American Journal of Humanities and Social Sciences Research (AJHSSR)
e-ISSN : 2378-703X
Volume-6, Issue-6, pp-174-185
www.ajhssr.com
Research Paper Open Access

THE EFFECT OF TAX AVOIDANCE AND GOOD CORPORATEGOVERNANCE ON THE COST OF DEBT IN THE COMPANYCONSUMER GOODS INDUSTRY

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ABSTRACT : This study aims to analyze the effect of tax avoidance, institutional ownership, managerial ownership, independent commissioners on the cost of debt in consumer goods and industrial companies listed on the Indonesia Stock Exchange for the 2016-2020 period (IDX). Tax avoidance, institutional ownership, managerial ownership, and independent board of commissioners are set as independent variables while the dependent variable is the cost of debt. A total of 6 companies were used as the research population by taking data on financial statements that exist in industrial goods and consumption companies listed on the IDX. Sampling using purposive sampling obtained a number of 30 samples. Here the research uses a quantitative approach, the type of research is descriptive. The technique used is purposive sampling technique. Statistical analysis used is multiple linear regression.The results show that the independent board of commissioners individually has an effect on the cost of debt, while tax avoidance, institutional ownership, and managerial ownership do not affect the cost of debt. Simultaneously tax avoidance, institutional ownership, managerial ownership, the board of commissioners have a significant and significant effect on the cost of debt.

KEYWORDS: *Cost of Debt, Tax Avoidance, Institutional Ownership, Managerial Ownership, Independent Board of Commissioners*

I. INTRODUCTION

When a company runs a business, it needs funds to finance the company's activities as working capital, therefore the company's operational activities can be carried out as well as possible. There is a tendency for the company to decide on its previous internal source as the source of its funds. If it is deemed that internal sources are insufficient to finance the company's operational activities, then external funds will be used by the company, namely through debt carried out. (Fatwa, 2019). In obtaining debt, a company will be subject to an interest payment obligation, therefore the cost of debt appears. Companies that use sources of funds from debt will be subject to an obligation to pay interest. According to Indonesian tax regulations, the amount of interest expense can be classified to reduce taxable income (deductible expense) therefore it will reduce the amount of the company's tax burden. Not a few companies use this rule as a way to carry out tax management and therefore can make the amount of tax payments smaller (Elma, 2018).

Tax management has a goal to implement tax regulations appropriately and efficiency efforts in order to achieve proper liquidity and profit. There are two types of tax management, namely legal nature or called tax avoidance and illegal tax evasion. There is no legal prohibition on ax avoidance, however, from the tax office, it has been highlighted less well because it is felt to have a negative connotation and shows disobedient behavior (Fatwa, 2019). It is possible that this activity could lead to efforts to evade taxes. This of course can have a negative impact on the country, because if it is ignored it can make income from the tax sector increasingly disappear in a significant amount. Through the reduction of taxes received, regional development, including public infrastructure, as well as people's welfare are increasingly not optimal. The public is of the view that related to efforts to avoid this tax, as an action that makes many people lose money, companies should participate in so that the welfare of the community can progress a lot through the taxes paid (Puspita, 2014).

As in the November 2020 case, Suryo Utomo as Director General (Dirjen) of Taxes at the Ministry of Finance (Kemenkeu) said that tax evasion or tax avoidance is estimated to make the country lose up to Rp. 68.7 trillion per year. What was found was conveyed by the Tax Justice Network which revealed a report on the impact of tax evasion. Based on its estimation, Indonesia suffers an annual loss of US$ 4.86 billion. If using the rupiah exchange rate against the closing in the spot market (Rp 14,149 per US dollar), this figure is equal to Rp 68.7 trillion. Referring to the Tax Justice Network report, it was revealed that based on this amount, US$ 4.78 billion, equivalent to Rp. 67.6 trillion, was the result of a corporate tax review. While the remaining US$ 78.83 million came from private individual taxpayers (Berita Tribunnews.com).

Besides tax avoidance, this study also describes the effect of Good Corporate Governance by using three proxies, namely independent commissioners, managerial ownership and institutional ownership on the cost of debt. Companies that have high debt levels have a huge impact. One of them is the company's inability to pay off its debts. The company needs to monitor the performance of the company's management. The implementation of GCG carried out by the company can reduce as well as address management policies that make the company lose money. Therefore, the level of debt can also be affected by the corporate governance applied by the company (Ashkhabi and Agustina, 2015).

Based on the explanation above, taxes that reduce profits and are accompanied by coercion cause companies to become part of the taxpayer to search for ways to maintain their profits through reducing their tax debts. The company establishes corporate governance as oversight of corporate governance, including supervision in order to reduce tax debts owned without violating the law. Corporate governance that plays the role of supervising the implementation of corporate tax management when making decisions for tax avoidance (Zahro2018).

Researchers Fatwa (2019) concluded that there was an effect of tax avoidance on the cost of debt, on the other hand, Researcher Manullang et al. (2020) conclude that tax avoidance does not affect the cost of debt.

Researcher Rahmawati (2015) concludes that institutional ownership affects the cost of debt, on the contrary, researcher Samhudi (2016) concludes that it is not proven that there is an influence of institutional ownership on the cost of debt.

Researcher Eko (2014) concludes that managerial ownership has an influence on the cost of debt, whereas researchers Ashkhabi and Agustina (2015) conclude that managerial ownership does not affect the cost of debt.

Researchers Nugroho and Meiranto (2014) concluded that there was an influence of independent commissioners on the cost of debt, on the other hand, researchers Calen (2019) concluded that independent commissioners had no effect on the cost of debt.

So in this study we make "The Influence of Tax Avoidance and GCG on the Cost of Debt in Consumer Goods Industrial Sector Companies Listed on the IDX in 2016-2020" as the title of the study.

II. LITERATURERIEVEW

The Effect of Tax Avoidance on the Cost of Debt

Efforts by companies to reduce tax payments through the use of debt, which are legally permitted, are called tax avoidance behavior. When managing its sources of funds, companies have various alternatives, including taking loans from creditors. The value of companies that use debt is considered higher than those that do not take debt. The existence of this debt can also trigger debt financing that can be used as a tax shield in the form of tax reductions that can trigger an increase in company value. On the other hand, the use of debt creates risks for the company, and for companies the size of this debt can indicate the existence of risk. Tax avoidance carried out by the company is considered by creditors as an action that has risks and can therefore increase the cost of debt from the company (Fahreza, 2019).

The Effect of Institutional Ownership on the Cost of Debt

Referring to the explanation of Nugrahanti (2013), the amount of institutional ownership has resulted in better supervision of the company. This good supervision causes the company's performance to be better and can guarantee that shareholders will prosper and therefore reduce the company's risk. This reduced risk can reduce the cost of debt from creditors (Nugroho and Meiranto, 2014). Thus, the greater the institutional ownership of the company can increase profits for the company. There is a view that creditors of companies with large profits can reduce risk and therefore reduce debt financing.

The Effect of Managerial Ownership on the Cost of Debt

Referring to Eko's explanation (2014: 5) reveals that companies that have a high level of managerial ownership have large debt financing because of opportunistic behavior carried out by managers. Here the action certainly brings the benefit of shareholders and makes bondholders lose money because there is a tendency for managers to take over the wealth of bondholders through project decisions that are taken with high risk, including dividends paid in excess. High debt financing is the responsibility of bondholders resulting in an increase in bond interest rates. Therefore, the higher the managerial ownership, the higher the company's debt financing.

The Influence of the Independent Board of Commissioners on the Cost of Debt

The increase in all independent commissioners will reduce the cost of debt (Samhudi, 2016:5). The existence of an independent commissioner as a superior monitor has resulted in management's tendency to disclose credible financial statements, therefore investors and customers assume that companies with good independent commissioners have performance advantages and can reduce the company's risk, therefore the impact on debt financing decreases. Referring to the research produced by Rahmawati (2015:25) the greater the ownership of independent commissioners, the better the company's performance will be. If the company's performance is getting better, it will increase the company's profits. Through this company's profits, it can make the company's debt smaller.

III. METHODS

Research Approach

This research approach uses quantitative methods that are processed to produce conclusions. In this study, we want to know how the effect of the independent variable on the dependent variable. Here there is one dependent variable, namely the cost of debt, while the independent variables are independent commissioners, institutional ownership, managerial ownership, and tax avoidance.

Sources and Methods of Data Collection

Related to this research, the data source is obtained from secondary data.
The data collection method is through documentation. The documentation method itself is a method where the data collection system is in secondary form which includes financial reports, notes, pictures, someone's work or other sources that can be used according to the IDX official website.

Population and Research Sample

The research population used is all consumer goods industrial sector companies registered on the IDX in 2016 - 2020. Consumer goods industrial sector companies registered on the IDX with an observation period from 2016 - 2020 that meet the criteria are set to be the sample of this study. The technique for taking the sample is using the purposive sampling method. The description of the sample selection criteria used are:

Table II.1
Sample Selection Table

No	Description	amount
1.	Companies listed on the Indonesian stock exchange for the period 2016 – 2020	40
2.	Companies that do not provide complete annual report during the 2016 – 2020 period	(6)
3.	Companies that do not have complete data on research variables during the 2016 – 2020 period	(26)
4.	Companies that do not have positive profits during the period 2016 - 2020	(2)
	Number of samples	6
	Number of periods	5
	Number of observations	30

Operational definition and measurement of variables
Table II.2

Variable	Draft	Indicator	Scale
Cost of debt (Y)	Cost of Debt is the rate of return expected from lenders when setting up corporate funding. The interest rate that companies need to pay when providing loans includes the cost of debt. (Fatwa, 2019)	**COD =** $\frac{\text{(interst expense for the yea}}{\text{(long term debt) + (short term}}$	Ratio
Tax evasion (X1)	Tax avoidance or tax avoidance is a tax avoidance technique or strategy that is carried out safely and legally for taxpayers because it does not conflict with the specified taxation. (Fatwa,2019)	**ETR=** $\frac{\text{tax expense}}{\text{profit before tax}}$	Ratio
Institutional ownership (X2)	Institutional ownership is ownership of a company from institutional owners or an entity such as banks, insurance and the government (Nugroho, 2014).	$KI=$ $\frac{\text{Total shares owned by the institution}}{\text{Total share outstanding}}$	Ratio

Managerial ownership (X3)	Managerial ownership is the amount of ownership of the manager of the company. Managerial ownership includes the opportunity for managers to be directly involved in that ownership (Sally, 2017).	$\boldsymbol{KM} = \frac{\text{management shareholding}}{\text{tota l shares outstanding}} x\ 100\%$	Ratio
Independent board of commissione (X4)	An independent commissioner is a member of the board of commissioners who has no affiliation with the board of directors, other members of the board of commissioners and the controlling shareholder, free from business relationships or other relationships that may impact on their ability to take action independently or simply in the interest of the company (Aris, 2015)	$\boldsymbol{DKI} = \frac{\text{number of independent c}}{\text{total number members of the bo}}$	Ratio

Data Analysis Technique

Data Analysis Method

Regarding the research carried out here, data analysis techniques with multiple regression analysis techniques are used. It is defined as a means of analyzing in order to predict the value of the influence of several or more explanatory variables on the dependent variable as proof of the existence of a clause relationship or function of two or more explanatory variables with one dependent variable (Riduwan and Sunarto, 2011). In order to take into account the research data, the following models are used:

$$Y = a + B1X1 + B2X2 + B3X3 + B4X4 + e$$

Description :
Y = Cost of Debt
X1 = Tax Evasion
X2 = Instiutional Ownership
X3 = Managerial Ownership
X4 = Independent Board of Commissioners
B1 - B4= Regression Coefficient
e = Error Term

Classic assumption test

The absolute statistical requirements applied to multiple regression are called classical assumptions. If this requirement is met, this linear regression model is called BestLinearUnbiasedEstimation. Here the intended test is:

Normality test

The test to review whether the residual value is normally distributed or not is called normality testing. The normality test of the research used the Kolmogorov Smirnov test, the P Plot normal test, and the histogram test.

Multicollinearity Test

Multicollinearity test is to examine the existence of a close relationship of independent variables in a multiple linear regression modeling. As a detection of the existence of multicollinearity in the regression model, it can be seen from the tolerance value > 0.10 or the equivalent value of VIF < 10.

Autocorrelation Test

The autocorrelation test is to examine whether there is a bond from a period t to t -1. The decision is taken by taking into account the value of Asymp. Sig (2-tailed). If the value exceeds the significance level of 0.05, it can be concluded that there is no autocorrelation.

Heteroscedasticity Test

Heteroscedasticity testing is to see whether there is an inequality of variance from the residuals of an observation with others. Besides using the heteroscedasticity test graph, here also uses the Glejser test which if the significant value of the SPSS calculation results exceeds 0.05, it can be concluded that there are no symptoms of heteroscedasticity.

Coefficient of Determination

Regarding the research conducted here, the coefficient of determination is used to determine the ability of all independent variables to describe the variance of the dependent variable. Here the coefficient of determination can be seen from the value of Adjusted R Square.

T Uji test

T test as a tester of how the influence of each independent variable individually on the dependent variable. This test can be carried out using a comparison of t count with t table with the following criteria:
Ha is accepted if -tcount< -ttableor tcount> ttable and the significance value is <0.05
H0 is accepted if -ttable≤ tcount≤ ttable and the significance value is > 0.05.

F Uji test

The F test is a test to test whether all explanatory variables simultaneously affect the dependent variable. The F test can be carried out by comparing the calculated F and F Table with the following criteria:
Acceptance of H0 if Fcount < Ftable and significance> 0.05
Ha is accepted if Fcount> Ftable and the significance is < 0.05.

IV. RESULTS

Research Result

Descriptive Statistics

Table 3.1
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Tax Evasion	30	.0729	1.1006	.366303	.2430145
Institutional Ownership	30	.1039	.8279	.593363	.2420435
Managerial Ownership	30	.0002	.1249	.028013	.0403431
Board of Commissioners	30	.2500	.5000	.409710	.0834048
Cost of Debt	30	.0389	.1347	.085903	.0270136
Valid N (listwise)	30				

Referring to the data in Table 3.1, it can be explained that there are 30 observations obtained from 6 samples of consumer goods industrial companies registered on the IDX in 2016-2020. Based on the results of the descriptive statistics test, namely:

a. Tax avoidance variable with a minimum value of 0.0729, namely in 2020 by PT Martina Berto Tbk with a maximum value of 1.1006 at PT Sekar Bumi in 2019 while the mean value is 0.366303 and with a standard deviation of 0.2430145.

b. Operational institutional ownership variable with a minimum value of 0.1039, namely in 2016 by PT Kino Indonesia and a maximum score of 0.8279 at PT Sekar Bumi Tbk in 2018-2020 while the mean value is 0.593363 and with a standard deviation of 0.2420435.

c. Managerial ownership variable with a minimum value of 0.0002 at PT Indofood Sukses Makmur Tbk in 2016-2020 with a maximum value of 0.1249 at PT Kino Indonesia Tbk in 2020 while the mean value is 0.028013 and with a standard deviation of 0.0403431.

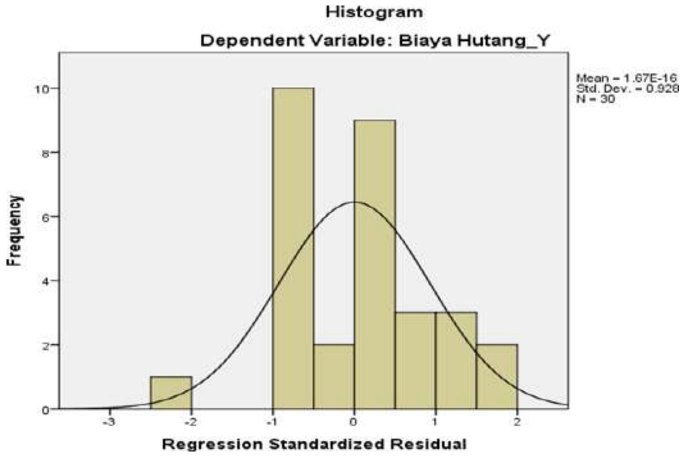
d. The independent board of commissioners variable has a minimum value of 0.2500 that exists at PT Kino Indonesia Tbk in 2016 with a maximum value of 0.5000 at PT. Kino Indonesia Tbk in 2017-2020 while the mean value is 0.409710 and with a standard deviation of 0.0834048.

e. The variable cost of debt with the lowest value of 0.0389 at PT Gudang Garam Tbk in 2020 where the highest value was 0.1347 at PT. Kino Indonesia Tbk in 2016 while the mean value was 0.085903 and with a standard deviation of 0.0270136.

Classic Assumption Test

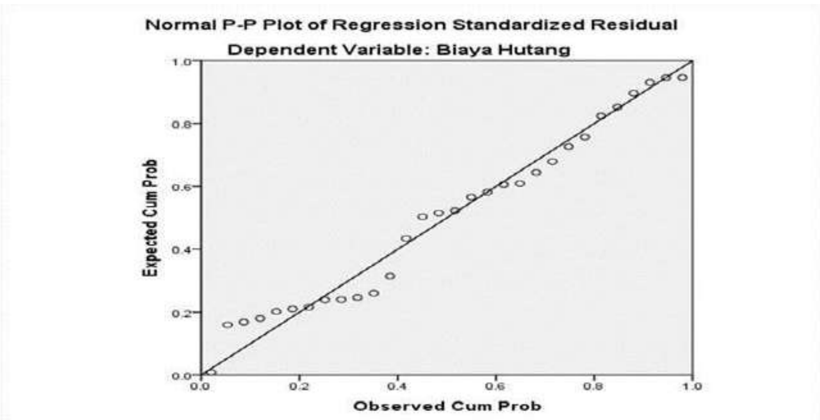
Normality Test

pict 3.1
Histogram



From figure 3.1 it can be concluded that the data is normally distributed because of the symmetrical shape of the curve.

Pict 3.2.
Normal P-P Plot Of Regression Standardized Residual



From figure 3.2 it can be seen that if the data follows the existing line, we conclude that this study has reached the requirements for normally distributed data.

Table 3.2.
Kolmogorov Smirnov
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		30
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	.01477417
Most Extreme Differences	Absolute	.122
	Positive	.122
	Negative	-.108
Kolmogorov-Smirnov Z		.671
Asymp. Sig. (2-tailed)		.759

a. Test distribution is Normal.
b. Calculated from data.

Referring to the result value Asymp.Sig (2-tailed) score 0,759 > 0,05 therefore the residue is normally distributed

Multicollinearity Test

Table 3.3.

Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.170	.020		8.365	.000		
	Tax Evasion	.018	.019	.159	.924	.364	.406	2.463
	Institutional Ownership	-.015	.027	-.135	-.550	.587	.199	5.028
	Managerial Ownership	.291	.153	.435	1.902	.069	.229	4.363
	Board of Commissioners cost of Debts	-.219	.041	-.675	-5.347	.000	.752	1.330

a. Dependent Variable: Cost of Debt

Referring to the test results above, the results of the multicollinearity test show that the overall tolerance value of the independent variable is above 0.10, namely tax avoidance as X1 with a score of 0.406, institutional ownership as X2 of 0.199, managerial ownership as X3 with a score of 0.229 and the board of commissioners as X4 with a score of 0.752. ,X2,X3,X4<10.00. From this result, it can be concluded that there is no multicollinearity.

Autocorrelation Test

Table 3.4
Autocorrelation Test
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.837[a]	.701	.653	.0159123	1.959

a. Predictors: (Constant), Board of Commissioners , Institusional Ownership, Tax Evasion, Managerial Ownership.
b. Dependent Variable: Cost of Debt

Referring to the test results dw refers to k(4) and n (30) with sig5% then Du(1,739)<Dw(1,959)>4-du=2,261. The durbin watson value is smaller than du and more than 4-du. Then a non-parametric test was carried out with a run test test with the decision taken if the significance value exceeded > 0.05, it means that there are no symptoms of

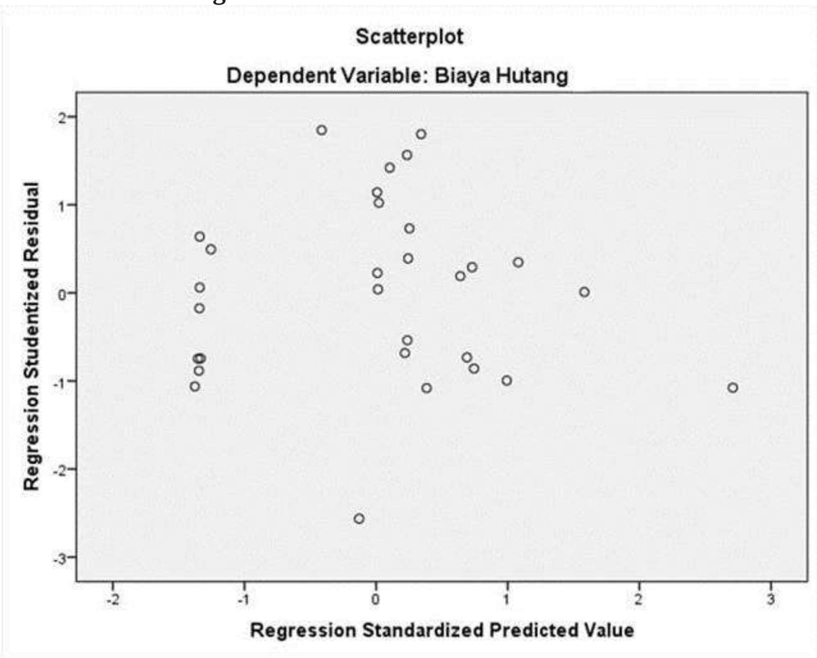
autocorrelation.Table 3.5
Run Test
Runs Test

	Unstandardized Residual
Test Value[a]	.00075
Cases < Test Value	15
Cases >= Test Value	15
Total Cases	30
Number of Runs	18
Z	.557
Asymp. Sig. (2-tailed)	.577

a. Median

Herteroscedasticity Test

Gambar 3.3
Regression Standardized Predicted Value



Referring to the results of the scatterplot image test, it is known that there are no symptoms of heteroscedasticity because there is no clear pattern and it has been randomly distributed.

Multiple Linear Regression Test

Tabel 3.6

Multiple Linear Regression Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.170	.020		8.365	.000		
	Tax Evasion Institutional	.018	.019	.159	.924	.364	.406	2.463
	Institutional Ownership	-.015	.027	-.135	-.550	.587	.199	5.028
	Managerial Ownership	.291	.153	.435	1.902	.069	.229	4.363
	Board of Commissioners	-.219	.041	-.675	-5.347	.000	.752	1.330

a. Dependent Variable: cost of debt

Referring to the test results above, the regression equation is obtained, namely:

Y = a + b1X1 + b2X2 + b3X4 +eDebt Cost = 0.170 + 0.018 Tax Avoidance - 0.015Institutional Decree+0.291 Managerial Decree- 0.219 Board of Commissioners +e

The explanation of the above formula is :

1. The magnitude of the constant value states that if the independent variable is fixed or the value is 0 then the cost of debt is worth 0.170 units.

2. The number 0.018 is the magnitude of the coefficient on the X1 variable, which means that every increase in tax avoidance with a score of 1 unit, will increase the cost of debt with a score of 0.018 units.
3. The number -0.015 is the magnitude of the coefficient on the X2 variable, which means that every increase in institutional ownership has a score of 1 unit, it will result in a decrease in the cost of debt with a score of 0.015 units.
4. The figure of 0.291 shows the magnitude of the coefficient on the X3 variable which means that every increase in managerial ownership with a score of 1 unit, will increase the cost of debt with a score of 0.291 units.
5. The figure of -0.219 shows the magnitude of the coefficient on the X4 variable, which means that for every increase in the independent board of commissioners it scores 1 unit, the cost of debt decreases by a score of 0.219 units.

Coefficient of Determination Test

Table 3.7

Coefficient of Determination Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.837[a]	.701	.653	.0159123	1.959

a. Predictors: (Constant), Board of Commissioners, Institutional Ownership, Tax Evasion, Managerial Ownership
b. Dependent Variable: Cost Of Debt

Referring to the test results, the value of R square is obtained with a score of 0.701 which indicates that the independent variable that can explain the dependent variable has a score of 70.1% while the rest of the score is 29.9%, which are variables outside the research model.

Simultaneous hypothesis testing (F_test)

Table 3.8
F _ Test

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.015	4	.004	14.645	.000[b]
	Residual	.006	25	.000		
	Total	.021	29			

a. Dependent Variable: Cost of Debt
b. Predictors: (Constant), Board of Commissioners, Institutional Ownership, Tax Evasion, Managerial Ownership
Based on the results of the test table above, it is obtained that Fcount is 14.645 with F table 2.69 and with a significant value of 0.000 <0.05, namely Ha revenue, which means that the independent variable is tax avoidance (X1), institutional ownership (X2), managerial ownership (X3), the board of commissioners. independent (X4) simultaneously affects the cost of debt (Y).

Partial Hypothesis Testing (T _ Test)

Table 3.9
T _ Test
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.170	.020		8.365	.000		
	Tax Evasion	.018	.019	.159	.924	.364	.406	2.463
	Ownership Institutional	-.015	.027	-.135	-.550	.587	.199	5.028
	Managerial Ownership	.291	.153	.435	1.902	.069	.229	4.363
	Board of Commissioners	-.219	.041	-.675	-5.347	.000	.752	1.330

a. Independently, the results of the t-test on the tax avoidance variable with a t-count score of 0.924 while the t-table value of 1.7081. Then 0.924 < 1.7081 with a significant value of 0.364 > 0.05. This means that there is a receipt of ho, so tax avoidance does not affect the cost of debt.

b. Independently, the results of the t-test on the institutional ownership variable with the tcount score of -0.550 while the t-table value of 1.684. Then -0.550 < 1.7081 with a significant value of 0.587 > 0.05. This means that if there is acceptance of ho, institutional ownership does not affect the cost of debt.

c. Independently, the results of the t-test on the managerial ownership variable with tcount score 1.902 while the t-table value is 1.7081. Then -2.142 < 1.7081 then with a significant value of 0.069 > 0.05. This means that there is acceptance of ho, then managerial ownership has no effect on the cost of debt.

d. Independently the results of the t-test on the independent board of commissioners variable with t count -5,347 while the ttable value is 1.7081. Then -5,347 < 1.7081 with a significant value of 0.000 < 0.05. This means that when Ha is received, the board of commissioners has a significant influence on the cost of debt.

Discussion

The effect of tax avoidance (X1) on the cost of debt (Y)

The results of his research show that tax avoidance affects the cost of debt in consumer goods industrial companies listed on the IDX in 2016-2020. So it can be concluded that H1 is rejected.

The results obtained are in line with Researcher Manullang et al. (2020) which explains that tax avoidance has no effect on the cost of debt.

Research Manullang et al. (2020) expresses his opinion that companies that carry out tax avoidance during research do not always have large debts. In this research period it was carried out after the government implemented tax reform and also through the existence of PMK No.169/PMK.010/2015 concerning the amount of debt and equity ratio company that was issued in 2015 which has an impact on the company's prudence when managing debt.

Tax avoidance on the cost of debt has no effect as possible cause. Regarding this research, it can be seen that tax avoidance cannot have an impact on the cost of debt separately, tax avoidance has an effect on size and return on assets as control variables that strengthen the effect of tax avoidance on the cost of debt.

The effect of institutional ownership (X2) on the cost of debt (Y)

The results of the research obtained show that institutional ownership does not affect the cost of debt in consumer goods industrial companies listed on the IDX in 2016-2020. So it can be concluded that H2 is rejected.

The results of this study are in line with researcher Samhudi (2016) who describes that tax avoidance has no effect on the cost of debt.

Researcher Samhudi (2016) argues that the cost of debt of a company collects too much proceeds from the interest and trust of investors or the public regarding lending to a company. Investors or the public are encouraged and give a full sense of trust in a company because by increasing share ownership by institutions, it can also increase the supervisory actions carried out on the management side, therefore the creditors are low. If the risk is lower, the company's debt costs will also be lower.

Institutional ownership does not affect the cost of debt because the proportion of institutional ownership tends to be low when compared to family ownership in Indonesian companies, therefore monitoring and control are mostly held by families with shares in the company which has an impact on the presence of institutional parties that does not have enough effect on the company's debt costs. In addition, there is a possibility that institutional parties do not carry out supervisory actions because the costs tend to be large for these actions.

The effect of the managerial ownership (X3) on the cost of debt (Y)

The results show that managerial ownership does not affect the cost of debt in consumer goods industrial companies listed on the IDX in 2016-2020. So the conclusion is that H3 is rejected.

The results obtained are in line with Researcher Ashkhabi and Agustina (2015) who argue that the cause of this is because the proportion of managerial ownership is relatively small, therefore management tends to work less than optimally.

There is no effect of managerial ownership on the cost of debt because the level of managerial ownership is relatively low and therefore does not have a major impact in determining the cost of the company's debt. Managerial ownership does not affect the amount of the company's cost of debt because in determining the debt policy, management does not have full authority.

The effect of the independent board of commissioners (X4) on the cost of debt (Y)

The results of his research show that the independent board of commissioners affects the cost of debt in consumer goods industrial companies listed on the IDX in 2016-2020. So it can be concluded that H4 is accepted.

The results obtained are in line with Researchers Nugroho and Meiranto (2014) which state that the independent board of commissioners has an influence on the cost of debt.

Researchers Nugroho and Meiranto (2014) argue that this can arise because the presence of a board of commissioners in the company is something crucial that can prevent information asymmetry that occurs in management and shareholders. Through the implementation of regular monitoring from the independent board of commissioners.

V. CONCLUSION AND SUGGESTION

The conclusion is:

1. Tax avoidance does not affect the cost of debt in consumer goods industrial companies listed on the IDX in 2016-2020.
2. Institutional ownership does not affect the cost of debt in consumer goods industry companies listed on the IDX in 2016-2020.
3. Managerial ownership does not affect the cost of debt in consumer goods industrial companies listed on the IDX in 2016-2020.
4. The board of commissioners influences the cost of debt in consumer goods industrial companies listed on the IDX in 2016-2020.
5. Simultaneously the five independent variables affect the cost of debt in consumer goods industrial companies listed on the IDX in 2016-2020.

As a suggestion that needs attention is for the next researcher to replace the independent variables that do not have an effect on the cost of debt with other independent variables such as audit committee size, profitability, board of directors size and so on which may affect the cost of debt.It is recommended for investors to look at the company's DER which compares the debt and capital of a company in order to further minimize losses in the investment. Suggestions for companies to be able to reduce the company's debt ratio, because if in the future the company cannot pay off all pending debts, it is likely that the company will be forcibly liquidated and in this event many parties will be harmed.

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