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INFLUENCE ON CAPITAL STRUCTURE, PROFITABILITY, AND OPERATING COSTS ON CORPORATE INCOME TAX PAYABLE IN PHARMACY SUB-SECTOR COMPANY REGISTERED IN INDONESIA STOCK EXCHANGE IN THE 2019-2023 PERIOD

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Abstract

Corporate income tax payable fluctuates, and therefore, corporate income tax payable in Indonesia is in a state of national economic recovery, and corporate income tax rates are decreasing. This study aims to determine the influence of Capital Structure, Profitability and Operating Costs on Corporate Income Tax Payable in Pharmaceutical Sub-Sector Companies Listed on the IDX for 2019-2023.

The research method used is an associative method with a quantitative approach. The population in this study is pharmaceutical subsector companies listed on the IDX for the 2019-2023 period. The sampling technique used is purposive sampling, so the samples obtained were seven companies and 5 years of observation. The analysis used was classical assumption test, multiple linear regression analysis, and hypothesis testing.

The results of this study state that the capital structure variable (X1) obtained a cal value = |-2.457| > ttable = 2.039 with a significant level of 0.020 < 0.05, then H0 was rejected, and H1 was accepted, the profitability variable (X2) was obtained a cal value = 4.065 > ttable = 2.039 with a significant level of 0.000 < 0.05, then H0 was rejected, and H2 was accepted, and the operational cost variable (X3) was obtained a tcal value = |-2.875| > ttable = 2.039 with a significant level by 0.007 < 0.05, then H0 is rejected and H3 is accepted. Simultaneously, the value of Fcal was obtained at 11.175 > 2.91 Ftable and significant for LDAR, ROA and Operating Costs, was 0.000 or less than 0.05, then Ho was rejected, and Ha was accepted. The conclusion of this study shows that capital structure, profitability, and operational costs affect Corporate Income Tax Payable simultaneously.

Keywords: *Capital structure, Profitability, operational costs, Linked Corporate Income Tax*

INTRODUCTION

Taxes are one of the primary sources of income the state will utilize to fund its expenditures, including routine and development costs. Nevertheless, taxation is a factor that can decrease companies' net profit or company profits. 80% of Indonesia's income is derived from tax revenues in the APBN structure. Nevertheless, tax revenues are frequently impeded because taxpayers lack awareness of their tax responsibilities. Therefore, this presents a challenge for the government. Even though tax collection is based on mandatory laws and regulations, some believe paying taxes is a burden rather than a necessity. This is because the return from paying taxes is not directly obtained. In other words, the purpose of tax collection is to support shared interests rather than individual interests. (Septiani Hazanah 2022)

The phenomenon in this study is the receipt of corporate income tax (PPh), which makes competition increasingly tight in the Indonesian pharmaceutical market so that it can affect the capital structure and profitability, experiencing a growth of 20.3% in 2023. In the APBN press conference on Tuesday (2/1/2024). Corporate PPh was also recorded as the second largest contributor to tax revenue,

reaching 21.9% of total tax revenue in 2023. In 2023, the realization of tax revenue reached IDR 1,869.2 trillion. This figure is equivalent to 108.8% of the initial target of IDR 1,718 trillion or 102.8% of the new target in Presidential Regulation 75/2023 of IDR 1,818.2 trillion. The tax revenue grew by 8.9%. (news.etc.co.id)

Taxation is an inescapable obligation for the company. Companies must implement tax management strategies to minimize their tax liabilities. According to Article 6, paragraph (1) of Law Number 17 of 2000, interest expenses may constitute a deduction from taxable income. The interest expense on interest is incorporated within business expenses—an increased level of debt utilized for funding results in a heightened interest expense that diminishes taxable income. If the interest expense is higher, the taxable income will be reduced. Consequently, the income tax liability diminishes.

Capital structure is a form of description of the financial proportion of a company, namely between capital owned from long-term debt (long-term liabilities) and equity, which is a company financing source (Abdul Halim, 2015, p. 81). Capital structure is essential for funding sources for the company's operational needs. However, in a company, debt is more significant than capital. Capital structure can be used as a reference to determine the working capital a company uses if the capital is funded by internal parties or liabilities and the capital is funded by internal parties of the company.

Companies need funds from their own and foreign capital. A company's capital structure indicates how the company finances its operational activities or its assets. The capital structure reflects how the company's assets are financed; thus, the financial structure is reflected in the liabilities on the balance sheet. The financial structure demonstrates the balance between the total foreign capital (both short-term and long-term) and the amount of own capital.

In a company, the size of the costs and the size of the profit will affect the company's profitability. The amount of corporate income tax contribution to the total income tax revenue makes the company a taxpayer with great potential. The income tax that the company must pay is calculated from the profit received by the company. In this case, the company will tend to manage the costs incurred as effectively as possible to obtain maximum profit and maintain the company's profitability level. This ratio also provides a measure of the level of effectiveness of a company's management. One profitability ratio measuring tool is Return On Assets (ROA), which shows the company's ability to use all assets owned to generate profit after tax. The greater the ROA, the more efficient the use of the company's assets; in other words, a more significant profit can be generated with the same amount of assets.(Novita Dwi Andriani and others)

Companies tend to increase business operations and volume to improve business performance, which creates the need to analyze different and increasingly diverse costs. These costs are called operating costs, which are related to the company's operations, including sales and administrative costs, advertising costs, depreciation costs, and repair and maintenance costs. In addition to interest costs, the amount of corporate income tax can also be determined by operating costs because operating costs are

subject to corporate income tax deductions. The more advanced and extensive the company, the better the company's performance will be. This can be done with tax planning to minimize the tax burden. (Arisandy 2021)

Operational costs can affect a company's profitability. This is because a company generally has a profit and loss report, which contains operational expenses that affect a company's profit and loss. For a company to make a profit, it must be able to reduce operational costs. Thus, it can be seen that one of the factors that affects a business's profit and loss is operational costs.(Dian Sulistyorini Wulandari 2021). In measuring the performance of these operational costs, calculations are used by adding sales costs with administrative and general expenses; with the level of company operational costs obtained being smaller, the company will be better at overcoming possible losses. More considerable operational costs will have an impact on the level of company profitability, which will be smaller and vice versa (Winarso, 2014)

A company plays a critical part in the financial report, which plays a role in the formation of profits that influence the development and success of the business run by the company, namely operational costs. Increasing company activities, followed by the increasing size and development of a company, will increase the costs incurred for company operations. In signal theory, companies with increasingly significant and developing prospects tend to provide signals to investors who are increasingly providing investment funds for the company. The rise undoubtedly follows the increase in operational costs in profits, so taxes paid also increase with increasing profits. The study conducted (by Firdiansyah, Sudarmanto, and Fadillah, 2018) concluded that operational costs positively affect income tax.

This study aims to investigate the effect of capital structure, profitability, and operating costs on corporate income tax in pharmaceutical subsector companies on the Indonesia Stock Exchange from 2019 to 2023. Fluctuations in the average value of corporate income tax and other indicators reflect the dynamics and complexity of corporate tax management and efforts to improve efficiency and profitability.

LITERATURE REVIEW

Agency theory establishes a conflict of interest between the principal and the agent (Jensen & Meckling, 1976). As the principal, the government anticipates that operational costs will be minimized to maximize the company's profit, thereby increasing the Corporate Income Tax owed by the company. Nevertheless, acting as the agent, the company anticipates that operational costs will be optimized to ensure that the profits generated are sufficiently efficient, thereby minimizing the Corporate Income Tax liability. Profit serves as the foundation for determining the Corporate Income Tax owed. The company's profitability and operational expenses influence the payable Corporate Income Tax.

Law Number 28 of 2007 states regarding general provisions and tax procedures, Article 1 states, " Tax is a mandatory contribution to the state owed by individuals or bodies which is mandatory based on the law, without receiving direct compensation, and is used for state needs for the greatest possible prosperity of the people." Corporate income tax payable is a tax imposed on business entities, calculated from taxable income that must be paid in the tax period or tax year, as required by the Income Tax Law.(Winda Juniarti 2022)

Corporate income tax payable is the income tax of entrepreneurs calculated on taxable income that must be paid in a tax period or tax year according to the provisions of the Income Tax Law. The corporate income tax rate is 22% of taxable income. (Siti Resmi, 2019) Capital structure is a description of the form of a company's financial proposition, namely between owned capital sourced from long-term debt (long-term liabilities) and equity (shareholders' equity), which is a source of financing for a company (Sudana, 2011). According to Sudana (2011), capital structure is related to long-term spending in a company, which can be calculated by comparing its long-term debt with its capital.

Capital structure is a comparison or balance between equity and foreign capital, as per Irham Fahmi (2017:179). In this instance, foreign capital is perceived as short-term and long-term debt. Equity can be allocated as retained earnings or with company ownership. Investors can ascertain the equilibrium between risk and return on their investments by examining the capital structure, which indicates how much debt is employed to fund the investment.

The measurement of capital structure used in this study is the Long-term Debt to Asset Ratio (LDAR), which is a ratio to measure how much assets are financed by long-term debt. Modigliani and Miller in Nelsi (2021) argue that "a company that has a debt ratio (leverage) will have a higher value when compared to a company without leverage, the increase in the company's value occurs due to interest payments on debt which is a tax deduction so that the profit flowing to investors becomes greater. This ratio is obtained by comparing the amount of long-term debt with total assets.

According to Kasmir (2019), the profitability ratio assesses a company's ability to seek profit and provides a measure of the level of effectiveness of its management. This is indicated by the profit generated from sales and investment income. In essence, this ratio shows the company's efficiency.

Profitability is a ratio employed to assess a company's capacity to generate profits from its standard business operations, as per Hery (2018). A company's ability to generate income at an acceptable level is evaluated by its profitability, which is a percentage measure. The profitability figures are presented in the following formats: investment profit, earnings per share, sales profit, and profit before or after tax (Laksono, 2019). Profitability ratios are needed to record financial transactions required by investors and creditors (banks) to assess the amount of investment profit that will be obtained and the amount of company profit to determine the company's ability to pay debts to creditors based on the level of use of assets and other resources so that the level of company efficiency can be seen.(Risandi K and Mira P 2021).

In his research, Risandi (2021:52) explains that "operating costs are costs related to company operations, specifically sales and administration costs, advertising costs, depreciation costs, and repairs and maintenance costs." In other words, operating costs are associated with running a business. The operation costs are calculated by adding the costs of sales to the costs of administration and general administrative expenses.

Chairul (2018:52) elucidates that operational costs are expenses arising from company activities. The company's operational expenses will impact income tax liabilities and constitute a factor diminishing income. These expenses encompass sales expenditures, promotional expenses, and administrative costs. Operating costs are routine costs incurred that are not related to the product but are closely related to the company's operational activities. Operating costs are measured by sales costs added to administrative and general costs.

METHOD

The method used in this study is an associative method with a quantitative approach, which aims to determine the relationship between two or more variables.

1. Population and Sample

The population in this study is pharmaceutical companies listed on the Indonesia Stock Exchange (IDX). The list of companies listed on the Indonesia Stock Exchange (IDX) for the period 2019-2023

Table 1 Research Population

No	Code	Company name	IPO
1	DVLA	PT. Darya-Varia Laboratories Tbk	Nov 11 1994
2	INAF	PT. Indofarma Tbk	Apr 17, 2001
3	KAEF	PT. Kimia Farma Tbk	Jul 04 2001
4	KLBF	PT. Kalbe Farma Tbk	Jul 30 1991
5	BRAND	PT. Merck Tbk	Jul 23 1981
6	PEHA	PT. Phapros Tbk	Dec 26 2018
7	PYFA	PT. Pyridam Farma Tbk	Oct 16, 2001
8	SCPI	PT. Organon Pharma Indonesia Tbk	Jun 08 1990
9	SIDO	PT. Sido Muncul Herbal Medicine and Pharmaceutical Industry Tbk	Dec 18 2013
10	TSPC	PT. Tempo Scan Pacific Tbk	Jul 17 1994

Source:www.idx.co.id

The criteria used as samples in this study are as follows:

Table 2 Sampling Techniques

No	Criteria	Amount
1	Pharmaceutical Sub-Sector Companies Listed on the Indonesia Stock Exchange (IDX) in 2019-2023	10
2	Pharmaceutical Sub-Sector Companies that inconsistently reported financial reports during the 2019-2023 period	(3)
3	Registered pharmaceutical sub-sector companies that submitted data required by researchers from the period 2019-2023	7
Number of Companies Meeting the Criteria		7

Total Data = 7 x 5 Years	35

Source: Processed data, 2024

The number of companies used as samples is 7 (seven) companies with a research period of 5 (five) years of observation, so the results of the samples collected are 35 financial report data of pharmaceutical companies listed on the Indonesia Stock Exchange for the period 2019-2023. The list of companies is as follows:

Table 3 Sample Companies

No	Code	Company name
1	DVLA	PT. Darya-Varia Laboratories Tbk
2	KAEF	PT. Kimia Farma Tbk
3	KLBF	PT. Kalbe Farma Tbk
4	BRAND	PT. Merck Tbk
5	PYFA	PT. Pyridam Farma Tbk
6	SIDO	PT. Sido Muncul Herbal Medicine and Pharmaceutical Industry Tbk
7	TSPC	PT. Tempo Scan Pacific Tbk

Source: Processed data, 2024

2. Data collection technique

a. Library research
b. Documentation
c. Internet Research (Online Research)

3. Data Analysis Techniques

a. Descriptive Statistical Analysis
b. Classical Assumption Test
c. Multiple Regression Analysis
d. Coefficient of Determination
e. Hypothesis Testing

RESEARCH RESULTS AND DISCUSSION

The data used in this study are secondary data sourced from the financial reports of pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023, totalling ten companies accessed through the official website www.idx.co.id. The sample used in this study was seven companies, and the data obtained was 35 research data.

Table 4 Corporate Income Tax Payable by the Pharmaceutical Sub-Sector for the 2019-2023 Period

No	Company Code	Year				
		2019	2020	2021	2022	2023
1	DVLA	68,210	75,312	47,095	46,594	44,236
2	KAEF	144,431	19,578	16,139	86,434	10,916
3	KLBF	826,599	850,654	798,079	911,518	580,957
4	BRAND	12,552	31,474	23,319	41,909	52,311
5	PYFA	2,829	3,129	6,521	1,938	57,877

6	SIDO	216,959	268,459	263,901	354,911	312,367
7	TSPC	181,925	199,055	234,178	241,641	292,561
Average		207,644	205,380	198,462	240,706	250,175

Based on the data in Table 4.1, the value of corporate income tax owed by pharmaceutical sub-sector companies from the period 2019-2023. It can be seen that the company's value fluctuates every year, with the lowest average value in 2021, 189.462, and the highest value in 2023, 250.175.

Table 5 Capital Structure of Pharmaceutical Sub-Sector Companies for the Period 2019-2023

No	Company Code	Year				
		2019	2020	2021	2022	20223
1	DVLA	0.04	0.05	0.05	0.05	0.06
2	KAEF	0.25	0.03	0.21	0.26	0.15
3	KLBF	0.03	0.05	0.05	0.03	0.03
4	BRAND	0.03	0.04	0.05	0.06	0.04
5	PYFA	0.29	0.2	0.11	0.38	0.51
6	SIDO	0.02	0.02	0.02	0.01	0.01
7	TSPC	0.05	0.08	0.08	0.09	0.06
Average		0.09	0.07	0.08	0.14	0.12

Based on the data in Table 4.2, the capital structure value is measured using the LDAR ratio in pharmaceutical subsector companies from 2019 to 2023. The company's value fluctuates yearly, with the lowest average in 2020, 0.07, and the highest in 2022, 0.14.

Table 6 Profitability of Pharmaceutical Sub-Sector Companies for the period 2019-2023

No	Company Code	Year				
		2019	2020	2021	2022	2023
1	DVLA	0.12	0.12	0.08	0.07	0.07
2	KAEF	0.04	0.09	0	0.02	0.01
3	KLBF	0.14	0.13	0.12	0.13	0.13
4	BRAND	0.03	0.09	0.08	0.13	0.17
5	PYFA	0.05	0.05	0.1	0.01	0.18
6	SIDO	0.2	0.23	0.24	0.31	0.27
7	TSPC	0.07	0.07	0.09	0.09	0.09
Average		0.09	0.11	0.1	0.11	0.13

Based on the data in Table 4.3, the profitability value is measured using the ROA ratio in pharmaceutical subsector companies from the period 2019-2023. It can be seen that the company's value fluctuates every year, with the lowest average value in 2019 of 0.09 and the highest value in 2023 of 0.13.

Table 7 Operational Costs of Pharmaceutical Sub-Sector Companies for the Period 2019-2023

No	Company Code	Year				
		2019	2020	2021	2022	2023
1	DVLA	677,460	680,053	727,978	805,788	830,427
2	KAEF	2,206	373,862	3,326	3,500	3,286
3	KLBF	6,290,	6,646,590	6,406,021	7,262	7,473
4	BRAND	168,143	198,814	185,489	208,265,	190,287
5	PYFA	137,965	129,282,	134,339	219,976	286,433

6	SIDO	616,756	663,017	692,989	726,004	787,910
7	TSPC	3,196	3,410	2,798	2,921	3,486,
Average		230,288	293,583	250,475	281,959	301,329

Based on the data in Table 4.4, the value of operational costs in pharmaceutical sub-sector companies from the period 2019-2023. It can be seen that the company's value fluctuates every year, with the lowest average value in 2019, 230.288, and the highest value in 2023, 301.329.

Table 8 Descriptive Statistics of LDAR, ROA, and BOP

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Corporate Income Tax	35	1938	911518	209330.51	266664.273
LDAR	35	.01	.51	.0997	.11495
ROA	35	.00	.31	.1091	.07382
Operating costs	35	2206	6646590	644085.77	1499402.243
Valid N (listwise)	35				

SPSS Output Source version 25 (data processed 2024)

Based on the results of the statistical output calculations above:

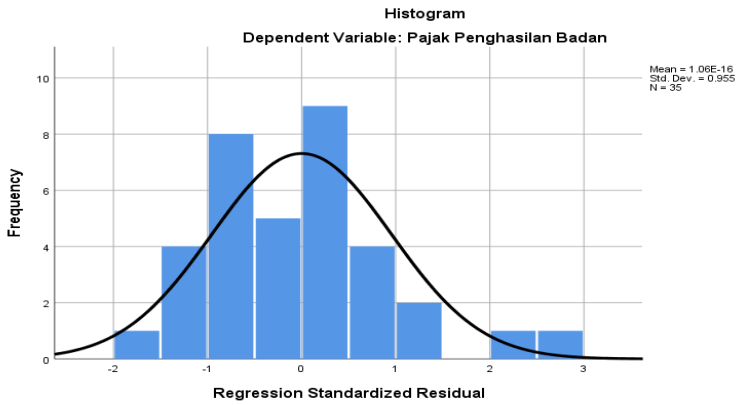
1. Corporate Income Tax, namely the Corporate Income Tax payable variable, shows a minimum value of 1938, a maximum value of 911518, a mean value of 209330.51 and a standard deviation value of 266664.27.
2. Capital Structure (LDAR), the capital structure variable, shows a minimum value of 0.01, a maximum value of 0.51, a mean value of 0.0997, and a standard deviation value of 0.11495.
3. Profitability (ROA), the profitability variable, has a minimum value of 0.00, a maximum value of 0.31, a mean value of 0.1091, and a standard deviation value of 0.07382.
4. Operational costs, namely the operational cost variable, show a minimum value of 2206, a maximum value of 6646590, a mean value of 644085.77 and a standard deviation of 1499402.243.

Table 9 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		35
Normal Parametersa,b	Mean	.0000000
	Std. Deviation	1.17547067
Most Extreme Differences	Absolute	.099
	Positive	.099
	Negative	-.055
Test Statistics		.099
Asymp. Sig. (2-tailed)		.200c,d
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

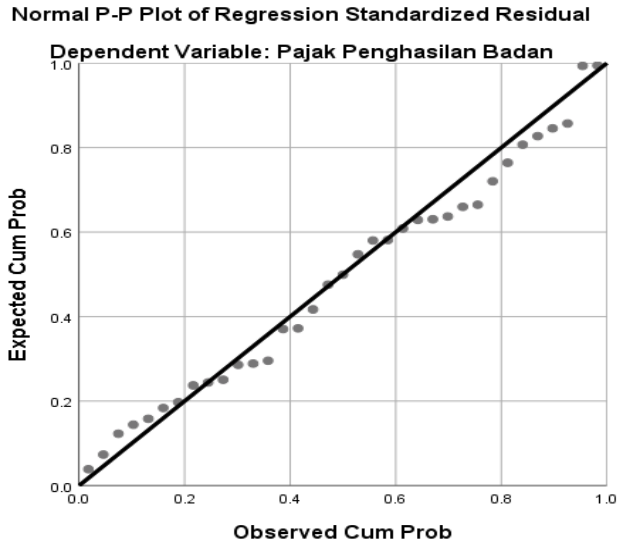
d. This is a lower bound of the true significance.

Based on Table 4.6, the results of the One-Sample Kolmogorov-Smirnov test show that the significance value is 0.200, which is more than alpha (0.05). These results indicate that the residuals are normally distributed. Thus, this research model has met the classical assumption of normality and can be carried out for further testing.



Source: SPSS version 25 output (data processed 2024)

Figure 1 Histogram Graph of Normality Test



Source: SPSS version 25 output (data processed 2024)

Figure 2 PP Plot Graph of Normality Test

From the data management results in graphic images 4.1 and 4.2 above, the appearance of the histogram graph and the average P-plot graph show that the histogram graph shows normally distributed

data because its shape is standard. In the P-plot, the points follow and approach the diagonal line to conclude that the regression model meets the normality assumption.

Table 10 Multicollinearity Test Results

Coefficientsa							
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	13,344	1,062		12,569	.000		
LDAR	-4.893	1,991	-.332	-2.457	.020	.851	1.176
ROA	13,834	3.404	.602	4.065	.000	.706	1.416
Operating costs	-.274	.095	-.400	-2.875	.007	.799	1.252
a. Dependent Variable: Corporate Income Tax							

Source: SPSS version 25 output (data processed 2024)

Based on Table 4.7 of the results of the multicollinearity test, the tolerance value for all variables is > 0.10, and the VIF value is < 10, so the regression model does not experience multicollinearity, and the research data can be used for linear regression tests.

Table 11 Heteroscedasticity Test Results

Coefficientsa						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.196	.622		-.316	.754
	LDAR	1,062	1.167	.166	.910	.370
	ROA	-1.483	1,994	-.149	-.744	.463
	Operating costs	.102	.056	.343	1,820	.078
a. Dependent Variable: Abs_RES						

Source: SPSS version 25 output (data processed 2024)

Based on the output above, the heteroscedasticity test using the Glesjer method obtained a significance value of all variables greater than 0.05, so it can be concluded that the data does not have a heteroscedasticity problem.

Table 12 Autocorrelation Test

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.721a	.520	.473	1.23104	2.252
a. Predictors: (Constant), Operating Costs, LDAR, ROA					
b. Dependent Variable: Corporate Income Tax					

Source: SPSS version 25 output (data processed 2024)

Based on Table 4.9, the Durbin-Watson value is 2.252. This value will be compared with the DW table with a sample size of 35, several independent variables of 3, and a confidence level of 5%.

The value of du < DW < 4-du = 1.652 < 2.252 < 2.348 shows that the regression model is not autocorrelated.

Table 13 Results of Multiple Linear Regression Analysis Test

Coefficientsa					
	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	13,344	1,062		12,569	.000
LDAR	-4.893	1,991	-.332	-2.457	.020
ROA	13,834	3.404	.602	4.065	.000
Operating costs	-.274	.095	-.400	-2.875	.007
a. Dependent Variable: Corporate Income Tax					

Source: SPSS version 25 output (data processed 2024)

Based on the results in Table above, the multiple linear regression equation can be structured as follows:

$$Y= 13.344 - 4.893X1 + 13.834X2 - 0.274X3$$

1. The constant value is 13.344. This shows that if the LDAR, ROA, and Operational Cost variables are considered constant (0), the corporate income tax payable is 13.344.
2. The regression coefficient of the LDAR variable (x1) is -4.893. This means that every 1% increase in LDAR will reduce corporate income tax payable by -4.893.
3. The regression coefficient of the ROA variable (x2) is 13.834. This means that every 1% increase in ROA will increase corporate income tax payable by 13.834.
4. The regression coefficient of the Operational Cost variable (x3) is -0.274. This means that every 1% increase in operational costs will reduce corporate income tax payable by -0.274.

Table 14 Results of Determination Coefficient

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.721a	.520	.473	1.23104	2.252
a. Predictors: (Constant), Operating Costs, LDAR, ROA					
b. Dependent Variable: Corporate Income Tax					

Source: SPSS version 25 output (data processed 2024)

Based on the results of the determination coefficient above, the value of R Square is 0.520. The results of this statistical calculation mean that the ability of the independent variables (LDAR, ROA, and Operational Costs) to explain changes in the dependent variable (Corporate Income Tax) is 52.0%; other variables outside the regression model analyzed explain the remaining 48.0%.

Table 15 t-Test Results

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13,344	1,062		12,569	.000
	LDAR	-4.893	1,991	-.332	-2.457	.020
	ROA	13,834	3.404	.602	4.065	.000
	Operating costs	-.274	.095	-.400	-2.875	.007
a. Dependent Variable: Corporate Income Tax						

Source: SPSS version 25 output (data processed 2024)

Based on Table 2.12 above, it can be seen that LDAR has a count value = |-2.457| > table = 2.039 with a significant level of 0.020 < 0.05, then H0 is rejected, and H1 is accepted. So, LDAR affects Corporate Income Tax Payable. ROA has a count value = 4.065 > table = 2.039 with a significant level of 0.000 < 0.05, then H0 is rejected, and H2 is accepted. So, ROA affects Corporate Income Tax Payable.Operational Cost has a calculated t value = |-2.875| > t-table = 2.039 with a significant level of 0.007 < 0.05, then H0 is rejected, and H3 is accepted. So, operational Costs affect corporate income tax payable.

Table 16 F Test Results

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50,804	3	16,935	11.175	.000b
	Residual	46,979	31	1,515		
	Total	97,782	34			
a. Dependent Variable: Corporate Income Tax						
b. Predictors: (Constant), Operating Costs, LDAR, ROA						

Source: SPSS version 25 output (data processed 2024)

The results above show that the Fcount value of 11.175> 2.91 Ftable is significant for LDAR, ROA, and operating costs, which is 0.000 or less than 0.05. So, the regression model of LDAR, ROA, and operating costs simultaneously affects corporate income tax payable in pharmaceutical sub-sector companies from 2019 to 2023.

Discussion of Research Results

1. The Effect of Capital Structure on Corporate Income Tax Payable in Pharmaceutical Sub-Sector Companies Listed on the Indonesia Stock Exchange for the 2019-2023 Period:

   Based on the results of the analysis conducted partially with the t-test, it can be seen that the capital structure has a calculated t value = |-2.457| >t- table = 2.039 with a significant level of 0.020 <0.05, then H0 is rejected, and H1 is accepted so that the capital structure affects Corporate Income Tax Payable.

The capital structure (LDAR) ratio measures the amount of a company's assets financed by long-term debt. Companies with a debt ratio (leverage) will have a higher value than companies without leverage; the increase in the company's value occurs because of interest payments on debt, which are tax deductions so that the profit flowing to investors becomes greater. This ratio is obtained by comparing the amount of long-term debt with total assets.

This study's results align with research conducted by Sophan and Melvi (2022), which states that the capital structure using LDAR positively affects corporate income tax payable.

2. The Effect of Profitability on Corporate Income Tax Payable in Pharmaceutical Sub-Sector Companies Listed on the Indonesia Stock Exchange for the 2019-2023 Period:

   Based on the analysis results conducted partially with the profitability t-test, the value of t count = 4.065> t table = 2.039 with a significant level of 0.000 <0.05, then H0 is rejected, and H2 is accepted. So, ROA affects Corporate Income Tax Payable.

   It can be said that increasing the Profitability generated by the company will increase the profit obtained, and this profit will affect the tax that will be generated and borne by the company. The higher the profit obtained, the higher the income tax borne by the company; conversely, if the profit generated by the company decreases, there will be a decrease in the tax imposed.

   This study's results align with research conducted by Risandi and Mira (2021), which states that profitability affects corporate income tax payable.

3. The Influence of Operating Costs on Corporate Income Tax Payable in Pharmaceutical Sub-Sector Companies Listed on the Indonesia Stock Exchange for the 2019-2023 Period:

   Based on the analysis conducted partially with the t-test, the operational costs have a calculated t value = |-2.875| >t- table = 2.039 with a significant level of 0.007 <0.05, so H0 is rejected, and H3 is accepted. So, Operational Costs affect Corporate Income Tax Payable in pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange for 2019-2023.

   Companies spend costs as support in running their business activities, one of which is operational costs. Operational costs are one of the indicators that reduce the company's profit so that it can reduce the income tax payable. So, it can be concluded that the higher the company's operational costs, the lower the amount of corporate income tax payable. Therefore, operational costs reduce corporate income tax.

   The results of this study are in line with research by Nelsi Arisandy (2021), Satini & Wahyu N (2021), and Septiani & Nanu (2022), which shows that operational costs significantly affect corporate income tax payable.

4. The Influence of Capital Structure, Profitability, and Operating Costs on Corporate Income Tax Payable in Pharmaceutical Sub-Sector Companies Listed on the Indonesia Stock Exchange for the 2019-2023 Period:

Based on simultaneous research (F-test) calculations, the Fcount value of 11.175> 2.91 Ftable and significance for LDAR, ROA, and Operational Costs is 0.000 or less than 0.05. So, the regression model of LDAR, ROA, and Operational Costs simultaneously affects Corporate Income Tax Payable in pharmaceutical sub-sector companies for the period 2019-2023.

CONCLUSION

Based on the results of the analysis and discussion, the following conclusions can be drawn:

1. Based on the results of the partial test with the t-test. The calculated t value = |-2.457| > ttable = 2.039 with a significant level of 0.020 <0.05, then H0 is rejected, and H1 is accepted. So, it can be concluded that the capital structure (LDAR) partially significantly affects corporate income tax.
2. Based on the test results conducted partially with the t-test, The value of t count = 4.065 > ttable = 2.039 with a significant level of 0.000 < 0.05, then H0 is rejected, and H2 is accepted. So, it can be concluded that profitability (ROA) affects corporate income tax payable.
3. Based on the test results conducted partially with the t-test, The calculated t value = |-2.875| > ttable = 2.039 with a significant level of 0.007 <0.05, then H0 is rejected, and H3 is accepted. So, it can be concluded that operational costs affect corporate income tax payable.
4. Based on the results of the test carried out partially with the f-test, the simultaneous value (f-test)shows the Fcount value of 11.175 > 2.91 Ftable and is significant for LDAR, ROA, and Operational Costs, which is 0.000 or less than 0.05. So, it can be concluded that capital structure, profitability, and operational costs jointly affect corporate income tax payable.

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