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THE INFLUENCE OF AUDIT FEES, PROFITABILITY, LEVERAGE, FIRM SIZE, CAPITAL INTENSITY, AND LIQUIDITY ON TAX AGGRESSIVENESS WITH AUDIT QUALITY AS A MODERATING VARIABLE
(Study on LQ 45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023)

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ABSTRACT

This research aims to analyse the influence of audit fees, profitability, leverage, firm size, capital intensity, and liquidity on tax aggressiveness moderated by audit quality in LQ45 companies listed on the Indonesia Stock Exchange from 2021 to 2023. The research method used is Moderated Regression Analysis (MRA). The population and sample are LQ45 companies listed on the Indonesian Stock Exchange. The results indicate that audit fees, leverage, firm size, liquidity, and audit quality do not have an effect on tax aggressiveness, while profitability and capital intensity affect tax aggressiveness. The results of the Moderated Regression Analysis show that audit quality does not moderate the effect of audit fees, leverage, firm size, and liquidity on tax aggressiveness, whereas audit quality moderates the effect of profitability and capital intensity on tax aggressiveness in LQ45 companies listed on the Indonesia Stock Exchange from 2021 to 2023.

Keywords: audit fee, profitability, leverage, firm size, capital intensity, liquidity, and tax aggressiveness

1.0 INTRODUCTION

In Indonesia, taxes are one of the significant sources of income for the country. It can be said that taxes are the primary source of capital for the country in carrying out national development. The role of taxes in state revenue is very important, as evidenced by the fact that state revenue is entirely dominated by the tax sector. Taxes are obligations that must be paid by taxpayers, whether individual taxpayers or corporate taxpayers. The provisions regarding taxpayer

obligations are regulated in Law No. 36 of 2008, Article 2, paragraph (1), letter b. Companies, as one of the taxpayers, have an obligation to pay taxes in accordance with tax regulations, which are calculated based on the amount of net profit before tax multiplied by the applicable tax rate.

The larger the tax paid by companies, the greater the state revenue from the tax sector. Therefore, the government pays more attention to the tax sector, one of which is establishing various policies to maximise revenue from this sector. However, for companies, taxes are a burden that must be borne, reducing the net profit that companies receive. The government's aim to maximise revenue from the tax sector conflicts with the aims of companies as taxpayers, where companies strive to minimise costs incurred in order to achieve maximum profit so that they can account to the owners or shareholders and ensure the continuation of the firm's existence (Yoehana, 2013).

Agency theory serves as the appropriate theoretical foundation to explain how a firm engages various parties to collaborate in reducing tax obligations. Agency theory studies assume that tax aggressiveness is a strategic choice of the firm determined by the work contract (actual or implied) between shareholders and tax managers.

One of the factors affecting tax aggressiveness is audit fees. Research conducted by Rivan et al. (2022) states that audit costs have a significant relationship with tax aggressiveness. This indicates that companies with high tax aggressiveness also pay relatively high external auditor fees. External auditors who can perform tasks with a higher level of complexity are believed to assist management in engaging in tax aggressiveness. External auditors facing higher levels of complexity are also suspected to tend to have higher fees in accordance with the tasks they encounter. In contrast, research conducted by (Calvin & Hanif, 2020) states that audit costs do not affect tax aggressiveness.

Another factor that influences the occurrence of tax aggressiveness is Profitability. Profitability is the ability of a firm to generate profits from its activities. Research (Handayani, 2022) states that profitability has a significant impact on tax aggressiveness. This indicates that a firm's profitability affects the increase in tax aggressiveness. This is because firm management tries to reduce the tax burden by taking aggressive tax actions to maximise profits. Efforts to maximise profits are aimed at maximising management performance that impacts the firm's value. In this case, the firm's management acts as an agent seeking to minimise the tax burden as much as possible, so as not to reduce the performance compensation of the managers due to the tax burden that erodes the firm's profits. This results in a lower tax burden, allowing for higher after-tax profits, which means better firm performance.

Leverage is also a factor that influences tax aggressiveness. According to Diasya and Hayu (2021), leverage has a positive and significant effect on tax aggressiveness. This indicates that companies utilise debt to minimise tax burdens. This is because companies with high debt will receive tax incentives in the form of deductions on loan interest in accordance with the provisions of Article 6 paragraph (1) letter a of Law Number 36 of 2008, so that companies with high tax burdens can achieve tax savings by increasing their debt. Increasing debt to obtain significant tax incentives indicates that the firm is aggressive towards taxes. Research conducted by (Rurry & Suryani, 2024) states that leverage hurts tax aggressiveness unlike the research conducted by Yusuf M (2022), which states that leverage does not affect tax aggressiveness.

Another influencing factor for companies taking aggressive tax actions is the size of the firm. The size of a firm can be defined as a scale by which companies are classified as large or small from various perspectives, one of which is assessed by the size of the assets owned by the firm. The larger the assets are owned, the higher the productivity will be. This will result in increasing profits and affect the level of tax payments. According to Nugraha & Meiranto (2015), the assets owned by the firm are related to the size of the firm; the larger the assets owned, the larger the firm will be. However, each year, assets will experience depreciation that can reduce the net profit received by the firm, thus decreasing the tax burden in line with that depreciation.

Capital intensity is also a factor that influences tax aggressiveness. Capital intensity describes how much of a firm's wealth is invested in fixed assets. Fixed assets include buildings, factories, equipment, machinery, and property. A firm's fixed assets can lead to a reduction in the tax burden that must be paid due to the depreciation of fixed assets. This proves that companies with larger fixed assets are likely to pay lower taxes compared to companies with fewer fixed assets.

Another factor that creates a gap in tax aggressiveness is liquidity. Liquidity is the firm's ability to meet its short-term obligations that are due, both obligations to the firm and to external parties (Sembiring & Hutabalian, 2022). Several

previous studies have examined the relationship between a firm's financial level and tax aggressiveness by evaluating liquidity levels. If liquidity is low, then the indication of tax aggressiveness is higher. This is because when a firm faces liquidity issues that result in its inability to meet its tax payment obligations, the firm is likely to engage in tax aggressiveness to reduce its tax burden.

According to the perspective of agency theory, audit quality plays an important role in minimising agency conflicts that occur in companies (Watkins, Hillison and Morecroft, 2014). Audit quality is crucial for management transparency towards shareholders. With high-quality audits, there will be good information openness, thus facilitating principals in monitoring agents. Audit quality can also prevent manipulation actions and aggressive tax actions. Audit quality is influenced by the size of the Public Accounting Firm, where larger accounting firms produce audits of higher quality and offer greater credibility (Lennox, 2012). Research (Rurry & Suryani, 2024) states that audit quality does not have a significant effect on tax aggressiveness. (Widyari and Ketut, 2019) Conducted a test on audit quality with tax aggressiveness and showed significant relationship results. Based on this description, the researcher makes audit quality a moderating variable in this study.

Audit quality as a moderating variable can influence the relationship between those factors and tax aggressiveness. High-quality auditors can reduce a firm's tendency to engage in aggressive practices or tax aggressiveness by providing stricter assessments of tax compliance. Thus, audit quality can serve as a balancing force that encourages companies to be more compliant with tax regulations even though they have the potential to be aggressive in tax planning. Overall, the combination of all these factors creates a complex dynamic in tax management and corporate auditing. Based on the differences in the direction of government expectations and the goals of companies in relation to taxes, and due to the inconsistent results of previous studies, the researchers are motivated to conduct research related to the driving factors of companies engaging in tax aggressiveness among LQ45 companies listed on the Indonesia Stock Exchange from 2021 to 2023.

2.0 LITERATURE REVIEW

Agency theory

Agency theory is chosen as the basis for the development of concepts in this research. Agency theory is a theory that explains the contractual relationship between one or more people (the principal) who hire another person (the agent) to provide a service and delegate decision-making authority to that agent (Jensen & Meckling, 1976). In other words, agency theory is a theory that discusses the relationship between the principal and the agent. The owner of the firm or the shareholders of the firm are the principal, and the management of the firm is the Agent.

Tax aggressiveness

Tax aggressiveness is the act of manipulating taxable income through tax planning activities, either through legal actions by engaging in tax avoidance or illegal actions by engaging in tax evasion (Maulana, Putri, and Marlin, 2023). An act of engineering taxable income planned through tax planning activities, whether using legal means by engaging in tax avoidance or illegal means by engaging in tax evasion, is referred to as tax aggressiveness (Purwanto, 2016).

Audit Quality

The quality of the audit encompasses all possible occurrences when auditors audit a client's financial statements and find violations or errors that occur and report them in the audited financial statements (Nurhayati, Djaddang, and Sailendra, 2023). The quality of the audit is the performance of the auditor in auditing the firm's financial statements based on the Professional Standards of Public Accountants (SPAP), the auditor's expertise, and the code of ethics of the public accounting profession (Deangelo, 1981). The Indonesian Institute of Accountants (IAI) (2020) states that an audit conducted by auditors is considered to be of high quality if it meets auditing standards and quality control standards.

Audit Fee

Audit fees, according to Fahmi (2014), are defined as the honorarium charged by public accountants to auditee companies for the audit services provided by public accountants on the financial statements. According to Suharli and Nurlaela (2008), audit fees are the amount of payment given by clients to public accounting firms for the services provided, which consist of the examination of financial statements.

Profitability

Profitability is the ability of a firm to earn profit or income through the management of assets by the firm's management with specific policies (Sitepu & Sudjiman, 2022). According to Putriningsih, Suyono and Herwiyanti (2018), the profitability of a firm illustrates its ability to generate profit over a certain period at a specific level of sales, assets, and equity capital. (Arianandini and Ramantha, 2018) state that profitability is a measure to assess a firm's performance. Profitability describes the firm's ability to efficiently utilise its assets to generate firm profits from asset management, known as Return On Assets (ROA) (Kasmir, 2018).

Leverage

Leverage is a measure of the percentage of a firm's total assets obtained from creditors (Kasmir, 2018). Leverage is a ratio that indicates how much debt a firm has to finance its operational activities. The magnitude of leverage shows the extent to which an entity's funding comes from debt (Sitepu & Sudjiman, 2022)..

Firm Size

According to Kasmir (2018), the size of a firm is a scale that identifies how large or small a firm is. The size of the firm can be identified by looking at the total assets of the firm. Additionally, it can also be seen from the market value of its shares and the average sales level of the firm.

Capital Intensity

According to Fahmi (2014), the capital intensity ratio is the investment activities carried out by the firm related to investments in the form of fixed assets (capital intensity) and inventories (inventory intensity). Capital intensity is an investment activity of a firm that is related to investments in fixed assets.

Liquidity

The liquidity ratio is a ratio necessary for analysing a firm's financial statements. The liquidity ratio indicates the firm's ability to meet short-term obligations that must be fulfilled promptly (Kasmir, 2018).

3.0 METHODOLOGY

This type of research uses quantitative analysis techniques and is descriptive in nature. The research object is the LQ 45 companies listed on the Indonesian Stock Exchange. The analytical tool uses this research method, which also employs Moderated Regression Analysis (MRA). The MRA method is used to analyse the patterns of relationships between independent variables and dependent variables by including moderator variables. The MRA model equation in this research is as follows (Ghozali, 2019):

$$AP = \alpha + \beta_1 FA + \beta_2 Prof + \beta_3 Lev + \beta_4 UP + \beta_5 Ci + \beta_6 Li + \beta_7 FA * KA + \beta_8 Prof * KA + \beta_9 Lev * KA + \beta_{10} UP * KA + \beta_{11} Ci * KA + \beta_{12} Li * KA + \varepsilon$$

Captions:

AP	= Tax Aggressiveness
α	= Constantan
FA	= Audit *Fee*
Prof	= Profitability
Lev	= Leverage
UP	= Firm Size
CI	= *Capital intensity*
Li	= Liquidity
FA*KA	= the interaction of the independent variable audit fee with the moderator variable audit quality
Prof*KA	= the interaction of the independent variable profitability with the moderator variable audit quality
Lev*KA	= the interaction of the independent variable x4 with the moderator variable audit quality
UP*KA	= the interaction of the independent variable of firm size with the moderator variable of audit quality
Ci*KA	= the interaction of the free variable capital intensity with the moderator variable audit quality
Li*KA	= the interaction of the independent variable Liquidity with the moderator variable audit quality
β_{1-12}	= Regression coefficient
ε	= residual (error disturbance)

4.0 FINDINGS AND DISCUSSION

The analysis and discussion presented in this chapter will show the results based on research from independent variables on dependent variables and moderating variables using MRA (Moderated Regression Analysis) (Ghozali, 2019). The population used in this study is the LQ-45 companies listed on the IDX for the period from 2021 to 2023. The results of the first model, which measures direct influence, can be seen in the table:

Table 1
First Moderated Regression Model Equation

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.220	.500		-.440	.661
	Audit Fee	.031	.048	.064	.640	.523
	Profitability	-.020	.010	-.203	-2.060	.042
	Leverage	.074	.557	.019	.134	.894
	Firm Size	-.037	.046	-.080	-.791	.431
	Capital intensity	2.070	.476	.404	4.351	.000
	Liquidity	.100	.114	.125	.878	.382
	Audit Quality	.268	.198	.131	1.351	.179

a. Dependent Variable: Tax Aggressiveness
Source: Processed, 2025

Based on Table 1 of the estimated regression coefficient results for audit fees, Profitability, leverage, Firm Size, capital intensity, liquidity, and Audit Quality (independent) to tax aggressiveness (dependent), the regression model can be formulated as follows:

$$\mathbf{AP = -0.220 + 0.031\ FA - 0.020\ Prof + 0.074\ Lev - 0.037\ UP + 2.070\ CI - 0.100\ Li + 0.268\ Ka + \varepsilon}$$

Based on the results of the equation on the direct effects, it can be interpreted as follows. In the audit fee variable, the coefficient value is 0.031, which means that every additional 1 per cent increase in the value of the audit fee will result in a 0.031 per cent increase in tax aggressiveness. In the profitability variable, the coefficient value is -0.020, which means that every additional 1 per cent increase in profitability will result in a 0.020 per cent decrease in tax aggressiveness. In the leverage variable, the coefficient value is 0.074, which means that every additional 1 per cent increase in leverage will result in a 0.074 per cent increase in tax aggressiveness. In the variable Firm Size, the coefficient value is -0.037, which means that every 1 per cent increase in the value of Firm Size will result in a 0.037 per cent decrease in tax aggressiveness. In the variable capital intensity, the coefficient value is 2.070, which means that every 1 per cent increase in the value of capital intensity will result in a 2.070 per cent increase in tax aggressiveness. In the variable Liquidity, the coefficient value is 0.100, which means that every 1 per cent increase in the value of liquidity will result in a 0.100 per cent increase in tax aggressiveness. In the variable Audit Quality, the coefficient value is 0.268, which means that every 1 per cent increase in the value of Audit Quality will result in a 0.268 per cent increase in tax aggressiveness.

F Statistic Test

In looking at the simultaneous influence, a hypothesis test is conducted using the F-statistic with a frequency distribution of 123 observations, and the estimation results in the Table:

Table 2
Simultaneous Test

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.511	7	2.073	3.452	.002[b]
	Residual	69.063	115	.601		
	Total	83.574	122			

a. Dependent Variable: Tax Aggressiveness
b. Predictors: (Constant), Audit Quality, Liquidity, *Fee audit*, *Capital intensity*, Profitability, Firm Size, Leverage
Source: Processed, 2025

Based on Table 2, the F Statistic hypothesis test with a significance level of 95 per cent indicates that the calculated F value (3.452 > 2.09) F Table or (0.002 < 0.05), thus Ho is rejected and Ha is accepted. This means that all regression coefficients or all independent variables, namely audit fees, profitability, leverage, firm size, capital intensity, liquidity, and audit quality, together affect tax aggressiveness.

t Statistic Test

A t-statistic test was conducted to determine the partial effect of each independent variable on the dependent variable, as shown in the estimation results in the table.:

Table 3
Partial Test of Direct Effects

Variable	*t Statistic*	t Table	Sig	description
Fee audit	0.640	1.980	0.523	Not Significant
Profitability	-2.060	1.980	0.042	Significant
Leverage	0.134	1.980	0.894	Not Significant
Firm Size	-0.791	1.980	0.431	Not Significant
Capital intensity	4.351	1.980	0.000	Significant
Liquidity	0.878	1.980	0.382	Not Significant
Audit Quality	1.351	1.980	0.179	Not Significant

Source: Processed, 2025

Based on Table 3, it shows that the direct partial influence at a significance level of 95 percent can be explained as follows: The audit fee variable has a positive and insignificant effect on Tax Aggressiveness because the significance value is 0.523 > 0.05 or the calculated t value is 0.640 < 1.980 t Table, thus the hypothesis is rejected, meaning that at a significance level of 0.05 percent, the audit fee has a positive and insignificant effect on Tax Aggressiveness. The Profitability variable has a negative and significant effect on Tax Aggressiveness because the significance value is 0.042 < 0.05 or the calculated t value is -2.060 > 1.980 t Table, thus the hypothesis is accepted, meaning that at a significance level of 0.05 per cent, Profitability has a negative and significant effect on Tax Aggressiveness. The leverage variable has a positive and insignificant effect on Tax Aggressiveness because the significance value is 0.894 > 0.05 or the calculated t value is 0.134 < 1.980 from the t Table, thus the hypothesis is rejected, meaning that at the 0.05 per cent significance level, leverage has a positive and insignificant effect on Tax Aggressiveness. The Firm Size variable has a negative and insignificant effect on Tax Aggressiveness because the significance value is 0.431 > 0.05 or the calculated t value is -0.791 < 1.980 from the t Table, thus the hypothesis is rejected, meaning that at the 0.05 per cent significance level, Firm Size has a negative and insignificant effect on Tax Aggressiveness. The capital intensity variable has a positive and significant effect on Tax Aggressiveness because the significance value is 0.000 < 0.05 or the calculated t value of 4.351 > 1.980 t Table, thus the hypothesis is accepted, meaning that at the 0.05 per cent significance level, capital intensity positively and significantly affects Tax Aggressiveness. The Liquidity variable has a positive but insignificant effect on Tax Aggressiveness because the significance value is 0.382 > 0.05 or the calculated t value of 0.878 < 1.980 t Table, thus the hypothesis is rejected, meaning that at the 0.05 per cent significance level, liquidity has a positive but insignificant effect on Tax Aggressiveness. The Audit Quality variable has a positive and insignificant effect on Tax Aggressiveness because the significance value of 0.179 > 0.05 or the calculated t value of 1.351 < 1.980 Table, thus the hypothesis is rejected, which means that at a significance level of 0.05 per cent, liquidity has a positive and insignificant effect on Tax Aggressiveness.

Coefficient of Determination

The coefficient of determination is used to determine how much the independent variable in the regression equation can explain the dependent variable. The coefficient of determination in this study is shown as follows:

Table 4
Coefficient of Determination

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.417[a]	.474	.423	.77495

a. Predictors: (Constant), Audit Quality, Liquidity, *Fee audit*, *Capital intensity*, Profitability, Firm Size, Leverage

b. Dependent Variable: Tax Aggressiveness
Source: Processed, 2025

Based on Table 4, the results of the analysis of the coefficient of determination R2 indicate that the direct influence of audit fees, profitability, leverage, firm size, capital intensity, liquidity, and audit quality affects tax aggressiveness by 0.417% or 41.70%, while other variables influence the remaining 58.30%.

Moderated Regression Analysis (MRA Test)

Moderate Regression Analysis (MRA) or moderation regression analysis is a type of regression analysis that involves a moderating variable in building the relationship model. This variable plays a role in strengthening or weakening the relationship between the independent variable and the dependent variable. Researchers use Moderate Regression Analysis to examine the effect of independent variables on dependent variables with a moderating variable. The results of the moderation regression test are as follows:

Table 5
Results of the Moderate Regression Analysis

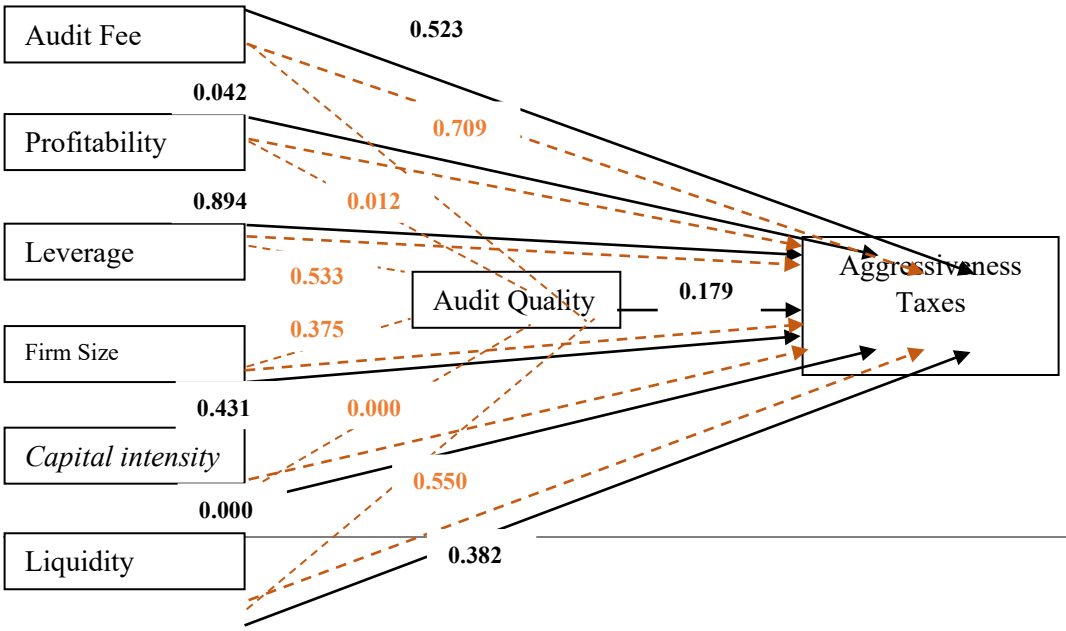
Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.291	.144		2.021	.046
	Fee audit * Audit Quality	.018	.049	.074	.374	.709
	Profitability * Audit Quality	-.024	.009	-.253	-2.542	.012
	Leverage * Audit Quality	-.270	.433	-.095	-.625	.533
	Firm Size * Audit Quality	-.040	.045	-.158	-.891	.375
	Capital intensity * Audit Quality	2.818	.543	.517	5.186	.000
	Liquidity * Audit Quality	.066	.111	.082	.599	.550

a. Dependent Variable: Tax Aggressiveness

Source: Processed, 2025

Based on Table 1 and Table 5, the estimated coefficients of the regression for audit fees, profitability, leverage, firm size, capital intensity, liquidity (independent variables) against tax aggressiveness (dependent variable) with audit quality as a moderating variable are illustrated in the following analysis:



Description:
Black = Direct influence on Y
Orange = The Moderate effect of X1 on Z to Y

Figure 1 Path Analysis

Based on image 1, the regression form can be modelled as follows:

$$AP = -0.220 + 0.031\ FA - 0.020\ Prof + 0.074\ Lev - 0.037\ UP + 2.070\ CI - 0.100\ Li + 0.268\ Ka + 0.018\ FA*Ka - 0.024\ Prof*Ka - 0.270\ Lev*Ka - 0.040\ UP*Ka + 2.818\ CI*Ka + 0.066\ Li*Ka + \varepsilon$$

Based on the results of the equations on the indirect effects, it can be interpreted as follows. The result of testing the variable X1*Z (interaction of audit fee variable with Audit Quality) has a significance value of 0.709 > 0.05, which means it can be concluded that the moderating variable (Audit Quality) does not have the ability to moderate the effect of audit fees (X1) on Tax Aggressiveness. Therefore, the hypothesis is rejected. The result of testing the variable X2*Z (interaction of Profitability variable with Audit Quality) has a significant value of 0.012 < 0.05, which means it can be concluded that the moderating variable (Audit Quality) can moderate the effect of Profitability (X2) on Tax Aggressiveness. Therefore, the hypothesis is accepted. The results of testing the variable X3*Z (the interaction of the leverage variable with Audit Quality) have a significant value of 0.533 > 0.05, which means it can be concluded that the moderating variable (Audit Quality) is unable to moderate the effect of leverage (X3) on Tax Aggressiveness. Therefore, the hypothesis is rejected. The results of testing the variable X4*Z (the interaction of the Firm Size variable with Audit Quality) have a significant value of 0.375 > 0.05, which means it can be concluded that the moderating variable (Audit Quality) is unable to moderate the effect of Firm Size (X4) on Tax Aggressiveness. Therefore, the hypothesis is rejected. The results of testing variable X5*Z (the interaction of capital intensity with Audit Quality) show a significant value of 0.000 < 0.05, meaning it can be concluded that the moderating variable (Audit Quality) can moderate the effect of capital intensity (X5) on Tax Aggressiveness. Therefore, the hypothesis is rejected. The results of testing variable X6*Z (the interaction of liquidity with Audit Quality) show a significance value of 0.550 < 0.05, meaning it can be concluded that the moderating variable (Audit Quality) cannot moderate the effect of liquidity (X6) on Tax Aggressiveness. Therefore, the hypothesis is rejected.

The coefficient determination of the influence of audit fees, profitability, leverage, firm size, capital intensity, and liquidity on tax aggressiveness with audit quality as a moderating variable can be seen in the table.:

Table 6 Coefficient of Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.477[a]	.428	.488	.74596

a. Predictors: (Constant), Liquidity * Audit Quality, Leverage * Audit Quality, Profitability * Audit Quality, *Capital intensity* * Audit Quality, Firm Size * Audit Quality, *Fee audit* * Audit Quality
b. Dependent Variable: Tax Aggressiveness
Source: Processed, 2025

Based on Table 6, the results of the determination coefficient analysis R^2 indicate that audit fees, profitability, leverage, firm size, capital intensity, and liquidity affect tax aggressiveness with audit quality as a moderating variable by 47.70%. In comparison, the remaining 52.30% is influenced by other variables.

5.0 CONCLUSION

Audit fees do not affect Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Profitability affects Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Leverage does not affect Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Firm Size does not affect Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Capital intensity affects Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Liquidity does not affect Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Audit Quality does not moderate the effect of audit fees on Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Audit Quality moderates the effect of Profitability on Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Audit Quality does not moderate the effect of leverage on Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Audit Quality does not moderate the effect of Firm Size on Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Audit Quality moderates the effect of capital intensity on Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023. Audit Quality does not moderate the effect of Liquidity on Tax Aggressiveness in LQ45 Companies Listed on the Indonesia Stock Exchange from 2021 to 2023.

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7.0 CONFLICT OF INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in the paper.

8.0 AUTHOR CONTRIBUTION STATEMENT

Author 1 contributed to the conceptualisation, research design, and writing of the original draft.
Author 2 was responsible for data collection, analysis, and validation of the results.
Author 3 provided supervision, critical review, and editing of the final manuscript.
All authors have read and approved the final version of the manuscript.

9.0 ETHICS STATEMENT

This research was conducted in accordance with the ethical standards of Universitas Jambi and adhered to the principles outlined in the Declaration of Helsinki. Ethical approval was obtained from the [**Institutional Ethics Committee/Review Board**] under reference number [**Approval Number, if applicable**]. All participants were informed about the purpose of the study and provided written informed consent prior to participation. Participants' privacy and confidentiality were strictly maintained, and data collected were used solely for academic purposes.

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