THE EFFECT OF DEFERRED TAX EXPENSE ON EARNINGS MANAGEMENT (EMPIRICAL STUDY ON PT MATAHARI DEPARTMENT STORE, TBK LISTED ON THE INDONESIA STOCK EXCHANGE IN 2015 TO 2019)

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Abstract
In PSAK No. 1 concerning the preparation of financial statements, the financial statements can then assess the size of the company’s performance. As a basis for making business decisions, one of which is company profits. Therefore, company managers want to increase reported earnings for shareholders and external users of financial statements. This is called earnings management practice. This study aims to analyze the effect of deferred tax expense on earnings management, determine the amount of deferred tax expense and corporate earnings management. The data used in this study comes from audited financial statements at PT. Matahari Department Store, Tbk which are listed on the Indonesia Stock Exchange for the 2015-2019 period. This study uses a non-probability sampling technique, by means of saturated sampling. The data analysis used in this research is linear regression analysis, classical assumption test, t-test, f-test, and coefficient of determination. The results of this study indicate that deferred tax expense has no significant effect on earnings management with a coefficient of determination of 34.4%. Deferred tax expense cannot detect any earnings management at PT.Matahari Dept. Store,Tbk. As well as the magnitude of negative earnings management because the net profit per year is greater than cash inflows from operational activities.

Keywords: Deferred Tax Expense, Earnings Management.

INTRODUCTION

In the company, managers need assessments and estimates of the preparation of financial statements. These assessments and estimates give managers flexibility in preparing financial reports. This is regulated in PSAK No. 1 concerning the preparation of accrual-based financial statements (accrual basis). Which then the financial statements can assess the size of the company’s performance. As the basis for making business decisions is the company’s profit. Therefore, company managers want to increase reported earnings to shareholders and other external users (Deviana & Kiswara, 2010).

Companies are now facing very tight competition to survive in the global capital market (capital market). The capital market is a market for various long-term financial instruments that can be traded, both debt securities (bonds), equities (stocks), mutual funds, derivative instruments and other instruments. The capital market is a means of funding for companies and other institutions (eg the government), and as a means for investing activities. Thus, the capital market facilitates various facilities and infrastructure for buying and selling activities and other related activities. Of course, retail companies in Indonesia are not immune from the harsh currents of competition, so a strategy is needed in the retail business (Al Farisi, 2020).

Companies are now required to have various competitive advantages in order to be able to compete with other retail companies because retail trends in Indonesia are growing rapidly and can have an impact on the department store segment. This is not only seen from the quantity and quality of the products offered but also includes financial management that must be able to ensure the sustainability of the company's business and this is indicated by the amount of profit achieved by a company. This situation usually encourages managers to perform deviant behavior in presenting and reporting earnings information, known as earnings management practices (Astutik & Mildawati, 2016).
Earnings management (Earning Management) in a narrow sense, is related to the selection of accounting methods. Earnings management is the behavior of managers to play with the component of discretionary accruals in determining earnings. Earnings management is carried out by managers using the company's management assessment also wants to minimize taxable income reported for tax purposes (Ettredge et al., 2008). The Indonesian Accounting Association (IAI) in 1997 issued a statement of financial accounting standards (PSAK) No. 46 which regulates income tax accounting (PPh) which was implemented in 2001 which is continuously updated and used today. Prior to the enactment of PSAK No. 46, the company only calculated and recognized the amount of income tax expense for the current year without calculating and recognizing deferred tax.

Deferred tax is a tax effect that is recognized when adjustments are made to income tax expense for future periods. Recognition of deferred tax in the company’s financial statements is a relatively new thing in the accounting world in Indonesia. Although the option of applying deferred tax in Income Tax Accounting has been permitted, there are still many who do not understand deferred tax both in terms of understanding or conceptual understanding as well as in its application to the company's financial statements. The official definition of the term deferred tax (assets and liabilities) can be found in PSAK NO. 46 concerning Accounting for Income Tax (PPh).

Deferred Tax Asset is the amount of income tax that can be recovered in future periods as a result; deductible temporary differences; accumulated tax losses have not been compensated; and accumulated unused tax credits, in the event that the tax regulations permit. Meanwhile, Deferred Tax Liability is the amount of income tax payable in future periods as a result of taxable temporary differences. From this definition what must be understood is the concept of “recovery in future periods” for Deferred Tax Liabilities (Yahya & Wahyuningsih, 2019).

Deferred tax expense is an expense that arises as a result of the difference between accounting profit (ie profit in financial statements for the benefit of external parties) and fiscal profit (profit used as the basis for calculating taxes). In calculating the tax burden that must be paid at the end of the year (known as the current tax burden). Taxpayers use the Commercial Accounting approach (based on PSAK) starting from the recognition of the income element, the recognition of expenses that are used as deductions, the depreciation method to determine the depreciation expense of assets, the recognition of the residual value of assets and the application of the period for depreciation, to the determination of the amount of allowance/reserve cost (Hasanah, n.d.).

The results of this application are contained in the Financial Statements which are used by the Taxpayer as the basis for calculating the income tax expense payable commercially. However, for the purpose of reporting the Annual SPT, the results of the calculations that have been described in the commercial financial statements cannot be used as the basis for determining the current tax burden. This means that the income tax calculated by the taxpayer on the basis of commercial temporary differences cannot be directly determined as current tax expense. This is because in order to be used as the basis for reporting the Annual SPT, the approach used is taxation provisions (based on Law Number 36 of 2008 concerning Income Tax and the implementing regulations below). This approach is often different from the provisions used in the approach according to Commercial Accounting (Fitria, 2017).

This absolute difference occurs, for example, due to differences in the recognition of income elements, such as income that is final and has been subject to Final Income Tax, which may no longer be considered as an element of income or the recognition of expenses that may be deducted, certain cost items are absolutely prohibited from being used as deductions according to tax provisions. Meanwhile, this relative profit is due to differences in the recognition of the residual value or the determination of the useful life period in calculating depreciation expense. This kind of difference causes differences that are not absolute forever,
but only temporary because they are only differences in the time and number of the year of the divisor, and at a certain point the tax burden incurred will arrive at the same nominal amount. The net profit generated through the process of fiscal reconciliation, namely the calculation as regulated according to tax provisions, is termed as Taxable Income. So at this point, it is clear to distinguish the meaning of the term commercial profit before tax (commercial) with taxable income (fiscal) (Koraag, 2014).

If the tax rate is applied to profit on Commercial Profit (Accounting Profit) and Taxable Income (Tax Profit), the results are likely to be different. This difference is known as Deferred Tax. If the Accounting Profit is greater than the Tax Profit, a Deferred Tax Liability will be formed, otherwise if the Accounting Profit is less than the Tax Profit, a Deferred Tax Asset will be formed. In short, Deferred Tax is unavoidable and can arise as a result of two approaches that must be followed in calculating the current tax burden. Deferred Tax in the form of assets/benefits makes the Taxpayer know that the value of the tax burden that must be paid can be recovered in the future (Putri, 2020).

There are two ways of understanding the motivation of earnings management in companies. First, seeing it as an opportunistic behavior of managers to maximize their utility in the face of compensation contracts, money contracts, and political costs (opportunistic Earning Management). Second, by looking at earnings management from the perspective of efficient contracting (Efficient Earnings Management), where earnings management gives managers the flexibility to protect themselves and the company in anticipating unexpected events for the benefit of the parties involved in the contract. Thus, managers can influence the market value of their company's shares through earnings management, for example by making profit tools (income smoothing) and profit growth throughout the year (Nathalie, 2019).

PT. Matahari Dept Store, Tbk is the largest department store operator in Indonesia by retail sales value with a market share of 40.8% in the department store retail sector in 2016. Matahari has the largest department store network in Indonesia, with 151 outlets in 70 cities in Indonesia all over Indonesia until December 31, 2016.

The phenomenon that occurred in the field recently based on the information disclosure page of the Indonesia Stock Exchange (IDX), the company projects a decline in consolidated net profit for the first quarter of this year to reach more than 75% compared to the same period last year. If you refer to the financial report data as of March 31, 2019, the company recorded a net income of Rp. 1.93 trillion and a net profit of Rp. 481.84 billion. So, based on the company's calculations, the revenue could be drained by less than Rp. 481.84 billion and the profit might contract by more than Rp. 106.88 billion. This has an effect as a benchmark for evaluating the company's performance within that period.

Research on deferred tax expense in Indonesia was carried out by several previous researchers, including research conducted by examining the ability of deferred tax expense in predicting earnings management in manufacturing companies listed on the Stock Exchange which shows that accruals and deferred tax expense have a positive and significant effect on the probability the company performs earnings management to avoid losses (Suranggane, 2014).

Research on the effect of deferred tax expense and tax planning on earnings management practices, the results show that Deferred Tax Expenses have a positive effect on earnings management, tax planning has a positive effect on earnings management (Yuliza & Fitri, 2020).

While the research conducted by Sri Wijayanti (2016) also conducted research on the effect of deferred tax expense on earnings persistence and earnings management in manufacturing companies, the results of his research stated that Deferred Tax Burden had no effect on earnings management. This is possible because of management's limitations in influencing deferred tax expense because deferred tax expense is regulated not only in
commercial accounting but also in fiscal accounting which is regulated in tax regulations, thus limiting management to choose policies in preparing fiscal financial statements (Diana, 2017).

Based on the description of the background above, the researchers are interested in conducting research with the title "The Effect of Deferred Tax Expense on Earnings Management (Empirical Study At PT. Matahari Department Store, Tbk listed on the Indonesia Stock Exchange).

LITERATURE REVIEW

Capital Market Understanding

The capital market is a financial market for long-term funds and is a concrete market. Long-term funds are funds with maturities of more than one year. The capital market in a narrow sense is a place in an organized physical sense where securities are traded which is called a stock exchange. Understanding the stock exchange (stock exchange) is an organized system that brings together sellers and buyers of securities carried out either directly or indirectly. The definition of securities is any securities (securities) issued by the company, for example: debt acknowledgment, commercial paper (commercial paper), shares, bonds, proof of debt, proof of rights (right issue), and warrants (Nufus, 2018).

Capital Market Law No. 8 of 1995 concerning the Capital Market defines the capital market as “Activities related to the Public Offering and trading of Securities, Public Companies relating to the issued Securities, as well as institutions and professions related to Securities”.

The capital market has an important role for the economy of a country because the capital market performs two functions, namely first as a means for business funding or as a means for companies to obtain funds from the investor community. Funds obtained from the capital market can be used for business development, expansion, additional working capital and others. Both capital markets are a means for the public to invest in financial instruments such as stocks, bonds, mutual funds, and others. Thus, the public can place their funds according to the characteristics of the benefits and risks of each instrument (Mar’ati, 2012).

Financial Instruments (Products) traded in the Indonesian Capital Market

1. Stock

Stocks are one of the most popular financial market instruments. Issuing shares is one of the company’s choices when deciding to fund the company. On the other hand, stocks are an investment instrument that is chosen by many investors because they are able to provide an attractive level of profit. Shares can be defined as a sign of capital participation of a person or party (business entity) in a company or limited liability company. By including this capital, the party has a claim on the company's income, claims on company assets, and is entitled to attend the General Meeting of Shareholders (GMS).

2. Bonds

Bonds are transferable medium-long term debt securities containing a promise from the issuing party to pay interest in the form of interest for a certain period and repay the principal at a predetermined time to the buyer of the bonds.

3. Mutual Fund

Mutual Funds are an alternative investment for the investor community, especially small investors and investors who do not have much time and expertise to calculate the risk of their investment. Mutual Funds are designed as a means to raise funds from people who have capital, have the desire to invest, but only have limited time and knowledge. In addition, Mutual Funds are also expected to increase the role of local investors to invest in the Indonesian capital market.
Generally, Mutual Funds are defined as containers used to collect funds from the investor community for further investment in the Securities portfolio by the Investment Manager. Referring to the Capital Market Law No. 8 of 1995, Article 1 paragraph (27) is defined that Mutual Fund is a forum used to collect funds from the investor community to be further invested in securities portfolios by investment managers. Thus, the funds in the Mutual Fund are mutual funds of the investors, while the investment manager is the party who is trusted to manage the funds.

**Earnings Management Pattern**

The patterns of earnings management that are commonly used are:

1. **Taking a Bath**
   
   Management tries to shift the expected future costs to the present, in order to have a greater chance of getting profits in the future. Usually it is done when the company conducts restructuring or reorganization, such as the change of CEO.

2. **Income Minimization**
   
   Management tries to shift the burden to the present in order to have a greater chance of earning profits in the future.

3. **Income Maximization**
   
   Management tries to increase current profits by shifting expenses to the future. Usually done by managers in order to get an annual bonus.

4. **Income Smoothing**
   
   Actions in which management smoothes fluctuations in earnings from period to period by transferring profits from periods of high profit to periods of low profit.

**Earnings Management Techniques**

1. **Changes in accounting methods**
   
   Management changes the accounting method that is different from the previous method so as to increase or decrease the profit figure. The accounting method provides an opportunity for management to record certain facts in different ways, for example changing the method of depreciation of property, plant and equipment from the sum of the year digits method to the straight-line depreciation method and changing the depreciation period.

2. **Playing accounting forecast policy**
   
   Management influences financial statements by playing accounting forecasting policies. This provides an opportunity for management to involve subjectivity in preparing estimates, for example:
   
   a. Policy regarding the estimated amount of bad debts.
   
   b. Policy regarding estimated warranty costs.
   
   c. Policy regarding estimates of uninterrupted litigation.

**Definition of Fiscal Reconciliation**

There are two meanings of fiscal reconciliation according to Agoes and Trisnawati and according to Setiawan and Musri Fiscal reconciliation (correction) is the process of adjusting commercial profits that are different from the fiscal provisions to generate net income/profit in accordance with tax provisions. Definition according to Setiawan and Musri "Fiscal reconciliation is the adjustment of provisions according to commercial or accounting bookkeeping that must be adjusted according to tax provisions."

From the above understanding, it can be concluded that fiscal reconciliation or fiscal correction is one way to match the differences contained in commercial financial statements (compiled based on the Financial Accounting System) with financial statements prepared based on the fiscal system.
Fiscal reconciliation is an attachment to the annual corporate income tax return in the form of a working paper containing adjustments between commercial profit and loss before tax and profit or loss based on tax provisions. Fiscal reconciliation is carried out on all elements of the preparation of the income statement which includes income and expenses.

In the fiscal reconciliation, there are positive fiscal corrections and negative fiscal corrections, the meanings of which are described below:

a. **Positive fiscal correction**: a fiscal correction that results in an increase in fiscal profit or a decrease in fiscal loss so that the fiscal profit is greater than the commercial profit or the fiscal loss is smaller than the commercial loss.

b. **Negative fiscal correction**: a fiscal correction that results in a reduced fiscal profit or an increase in fiscal loss so that the fiscal profit is smaller than the commercial profit or the fiscal loss is greater than the commercial loss.

**Fiscal Reconciliation Step**

The steps that need to be taken to carry out fiscal reconciliation, among others:

a. Know in advance the necessary fiscal adjustments

b. Analyze the elements of adjustment to determine their effect on taxable operating income

c. Adjusting or correcting fiscal by making positive and negative fiscal corrections

d. Prepare fiscal financial statements as an attachment to the annual income tax return

**METHOD**

This type of research is descriptive research. Descriptive research aims to determine the nature, characteristics, and important profiles of people, groups, communities, or other phenomena that are the target of analysis. Research on the Effect of Deferred Tax Expense on Earnings Management at PT. Matahari Dept. Store, Tbk was conducted using the Associative research type with a quantitative approach.

The design of this research is associative research using causal relationship (causation) which is a research that asks the relationship between two or more variables (Sugiyono, 2012). From this research, it will be known whether there is a relationship and influence between the variables that have been determined, namely the deferred tax burden on earnings management at PT. Matahari Dept. Store, Tbk.

As for the object of research is the financial statements, deferred tax expense and earnings management (earnings management) PT. Matahari Dept Store, Tbk listed on the Indonesia Stock Exchange (IDX). The population is the entire element that will be used as a generalization area. The population element is the entire subject to be measured, which is the unit under study. The population in this study includes the financial statements at PT. Matahari Department Store, Tbk.

The sample is part of the number and characteristics possessed by the population. If the population is large, and it is impossible for the researcher to study everything in the population, for example due to limited funds, manpower, and time, the researcher can use a sample taken from that population. Namely the financial statements for the period 2015 to 2019 (5 years). With a sample of 6 companies. So the total sample in this study for 5 years of observation was 6 samples multiplied by 5 years to 30 observational data. Sampling in this study was conducted using a non-probability sampling technique, by means of saturated sampling (total sampling). Saturated sampling is a sample that represents the total population. Usually done if the population is considered small or less than 30 data.

**RESULTS AND DISCUSSION**

*Descriptive Statistical Analysis*
Table 1
Descriptive Statistical Analysis Results

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manajemen Laba</td>
<td>30</td>
<td>-2,92379</td>
<td>3,99883</td>
<td>0,1886</td>
<td>1,31333</td>
</tr>
<tr>
<td>Beban Pajak Tangguhan</td>
<td>30</td>
<td>-1682.50</td>
<td>81876076087.00</td>
<td>11814116038.3483</td>
<td>26989483671.26220</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 describes descriptive statistics of all variables in this study which include the minimum, maximum, mean (average), and standard deviation values.

From the results of the descriptive statistics calculation in table 1, it is explained that the earnings management variable (EM) has a minimum value of -2,92379 and a maximum value of 3.99883. The mean value of the earnings management variable (EM) is 0.1886 with a standard deviation of 1.31333. The deferred tax expense variable (DTE) has a minimum value of -1682.50 and a maximum value of 81876076087. The mean value of the deferred tax expense variable (DTE) is 11814116038.3483 with a standard deviation of 26989483671.26220.

The data above shows that the highest mean value is the deferred tax expense variable (DTE) of 11814116038.3483 while the lowest mean value is the earnings management variable (EM) of 0.1886. The highest standard deviation value is earnings management variable (EM) of 26989483671.26220 while the lowest standard deviation value is deferred tax expense (DTE) variable of 1.31333.

Normality Test

Table 2
Normality Test Results

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>30</td>
</tr>
<tr>
<td>Normal Parametersa,b</td>
<td>Mean</td>
</tr>
<tr>
<td></td>
<td>-7.0314125</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>1,31295900</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
<td>Absolute</td>
</tr>
<tr>
<td></td>
<td>0.383</td>
</tr>
<tr>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td></td>
<td>0.383</td>
</tr>
<tr>
<td></td>
<td>Negative</td>
</tr>
<tr>
<td></td>
<td>-0.314</td>
</tr>
<tr>
<td>Test Statistic</td>
<td>0.383</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td>.300c</td>
</tr>
<tr>
<td>a. Test distribution is Normal.</td>
<td></td>
</tr>
<tr>
<td>b. Calculated from data.</td>
<td></td>
</tr>
<tr>
<td>c. Lilliefors Significance Correction.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed

Based on table 2 of the SPSS output, it is known that the significant value of Asymp.Sig (2-tailed) is 0.300 which is greater than 0.05. So according to the basis of decision making in the Kolmogrov-Smirnov normality test above, it can be concluded that the data are normally distributed. Thus, the assumptions or requirements for normality in the regression model have been met.

Linearity Test

Table 3
Linearity Test Results
Based on table 3, the basis for making decisions in the linearity test can be done in two ways, namely looking at the significant value and the F value. The following is an explanation:

Based on the Significant Value (Sig): from the output above, the Deviation from Linearity Sig value is obtained. is 0.785 greater than 0.05. So it can be concluded that there is a significant linear relationship between the variable deferred tax expense (X) and the earnings management variable (Y).

Based on the F value: from the output above, the calculated F value is 0.089 < F table 10.1. Because the calculated F value is smaller than the table F value, it can be concluded that there is a significant linear relationship between the deferred tax expense variable (X) and the earnings management variable (Y).

**Heteroscedasticity Test**

**Table 4**

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.530</td>
<td>0.208</td>
</tr>
<tr>
<td>Beban Pajak Tangguhan</td>
<td>1.484E-11</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Based on table 3 of the SPSS output from the heteroscedasticity test above, it is known that the significant value (Sig.) for the deferred tax expense variable (X) is 0.298. Because the significant value of the deferred tax burden variable is greater than 0.05, according to the basis of decision making in the heteroscedasticity test, it can be concluded that there is no symptom of heteroscedasticity in the regression model.

**Simple Linear Regression Analysis**

In general, the formula for the simple linear regression equation is $Y = a + bX$. Meanwhile, to find out the value of the regression coefficient, the output used is in the following coefficients table:

**Table 5**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>8.75563E+21</td>
<td>1</td>
<td>8.7556E+21</td>
<td>0.09</td>
<td>.785b</td>
</tr>
<tr>
<td>Residual</td>
<td>2.9505E+23</td>
<td>3</td>
<td>9.835E+22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3.03805E+23</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed
In general, the formula for a simple linear regression equation is \( Y = a + bX \). Meanwhile, to find out the value of the regression coefficient, the output used is in table 4 which describes the coefficient table.

From the results of table coefficient 4, \( a = \) constant number of unstandardized coefficients. In this case the value is 0.175. This figure is a constant number that means if there is no deferred tax expense \( (X) \) then the value of earnings management \( (Y) \) is -0.175. Then \( b = \) number of regression coefficients. The value is 1.164. This figure means that for every 1\% addition to the level of deferred tax expense \( (X) \), earnings management \( (Y) \) will increase by 1.164. Because the regression value is plus (+), it can be said that the deferred tax burden \( (X) \) has a positive effect on earnings management \( (Y) \). So the regression equation is \( Y = 0.175 + 1.164X \).

**Coefficient of Determination**

<table>
<thead>
<tr>
<th>Model</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>0.175</td>
<td>0.267</td>
<td>0.655</td>
</tr>
<tr>
<td>Beban Pajak Tangguhan</td>
<td>1.164E-12</td>
<td>0.000</td>
<td>0.024</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Manajemen Laba

Berdasarkan output “ANOVA” pada tabel 5 yang menghasilkan keputusan bahwa beban pajak tangguhan \( (X) \) secara simultan tidak berpengaruh terhadap manajemen laba \( (Y) \) atau berarti tidak signifikan. Dengan demikian, maka persyaratan agar dapat memaknai nilai koefisien determinasi dalam analisis regresi linear sudah terpenuhi.

Langkah berikutnya adalah melihat berapa persen (%) pengaruh yang diberikan variabel beban pajak tangguhan \( (X) \) secara simultan tidak berpengaruh terhadap manajemen laba \( (Y) \). Dalam hal ini mengacu pada nilai R Square yang terdapat dalam hasil analisis regresi linear, yakni pada tabel berikut ini:

**Table 7**
The Effect Of Deferred Tax Expense On Earnings, 1-11

Coefficient of Determination Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.024</td>
<td>0.00057</td>
<td>-0.035</td>
<td>1.33620</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Beban Pajak Tangguhan

Based on table 6 of the SPSS "Model Summary" output above, it is known that the coefficient of determination or R Square is 0.001. This R Square value of 0.001 comes from the square of the value of the correlation coefficient or "R", which is 0.024 x 0.024 = 0.00057.

The magnitude of the coefficient of determination (R Square) is 0.00057 or equal to 0.057%. This figure means that the variable deferred tax expense (X) simultaneously has no effect on the earnings management variable (Y) of 0.057%. While the rest (100% - 0.057% = 99.9%) is influenced by other variables outside this regression equation or variables not examined.

Based on the results of hypothesis testing, it shows that the significant level of deferred tax expense is 0.900. The significant value is greater than 0.05. So it can be concluded that the deferred tax burden has no effect on earnings management.

Deferred tax expense in this study could not detect the existence of earnings management in the research sample, this was made possible by management's limitations in influencing deferred tax expense.

The size of earnings management at PT Matahari Department Store, Tbk based on the Jones Model earnings management calculation is 0.000162 on average per year.

In this study it is not consistent with the research conducted by Yulianti (2015) that deferred tax expense has a positive effect on earnings management. However, in Sri Wijayanti's research (2016), this research is consistent that deferred tax expense does not have a positive effect on earnings management.

CONCLUSION

This research is a study of earnings management (earnings management). This study uses financial variables (deferred tax expense, cash flow and net income). This research was conducted on the company PT. Matahari Department Store, Tbk as a sample in the period 2015 to 2019 which had been selected using the saturated sampling method.

Deferred tax expense cannot detect the existence of earnings management at PT. Matahari Dept. Store, Tbk, this is made possible by two things. First, management's limitations in influencing deferred tax expense because deferred tax expense is regulated not only in commercial accounting but also in fiscal accounting which is regulated in tax regulations.

Based on the data from the calculation of earnings management in the financial statements of PT. Matahari Department Store, Tbk, the results of earnings management are negative. The results of hypothesis testing indicate that the significant level of deferred tax expense is 0.900. The significance value is greater than 0.05. So it can be concluded that the deferred tax expense has no effect on future earnings management.

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