THE RELATIONSHIP BETWEEN TAX PLANNING STRATEGIES AND EARNINGS MANAGEMENT IN PUBLICLY LISTED REAL ESTATE FIRMS

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ABSTRACT

This study aims to analyze the relationship between tax planning strategies and earnings management in non-manufacturing companies within the real estate and property sector listed on the Indonesia Stock Exchange during the 2021–2022 period. The study population consists of 64 companies, with a sample of 24 companies selected through purposive sampling. A quantitative research approach is applied, utilizing descriptive statistics, simple linear regression, classical assumption testing, t-tests, and the coefficient of determination (R^2) with the assistance of SPSS version 25. In this study, earnings management is positioned as the dependent variable, while tax planning is the independent variable. The findings reveal a significant relationship between tax planning and earnings management, indicating that companies tend to use tax planning mechanisms as a tool to influence financial reporting outcomes. These results emphasize the importance of effective corporate governance and regulatory supervision to ensure transparency and reliability in financial statements, thereby reducing the potential for opportunistic managerial actions.

Keywords: tax planning, earnings management, corporate governance, financial reporting

I. "INTRODUCTION"

1.1 i " Background " of the Problem

" The progress of a nation is very closely related relation with system taxation , and things this also applies for Indonesia. Tax is source main income government ; lack of reception tax will hinder implementation state functions , because part large amount of funds used For support state administration originates from tax . From the perspective economy , income tax government functioning For guide citizens towards prosperity in business business they , who need preparation careful finances For expenditure company . Although entity company required For fulfil obligation tax they do not all taxpayers willing For fulfil obligation extensive taxation . "

Connection between " tax " planning and "profit " management involves supervision profit For measure amount required taxes and find road For reduce obligation taxes . The company plays role important in increase Indonesian economy , contributing to the development framework better economy strong . The more Lots amount companies that are growing and progressing , increasingly positive recovery economy in Indonesia.

The main objective from every company is to optimize profit or increase mark company in a way overall . This is seen clear in the industry such as real estate and property , where companies experience expansion high .” Evaluate growth profit has a very important meaning Because No only evaluate achievement and performance company , but also functions as information important For distribution profit , determining investment strategies , and allocation profit .

Growth profit company property and real estate sectors are numerous experience improvement and decline every year in 2019 and 2020 growth profit experience decline profit that is by -48.48% of year previously , but experience improvement growth profit back in 2021 , namely up 2.78% and experiencing Returning profit decline in 2022” of around 0.46% (dataindustri.com, 2023). “So” “ in ” “ this ” case ,” “ researchers ” “are” “ interested ” “ in ” knowing the cause of " no " stable profit growth ” in “tax” planning” on “profit” management” of “property” and “real” estate” sector companies” listed ” on “Indonesia Stock Exchange ” (BEI) in 2021-2022.

1.2 I Scope of problem "

Focus main from this “study” is to “ know ” the “ influence ” of tax planning against management profit ” in” non-manufacturing ” companies in the” property” and” real estate” sectors,” listed” on” the” Indonesia “Stock” Exchange (BEI)” for the” 2021-2022” period.

1.3 Formulation of the “Problem ”

Formulation of the main " problem " of This research is "Does tax planning have an influence on profit management in non-manufacturing companies in the property and real estate sectors listed on the Indonesia Stock Exchange (BEI) for the 2021-2022 period ? "

1.4 I Research purposes "

“ purpose” of this “ research” is to “ find out ” the “ influence ” of “ tax ” planning ” on “ profit ” management ” in “ non-manufacturing ” companies in the “property” and “real estate” sectors, listed” on the “Indonesia Stock Exchange” (BEI) for the “2021-2022” period.

II. "LITERATURE REVIEW"

2.1 “ Tax Planning ””

Stage beginning in management profit is it Tax planning collection and inspection laws and guidelines tax done For allows identification steps the necessary savings . In general , point focus planning tax revolves around reduction obligation taxes . In essence , the “ main ” goals of “ good ” tax planning include :

1. Reduce “ tax ” burden “ owed ” . The “ necessary ” steps in the realm of tax planning involves ” strategies for streamline outstanding " tax " obligations is at in realm taxation with still comply Constitution taxation .
2. Optimizing profit after tax .
3. Reduce possibility implications taxes that are not unexpected during inspection taxes imposed by authorities tax .
4. Finish not quite enough answer taxation with accurate , good , and effective in accordance with regulation taxation .

From the description on can concluded that the Company aims For optimize profit clean after taxes and reduce related issues with taxes that are not unexpected through allocation strategic various costs . The term " surprise" tax " refers to the results inspection taxes that are not possible unexpected need decision management tax quick .

2.2 Earnings Management

Management profit related with implementation of strategy or action accountancy in the reporting process finance external , which is often involving party external or personnel managerial , with objective For reach objective certain in

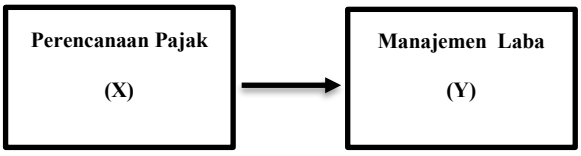
presentation profit . The main goal company stay improvement riches holder shares , which are attempted through maximization profit earned .

Important For noted that management profit No The same with manipulation . For companies , building good reputation is such a thing important . Accountant adapt report finances to suit with need company . In an effort produce positive report , management profit often used . In addition , another purpose of management profit is For avoid possibility bankruptcy company . This is achieved through careful monitoring to report profit cash losses and expenses .

2.3 Framework Thinking

In a way general , almost all company want to reduce expenditure tax they . Usually , it is mandatory tax look for legal way For reduce obligation tax they . In case this , a common approach done For reduce company " tax " payments is with conducting tax " planning , " which includes part from management taxes ." In the realm of management tax , company using management strategies profit For knowing amount required taxes with method reduce profit , so that relieve not quite enough answer tax .

Under This is visual representation of framework the thinking that is done in study This :



Source : Processed Results Author (2023)

Figure"2.1 Framework of "Thinking "

III. RESEARCH METEOLOGY"

This research uses empirical quantitative data . as approach study namely " non-manufacturing" companies in the "property and real estate" sector, which are "listed" on the "Indonesia Stock Exchange" (BEI)" This research "uses" secondary data " originating" from the "website" www.idx.co.id. The research data was obtained using a " combination " of method " library " research is also research field . The " main" objective in study This is For evaluate influence of planning tax on profit management in non-manufacturing companies operating in the property and real estate sectors, listed on the Indonesian Stock Exchange (IDX) for the 2021-2022 period. This assessment was conducted through data analysis and hypothesis testing .

IV. "RESULTS AND DISCUSSION"

4.1 " Statistics ""Descriptive" Variables

Table"4.1"Descriptive"Statistical"Test" "Descriptive Statistics"

	N"	Minimum "	Maximum "	Mean"	Standard Deviation"
Tax Planning	48	0.36431	1.09824	0.8811715	0.16293413
Profit Management	48	0.00153	0.26939	0.0474711	0.0416 8745
Valid N (listwise)	48				

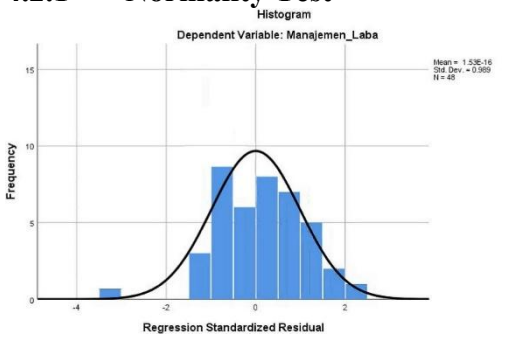
" Source " :" processed in SPSS V.25 *for window* (2023)

Examining the " results " presented in Table "4.1" for the " Descriptive " Statistical Test seen that the " planning " " tax " variable has The " lowest (Min)" value is 0.36431 and the " highest (Max)" value is 1.09824. In addition , the "average" (Mean) value for the " variable This counted is 0.8811715, with The "appropriate" standard " deviation " is r 0.16293413. Likewise with " Variables Management "Profit," data" shows that " lowest (Min)" value recorded is 0.00153, while The " highest (Max)" value reaches 0.26939. The "average" value for this variable

determined is 0.0474711, accompanied by with standard deviation is ” 0.04168745.

4.2 “ Classical “Assumption” Test ”

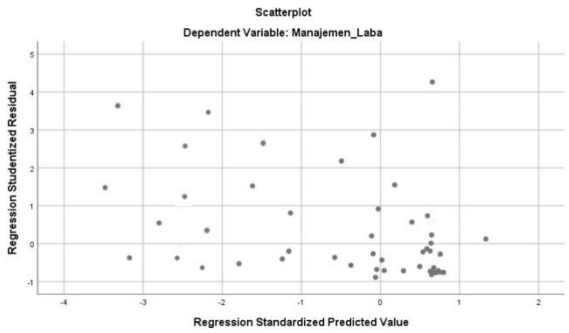
4.2.1 “ Normality Test ”



“ Source ”: processed by SPSS V.25 *for windows* (2023)

Figure 4.1 Results of the Histogram Normality Test

Observing chart histogram resemble silhouette mountain or curve bell , this signify that the data follow pattern normal distribution with graceful .



Source " :" processed in SPSS V.25 *window* (2023) **Figure “4.2 Results of “Norm ” Test - “ Plot”**

Pay attention to the “ results ” of the image above signify that point spread around 0 and follows direction of the plot line of the marker is research data this is normal.

Table 4.2 “ Normality” Test One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual”
N		48
Normal Parameters [a,b]	Mean	“0.0000000
	Standard Deviation	0.96133974
Most Extreme Differences	Absolute	“0.099
	Positive	“0.093
	Negative	“-0.099
Statistical Tests		“0.099
Asyimp . Sig. (2-taileid)		“0.200 [c,d]

a. Tests“distribution is Normal.”
b. Calculateid”from”data .
c. Lilliefor”Significans ” Correction .
d. This'is a lowr bounds”of”the”true ” significances.”

“ “ Source ” :” processed in SPSS V.25 *for window* (2023)

If you pay attention to the " Table “4.2” is presented which presents the “One Sample” “Kolmogorov - “Smirnov Test” for “ normality” , showing mark significant ” of 0.200. This value more big of 5% which indicates is data” in study This follows a “normal ” distribution .”

4.2.2 “ Heteroscedasticity” Test

Table 4.3 Heteroscedasticity Test - Glejser Method

Model"	t”	Sign.”
(Constant)	0.320	0.000
Tax Planning	0.835	0.408

a. “Dependent”Variable:” Profit_Management ”

“ Source ” :” processed in SPSS V.25 *for window* (2023)

If you pay attention to the " presented in Table 4.3 for the Heteroscedasticity Test with using the Glejser Method , obtained “ significant ” value for “” variable planning “ tax ” of “0.408. This “ significance value ” , as shown in the table , exceeds threshold less of 0.05. This study” means absence heteroscedasticity in this “ research . ”

4.2.3 “Autocorrelation ” Test

Table “4.4” “Autocorrelation” Test
“ Model”Summary [b] ”

"Model	“Durbin-Watson”
1	2,026

a. Predictors: (Constant),” Tax_Planning ”

b. Dependent Variable: “ Profit_Management ”

Source " :" processed in SPSS V.25 *for window* (2023)

Observing from the " results " of Table "4.4" Autocorrelation Test " using the results of the Durbin Watson test to ensure the existence of autocorrelation in this “ research ” the “Durbin Watson” test produced value 2.026, which if compared to with DW table ($\propto$ = 5%) autocorrelation test results namely : 1.5776 < 2.2026 < 2.424 (du < d < 4 - du). Affirmation This leading to a conclusion that autocorrelation No There is .

4.3 Simple Linear Regression Analysis

Simple ”Linear”Regression”Analysis ”

Model"	Unstandardized Coefficients” B”	Std. Error”	Sig.
1 (Constant)	0.403	0.002	0.000
Tax Planning	0.631	0.003	0.000

a. “Dependent”Variable:” Profit_Management ”

““ Source ” :” processed in SPSS V.25 *for window* (2023)

Equality simple linear analysis namely " **Y = a + X + e** then analysis test results simple linear regression in research This namely ” **Y = 0.403 + 0.631.**

4.4 i “Hypothesis ” Testing

“Table”4. 6”Test t”(Partial test)””
“ Coefficients [a] ””

Model"	t”	Sign. ”
1 (Constant)	2,355	0.000
Tax Planning	3,822	0.000

a. Dependent Variable: “ Profit_Management ”

Source " :" processed in SPSS V.25 *for window* (2023)

If you pay attention to the " served Examining the “ results ” of Table “4.6” the results of the t-test (ui partial), which is observed through Df in investigation This , totaling 46. The Df value counted through formula Df = N - k (48-2). “ With use 95% confidence level , the “t- table ” value is 2.01063, while t - value recorded 3,822, plus with sig level ”0.000-highlights that This value is lower than the significance threshold of 0.05. After comparing the calculated t-value for planning tax " with t- value of the table , " it can be seen " that the t- value (3.822) exceeds “t table” value (2.01063), which indicates a “quite” large difference. This study”
outlines under”reception hypothesis ” H_1 .”

“Table“4.7”Test”of”Determination”R^2

“ Model”Summary ”

Model ”	R”	R Square ”	Adjust R Square ”
1	0.851 [a]	0.741	0.725

a. “Predictors: “(Constant),”” Tax_Planning ”

b. Dependent Variable: “ Profit_Management ””

Source " :" processed in SPSS V.25 *for window* (2023)

Paying attention to the " results" that presented in Table 4.7 shows the R^2

coefficient test. shows an " R" value of "0.851 or equivalent with 85.1%. With indicates “very strong ” link between the variable of “ tax ” planning and its capabilities in explain variation variable " profit management ." In addition , the R2 value of 0.741 describes that variables tax planning own sufficient ability big For explain fluctuations variables management profit , with strong relationship by 74.1%.

Observing the results of statistical analysis and hypothesis testing that were carried out towards “ tax ” planning and “ management” profit ,” “ can ” be stated study This “tax” planning “has a significant” influence” on” the “profit” management” of” non-manufacturing” companies in the “property” and “real”estate” sectors” listed” on” the “Indonesia” Stock Exchange (BEI) “ for the period ” 2021-2022 .”

V. CLOSING"

5.1 Conclusion"

In accordance with the the study “ conducted ,” the “conclusions” obtained is that “ tax ” planning “ has a” significant” influence” on “profit” management.” The “t-test” results support this statement , because the “ tax” planning variable tax " recorded “ t” value is ” 3.822, which exceeds The “t- table ” value is 2.01063, all in all in context “sig”0.000 < 0.05.” Study with firm prove that “ tax ” planning is significantly “ influence ” on “ profit ” management in the “ property and real estate ” sector , as evidenced by “companies” listed on the “ Indonesian Stock Exchange” (BEI) “ for the “2021-2022 ” period .

5.2 Suggestion

1. For maintain effectiveness planning tax in determine management profit , company must try For optimize effort planning tax they . This is need planning process management good tax in operation company . This is will involving arrangement reported earnings to align with indicators potential practice management profit .

2. For researchers Next , it is recommended For expand coverage studies with covers diverse sector company . Approach like This will provide contribution to a larger population big and size more samples area , ypada to provide results the more comprehensive and representative .
3. In an attempt study Next , it is recommended for researchers who will come For expand duration observation during a number of period . Approach This will facilitate projection results study in term long .

4. In the study study Next , it is recommended For enter variables control additional , which includes factors like planning tax , which functions as determinant management profit . This strategy will make “ accurate ” understanding .

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