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The Effect of Tax Planning and Use of Assets on Profitability with Good Corporate Governance as a Moderating Variable

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***Abstract*—The purpose of this study is to analyze and test the effect of tax planning and asset use on profitability moderated by managerial ownership as a measure of moderating variables of good corporate governance in companies listed in Indonesia. This research was conducted at the manufacturing companies in the consumer goods industry sector in the 2014-2018 period. The sampling technique used in this study was purposive sampling. Of the research population of 54 companies listed on the Indonesia Stock Exchange, there are 15 companies met the criteria for this study. So the data collected and analyzed was of 75 firms years. The testing result shows that tax planning and the use of assets significantly influence on profitability, tax planning moderated by good corporate governance does not influence on profitability, and the use of assets moderated by good corporate governance has an effect on profitability.**

Keywords: profitability, tax planning, use of assets, good corporate governance

I. Introduction

Every company has a goal to be able to maintain its survival (going concern). These goals can be achieved if the company is able to compete with other companies. When going to invest, investors will look for relevant information in choosing a profitable company. The company must be able to maintain its going concern (going concern) and increase the value of the company which is reflected in its share price [1].

Company value describes the assets of a company and its performance, which can influence investors to invest and creditors in providing loans. The use of company assets is very closely related to the company's ability to generate profits. Earnings (net income) or net income (net income) identify the profitability of the company [2]. The better the company's ability to manage its resources or assets will determine the company's ability to generate profits. Assets owned by the company are used as much as possible in generating profits or profits for the company. This explains the close relationship of the company's ability to manage its assets with the company's ability to generate profit (profitability) of the company [3].

Apart from the company's value, liability is also one of the company's strategies in tax planning (tax planning). The greater the profits generated by the company, the greater the tax payable that must be paid to the State treasury. However, the existence of a company's obligation will incur an interest expense that can be used as a deduction from the company's income tax. On the other hand, actually with the existence of tax planning, the tax burden that must be paid by the company will be reduced, so that it will automatically have a direct effect on the maximum profitability.

In addition to the above, one of the company's profit increases can be achieved through the creation of good governance within the company. According to Daniri in Diana company management in an effort to achieve profit and sustainability in a balanced manner, can be achieved through the implementation of corporate governance.

The Research of Widiasmoro's shows that cash turnover variables significantly affect profitability / ROA, accounts receivable turnover influential significant effect on profitability / ROA, and inventory turnover variables significantly influence profitability / ROA. The simultaneous variables of cash turnover, accounts receivable turnover, and inventory turnover have a significant effect on profitability / ROA [4]. However, the results of these studies differ from the results of research conducted by Surya, Ruliana, Soetama [5] and Lestari [6] where the use of assets (cash, accounts receivable, and inventories) has no significant effect on profitability.

Wedha's research results regarding the Effect of Tax Planning on Return on Equity (ROE) in Food and Beverage Sector Companies Listed on the Stock Exchange in 2013-2015, states that tax planning has a positive and significant effect on the company's Return On Equity (ROE). So it can be concluded that the greater the amount of tax planning, the greater the increase in Return on Equity (ROE). Conversely, the smaller the tax planning, the lower the Return on Equity (ROE) percentage [7].

Based on the descriptions above and the results of previous studies that have different results, the authors are interested in conducting research with the title: "The Effect of Tax Planning and Use of Assets on Profitability with Good Corporate Governance as a Moderating Variable". The purpose of this study is to determine the effect of tax planning and asset use on profitability that is moderated by good corporate governance.

II. LITERATURE REVIEW

A. Theoretical Framework

1) Signalling theory: Signal Theory according to Brigham and Houston in Fenandar and Raharja is an action taken by a company to provide instructions for investors about how management views the company's prospects [8]. High profitability shows good company prospects so that investors will respond to these positive signals and the value of the company will increase [9].

2) Agency theory: Jensen and Meckling in Sutedi explain the agency relationship in agency theory, that companies are a collection of contracts (nexus of contracts) between the owners of economic resources (principal) and managers (agents) who take care of the use and control of these resources [10].

3) Profitability: Understanding profitability according to Munawir is the company's ability to generate profits for a certain period [11]. Whereas in the book Financial Management states that the profitability ratio shows the combined effect of liquidity, asset management and debt management on operating results (earnings) [12]. According to Prayudi and Daud (the most important measure of profitability is net income [13]. Both creditors and investors will continue to monitor a company's profitability ratio before making a decision. According to Kasmir the profitability ratio measurement has several objectives, including:

- To assess the company's previous year's profit position with the current year.
- To assess the development of earnings over time.
- To assess the net profit after tax with own capital.
- To measure the productivity of all company funds used both loan capital and own capital [14].

4) Tax planning: Tax planning is a function of tax management that is used to estimate the amount of tax to be paid and things that can be done to avoid taxes. In the Tax Planning book explained that the motivation underlying doing a tax planning generally comes from three taxation elements, namely:

- tax policy
- tax law
- tax administration

Careful tax planning will produce benefits for taxpayers. According to Mardiasmo the benefits of tax planning for taxpayers are as follows:

- Saving cash out, meaning that tax planning can save tax which is a burden for the company.
- Regulate cash flow, meaning that tax planning can estimate cash requirements for taxes and determine the time of payment so that it can arrange cash accurately [15].

According to Suandy the purpose of tax planning is to engineer so that the tax burden can be reduced as low as possible so that income after tax can be maximized [16].

5) Use of assets: Asset management is a systematic process that aims to maintain, renew, and operate assets sparingly through the acquisition, creation, operation, maintenance, rehabilitation, and write off of assets so that objectives can be achieved effectively and efficiently. Basically the goal of asset management is to assist companies in making the right decisions so that assets can be managed effectively and efficiently.

6) Good Corporate Governance (GCG): The definition of corporate governance according to Turnbull Return in the United Kingdom (April 1999) quoted from Tsuguoki Fujinuma is as follows:

> *"Corporate governance is a company's system of internal control has as its principal aim the management of risks that are significant to the fulfilment of its business objective, with a view to safeguarding the company's assets and enhancing over time the value of the shareholders' investment."*

Meanwhile, according to the World Bank, good corporate governance is a collection of laws, regulations, and rules that must be met, which can encourage the performance of company resources to function efficiently in order to produce long-term sustainable economic value for shareholders and the surrounding community as a whole.

Based on the above understanding, it can be concluded that good corporate governance is a set of regulations governing the relationship between shareholders, company management, and other internal and external stakeholders relating to rights and obligations in controlling the company [10].

7) Mechanism of good corporate governance implementation: According to Sutedi the mechanism of good corporate governance is divided into two, namely:

- External Mechanism; are influenced by external factors which include investors, public accountants, lenders and institutions that certify legality.
- Internal mechanism; are influenced by company internal factors which include institutional ownership, managerial ownership, independent board of commissioners, and audit committee [10].

B. Conceptual Thinking Framework

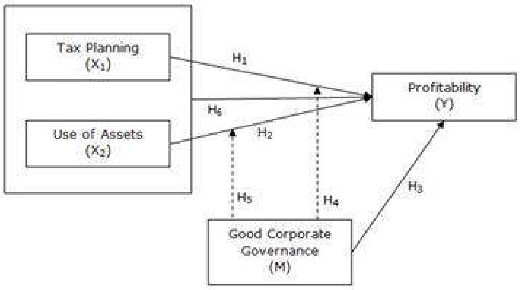

Fig. 1. Conceptual thinking framework.

Based on the results of the literature review and previous studies, the dependent variable in this study is profitability. The independent variable uses tax planning and asset use. Whereas Good Corporate Governance acts as a moderate variable in the effect of tax planning and asset use on profitability. Profitability is described as Y, tax planning as X1, use of assets as X2, while Good Corporate Governance is described as M. Based on the explanation above, the effect of tax planning and asset use on profitability with Good Corporate Governance as a moderating variable can be explained in Figure 1.

C. Hypothesis

H_1 : Partial tax planning has a significant effect on company profitability.

H_2 : The use of assets partially has a significant effect on company profitability.

H_3 : Good corporate governance partially has a significant effect on company profitability.

H_4 : Tax planning has a significant effect on company profitability by being moderated by good corporate governance.

H_5 : The use of assets has a significant effect on the company's profitability which is moderated by good corporate governance.

H_6 : Tax planning and the use of assets simultaneously have a significant effect on company profitability.

III. RESEARCH METHODOLOGY

The population in this study is the financial statements of manufacturing companies in the consumer goods industry sector which were listed on the Indonesia Stock Exchange in 2014 to 2018. The study took data from five different years. The determination of the sample of this study used a purposive sampling technique. The sample to be used in this study was selected with the following criteria:

- Is a manufacturing company manufacturing consumer goods industry sector listed on the Indonesia Stock Exchange in 2014-2018 and not delisted during that period;
- Publish financial statements or annual reports for the period ending December 31, 2014 to December 31, 2018 available on the Indonesia Stock Exchange;
- Having complete data in accordance with the variables used in the study.

This study aims to determine the significant influence of each independent variable on the dependent variable, whether through moderation or not. The object of research in this study is manufacturing companies in the consumer goods industry sector which are listed on the Indonesia Stock Exchange (IDX). This research data in the form of secondary data sourced from the company's financial statements and annual reports. This study uses a 5-year observation period from 2014 to 2018. Sampling was carried out using purposive sampling with several predetermined criteria. Based on these criteria from 54 companies, only 15 companies will be sampled because they have fulfilled several criteria in purposive sampling.

The sample selection is done as in the following table:

TABLE I. PURPOSIVE SAMPLING - RESEARCH DATA

No.	Information	Not Fulfilling Criteria	Meet the criteria
1	The manufacturing company goes public in the consumer goods industry sector		54
2	The company was listed on the IDX in the 2014-2018 period and did not experience delisting	17	37
3	Publish financial reports or annual reports for the 2014-2018 period which are available on the IDX	5	32
4	The required data related to the tested variables are available in full during the 2014-2018 period	12	20
	Extreme data and outlier data		(5)
	Number of Companies		15
	Observation Year		5
	Number of Research Samples = 15 x 5		75

Source: Data Processing (2019).

TABLE II. OPERATIONALIZATION OF VARIABLES

Research variable		Indicators	Scale
Dependent Variable (Y)	Profitability	Return On Assets (ROA) $= \frac{Earning\ After\ Tax}{Total\ Assets}$	Ratio
Independent Variable (X)	Tax Planning	Tax Retention Rate $= \frac{Earning\ After\ Interest\ and\ Tax}{Earning\ Before\ Interest\ and\ Tax}$	Ratio
	Use of Assets	Total Assets Turnover Ratio $= \frac{Sales}{Total\ Assets}$	Ratio
Moderation Variable (M)	Good Corporate Governance	Managerial ownership $= \frac{number\ of\ shares\ owned\ by\ management}{Number\ of\ shares\ outstanding}$	Ratio

The method of data analysis is done through quantitative statistics obtained from the financial statements of the manufacturing sector of consumer goods industries listed on the Indonesia Stock Exchange (IDX). Data processing was carried out using SPSS 22 software programs. Based on the result of Classical Assumption Testing, the data of this research was normal, no heteroscedasticity, and no multicollinearity. The data was analysed with Multiple Regression Analysis (simultaneous and partial) and Moderated Regression Analysis (MRA).

IV. Findings and Discussion of Research

A. Research Data Analysis

1) Descriptive statistical analysis

TABLE III. DESCRIPTIVE STATISTICAL ANALYSIS

Variables	N	Min.	Max.	Mean	Std. Deviation
Profitabilitas_Y	75	,00645	,26150	,0843023	,05267525
Tax Planning_X1	75	,13130	,94583	,6622688	,15907200
Use of Asset_X2	75	,69760	3,10476	1,3040910	,51604753
Managerial Ownership_M	75	,00000	,53232	,1045206	,14363274
Valid N (listwise)	75				

Source: SPSS v.22 (2019).

From the results of SPSS processing it can be seen the results of descriptive statistics on all variables, such as the following:

a) Profitability (Y) – Return on Assets (ROA): In the ROA data there are 75 data and valid, the minimum value contained in the line 'Profitability_Y' in table 3 is the lowest ROA value owned by PT Budi Starch & Sweetener, Tbk. (BUDI) in 2015 amounted to 0.00645, this is because the profit after tax generated was only around Rp21 billion, while the total current assets owned by the company were around Rp3 trillion.

Then the maximum value is the highest value of ROA owned by PT Mandom Indonesia, Tbk. (TCID) in 2015 amounted to 0.26150, this was due to the amount of profit after tax generated around IDR 544 billion and the total assets it had at that time was IDR 2 trillion. In table 3, the average value of the ROA data is 0.084 and has a standard deviation of 0.053, where the mean value is greater than the standard deviation.

b) Tax Planning (X_1) – Tax Retention Rate (TRR): In table 3, the 'Tax Planning_X1' row contains TRR data with 75 data, and the data state is valid. Then obtained the minimum value which is the lowest TRR value derived from data from PT Budi Starch & Sweetener, Tbk. (BUDI) in 2015 amounted to 0.13130, this was due to profit after tax generated around Rp21 billion while profit before tax and interest generated during the period was around Rp 160 billion.

Then there is the maximum value which is the highest value from the TRR data held by PT Mandom Indonesia, Tbk. (TCID) in 2015 amounted to 0.94583, this is because the total after-tax profit generated was around IDR 544 billion and the profit before interest and taxes generated in 2015 was around IDR 576 billion. In the table, it is estimated that the average value for the TRR data is 0.662 and the standard deviation is 0.159, so the average value is greater than the standard deviation value.

c) Use of Assets (X_2) – Total Assets Turnover Ratio (TATO): Based on the descriptive statistical analysis table in the line 'Use of Assets_X2', it is known that there are 75 valid data examined. In that row, there is a minimum value which is the lowest value from the TATO data. The lowest value is owned by PT Indofood Sukses Makmur, Tbk. (INDF) in 2015 amounted to 0.69760, this was due to the sales generated in that year of only Rp64 trillion, while the total assets owned were Rp92 trillion.

Then the maximum value is the highest value from the TATO data derived from data from PT Wilmar Cahaya Indonesia, Tbk. (CEKA) in 2018, this is due to the value of sales in that year was around IDR 3 trillion while the assets it had at that time were IDR 1 trillion. Then from table 3 it is known that the mean value of TATO data is 1.304, while the standard deviation value is 0.516, so the mean value is greater than the standard deviation value.

d) Good Corporate Governance (M) – Managerial ownership: In table 3 in the 'Managerial Ownership_M' row, 75 valid data were examined. There is a minimum value in the managerial ownership data that is equal to 0, which means there are companies whose management does not have managerial ownership in the company, namely PT Wilmar Cahaya Indonesia, Tbk. (CEKA) in 2015, PT Mayora Indah, Tbk. (MYOR) in 2014 and 2015, PT Industri Jamu and Pharmacy Sido Muncul, Tbk. (SIDO) in 2017 and 2018, and PT Mandom Indonesia, Tbk. (TCID) in 2018.

While the maximum value in the managerial ownership data is 0.53232, which means that the company's management has about 53% ownership of shares outstanding, namely PT Ultra Jaya Milk Industry & Trading Company, Tbk. (ULTJ) in 2018. Then the average value of the managerial ownership data is 0.105 and the resulting standard deviation is 0.144, which means that the average value of the data is smaller than the standard deviation value.

2) Multiple regression analysis: In this study the independent variables used are tax planning (X1) and asset use (X2). The dependent variable used in this study is profitability (Y). The multiple linear regression equation in this study will be determined by the results of the SPSS output version 22, which is as follows:

TABLE IV. RESULTS OF MULTIPLE LINEAR REGRESSION ANALYSIS

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	t	Sig.
(Constant)	-,055	,024	-2,325	,023
Tax Planning_X1	,211	,030	7,017	,000
Use of Asset_X2	,000	,009	-,037	,971

Source: SPSS v.22 (2019).

Based on table 4, the results of multiple linear regression analysis can be seen from the Unstandardized Coefficients Beta column as follows:

$$\mathbf{Y = -0{,}055 + 0{,}211\ X_1 + 0{,}000\ X_2 + e}$$

Information:

Y = Profitability (ROA)

X_1 = *Tax Planning* (TRR)

X_2 = Use of Assets (TATO)

The multiple linear regression equation can be explained again as follows:

- A constant value of -0.055 means that if tax planning (TRR) and asset use (TATO) value is 0 (zero) then the profitability value is -0.055 or the company suffers losses so the ROA value is minus 0.055.
- The value of the regression coefficient for the variable tax planning (TRR) has a value of 0.211 meaning that tax planning has a significant positive effect on profitability. Thus if other independent variables have a fixed value and tax planning has increased 1%, then profitability will increase by 0.211. This relationship allows that if there is an increase in the value of tax planning there will also be an increase in profitability and vice versa.
- The value of the regression coefficient for the variable asset use (TATO) has a value of 0,000 meaning that the use of assets has no significant effect on profitability. Thus if other variables are of fixed value and the use of assets has increased or decreased by 1%, then profitability has not increased or decreased significantly.

3) T test: T test is a partial test of each independent variable on the dependent variable. In the results of table 5, before the moderating variable, the result of sig. for the tax planning variable (X1) is 0,000, the result is smaller than 0.05 (0,000 <0.05), then the tax planning variable partially has a significant effect on profitability (Y). Thus H1 is accepted which states that 'Tax planning partially has a significant effect on company profitability'. Then the results of sig. for asset use variable (X2) is 0.971, this result is greater than 0.05 (0.971> 0.05), so the asset use variable partially has no significant effect on profitability (H2 is rejected). Thus the conclusion of the t test on the asset use variable is 'partial use of assets has no significant effect on company profitability'.

TABLE V. T TEST (WITH MODERATION VARIABLES)

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Stand Coeff. Beta	t	Sig.
(Constant)	-,149	,041		-3,674	,000
Tax Planning_X1	,310	,050	,935	6,244	,000
Use of Asset_X2	,017	,010	,171	1,769	,081
Managerial Ownership_M	,725	,205	1,977	3,543	,001
X1M_MRA1	-,369	,240	-,698	-1,534	,130
X2M_MRA2	-,394	,130	-1,167	-3,023	,004

a. Dependent Variable: Profitabilitas_Y

Source: SPSS v.22 (2019)

While the results from table 5, there are managerial ownership variables (GCG) as moderating variables (variable M), X1M_MRA1, and X2M_MRA2. For X1M_MRA1 is the variable of the multiplication results between the tax planning variable (X1) and the managerial ownership variable (M), then X2M_MRA2 is the variable of the multiplication results between the asset use variable (X2) and the managerial ownership variable (M).

Based on table 5, the results of sig. for managerial ownership is 0.001, the result is smaller than 0.05 (0.001 <0.05), then managerial ownership that represents the variable of good corporate governance (M) has a significant effect on the profitability variable (Y). Thus, H3 is accepted which states that 'Good corporate governance partially has a significant effect on company profitability'.

Then the results of sig. for tax planning variable moderated by good corporate governance (X1M_MRA1) is 0.130, this result is greater than 0.05 (0.130> 0.05) which means that tax planning is moderated by good corporate governance does not have a significant effect on company profitability. Then H4 is rejected or the conclusion is that 'Tax planning has no significant effect on company profitability by being moderated by good corporate governance'. Then the result sig. for asset use variable moderated by good corporate governance (X2M_MRA2) is 0.004, this result is smaller than 0.05 (0.004 <0.05) which means that the use of assets moderated by good corporate governance has a significant effect on company profitability. Then H5 is accepted which states that 'The use of assets significantly influences the profitability of the company by being moderated by good corporate governance'.

4) F Test

TABLE VI. RESULTS OF F TEST

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	,083	2	,042	24,622	,000[b]
	Residual	,122	72	,002		
	Total	,205	74			

a. Dependent Variable: Profitabilitas_Y

b. Predictors: (Constant), Use of Asset_X2, Tax Planning_X1

Source: SPSS v.22 (2019)

Based on table 6, the F test results show that all independent variables namely tax planning (X1) and asset use

(X2) simultaneously have a significant effect on the dependent variable, namely profitability (Y), because the F test results have a Sig. below 0.05. Thus it can be concluded that H6 is accepted which states that 'Tax planning and simultaneous use of assets have a significant effect on company profitability'.

5) Coefficient of determination: In this study the authors used the coefficient of determination test because the value of the coefficient of determination or R Square (R^2) can explain how big the relationship of all independent variables with the dependent variable. Or can explain how far the independent variable can explain the variation of the dependent variable. The following is the result of the coefficient of determination before the moderation variable:

TABLE VII. TEST THE COEFFICIENT OF DETERMINATION BEFORE THE MODERATION VARIABLE

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,637[a]	,406	,390	,04115226
a. Predictors: (Constant), Use of Asset_X2, Tax Planning_X1				
b. Dependent Variable: Profitability_Y				

Source: SPSS v.22 (2019)

From the above table, it can be seen that the value of R2 is 0.406 or 40.6%, which means that the independent variable that is tax planning and the use of assets included in this research model can explain 40.6% of the dependent variable under study, while 59 The remaining 4% (100% -40.6%) is explained by other variables or other factors not examined or not included in this study.

Then in this study the authors added the variable of good corporate governance represented by managerial ownership as a moderating variable. The following results from the coefficient of determination after the authors enter the moderation variable:

TABLE VIII. TEST THE COEFFICIENT OF DETERMINATION AFTER THE MODERATION VARIABLE

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,714[a]	,510	,475	,03817405
a. Predictors: (Constant), X2M_MRA2, Tax Planning_X1, use of Asset_X2, X1M_MRA1, Managerial Ownership_M				
b. Dependent Variable: Profitability_Y				

Source: SPSS v.22 (2019)

Based on the test results of the coefficient of determination in table 8, it appears that the value of R2 is 0.510 or 51%, which means that the independent variable is tax planning and the use of assets included in this research model moderated by good corporate governance can explain 51% of the dependent variable under study, while 49% (100% -51%) the rest is explained by other variables or other factors not examined or not included in this study.

Thus, it can be concluded that the moderating variable can increase the value of R2 which was originally 40.6%, increasing by 10.4% to 51%. So that it can be said that the moderating variable strengthens the relationship between the independent variable and the dependent variable.

6) Moderated regression analysis: Based on table 5 the results of the moderation regression analysis or interaction test can be seen from the Unstandardized Coefficients Beta column as follows:

$$\mathbf{Y = -0{,}149 + 0{,}310\ X_1 + 0{,}017\ X_2 + 0{,}725\ M - 0{,}369\ X_1M - 0{,}394\ X_2M + e}$$

Information:

Y = Profitability (ROA)

X_1 = Tax Planning (TRR)

X_2 = Use of Assets (TATO)

M = Good Corporate Governance (MANJ_OWN)

X_1M = Tax Planning is moderated by Good Corporate Governance (TRR × MANJ_OWN)

X_2M = Use of Assets is moderated by Good Corporate Governance (TATO × MANJ_OWN)

B. Discussion of Research Data Analysis Results

1) The effect of tax planning on profitability: Based on the results of statistical tests that have been done, the results of this study indicate that tax planning (X1) measured using tax retention rate (TRR) partially has a significant effect on profitability (Y) as measured by return on assets (ROA). The increase in tax planning has an impact on increasing company profitability. The results of this study support research from Wedha [7] and Zahdjuki, Afrizal, and Arum [17] which states that tax planning partially has a significant effect on profitability.

Thus, the consumer goods industry sector shows that tax planning partially has a significant effect on company profitability. This is evidenced by the statistical results (t test) which show a significance value of 0,000 that is smaller than 0.05 (0,000 <0.05). The results can be different if done in different sectors and different samples from this study.

2) Use of assets effect on profitability: In the consumer goods industry sector shows that the use of assets partially does not significantly influence the profitability of the company. This is because the statistical results that indicate in the t test (t test) that the use of assets (X2) measured using the total assets turnover ratio (TATO) has a significance value of 0.971, this result is greater than 0.05 (0.971> 0, 05). The results of this study support the results of research from Surya et al. [5], Lestari [6], and Budiansyah et al. [18] which states that the partial use of assets does not significantly influence the company's profitability.

3) The effect of good corporate governance on profitability: This study uses managerial ownership (MANJ_OWN) to measure the variable of good corporate governance or GCG (M) in relation to profitability (Y) as measured by return on assets (ROA). The results of this study indicate that good corporate governance has a significant effect on company profitability. This is evidenced by the significance value of the statistical test t that has been carried out on companies in the consumer goods industry sector with a yield of 0.001. This result is smaller than 0.05 (0.001 <0.05) which means that good corporate governance partially has a significant effect on company profitability. As good corporate governance increases, so does the level of profitability. The results of this study support research conducted by Pratiwi and Anastasia which states that good corporate governance partially has a significant effect on company profitability [19].

4) The effect of tax planning on profitability with good corporate governance as a moderation variable: Tax planning which is an effort to save tax carried out by management, to save tax payments made and save on tax costs that occur so as to increase the level of profitability of the company because it can streamline the taxation of companies as taxpayers and increase the value of profit after tax. In this study, the effect of tax planning is examined on the profitability of companies with the help of good corporate governance. The results of statistical tests that have been carried out using moderated regression analysis show the results of the significance value (t test of table 5) amounted to 0.130 which has results greater than 0.05 (0.130> 0.05). Thus it can be concluded that companies engaged in the consumer goods industry sector show that tax planning has no significant effect on profitability with good corporate governance as a moderating variable.

5) The effect of use of assets on profitability with good corporate governance as a moderation variable: In this study, the consumer goods industry sector shows that the use of assets has a significant effect on profitability with good corporate governance as a moderating variable. These results can be different if testing different sectors. The results of this study were proven using moderated regression analysis, the results of the statistical test (t test) produced a significance value of 0.004 less than 0.05 (0.004 <0.05). Which means the existence of good corporate governance (M) can have an impact on the use of assets (X2) to affect the profitability (Y) of the company.

That is because the results of statistical tests that show this, and it is suspected that there are other factors, namely managerial ownership which is a measurement tool for good corporate governance, which has low results has an influence on the relationship between asset use and profitability. Thus, the existence of managerial ownership is considered as a motivator, so that management can improve its performance by increasing the level of profitability of the company through the use of assets that are more effective and efficient. Based on this statement, it can be concluded that the use of assets has a significant effect on profitability with good corporate governance as a moderating variable.

6) The effect of tax planning and simultaneous use of assets on profitability: Based on the results of statistical tests conducted on corporate data in the consumer goods industry sector, it shows that tax planning is measured by tax retention rate [17] and asset use is measured by total asset turnover ratio simultaneously significant effect on profitability as measured by return on assets [14]. This is because the results of the F test show a significance result of less than 0.05, namely 0,000 (0,000 <0.05), so that both variables simultaneously have a significant effect on company profitability. Although the t test shows that tax planning has a significant effect on company profitability while the use of assets has no significant effect on corporate profitability [20].

The results of this study allegedly because tax planning in this sector can reduce the cost of taxes can make savings on corporate tax payments, then if together with the use of corporate assets that are characterized by asset turnover more effectively and efficiently can increase company sales. The presence of these two situations together can significantly affect profitability in companies in the consumer goods industry sector. Because the tax costs are smaller and the greater revenue can increase profits after tax so that the level of profitability of the company is possible to experience a significant increase.

Thus, if there is an increase in tax planning and an increase in the use of assets, profitability may increase. So that tax planning and the simultaneous use of assets significantly influence the profitability of companies in the consumer goods industry sector.

V. CONCLUSION

The first hypothesis testing result shows that tax planning has an effect on profitability. The second hypothesis testing shows that the use of assets has no effect on profitability. The third hypothesis testing result provides an empirical evidence that good corporate governance has a significant effect on profitability. The fourth hypothesis result shows tax planning moderated by good corporate governance does not influence on profitability. The fifth hypothesis result shows that the use of assets moderated by good corporate governance has an effect on profitability. The sixth hypothesis testing result provides an empirical evidence that tax planning and the use of assets significantly influence on profitability.

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