

Corporate Sustainable Performance on Tax Aggressiveness: Independent Commissioners and Thin Capitalization as an Antecedents

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Abstract

The research objective is to build a model of tax aggressiveness as a form of corporate sustainable performance: independent commissioners and thin capitalization as antecedents. The study conducted empirical testing of corporate sustainable performance can increase tax aggressiveness. In addition, the study conducted empirical testing of the effect of independent commissioners and thin capitalization on tax aggressiveness and corporate sustainable performance. Data uses secondary data from the annual reports of manufacturing companies listed on the Indonesia Stock Exchange from 2022 to 2024. The sample selection used is based on research criteria. The test used is path analysis. The results provide empirical evidence that corporate sustainable performance increases tax aggressiveness. Businesses that continue to perform sustainably typically engage in tax aggressiveness. Independent commissioners have no effect on tax aggressiveness and corporate sustainable performance. Meanwhile, thin capitalization mitigates tax aggressiveness and corporate sustainable performance. In addition, research provides empirical evidence that thin capitalization directly or indirectly through corporate sustainable performance can mitigate tax aggressiveness. Thin capitalization as a form of supervision from creditors can pressure management not to carry out tax aggressiveness. With debt greater than equity, creditors ensure that management can pay interest expense and pay off debt. The corporation will receive tax benefits as a result of interest expense, which will reduce opportunistic tax aggressiveness.

Keywords: *Tax Aggressiveness, Corporate Sustainable Performance, Independent Commissioners, Thin Capitalization.*

Introduction

Several recent studies have examined the relationship between tax aggressiveness and corporate sustainable performance (Adams et al., 2022; Emeka & Ngozi, 2022; Martinez & Ramalho, 2017). Some companies view tax aggressiveness as incompatible with corporate sustainable goals. Meanwhile, other companies see it as a means to ensure financial sustainable. Further research is needed to better understand corporate sustainable and its implications for corporate policies related to tax aggressiveness. The urgency of the research is tax aggressiveness to minimize income tax through various stages that have been regulated in the applicable tax laws in several countries (Lanis & Richardson, 2012). Tax regulations for each country are different, including research in Malaysia (Wahab et al., 2017) and Tunisia (Boussaidi & Hamed-Sidhom, 2021). In tax aggressiveness research, differences between countries indicate different legal systems and legislation. One of the government's goals is to increase state revenue from income tax, while the taxpayer's goal is to mitigate income tax payments. To achieve this goal, the government sets income tax regulations (Susanto et al., 2024b, 2025).

Taxes control a country's economic system (Supriyati & Anggraini, 2021). Almost all countries in the world consider taxes as their main source of revenue. Taxes are compulsory levies based on law without any direct reward (Susanto et al., 2024a; Tiong et al., 2025). Taxes help companies maximize

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earnings (Susanto et al., 2019). Companies must achieve income tax expense efficiency if they want to earn optimal earnings (Joshi, 2020).

All actions against taxes have an impact on the management activities of the company. Any action to minimize corporate income tax expense is tax aggressiveness. Tax aggressiveness is a corporate management action to minimize income tax expense (Ariefiara et al., 2020). Even tax aggressiveness is a common management strategy used by all companies globally (Abdelfattah & Aboud, 2020). Figure 1 shows that for nine years; the realization of income tax revenue has not been optimal in 2023 there was a decrease in realization against the estimated income tax revenue until 2024 there was a significant decrease compared to the previous year. This shows that there are indications that taxpayers are practicing tax aggressiveness.

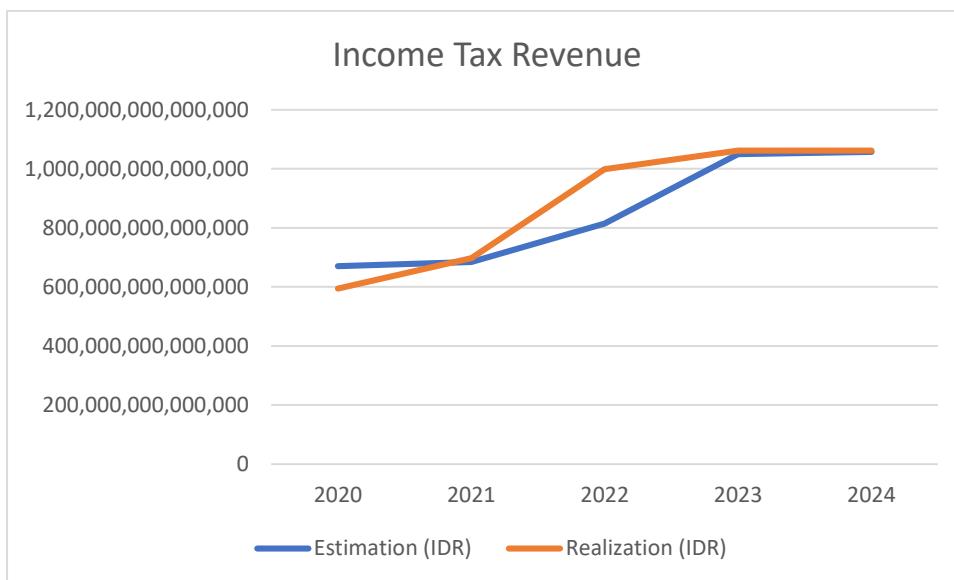


Figure 1. Income Tax Revenue

Source: Ministry of Finance, 2025

The research objective is to give empirical testing about tax aggressiveness as a form of corporate sustainable performance: independent commissioners and thin capitalization as antecedents. The study conducted empirical testing of corporate sustainable performance to increase tax aggressiveness. In addition, the study conducted empirical testing of the effect of independent commissioners and thin capitalization on tax aggressiveness and corporate sustainable performance. Independent commissioners and thin capitalization are a form of supervision of company management. Independent commissioners are a form of supervision in the corporate governance system (Aburajab et al., 2019; Alkausar et al., 2023; Cahyati et al., 2023; Khan & Nuryanah, 2023; Susanto et al., 2024b). Meanwhile, thin capitalization is a form of supervision from outside parties, namely creditors (Irawan & Novitasari, 2021).

In identifying the tax aggressiveness model, this study uses a quantitative approach. Quantitative data uses secondary data taken from the annual reports of manufacturing companies listed on the Indonesia Stock Exchange from 2022 to 2024. The data analysis method used is path analysis. The topic of this research is tax aggressiveness. This study examines corporate sustainable performance can increase tax aggressiveness. In addition, the influence of independent commissioners and thin capitalization on tax aggressiveness and corporate sustainable performance. The research chose this topic because tax aggressiveness arises from the loopholes of a tax regulation (Susanto et al., 2024b).

The novelty of this research is the corporate sustainable performance as a mediator of the influence of independent commissioners and thin capitalization on tax aggressiveness. The results of previous research on the influence of independent commissioners (Aburajab et al., 2019; Alkausar et al., 2023; Khan & Nuryanah, 2023; Susanto et al., 2024b) and thin capitalization (Pratama & Aris, 2025; Tarmizi et al., 2023) directly mitigate tax aggressiveness. It is expected that with corporate sustainable performance as a mediator, the influence of independent commissioners and thin capitalization

indirectly mitigate tax aggressiveness. This shows that the corporate sustainable performance is a complementary mediation (Hair et al., 2021).

The study's results offer empirical proof that corporate sustainable performance enhances tax aggressiveness. Companies that maintain sustainable performance tend to engage in tax aggressiveness (Mohanadas et al., 2020; Ying et al., 2017). Independent commissioners have no effect on tax aggressiveness and corporate sustainable performance. Meanwhile, thin capitalization reduces tax aggressiveness and corporate sustainable performance. In addition, research provides empirical testing about thin capitalization directly or indirectly through corporate sustainable performance can reduce tax aggressiveness. Thin capitalization as a type of supervision from creditors might pressure management not to carry out opportunistic tax aggressiveness. When debt exceeds equity, creditors make sure management can cover interest costs and settle debt. Interest expense will make the company get tax incentives so that the behavior to carry out opportunistic tax aggressiveness is low (Taqi et al., 2025).

The results of this study contribute to the financial services authority (OJK) related to corporate governance regulations that can suppress management's opportunistic actions to carry out tax aggressiveness. The OJK ensures that the company has implemented these regulations. Based on the results of descriptive statistics, it shows that the number of independent commissioners of manufacturing companies has a minimum value of 16.67%, this value is smaller than the OJK regulation which requires the number of independent commissioners to be at least 30% of the total members of the board of commissioners.

In addition to contributing to the financial services authority, the results of this study contribute to the tax aggressiveness research literature. First, this study provides empirical evidence of the relationship between corporate sustainable performance and tax aggressiveness. Second, this study provides empirical evidence of the effect of thin capitalization on tax aggressiveness and corporate sustainable performance. Third, this study provides empirical evidence of the effect of thin capitalization on tax aggressiveness mediated by corporate sustainable performance.

Literature Review

Agency theory can explain the conflict that occurs between taxpayers and tax collectors. Agency theory assumes that each individual has their own interests, resulting in a conflict of interest between taxpayers and tax collectors (Susanto et al., 2024b; Susanto & Fiorita, 2023). Companies seek to manage the amount of tax paid as low as possible through tax aggressiveness. This kind of conflict causes state revenue from the tax sector to be not optimal due to the opportunistic actions of taxpayers. To avoid conflicts that can harm the state due to opportunistic taxpayer actions, it is necessary to analyze and identify elements that can affect tax aggressiveness (Kalbuana et al., 2023; Wahyuni et al., 2017).

Several recent studies have examined the relationship between tax aggressiveness and corporate sustainable performance. Research in Brazil found that companies listed on the Corporate Sustainable Index are less likely to be tax aggressive compared to non-listed companies (Adams et al., 2022; Martinez & Ramalho, 2017). However, a study on Nigerian oil and gas companies revealed a significant positive relationship between tax aggressiveness and corporate sustainable, with firm size moderating this relationship (Emeka & Ngozi, 2022). In Indonesia, corporate sustainable has a positive and significant effect on tax aggressiveness (Supriyati & Anggraini, 2021). These conflicting findings suggest that the relationship between tax aggressiveness and corporate sustainable may vary across contexts. Some companies may view tax aggressiveness as incompatible with corporate sustainable goals. While, other firms see it as a means to ensure financial sustainable. Further research is needed to better understand corporate sustainable performance and its implications for corporate policies related to tax aggressiveness. Hence, the following hypothesis is proposed:

H₁: Corporate sustainable performance increases tax aggressiveness.

Independent commissioners have the task of monitoring management to prevent information asymmetry between owners and management (Susanto et al., 2024b). The results of the study (Menchaoui & Hssouna, 2022; Utaminingsih et al., 2022) stated that there was no significant influence of independent commissioners on tax aggressiveness. The results of the study above are not in line with the study (Boussaidi & Hamed-Sidhom, 2021) that independent commissioners have a positive influence on tax aggressiveness in Tunisia. The high number of independent commissioners will indicate lower tax costs. However, it is different from the results of the study (Aburajab et al., 2019;

Susanto et al., 2024b) which showed that there was a negative influence of independent commissioners on tax aggressiveness. This is in line with the agency theory that the board of independent commissioners acts as a representative of shareholders to monitor management in tax aggressiveness (Susanto et al., 2024b). Independent commissioners have been shown to mitigate tax aggressiveness (Alkausar et al., 2021, 2023; Khan & Nuryanah, 2023; Oktaviani et al., 2023). The higher the proportion of independent commissioners, the lower the tax aggressiveness. Hence, the following hypothesis is proposed:

H₂: Independent commissioners mitigate tax aggressiveness.

Companies financed with high debt compared to equity can generate tax benefits. Thin capitalization is positively related to tax aggressiveness (Falbo & Firmansyah, 2018), as companies utilize debt to minimize taxable income (Fasita et al., 2022). Thin capitalization may offer tax advantages through reduced interest expenses and debt financing (Utami & Irawan, 2022). Companies with a significant debt structure are likely to conduct tax aggressiveness (Anggraini et al., 2024; Irawan & Novitasari, 2021; O. G. Pratiwi & Achyani, 2023; Tiyanto & Achyani, 2022). Different results show that thin capitalization has a negative effect on tax aggressiveness (Lestari & Maryanti, 2024; Pratama & Aris, 2025; Tarmizi et al., 2023). Companies with lower thin capitalization, with a balanced debt to equity ratio, tend to tax aggressiveness. Thin capitalization plays an important role in tax behavior. Companies with controlled debt levels can strategically utilize the capital structure to conduct effective tax aggressiveness (Pratama & Aris, 2025). The effectiveness of thin capitalization in reducing tax aggressiveness depends on tax regulations and tax planning strategies. Hence, the following hypothesis is proposed:

H₃: Thin capitalization mitigate tax aggressiveness.

The role of independent commissioners on corporate sustainable performance is important in improving transparency and accountability. Research shows that a higher proportion of independent commissioners is positively correlated with the quality and disclosure of sustainable reports, thus affecting corporate sustainable performance. Independent commissioners positively influence corporate sustainable performance but are not significant (Katoppo & Nustini, 2022). Meanwhile, other studies show a significant positive relationship between the number of independent commissioners and the quality of sustainable report disclosure (Nuraeni & Darsono, 2020). The presence of independent commissioners on the company board is proven to increase transparency and oversight of management in improving sustainable performance (B. N. Pratiwi et al., 2023). Hence, the following hypothesis is proposed:

H₄: Independent commissioners increase corporate sustainable performance.

The relationship between thin capitalization and corporate sustainable performance is complex. Thin capitalization can affect a company's ability to invest in sustainable practices. A study shows that thin capitalization practices can improve the financial performance of multinational companies in Nigeria, although the relationship is not significant (Otuya & Omoye, 2021). Companies can balance their capital structure with their sustainable goals to achieve optimal performance. Companies whose source of funding comes from debt tend to be risky. This indicates that the greater the debt to equity the more doubtful the corporate sustainable performance. Hence, the following hypothesis is proposed:

H₅: Thin capitalization mitigate corporate sustainable performance.

The study showed that independent commissioners have a positive influence on tax aggressiveness in Tunisia (Boussaidi & Hamed-Sidhom, 2021). Different results showed that independent commissioners have been shown to mitigate tax aggressiveness (Aburajab et al., 2019; Alkausar et al., 2021, 2023; Khan & Nuryanah, 2023; Susanto et al., 2024b). The inconsistency in the results of research on the effect of independent commissioners on tax aggressiveness can lead to contextual variables (Susanto et al., 2024b). The contextual variable used is the corporate sustainable performance. To be a contextual variable, sustainable performance has a relationship with independent commissioners and tax aggressiveness. The number of independent commissioners has a positive and significant influence on the quality of sustainable performance (Nuraeni & Darsono, 2020). Corporate sustainable performance has a positive and significant effect on tax aggressiveness (Emeka & Ngozi, 2022; Supriyati & Anggraini, 2021). Hence, the following hypothesis is proposed:

H₆: Corporate sustainable performance as a mediator, the influence of independent commissioners indirectly mitigates tax aggressiveness.

The study showed that thin capitalization is positively related to tax aggressiveness (Anggraini et al., 2024; Irawan & Novitasari, 2021; O. G. Pratiwi & Achyani, 2023; Tiyanto & Achyani, 2022). Different results showed that thin capitalization has a negative effect on tax aggressiveness (Lestari & Maryanti, 2024; Pratama & Aris, 2025; Tarmizi et al., 2023). The inconsistency in the results of research on the effect of thin capitalization on tax aggressiveness can lead to contextual variables (Susanto et al., 2024b). The contextual variable used is the corporate sustainable performance. The contextual variable used is the corporate sustainable performance. To be a contextual variable, sustainable performance has a relationship with thin capitalization and tax aggressiveness. Thin capitalization can increase the financial performance (Otuya & Omoye, 2021). The greater sustainable performance, the greater tax aggressiveness (Emeka & Ngozi, 2022; Supriyati & Anggraini, 2021). Hence, the following hypothesis is proposed:

H₇: Corporate sustainable performance as a mediator, the influence of thin capitalization indirectly mitigates tax aggressiveness.

Research Methods

This research is a quantitative study with a causal relationship (Bougie & Sekaran, 2019). The research population uses manufacturing companies listed on the Indonesia Stock Exchange from 2022 to 2024. The sample was selected non-randomly using purposive sampling method with the final sample size of 72 companies. The sample selection used is based on research criteria. The research criteria used are (1) manufacturing companies consistently listed on the Indonesia Stock Exchange from 2022 to 2024; (2) Companies whose financial statements end as of December 31; (3) Companies whose financial statements use rupiah currency; (4) Companies that have income tax expense. Manufacturing companies were chosen as the sample because most of the companies listed on the Indonesia stock exchange are manufacturing companies. Indonesia is a country that has large resources of both raw materials and labor for production activities. The research period is from 2022 to 2024 because in that period the company was recovering from the negative impact of the covid pandemic. The government issued tax policies and incentives to help companies recover (Putranti et al., 2024; Taqi et al., 2025). The data analysis method used is path analysis. The empirical model used is as follows:

$$TA = b_0 + b_1 SP + b_2 IC + b_3 TC + b_4 FS + e \quad (1)$$

$$SP = b_0 + b_5 IC + b_6 TC + b_7 FS + e \quad (2)$$

Tax aggressiveness (TA) is the management of lower taxable income through aggressive practices and therefore includes both legal and illegal activities that are not in accordance with the spirit of the law (Lanis & Richardson, 2011). The most widely used measurement to measure tax aggressiveness is the effective tax rate (ETR) which is calculated as the ratio between total income tax expense and earnings before income tax (Boussaidi & Hamed-Sidhom, 2021; Menchaoui & Hssouna, 2022; Ortas & Álvarez, 2020; Richardson et al., 2013; Wahab et al., 2017). The higher the ETR, the lower the tax aggressiveness. Corporate sustainable performance (SP) is the company's ability to manage its assets efficiently to generate earnings. Measurement of corporate sustainable performance using return on assets (ROA) (Amri et al., 2023; Mohanadas et al., 2020; Susanto et al., 2024b). Independent commissioners (IC) are members of the board of commissioners who come from outside the company and meet the requirements as independent commissioners (Handayani & Ibrani, 2021). The independence of board members is measured by the percentage of external members on the board of commissioners (Boussaidi & Hamed-Sidhom, 2021; Susanto et al., 2021, 2024b; Utaminingsih et al., 2022). Thin capitalization (TC) indicates the company's ability to meet its debt obligations using its assets. The debt ratio is measured by the ratio of debt to assets (DAR) (Mohanadas et al., 2020; Utaminingsih et al., 2022).

The control variable in this study is company size (FS). Company size reflects the scale of the company in its industry. Previous studies have shown that large companies tend to engage in tax aggressiveness (Susanto et al., 2024b; Wahab et al., 2017; Ying et al., 2017). Large companies tend to carry out tax aggressiveness and maintain sustainable performance with the aim of adjusting changes in tax regulations. Company size is measured by the natural logarithm of total assets (Amri et al., 2023; Menchaoui & Hssouna, 2022; Utaminingsih et al., 2022).

Result and Discussion

The descriptive statistics for the variables are shown in Table 1:

Table 1: Descriptive Statistics

Variable	Minimum	Maximum	Mean	Std. Deviation
TA	0.03201	0.93677	0.27259	0.13433
SP	0.00209	0.56149	0.10776	0.09362
IC	0.16667	0.75000	0.40329	0.09749
TC	0.06303	0.85830	0.37290	0.18224
FS	25.04885	33.53723	28.66202	1.70473

Source: Statistical output, 2025

Based on descriptive statistics, it shows that tax aggressiveness as measured by ETR has a minimum value of 3.20%. This shows that the ETR value is far from the Indonesian corporate tax rate of 22%. While the average value of ETR is 27.26%, this proves that Indonesian companies are lower in tax aggressiveness because they have met the Indonesian corporate tax rate of 22%. The average value of ETR for Indonesian companies of 27.26% is greater than Malaysia of 20.13% (Mohanadas et al., 2020). This shows that Indonesian companies are lower in tax aggressiveness than Malaysian.

The average value of sustainable performance is 10.77%. This shows that management can ensure the sustainable of the company by managing efficiently which results in a profit of 10% greater than the Bank Indonesia interest rate of 5.5%. The average ROA value of Indonesian companies of 10.77% is greater than Malaysia's 8.9% (Mohanadas et al., 2020). This shows that Indonesian companies have greater sustainable performance than Malaysian.

The minimum value of independent commissioners of 16.67% is lower than the minimum requirement by OJK of 30%. Meanwhile, the average value of independent commissioners of 40.33% is greater than the minimum requirement by OJK of 30%. This shows that Indonesian companies have fulfilled OJK regulations regarding independent commissioners (Utaminingsih et al., 2022).

The average value of thin capitalization is 37.29%. This shows that the company is still able to fund its assets using its equity. The average DAR value of Indonesian companies of 37.29% is greater than Malaysia's of 13.5% (Mohanadas et al., 2020). This shows that Indonesian companies are more courageous to fund their assets using debt than Malaysian. The average value of company size of 28.66202 is almost the same as the average value of research (Utaminingsih et al., 2022) of 29.74578 for Indonesian manufacturing companies.

Table 2: Correlation Matrix

Variable	TA	SP	IC	TC	FS
TA	1.000	0.27989	0.02588	0.34191	0.07862
SP	-	1.000	0.01312	0.14027	0.13413
IC	-	0.02588	1.000	0.10740	0.17362
TC	0.34191	0.14027	0.10740	1.000	0.22290
FS	-	0.13413	0.17362	0.22290	1.000

Source: Statistical output, 2025

Table 2 presents the Pearson correlation matrix, the correlation coefficient results do not exceed 0.880 (Mohanadas et al., 2020). This indicates that there is no multicollinearity problem among the independent variables in the model.

Table 3: Coefficient Significance Test Results

Variable	ETR		SP		
	Expected direction	t	Coefficient	Expected direction	Coefficient
Intercept	?		0.50394***	?	-0.148134
SP	-	-	0.30878***		
IC	+		-0.01194	+	0.024000
TC	+		0.24993***	-	-0.09107**
FS	-		-0.00999*	+	0.00977**
F		*	12.08260**		3.64649**
Adj. R ²			17.09%		3.56%

* Sig <10%, ** Sig <5%, *** Sig <1%

Source: Statistical output, 2025

Table 3 shows that sustainable performance (SP) has a negative and significant effect on ETR. This shows that companies that have performance tend to carry out tax aggressiveness. The results of the study support H1 which states that the higher the sustainable performance, the higher the tax aggressiveness. Management ensures financial sustainable by conducting tax aggressiveness. Good financial performance can provide incentives for management to carry out tax aggressiveness. Management has greater resources and opportunities to manage income tax expense (Supriyati & Anggraini, 2021).

The results showed that independent commissioners (IC) had a positive but insignificant effect on ETR and sustainable performance. The results do not support H2 and H4 which state that independent commissioners have an effect on tax aggressiveness and sustainable performance. This shows that independent commissioners have not been able to carry out their supervisory function effectively. Some companies assign someone as an independent commissioner not in accordance with their competence.

The results showed that thin capitalization (TC) has a positive and significant effect on ETR. This shows that thin capitalization can mitigate tax aggressiveness. The results of this study support H3 which states that thin capitalization can reduce tax aggressiveness. Thin capitalization plays an important role in tax behavior. Creditors provide supervision of management. Creditors ensure that management takes actions in accordance with regulations, especially regarding taxes.

The results showed that thin capitalization has a negative and significant effect on sustainable performance. This shows that the higher the thin capitalization, the riskier the company and can affect sustainable performance. The results of this study support H5 which states that thin capitalization can reduce the sustainable performance. Companies whose funding sources come from debt tend to be risky. This indicates that the greater the thin capitalization, the lower the sustainable performance.

The results of the study do not support H6 which states that independent commissioners have an effect on tax aggressiveness through sustainable performance. Both directly and indirectly the effect of independent commissioners on tax aggressiveness through sustainable performance is not supported. This shows that independent commissioners have not been effective in reducing tax aggressiveness. Independent commissioners have not been able to carry out their supervisory function and ensure that management complies with regulations.

The results support H7 which states that thin capitalization affects tax aggressiveness through sustainable performance. Both directly and indirectly, thin capitalization affects aggressiveness through sustainable performance. The higher the thin capitalization, the lower the sustainable performance. The lower the sustainable performance, the lower the tax aggressiveness. Thin capitalization directly

reduces tax aggressiveness. Thin capitalization also indirectly reduces tax aggressiveness through sustainable performance.

Firm size (FS) shows a negative and significant coefficient on ETR. This shows that the larger the firm size, the greater the tax aggressiveness. Similarly, firm size shows a positive and significant coefficient on sustainable performance. This shows that large firm tend to carry out tax aggressiveness and increase sustainable performance. (Susanto et al., 2024b; Wahab et al., 2017; Ying et al., 2017).

Conclusion

This study examines corporate sustainable performance can increase tax aggressiveness. In addition, the influence of independent commissioners and thin capitalization on tax aggressiveness and corporate sustainable performance. This study uses a quantitative approach. Quantitative data uses secondary data taken from the annual reports of manufacturing companies listed on the Indonesia Stock Exchange from 2022 to 2024.

The results of the study provide empirical evidence that corporate sustainable performance increases tax aggressiveness. Companies that maintain sustainable performance tend to engage in tax aggressiveness (Mohanadas et al., 2020; Ying et al., 2017). Independent commissioners have no effect on tax aggressiveness and corporate sustainable performance. Meanwhile, thin capitalization mitigates tax aggressiveness and corporate sustainable performance. In addition, research provides empirical evidence that thin capitalization directly or indirectly through corporate sustainable performance can mitigate tax aggressiveness. Thin capitalization as a kind of monitoring from creditors can pressure management not to carry out opportunistic tax aggressiveness. Creditors make sure that management can cover interest costs and debt repayment when debt exceeds equity. Interest expense will make the corporation gain tax benefits so that the behavior to carry out opportunistic tax aggressiveness is low (Taqi et al., 2025).

The results of this study contribute to the financial services authority (OJK) connected to corporate governance regulations that can reduce management's opportunistic activities to carry out tax aggressiveness. The OJK ensures that the company has applied these regulations. Based on the results of descriptive statistics, it shows that the number of independent commissioners of manufacturing companies has a minimum value of 16.67%, this value is smaller than the OJK regulation which requires the number of independent commissioners to be at least 30% of the total members of the board of commissioners.

This study has the following limitations. First, the research sample used manufacturing companies listed on the Indonesia Stock Exchange. This makes the research results cannot be generalized to sectors other than manufacturing. Second, this study did not conduct additional tests with different measurements of tax aggressiveness and corporate sustainable performance.

Future research can compare the manufacturing sector and other than manufacturing. To provide empirical evidence that there are differences in tax aggressiveness between manufacturing companies and other than manufacturing such as trading. Future research using the current measures of tax aggressiveness such as residual book tax difference (Arora & Gill, 2022; Hajawiyah et al., 2022) and corporate sustainable performance such as value creation (Kiesewetter & Manthey, 2017). With these different measurements, further research conducts robustness testing.

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