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The Effect of Liquidity and Capital Intensity on Tax Aggressive through Intellectual Capital

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Abstract:- Taxes are the main source of income for a country which is used for development, but in recent years the realization of tax revenues in Indonesia has still been far below the target. One indication is that there are aggressive tax practices to avoid paying taxes by several companies. Tax aggressiveness is an action taken by taxpayers to aggressively reduce the amount of tax they have to pay by taking advantage of loopholes in tax law, whether legal or not. This research aims to understand the impact of liquidity and capital intensity on aggressiveness in paying taxes through intellectual capital as a mediating variable. The population was taken from company entities listed on the LQ45 Index on the IDX. The sampling method used was a purposive sampling method so that 45 companies were obtained for 3 years (2020-2022). The research results found that liquidity and intellectual capital did not have a significant effect on tax aggressiveness. Capital intensity has a significant effect on tax aggressiveness. Liquidity and capital intensity have a significant effect on intellectual capital. However, liquidity and capital intensity do not have a significant effect on tax aggressiveness through intellectual capital.

Keyword:- *Tax Aggressive, Intellectual Capital, Liquidity, Capital Intensity*

I. INTRODUCTION

Taxes are the most important source of revenue in the development process in a country. Especially in Indonesia, around 80 percent of state income is obtained from taxes (Hadiyarroyyan & Urumsah, 2019). This also happens in most other countries whose main source of income is taxes. Without taxes, development of a country is difficult. Utilization of tax funds covers all aspects of state financing, including salaries of state officials and construction of public facilities and infrastructure. So that income from taxes becomes the main support for the running of a government and the implementation of development.

However, from the taxpayer's perspective, paying taxes is a cost that has the potential to reduce company profitability (Dwilopa & Jatmiko, 2016). Financially, taxes are a reduction in profits, so that dividend receipts for shareholders can be reduced. One effort to increase profits is by making tax payments efficient. Tax payment efficiency is one way of optimizing the allocation of company resources to increase profits.

Taxation decisions are very important in companies. The decision to reduce tax costs by practicing tax aggressiveness has been widely practiced in several business entities in the world. Tax aggressiveness is a company's activity with the aim of reducing income subject to tax by legal or illegal means (Maulana, 2020). Companies that carry out aggressive tax activities can gain profits or even suffer losses. The advantage is a reduced tax burden. However, losses that the company can bear include tax sanctions and damage to the company's image.

Tax avoidance by companies becomes an obstacle to tax collection by the tax authorities, as a result it can reduce state treasury revenues. In recent years, it has been very rare to achieve revenue collection from taxes. The lowest tax revenue was in 2015, where the tax revenue target only reached 81.5 percent (Setiadi, 2022). The government has made every effort to increase the growth of tax revenues in Indonesia. However, the government faces various challenges and obstacles, including aggressive tax practices by several companies in Indonesia. In a case that occurred in 2020, the Tax Justice Network revealed that there was a state loss of around Rp. 68.7 trillion annually resulting from aggressive tax avoidance practices in Indonesia by exploiting loopholes in tax regulations (Putra & Rahayu, 2023). Even though legally it does not violate existing provisions, this kind of activity is considered unethical.

Several researchers who have conducted research related to variables that can influence a company to carry out tax aggressive practices include: (Novitasari et al., 2022), found that liquidity and leverage do not affect tax aggressiveness and the level of capital intensity positively and significantly influences tax aggressiveness; Profitability, which is represented by Return on Assets (ROA), negatively and significantly influences tax aggressiveness. Then, (Damayanti et al., 2023) in research shows that the variables profitability, liquidity, capital intensity, solvency and company size positively influence tax aggressive practices.

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This research develops previous research, (Santini & Indrayani, 2020) which conducted research related to testing five independent variables, namely profitability, liquidity, leverage, capital intensity, company size to see their effect on tax aggressive behavior. To develop this research, researchers only focused on two independent variables, namely liquidity and capital intensity, their influence on tax aggressiveness and added intellectual capital as an intervening variable. The novelty of this research lies in the use of the intellectual capital variable as a mediating variable which has never been explored by previous researchers in the same context regarding aggressive behavior in tax management. By integrating this variable as a mediator, it is hoped that this research can add new insights and a deeper understanding of how intellectual capital can influence the relationship between the previously mentioned independent variables and tax aggressive behavior.

Another difference with previous research (Santini & Indrayani, 2020) is the object of research and the previous research period, namely the sample size of 43 banks listed on the BEI for the period 2014 to 2018, while the object of this research is the LQ45 Index on the BEI for the period 2020 to 2022. Objectives This research is to analyze whether liquidity and capital intensity have a positive relationship with tax aggressiveness. In this context, intellectual capital is expected to act as an intermediary or mediator between liquidity and capital intensity towards tax aggressiveness. So it is interesting to know whether intellectual capital plays an important role in the relationship between liquidity, capital intensity and tax aggressive behavior.

II. LITERATURE REVIEW

A. Accounting Positive Theory

Positive accounting theory is a response to criticism of normative accounting theory. Positive accounting theory explains the organizational behavior of a company in preparing financial reporting (Pangaribuan et al., 2023). This theory assumes that the company has the authority to decide on accounting methods that can provide benefits to the company or reflect the desired performance. In this context, shareholders are usually considered as one of the parties who have an interest in the company. Positive accounting theory recognizes that shareholders rationally want to maximize profits from the value of their investment (Dwiadnyani & Mertha, 2018). Decisions in determining accounting policies by company management are influenced by the relative calculation of the costs and benefits of the selected procedures. This concept is known as the “trade-off” between costs and benefits. This theory predicts the accounting policies that company managers will use under certain conditions. Managers tend to act based on personal motivation and constantly strive to increase their personal profits.

B. The Relationship of Intellectual Capital to Tax Aggressiveness

Intellectual Capital is a representation of human resources in the form of intangible assets, such as experience, knowledge and other information, which have the potential to increase the value of a company (Yusuf, 2019). Intellectual Capital refers to the ability of human resources to influence organizational performance. In terms of human resources, the company has sacrificed and invested quite a large amount of funds in terms of paying salaries, education and training as well as other compensation with the aim of improving the intellectual quality of its employees in order to increase employee performance and motivation in terms of helping the company achieve its goals.

In accordance with positive accounting theory based on the bonus plan hypothesis, it states that companies can motivate their employees to choose accounting methods that can make tax payments efficient with the aim of getting bonuses (Wulandari, 2022). However, on the other hand, companies that have focused on forming the character and intellectual qualities of their employees will be more likely to have a culture of maintaining their integrity (Bukman Lian, 2017). So that these employees will avoid aggressive tax planning practices that are detrimental.

Studies related to intellectual capital carried out by (Widodo et al., 2022) (Trisnawati & Budiono, 2020), stated that intellectual capital does not influence tax avoidance. From this explanation, the hypothesis stated in this research is:

H1: Intellectual capital has no effect on tax aggressiveness.

C. The Relationship between Company Liquidity and Tax Aggressiveness

Liquidity is a condition where a company has sufficient sources of funds that can be used to pay its operational obligations which are paid immediately or whose maturity is less than one year (Angela & Nugroho, 2020). When a company's liquidity is decreasing or it is having difficulty paying its short-term debt, this can result in business people avoiding tax obligations. Entrepreneurs choose to prioritize cash flow liquidity reserves rather than paying tax obligations. There is a conflict of interest between taxpayers and the tax authorities, where taxpayers try to optimize profitability because the company's focus is more on maintaining cash flow rather than paying taxes (Novitasari et al., 2022). In this case, according to positive accounting theory, companies will make greater use of accounting methods that can reduce profits, to reduce the company's tax burden. A company is categorized as liquid if its liquidity ratio is above one, meaning that the company can meet its short-term debt payments which are due soon (Feryyanshah & Sunarto, 2022).

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Several studies related to the relationship between company liquidity and tax aggressiveness include; (Indradi, 2018); (Damayanti et al., 2023); (Angela & Nugroho, 2020); (Rohmansyah & Indah Fitriana, 2020), states that liquidity has a positive and significant influence on tax aggressiveness. From this explanation, the hypothesis stated in this research is:

H2 = Liquidity has a positive effect on tax aggressiveness.

D. The Relationship between Capital Intensity and Tax Aggressiveness

Capital Intensity is a funding decision related to capital investment in fixed assets. In this case, the capital intensity function is used to measure the amount of company investment allocated to fixed assets in the company's operational activities to gain profits (Indradi, 2018). Positive accounting theory states that a company has a tendency to implement earnings management to reduce the political burden that must be paid by taxpayers. Earning Management is a series of company activities in influencing or manipulating financial reports in order to show financial performance that is better than it actually is. The goals of this practice, such as attracting investors, meeting profit targets. By owning fixed assets, companies can reduce their tax liabilities through reducing depreciation costs using methods permitted by tax law (Puspitasari et al., 2021). Thus, if the value of a company's fixed assets is large then the opportunity to carry out aggressive practices in avoiding tax payments is likely.

Research results related to the relationship between capital intensity and tax aggressiveness include research from (Damayanti et al., 2023); (Wulandari, 2022); (Indradi, 2018), states that there is a positive and significant relationship between Capital intensity and tax aggressiveness. Therefore, the hypothesis of this research is;

H3 = Capital intensity has a positive effect on tax aggressiveness

E. The Relationship between Company Liquidity and Intellectual Capital

Liquidity is a measure that describes how capable a business entity is of paying its current debts and urgent operational needs to be paid using existing current assets (Angela & Nugroho, 2020). With the strength of a good liquidity ratio, the company will allocate more funds to improve the Intellectual Capital quality of its human resources, because it has large fund reserves (Supriyadi et al., 2020). On the other hand, illiquid companies tend to reduce their budget allocation for employee costs such as training, training, benchmarking, coaching and mentoring due to limited funds which can have an impact on the company's low level of intellectual capital.

Research on the influence of company liquidity on Intellectual Capital by; (Mawardini et al., 2022) revealed that liquidity has a negative and insignificant effect on Intellectual Capital. Other research from (Fakhriah & Praptoyo, 2022), reveals that liquidity has an influence on intellectual capital disclosure. Based on this explanation, the hypothesis of this research is;

H4 = Company liquidity influences Intellectual Capital

F. The Relationship between Capital Intensity and Intellectual Capital

Capital Intensity is a representation of the investment results invested by the company in fixed assets. This ratio measures the company's efficiency in using its fixed assets to carry out the company's operational activities (Sinaga & Malau, 2021). Capital Intensity is the result of funding decisions, where companies invest in tangible assets in the form of fixed assets. According to (Sagita et al., 2019), investment decisions in the company's tangible assets must also be balanced with investments in intangible assets in the form of investment in human resources in order to increase employee intellectual intelligence.

In an organization, employees should not be treated arbitrarily like the use of other production factors. They must be actively involved in every organizational activity and given a role to utilize existing asset resources. Employees are one of the most vital assets for a company and should not be underestimated, because they are the ones who will manage assets and determine the company's future development. Based on this explanation, the hypothesis of this research is;

H5 = Capital Intensity influences Intellectual Capital

G. The Relationship between Liquidity and Tax Aggressiveness through Intellectual Capital

According to research (Rohmansyah & Indah Fitriana, 2020), it is clear that liquidity has a positive and significant effect on tax aggressiveness. This means that if the company is liquid, the company tends to comply and pay taxes according to tax law, but on the other hand, if the company is in an illiquid condition, the company management will tend to avoid taxes (Angela & Nugroho, 2020). On the other hand, research from (Widodo et al., 2022), states that intellectual capital has no significant effect on tax avoidance. This means that if the company's intellectual capital is good, employees will not carry out negative tax aggressiveness, because in companies with strong intellectual human resources, their employees will still maintain a high attitude of integrity. Therefore, the hypothesis of this research is;

H6 = liquidity has no effect on tax aggressiveness through Intellectual capital

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H. The Influence of Capital Intensity on Tax Aggressiveness through Intellectual Capital

The relationship between Capital Intensity and Tax Aggressiveness through Intellectual Capital is based on positive accounting theory which assumes that the political cost hypothesis states that companies with high profitability will prefer to use accounting methods that can reduce taxable income in order to reduce costs. For the purpose of corporate tax efficiency, management can choose various alternative accounting policies to minimize tax costs (Amalia, 2021). However, research results (Dewi & Wirakusuma, 2018) reveal that intellectual capital influences ethical behavior. This means that employees who are intellectually strong will not take advantage of aggressive tax opportunities that could be detrimental to themselves, the company and the country. Therefore, the hypothesis of this research is;

H7 = Capital Intensity has no effect on tax aggressiveness through Intellectual Capital.

III. METHODOLOGY

A. Research Approach

The research method used is a combination of descriptive and associative methods through the application of quantitative-based research methods. Research will focus on a detailed description of the observed phenomena and look for relationships between variables using numerical data and statistical analysis to support research findings. Quantitative methods is a research approach that is based on the principles of positivism. This approach is used to investigate phenomena with a focus on collecting numerical data from a population (Sugiyono, 2017). The data collection process is carried out through research tools that produce data in the form of numbers or numerical values. This data is then analyzed with the aim of testing the previous hypothesis.

B. Population and Sample

The companies taken as the population are those listed on the LQ45 Index on the BEI, for the 2020-2022 period. The population is 45 companies. The sampling technique used was purposive sampling. Purposive sampling technique is a sampling method, where researchers deliberately select respondents or parts of the population according to established criteria. This approach is based on the consideration that the selected respondents or population have relevant characteristics or information to answer the research questions that have been determined. Based on the number of companies listed on the: be calculated as follows: Number of samples = (Number of Companies) So the total data taken was 135 samples.

C. Data Collecting

The data used is information that has been previously collected or published by other parties or what is known as secondary data. This data is accessed from the Indonesia Stock Exchange (BEI) website for the reason that the data available on the IDX is complete, accurate and real time.

D. Analysis Method

The data analysis method uses panel data analysis with a Structural Equation Modeling (SEM) analysis technique approach. The tools used in the data processing process are IBM SPSS AMOS software. Before the normality test is carried out, outlier data is evaluated first to evaluate whether there is data whose characteristics are very different or extreme from the object of observation. To assess whether or not the regression model is appropriate, it is measured through the Goodness of Fit Test, using absolute fit measurement and incremental fit measurement. Next, a hypothesis test is carried out. To decide whether to accept or reject the previous hypothesis, the probability value criterion is used, namely the critical ratio (C.R) of $\alpha = 5\%$.

E. Operational Definitions and Measurement Variables

- Tax Aggressive (Y): Aggressive tax (AP) is a tax planning strategy implemented by taxpayers with the aim of minimizing the amount of tax payments (Mulyanti & Nasution, 2023). The formula used to measure the aggressive level of tax is the Effective Tax Rate:

- ETR= (Tax Expense) / (Pre Tax Income)

- Intellectual Capital (Z): Intellectual capital (IC) is human resources in the form of intangible assets in the form of hard and soft competencies that can increase company value (Yusuf, 2019). Intellectual Capital in the "VAIC™" Value is obtained through four stages:

✓ VA=OUT–IN

- OUT= Total sales of products and services
- IN = Total company costs, other than employee costs

✓ VAHU = VA/ HC

- VA = Value Added
- HC = Total employee costs

✓ STVA=SC/VA

- SC = Structure Capital (VA-HC)
- VA = Value Added

✓ VAIC™ = VACA + VAHU + STVA

- Liquidity (X1): Company liquidity (Liquid) is proxied by the Current Ratio (CR) which reflects the availability of the company's current assets which can be used to pay its current obligations which are due soon (Angela & Nugroho, 2020). Liquidity is measured by the formula:

✓ CR= (Total Current Assets)/(Total Current Liabilities)

- Capital Intensity (X2): Capital Intensity (CAPIN) is the amount of wealth owned by a company in the form of fixed assets such as: land, buildings, machines, equipment, inventory and others used for company operations (Indradi, 2018). Capital intensity is measured by the formula:

✓ CAPIN=(Total Net Fixed Assets)/(Total Assets)

IV. RESULT AND DISCUSSION

A. Descriptive Statistical Analysis

The population of this study was 45 issuers who issued their shares on the LQ45 Index on the IDX, for 3 periods from 2020-2022, so that 135 data were observed. As with other statistical methods, Structural Equation Modeling requires data to be normally distributed. If the data is not normally distributed, it is feared that the analysis results will be inaccurate or biased, so that some outlier data will be excluded from the research data processing. Based on the results of outlier data detection, 45 abnormal data were found which had to be eliminated so that the sample size became 90 data, from 135 initial data.

B. Normality Test

Evaluate the normality test to determine whether the data pattern is well distributed according to the Critical Ratio (C.R) value of the required skewness. The data normality test uses a standard critical ratio skewness value of ± 2.58 with a significance of 1%. From table 1, it can be seen that the results of testing the data through normality evaluation were identified both univariately and multivariate, CR skewness, CR kurtosis and multivariate CR were seen with a value of 0.878 or an average value smaller than 2.58. So it can be concluded that the data is normally distributed.

Table 1: Goodness of Fit Index Full Model Results

Variable	Min	max	skew	c.r.	kurtosis	c.r.
LIQUID	.013	4.719	.865	3.349	.335	.648
CAPIN	.008	.720	.432	1.671	-.841	-1.629
IC	1.118	13.532	.883	3.421	.497	.963
AP	.005	.411	-.703	-2.722	2.181	4.223
Multivariate					1.282	.878

Source: IBM SPSS Amos 22 Output (2023)

C. Goodness of Fit Analysis

In the model suitability test, several goodness of fit indices are used to assess the suitability of the model used. Based on Figure 1, the results of data processing show that after carrying out full SEM model analysis, all structures used in making the research model have met goodness of fit standards. Based on the data listed in Table 2, the Goodness of Fit results show: Chi-square (0.007=close to 0); Probability level (0.932> 0.05); CMIN/DF (0.007< 2.00); CFI (1,000 > 0.95); RMSEA (0.000<0.008); TLI (1.393>0.90); GFI (1,000>0.90); AGFI (1,000>0.90). Therefore, it is concluded that the suitability structure of the model can be considered feasible, because the goodness of fit test results all meet the established standards.

Table 2: Goodness of fit Index Full Model results

No	Goodness of Fit	Cut off	Result	Model Evaluation
1	Chi-square	Approaching zero	0,007	Good Fit
2	Probability level	≥ 0,05	0,932	Good Fit
3	CMIN/DF	< 2,00	0,007	Good Fit
4	CFI	≥ 0,95	1.000	Good Fit
5	RMSEA	≤ 0,08	0,000	Good Fit
6	TLI	≥ 0,90	1,393	Good Fit
7	GFI	≥ 0,90	1.000	Good Fit
8	AGFI	≥ 0,90	1.000	Good Fit

Source: Processed data, IBM SPSS Amos 22 (2023)

D. Hypothesis Testing

There are 7 hypotheses that will be evaluated in this research. To decide whether to accept or reject the previous hypothesis, the probability value criterion is used, namely the critical ratio (C.R) of $\alpha = 5\%$. If the CR value is positive and the probability (P) value is smaller than 5%, then the research hypothesis is accepted.

This research has direct tests, namely the effect of liquidity on intellectual capital, capital intensity on intellectual capital, liquidity on tax aggressiveness, capital intensity on tax aggressiveness, intellectual capital on tax aggressiveness. And indirect testing involving mediating variables, namely the effect of liquidity on tax aggressiveness through intellectual capital and capital intensity on tax aggressiveness through intellectual capital.

The results of the direct influence hypothesis test in this research can be seen in detail in the following table:

Table 3: Results of Direct Effect Testing

			Estimate	S.E.	C.R.	P	Label
IC	<---	LIQUID	.592	.227	2.604	.009	par_1
IC	<---	CAPIN	3.461	1.142	3.030	.002	par_5
AP	<---	IC	-.004	.003	-1.341	.180	par_2
AP	<---	LIQUID	.006	.007	.749	.454	par_3
AP	<---	CAPIN	.092	.038	2.452	.014	par_4

Source: IBM SPSS Amos 22 Output (2023)

➢ *Based on the Output of the Direct Influence Test Results in Table 3, it can be Stated that:*

- The Intellectual Capital (IC) variable on Tax Aggressiveness (AP) shows that the path coefficient value with a probability (p) of 0.180 is greater than the significance value of 0.05, so the hypothesis (H1) which states that intellectual capital has no effect on tax aggressiveness, is accepted.
- The variable Liquidity (LIQUID) on Tax Aggressiveness (AP) shows that the path coefficient value with a probability (p) of 0.454 is greater than the significance value of 0.05, so the hypothesis (H2) which states that liquidity has a positive effect on tax aggressiveness, is rejected.
- The variable Capital Intensity (CAPIN) on Tax Aggressiveness (AP) shows that the path coefficient value with a probability (p) of 0.014 is smaller than the significance value of 0.05, so the hypothesis (H3) which states that capital intensity has an effect on tax aggressiveness, is accepted.
- The Liquidity Variable (LIQUID) on Intellectual Capital (IC) shows that the path coefficient value with a probability (p) of 0.009 is smaller than the significance value of 0.05, so the hypothesis (H4) which states that intellectual capital has an effect on intellectual capital, is accepted.
- The Capital Intensity (CAPIN) variable on Intellectual Capital (IC) shows that the path coefficient value with a probability (p) of 0.002 is smaller than the significance value of 0.05, so the hypothesis (H5) which states that capital intensity has an effect on tax aggressiveness, is accepted.

To test the indirect influence hypothesis, the Sobel test was used with a procedure developed by Sobel. The Sobel test is used to determine whether certain variables that act as mediators significantly mediate the relationship between other variables.

The results of testing the indirect influence hypothesis using the sobel test formula can be seen in table 4 below:

Table 4: Results of Indirect Effect Testing

	T-Count	T-Table	Information
AP <-- IC <--- LIKUID	-1.123	1.987	No effect
AP <-- IC <--- CAPIN	-1.168	1.987	No effect

Source: Processed data, Test Sobel (2023)

➢ *Based on the Output of the Indirect Influence Test Results in Table 4, it can be Stated that:*

- The Liquidity Variable (LIQUID) on Tax Aggressiveness (AP) through the mediating variable Intellectual Capital (IC) shows that the path coefficient value with t-calculation is -1.123 which is smaller than the significance value of 1.987, so the hypothesis (H6) which states that liquidity has no effect against aggressive taxes through intellectual capital, accepted.
- The variable Capital Intensity (CAPIN) on Tax Aggressiveness (AP) through the mediating variable intellectual capital (IC) shows that the path coefficient value with t-calculation is -1.168 smaller than the t-table value of 1.987, so the hypothesis (H7) is stated that capital intensity has no effect on tax aggressiveness through intellectual capital, accepted.

E. The Influence of Intellectual Capital on Tax Aggressiveness.

The results of the research state that intellectual capital has a negative and insignificant effect on tax aggressiveness. This means that intellectual capital does not affect tax aggressiveness. This is because companies that have succeeded in forming better quality intellectual capital in their employees by spending large amounts of money to improve the quality of their human resources tend to have their employees act professionally and maintain the value of integrity, so that they will not carry out aggressive tax practices that will harm them. companies and countries.

The results of this research are in line with research from (Widodo et al., 2022), which states that intellectual capital has no effect on tax avoidance. However, this is different from research results (Tambun, 2018) which state that intellectual capital influences tax aggressiveness which is proxied by the Effective Tax Rate (ETR).

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F. The Influence of Company Liquidity on Tax Aggressiveness.

The results of this research state that liquidity has a positive and insignificant effect on tax aggressiveness. This means that the size of the company's liquidity level does not influence tax aggressive behavior. This is due to the tight supervision of the tax authorities and the high burden of tax fines if caught committing a tax violation. Companies that are experiencing liquidity difficulties in paying off their short-term debt no longer dare to take risks by exploiting tax loopholes as a strategy to minimize the company's financial burden. Punishment or fines for tax violations are the main factor considering aggressive taxation.

These findings support research results from (Novitasari et al., 2022) and (Athifah & Mahpudin, 2021) which say that company liquidity has no effect on tax aggressiveness. However, research results are different (Damayanti et al., 2023) which states that company liquidity has a positive effect on tax aggressiveness.

G. The Influence of Capital Intensity on Tax Aggressiveness.

The findings of this research confirm that there is a positive and significant relationship between capital intensity and tax aggressive tendencies. This is due to the fact that companies that have high fixed asset values generate significant depreciation expenses. Taxpayers who invest their funds in fixed assets can reduce their income by deducting these depreciation costs, resulting in a decrease in the company's taxable profit. As a result, this will reduce the amount of tax payments. Thus, large amounts of assets can trigger entrepreneurs to carry out tax aggressiveness by utilizing depreciation methods that comply with tax laws.

This research is in line with research results (Damayanti et al., 2023) (Wulandari, 2022); (Indradi, 2018), states that there is a positive and significant relationship between capital intensity and tax aggressiveness. However, the findings from (Adiputri & Erlinawati, 2021) state that capital intensity has no effect on tax aggressiveness.

H. The Effect of Liquidity on Intellectual Capital.

The findings from the research confirm that there is a positive and significant correlation between the level of liquidity and intellectual capital. This shows that the easier it is for a company to access funds, the greater the company's ability to allocate more costs to increase the intellectual capital of their employees. Companies that have large cash reserves have the opportunity to allocate a large human resource development budget. On the other hand, illiquid companies tend to reduce budget allocations due to limited funds, which can have an impact on low levels of intellectual capital.

The results of this study are in line with research, (Fakhriah & Praptoyo, 2022), which reveals that liquidity has an influence on intellectual capital disclosure. However, this is different from research findings (Mawardini et al., 2022). States that liquidity has a negative but not significant effect on intellectual capital.

I. The Influence of Capital Intensity on Intellectual Capital.

The research results show that there is a positive and significant relationship between the level of capital intensity and intellectual capital. Companies that invest more funds in tangible assets in the form of fixed assets tend to also increase their investment in intangible assets in the form of developing intellectual capital for their human resources. This is because companies that have large assets need qualified employees to manage existing assets.

J. The Effect of Liquidity on Tax Aggressiveness Through Intellectual Capital.

The findings from the research imply that the level of company liquidity has a negative and insignificant influence on tax aggressive tendencies through intellectual capital. This means that through the mediating role of intellectual capital, the relationship between company liquidity and tax aggressiveness has no effect. This is because even though the company is experiencing liquidity difficulties in terms of sufficient funds, employees who have high quality intellectual capital will still maintain their integrity in terms of tax avoidance practices. Another reason is that strict supervision by the tax authorities and high fines for tax violations are the main considerations for tax avoidance practices.

K. The Effect of Capital Intensity on Tax Aggressiveness Through Intellectual Capital.

The results of this study show that the level of capital intensity has a negative and insignificant influence on tax aggressive tendencies through intellectual capital. This means that through the mediating role of intellectual capital, the relationship between capital intensity and tax aggressiveness has no effect. This is because even though companies have the opportunity to utilize depreciation method facilities that can reduce tax payments, employees who have high quality intellectual capital will still maintain their integrity in terms of tax avoidance practices.

V. CONCLUSION

Based on the results of research conducted on companies listed on the LQ45 Index on the Indonesia Stock Exchange (BEI) in 2020-2022, the following conclusions can be drawn;

- Intellectual capital as measured by the value added Intellectual Coefficient (VAIC) has no significant effect on tax aggressiveness
- Liquidity as measured by the current ratio has no significant effect on tax aggressiveness.

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- Capital intensity as measured by the Effective Tax Rate (ETR) has a significant effect on tax aggressiveness.
- Liquidity as measured by the current ratio has a significant effect on intellectual capital.
- Capital intensity as measured by the Effective Tax Rate (ETR) has a significant effect on intellectual capital.
- Liquidity has no significant effect on tax aggressiveness through the mediation of intellectual capital.
- Capital intensity has no significant effect on tax aggressiveness through the mediation of intellectual capital.

For further research, it is recommended to add a research population other than the LQ45 Index and develop variables that are rarely studied and have a longer research period, so that maximum research results can be obtained.

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