efforts may provide a more comprehensive understanding of the factors that influence tax management practices.

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