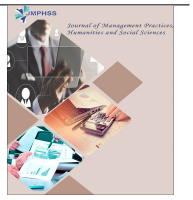
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ORIGINAL CONTRIBUTION

Tax Planning and Corporate Growth: Evidence from Companies Listed in the SET100 Index of the Stock Exchange of Thailand

Sirirat Poungsangsuk[1]*, Napaphat Sukanantasak[2]

[1] Faculty of Business Administration, Rajamangala University of Technology Phra Nakhon, Bangkok, Thailand

[2] School of Management Science, Sukhothai Thammathirat Open University, Bangkok, Thailand

Abstract— Sustainable business development is currently an important matter for companies that want to survive and thrive in a very competitive and unstable world. Yet, the impact of tax planning on the company's growth and profit, including sales growth, returns on assets, and the sustainable growth rate, is disputable. This study aims to determine the connection between tax planning and sales growth, return on assets, and the sustainable growth rate of the firms listed in the Stock Exchange of Thailand 100 Index. Tax planning will be measured by the effective tax rate, the income tax-to-net operating cash flow ratio, and income tax-to-total assets ratio. The research design used is quantitative. The data were gathered from firms' financial reports, notes to financial statements, and annual registration statements (Form 56-1 and Form 56-1 One Report) for 2018-2022. Using data of 220 firms for the five years mentioned above, the statistical analysis was done with descriptive statistics, Pearson correlation, and multiple regression analysis. The results of the study revealed that tax planning has a significant impact on firms' return on assets and sustainable growth rate but not on sales growth. Indeed, the effective tax rate has a significant negative relationship with the firms' return on assets, while the income tax-to-total assets ratio has a significant positive one and the income tax-to-net operating cash flow ratio has no relationship. Moreover, tax planning has a significant effect on firms' sustainable growth rate: The effective tax rate has a significant negative relationship with it, the income tax-to-net operating cash flow ratio has a significant positive relationship, and the income tax-to-total assets ratio has the strongest relationship with it. Thus, the study concluded that tax planning is associated with several financial indicators of firms listed in the Stock Exchange of Thailand 100 Index.

Index Terms— Tax planning, Sustainable growth, Effective tax rate, Return on assets, Stock Exchange of Thailand (SET100)

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Introduction

The Stock Exchange of Thailand (SET) is a significant component of the capital market and offers individual and institutional investors a substantial platform on which they consider and invest in listed companies. With the development of the Thai capital market, the significance of financial information in assessing firms' profits, financial performance, growth potential, and ability to maintain long-run financial stability has increased. In this regard, the comprehension of factors associated with corporate growth is of particular importance for investors, managers, and other stakeholders. Tax planning is one financial management activity that may determine corporate financial outcomes since it incorporates managing tax-related obligations under the scope of applicable laws and regulations. Consequently, it can impact the amounts of earnings retained by

*Corresponding Author: sirirat.p@rmutp.ac.th

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firms, operating cash flows, and the resources firms can dedicate to investments and development. However, the existing empirical literature has reported conflicting evidence on the association between tax planning and corporate outcomes, with some studies identifying positive relationships, some reporting negative relationships, and some finding no significant relationships. Moreover, most of the existing studies focused on firm value or financial performance, whereas limited attention has been devoted to examining the association between tax planning and various dimensions of corporate growth. For these reasons, this study examines the influence of tax planning on sales Growth (SG), Return on Assets (ROA), and Sustainable Growth Rate (SGR) of companies listed in the SET100 Index of the SET.

Background and importance of the problem

Investing in stocks through the SET is an investment activity of great significance to individual and institutional investors. Investor growth is an indication of the increasing importance of the Thai capital market and the need for reliable information to aid investment decision-making. According to Stock Exchange of Thailand (2023), the number of investor accounts stood at 3,510,417 in May 2023, which marks an increase of 109,311 accounts compared with the end of 2022. This highlights the need to evaluate the financial performance and growth potential of listed companies. Investors and other stakeholders, therefore, require information that can help them assess not only a firm's current profitability but also how well it can generate sales, utilize its assets, and sustain growth using its available financial resources. In this regard, tax planning is an important component of corporate financial management. Tax planning refers to the arrangement of business activities and financial decisions within the framework of tax laws to achieve tax efficiency while maintaining tax compliance (Hoffman, 1961). Through effective tax planning, firms can manage their tax liabilities and the amount of financial resources available after taxation. Such resources can then be used for investment, debt management, working capital, dividends, and other business activities. As such, tax planning can have implications for corporate financial performance and growth. However, the effect of tax planning should not be taken as universally positive, as it can depend on the firm's financial condition, industry characteristics, tax environment, and the measure used to represent tax planning.

The relationship between tax planning and corporate outcomes can also be viewed through the lens of agency theory. Jensen and Meckling (1976) explain that managers make decisions on the allocation and use of corporate resources on behalf of shareholders. Tax-related decisions, therefore, are essential to corporate financial management because managers have to take their tax efficiency, compliance, financial performance, and shareholders' interests into account. Tax planning, therefore, is one component of managerial decision-making that can affect the resources available to a firm. However, the consequences of tax planning can vary between firms because tax-related decisions can affect profitability, cash flow, retained earnings, and resource allocation differently. Previous empirical studies offer mixed evidence on the relationship between tax planning and corporate outcomes. Several studies have reported negative relationships between tax planning and firm value. Ftouhi et al. (2015), for example, found that the ETR, used as a proxy for tax planning, was negatively associated with firm value measured by Tobin's Q among firms listed in the EURONEXT 100 Index. Le et al. (2022) also reported a negative relationship between tax planning and firm value among Vietnamese listed firms, while Saila and Agustina (2023) found a significant negative relationship among Indonesian infrastructure firms. Bwala et al. (2024) and Verawati and Rustiarini (2025) also found that the Effective Tax Rate (ETR) negatively influenced the value of Nigerian commercial banks, though tax savings were positively associated with firm value. This suggests that firms can achieve lower corporate performance when they have to bear a higher effective tax burden.

In contrast, other studies have reported positive or significant relationships between tax planning and corporate value. Wedha and Sastri (2017) found that tax planning positively influenced the value of the firms among Indonesian food and beverage companies, and Dewanthi and Purwatiningsih (2024) reported that tax planning significantly affected the value of the firms among Indonesian real estate companies. Not all studies have reported a significant relationship; Fadhillah and Suryadi (2024) found that tax planning did not significantly affect the value of the firms among Indonesian financial companies; deferred tax assets were found to have a greater explanatory power. The mixed findings suggest that the relationship between tax planning and corporate outcomes is not necessarily consistent across countries, industries, firms, or measurement approaches. It is also important to note that these previous studies have primarily examined firm value, whereas comparatively limited studies have examined the association of tax planning with specific measures of corporate growth and financial performance. Corporate growth can be evaluated from several complementary perspectives. For example, SG reflects changes in revenue of the firm, which provides an indication of its market expansion and additional sales. ROA measures the firm's ability to generate returns from its asset base, providing an important indicator of financial performance and asset utilization. SGR represents the rate at which a firm can sustain growth using its internally generated resources, taking into account its profitability and dividend policy. Higgins (1977) conceptualized sustainable growth as the maximum rate at which a company can grow without requiring additional external financing. Thus, the concept of sustainable growth is closely related to profitability, earnings retention, return on equity, and dividend policy. Amouzesh et al. (2011) stressed the relationship between sustainable growth and financial conditions, including financial performance, liquidity, debt repayment capability, and efficient resource utilization.

These three measures provide different perspectives on corporate growth and financial performance. SG focuses primarily on revenue expansion, ROA reflects the efficiency with which firms generate returns from their assets, and SGR captures the firm's capacity to sustain growth through its internally generated financial resources. Consequently, tax planning may have different relationships with each outcome. For instance, tax planning may not directly increase sales but may influence profitability through its association with the tax burden of the firm. Similarly,

the resources associated with tax management may affect the firm's capacity to retain earnings to support future growth. By examining these outcomes separately, the study can provide a more comprehensive understanding of the relationship between tax planning and corporate growth. Despite the growing literature on tax planning and corporate outcomes, limited empirical evidence has specifically examined the influence of tax planning on SG, ROA, and SGR among companies listed in the SET. Specifically, the literature provides relatively limited evidence on SGR as an outcome of tax planning. This represents an important research gap because companies' ability to sustain growth depends not only on market expansion but also on profitability, utilization of assets, cash flow, earnings retention, and allocation of financial resources. The examination of multiple indicators of tax planning may also provide a more comprehensive assessment than relying solely on the ETR.

Therefore, this study examines the influence of tax planning on SG, ROA, and SGR among companies listed in the SET100 Index of the SET. Tax planning is examined using three indicators: ETR, the ratio of income tax to cash flow from operating activities (TAX/CFO), and the ratio of income tax to total assets (TAX/ASSET). By examining these relationships separately, the study aims to provide empirical evidence regarding whether and how different dimensions of tax planning are associated with corporate growth and financial performance. The findings are expected to contribute to the existing literature on tax planning and corporate growth and provide useful information for corporate managers, investors, policymakers, and other stakeholders in evaluating the financial implications of tax-related decisions.

Research question

Based on the review of existing theories, concepts, and studies, the following research questions are proposed:

1) Does tax planning have a significant impact on the sales growth of firms listed on the Stock Exchange of Thailand?
2) Does tax planning have a significant impact on firms' return on assets found in the Stock Exchange of Thailand?
3) Does tax planning have a significant impact on the sustainable growth rates of firms listed on the Stock Exchange of Thailand?

Research objective

The study will achieve the following objectives:

1) To investigate the effect of tax planning on sales growth of firms listed at Stock Exchange of Thailand.
2) To investigate the effect of tax planning on return on total assets of firms listed at Stock Exchange of Thailand.
3) To investigate the effect of tax planning on sustainable growth rate of firms listed at Stock Exchange of Thailand.

Literature Review

This paper aims to review the tax planning concepts and theories related to growth, financial performance, and sustainable growth. First, the paper will present the concepts and theories that form the basis of this study. Second, the paper will review the past empirical studies and their results. Particular attention will be paid to the evidence on the different ways in which tax planning is associated with SG, ROA, and SGR. On the basis of the reviewed studies and theories, the paper will develop the conceptual framework and research hypotheses.

Related concepts and theories

Tax planning

Tax planning can be defined as the arrangement of business activities and financial decisions within the framework of the relevant tax laws in order to ensure tax efficiency while remaining within the limits of legality (Hoffman, 1961). From the company's perspective, tax planning involves managerial decisions regarding the timing, structure, and treatment of business transactions that may affect the company's tax liabilities and after-tax financial resources. The impact of tax planning, thus, may go beyond the mere aspect of tax expenses due to the fact that changes in tax liabilities may affect the company's after-tax profits, cash flows from operations, retained earnings, and the resources for investments and other expenses. Tax planning may have an impact on corporate performance and growth because companies can use financial resources for investments, working capital, interest payments, dividends, and business expansion. However, the impact of tax planning on companies' outcomes is not necessarily consistent. Tax-related decisions may be beneficial in terms of generating financial benefits through tax efficiency; however, they may be associated with compliance costs, regulatory risks, managerial discretion, and potential agency problems (Behera & Rahul, 2025; Khémiri et al., 2026). Therefore, the impact of tax planning may be different for the company's financial condition, industry, tax environment, and the measure used to represent tax planning. In this study, tax planning is examined using three financial indicators: ETR, TAX/CFO, and TAX/ASSET. ETR reflects the effective tax burden in terms of the ratio to profit before tax. TAX/CFO relates the income tax payments to the cash generated from operating activities and, thus, reflects the tax burden in terms of operating cash resources. TAX/ASSET relates the income tax to the asset base and reflects the tax burden in terms of the scale of the assets. All three indicators are used in combination to examine the association between the tax-related financial measures and corporate growth and financial performance.

Corporate growth and sustainable growth

Corporate growth can be analyzed using various financial indicators. SG reflects changes in a firm's sales or revenue growth over time and indicates a firm's ability to expand its business activities and generate additional market revenue. ROA indicates the firm's ability to generate profit from its asset base and thus reflects the financial performance and efficiency utilization of corporate assets. SGR, in contrast, focuses on the firm's ability to maintain growth with the support of internally generated financial resources, considering its profitability and dividend policy. Higgins (1977) conceptualized SG as the maximum rate at which a company can grow without requiring additional external equity financing, assuming that other financial and operating relationships remain consistent. SG, therefore, is closely related to profitability, return on equity, earnings retention, and dividend policy. A firm's ability to maintain growth depends not only on its ability to generate revenue but also on its ability to generate sufficient internal financial resources to support its continued expansion. Amouzesh et al. (2011) further emphasized the relationship between sustainable growth and a firm's financial conditions, including financial performance, liquidity, debt repayment capability, and efficient resource utilization. From this perspective, sustainable growth is a broader financial capability than short-term increases in sales since it requires the firm to maintain an appropriate balance between its profitability, financial resources, investment, and financing requirements. Accordingly, this study distinguishes SG, ROA, and SGR rather than treating them as identical measures. SG represents revenue expansion, ROA represents a firm's financial performance and asset utilization, and SGR represents the firm's capacity to sustain growth through its internally generated financial resources. By examining these three outcomes separately, the study can determine whether tax planning is associated with different aspects of corporate growth and financial performance (Gao et al., 2026). Tax planning may have different relationships with these outcomes. For instance, tax planning may not directly determine SG since sales expansion can be influenced by market demand, competition, product and service strategies, and industry conditions. In contrast, tax-related financial decisions may be more closely associated with profitability and asset-based financial performance since the changes in tax burdens would affect after-tax income and available financial resources. Moreover, tax planning may be relevant to sustainable growth, since after-tax earnings, operating cash flows, and retained financial resources can affect a firm's capacity to finance future growth.

Agency Theory

Agency Theory introduced by Jensen and Meckling (1976) provides a basis for understanding the relationship between principals (shareholders) and agents (managers) who make decisions on behalf of the former. Since the objectives or information of the agents may differ from those of the shareholders, the former may generate agency problems if their decisions are not in the best corporate interests. Agency costs may emerge through the need to monitor or contract these behaviors. Tax planning is one of the areas of managerial decision-making that can be evaluated within the Agency Theory framework. First, the decisions in this area are managed by managers who can set the terms of their realization and control mechanisms. They can aim at controlling the firm's tax burden while optimizing its after-tax proceeds and resources. Proper tax planning practices allow the firm to benefit shareholders by ensuring that its tax liabilities are minimized. This way, the firm keeps more of its profit for the payment of its debts, dividends, and expansion efforts. However, as an element of managerial decision-making, tax planning can also generate agency costs. In some cases, managers may seek to execute it to meet personal or short-term goals, attain private benefits and performance objectives not related to the firm's growth, or maximize income without considering the long-term impacts. Additionally, aggressive tax planning can expose the firm to various risks and challenges, including regulatory or reputational ones. These factors may prevent the enterprise from realizing the benefits of effective planning and undermine its growth and performance. Therefore, Agency theory is a useful framework for studying the relationship between tax planning and corporate outcomes such as SG, ROA, and SGR. It can be used to understand why the impacts of the former on the latter may differ between firms and why it should not be considered inherently value-maximizing. In the context of this research, Agency theory can be applied to evaluate how tax planning as a management practice can affect the distribution of corporate resources. Thus, the current study will review the impact of tax planning on SG, ROA, and SGR. Despite the general agreement about the growth benefits of proper tax planning, its effects on these three indicators are expected to differ. Accordingly, the study will analyze whether tax planning impacts these three aspects of growth and, if so, how these outcomes are related to the change in the firm's value.

Literature surveys

Previously conducted empirical studies have reported mixed results in relation to the impact of tax planning on corporate outcomes. Nevertheless, many of these studies emphasize the influence of tax planning on the value of firms rather than particular indicators of corporate growth and financial performance. These mixed results suggest that the relationship between tax planning and firm outcomes varies depending on the country, industry, ownership structure, and institutional environment. Many of the reviewed studies reported negative connections between tax planning and firm value. For instance, Ftouhi et al. (2015) analyzed 73 firms listed in the EURONEXT 100 Index and found out that ETR, used as a proxy for tax planning, negatively influenced the firm value measured by Tobin's Q. In another study, Le et al. (2022) found out that tax planning practices of Vietnamese listed firms negatively affected their value, with a more substantial impact identified in the case of state-owned enterprises. Similarly, Saila and Agustina (2023) found out that tax planning negatively influenced the value of Indonesian infrastructure companies. Bwala et al. (2024),

in their analysis of Nigerian commercial banks, found out that effective tax rate negatively influenced the value of the firms investigated, while the association between tax savings and firm value was positive. All these results highlight the fact that tax-related decisions should be considered from the perspective of diverse implications for the firms' financial performance and value.

In contrast, some studies report positive or significant associations between tax planning and firm value. For example, Wedha and Sastri (2017) found out that tax planning positively influenced the value of firms in the food and beverage industry in Indonesia. Similarly, Dewanthi and Purwatiningsih (2024) found out that tax planning significantly influenced the value of firms in the real estate industry in Indonesia. These studies show that the impact of tax planning can vary depending on the industry and that tax planning is an important consideration for investors in terms of firm value. At the same time, Fadhillah and Suryadi (2024) found out that tax planning practices of financial companies in Indonesia were not significant value drivers of these firms, while deferred tax assets were considerable value contributors. This result highlights the fact that tax planning practices do not necessarily impact the value of firms and that other accounting and finance-related factors should be taken into consideration when analyzing the value of firms.

Overall, based on the reviewed empirical studies, it can be concluded that the impact of tax planning on firms' outcomes is far from being evident. Even though some studies report negative or positive associations between tax planning and firm value, these impacts are typically found in specific institutional settings or ownership structures. Moreover, different studies use different proxies for tax planning and firm value, which complicates the comparison of results and the generalization of conclusions. Nevertheless, the reviewed papers mainly focus on the association between tax planning and firm value, while the current study aims to investigate the impact of tax planning on three corporate outcomes, namely SG, ROA, and SGR. These three indicators represent the multiple dimensions of corporate growth and firm value. Specifically, SG highlights the change in revenue, ROA is a crucial indicator of firm performance, and SGR is a significant determinant of the firm's growth potential. Furthermore, the current study investigates the association between tax planning and corporate outcomes in the context of firms listed on the SET, an important contribution to the body of literature, given that most of the reviewed empirical studies focus on firms in Indonesia and Vietnam. Moreover, few studies investigate the association between tax planning and SGR, an important aspect, given that firms' growth is fueled by their ability to retain earnings and sustain profitability and cash flow from operations. For this reason, this study aims to analyze the association between tax planning and corporate outcomes in the firms listed on SET100 Index of SET. Specifically, the study investigates the impact of tax planning on SG, ROA, and SGR. Given the importance of different aspects of tax planning for firms' growth and performance, the study uses three indicators of tax planning, namely the ETR, the TAX/CFO ratio, and the TAX/ASSET ratio.

Conceptual framework

Based on Agency Theory and previous empirical studies, tax planning is expected to influence corporate growth by improving after-tax earnings, cash flows, and resource allocation. The conceptual framework of this study is presented in Figure 1.

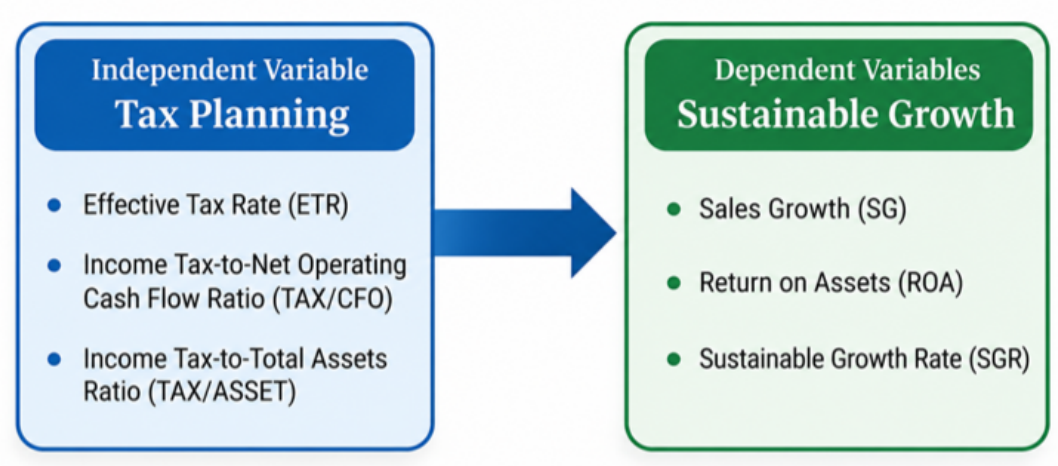


Fig. 1 *Conceptual framework*

Research hypothesis

Based on the literature review and conceptual framework, the following hypotheses are proposed:

Hypothesis 1 (H1): Tax planning significantly influences the sales growth of companies listed in the SET100 Index of the Stock Exchange of Thailand.

Hypothesis 2 (H2): Tax planning significantly influences the return on assets of companies listed in the SET100 Index of the Stock Exchange of Thailand.

Hypothesis 3 (H3): Tax planning significantly influences the sustainable growth rate of companies listed in the SET100 Index of the Stock Exchange of Thailand.

Research Methodology

Research design

This study employed a quantitative research design that used secondary financial data to describe the relationships between tax planning and three corporate outcome variables, namely SG, ROA, and SGR, among a sample of firms listed in the SET100 Index of the SET. This study used a panel data research design because it involved the analysis of the same firms' characteristics over a five-year period (2018–2022). Specifically, this study focused on firm-year observations, of which there were 220 in total. The financial data for the 220 firm-year observations were collected from public disclosures (i.e., audited financial statements, notes to financial statements, annual registration statements, or Form 56-1, Form 56-1 One Report, and other corporate reports) to examine the variables of interest. Books, journals, research articles, theses, and other public resources were also consulted to explicate the conceptual underpinnings, operational definitions, and theoretical background of this study. The independent variable of this study was tax planning, which was operationalized by three financial indicators, namely ETR, TAX/CFO, and TAX/ASSET. The dependent variables were examined as SG, ROA, and SGR. Descriptive statistics, Pearson correlation, and multiple regression analyses were performed by using Statistical Package for the Social Sciences (SPSS) to elucidate the nature of the relationships between the independent variable and any of the dependent variables of interest.

This study used one independent variable and three dependent variables in its analytical framework. Tax planning was the independent variable that was examined using three financial indicators, namely ETR, TAX/CFO, and TAX/ASSET. ETR signifies the effective corporate income tax burden of the firms in relation to profit before corporate income tax. Similarly, TAX/CFO stands for income tax as a percentage of cash flow from operating activities, and TAX/ASSET means income tax as a percentage of total assets. These three financial indicators were used to operationalize tax planning and explore its relationships with different aspects of corporate growth and financial performance. The three dependent variables were SG, ROA, and SGR. SG reflects the changes in sales or revenue to depict an entity's ability to grow its revenue base. ROA represents a firm's capacity to employ its aggregate assets to demonstrate its financial performance and yield net profit consistently. Lastly, SGR represents an entity's ability to demonstrate growth with its financial policies intact. As such, this study used three dependent variables mainly because they stand for varied aspects of corporate growth and financial performance, as opposed to examining one overarching notion of sustainable growth. With respect to the analytical framework of this study, there were three distinct relationships that were explored: the relationships between tax planning and SG, tax planning and ROA, and tax planning and SGR. These three distinct relationships were consistent with the three research objectives and three research hypotheses of this study.

Population and sample

The population of this study comprised firms listed on the SET. The study focused on companies that were included in the SET100 Index because it includes major and actively traded companies in the Thai stock market. The secondary financial data were gathered for the period between 2018 and 2022 from public reports and statements of these firms. The unit of analysis was a firm-year observation. After applying the data requirements of the study and obtaining the necessary financial information for the calculation of all variables, the final data set consisted of 220 firm-year observations. They were distributed over the five-year period of study, namely 2018–2022, and were used to assess the relationships between three tax-planning indicators and each of three dependent variables.

Research instruments

Due to the nature of the data collected for this study (secondary data as opposed to primary data from questionnaires and interviews), no questionnaire or interview instrument was utilized. Instead, the research instrument took the form of a structured data collection form designed to collect and store the financial information required by this study from corporate financial statements and other public reports. This form served to capture the financial information needed to calculate the three tax planning indicators—ETR, TAX/CFO, and TAX/ASSET—and the three corporate outcome measures—SG, ROA, and SGR. In addition, the form was used to collect any identifying information for each company and year of analysis to ensure consistency in the firm-year dataset preparation process. The operational definitions and measurement formulas for all variables are presented in Table I and Table II.

Table I
Independent variable: Tax planning

Variable	Measurement
Effective Tax Rate (ETR)	Corporate Income Tax × 100 / Profit Before Corporate Income Tax
Income Tax-to-Net Operating Cash Flow Ratio (TAX/CFO)	Corporate Income Tax × 100 / Cash Flow from Operating Activities
Income Tax-to-Total Assets Ratio (TAX/ASSET)	Corporate Income Tax × 100 / Total Assets

Table II
Dependent variable: Sustainable growth

Variable	Measurement
Sales Growth (SG)	(Current Year's Sales − Previous Year's Sales) × 100 / Previous Year's Sales
Return on Assets (ROA)	Net Profit × 100 / Total Assets
Sustainable Growth Rate (SGR)	ROE × (1 − Dividend Payout Ratio)

Notes: ROE (Return on Equity) = Net Profit / Shareholders' Equity; Dividend Payout Ratio = Dividend per Share / Earnings per Share; (1 − Dividend Payout Ratio) represents the firm's earnings retention ratio.

Data collection

This study was conducted using a quantitative approach involving the collection of secondary data from various sources. The data were gathered from companies listed in the SET100 Index on the SET during a five-year period from 2018 to 2022. Audited financial statements, notes to financial statements, annual registration statements (Form 56-1 and Form 56-1 One Report) and annual reports of listed companies are used as data sources. Financial information from these sources was needed for the calculations of variables related to tax planning and corporate growth and financial performance, including SG, ROA, and SGR. Besides these sources, the researchers also searched books, textbooks, journals, articles, theses, and web resources for background information and to find a theoretical framework for the study. All financial information was scrutinized to ensure that the data were complete and free from inconsistencies. This information was then entered into the Statistical Package for the Social Sciences software, and an electronic database was created for analysis. The data were grouped and arranged by the company and the financial year to create a firm-year data set for the study period.

Statistics used for data analysis

The collected data were analyzed using the Statistical Package for the Social Sciences (SPSS). The analysis included both descriptive statistics and inferential statistics. Descriptive statistics were used to describe the basic features of the research variables of interest in the study. That is, the study reported the mean, standard deviation, minimum and maximum values of all research variables. In turn, the inferential statistics were done to test the study's hypotheses about the tax-planning indicators' relationships with three corporate outcomes. First, the study used Pearson correlation analysis to determine the degree of association between the independent variables and the three dependent variables. The value of the Pearson correlation coefficient ranges between -1 and $+1$, where $+1$ indicates a perfect positive linear relationship between two variables, -1 indicates a perfect negative linear relationship between two variables, and 0 indicates no linear relationship between the variables. Second, the study performed multiple regression analysis to examine the relationships between tax planning (ETR, TAX/CFO, and TAX/ASSET) and SG, ROA, and SGR. Three regression models were estimated, where the regression analysis examined the relationship between SG, ROA, and SGR as dependent variables and the independent variables of interest. Overall, the study used regression analysis to test the hypothesized relationships between the independent and dependent variables and to estimate the strength and direction of the associations.

Data Analysis and Findings

This chapter provides the quantitative results of the analyzed data of the relationship between tax planning and companies' sustainable growth for the firms listed on the SET (SET100 Index) during the five-year period of 2018–2022. Altogether, 220 firm-years of observations were taken into account. In the current research, tax planning was operationalized using ETR, TAX/CFO, TAX/ASSET, whereas sustainable growth was measured as SG, ROA, and SGR. The operationalization of concepts corresponds to the research methodology described in the previous section. The analysis of quantitative results was performed within the framework of three statistical tests. Initially, the descriptive statistics of the minimum, maximum, mean, and standard deviation of the variables of interest were calculated. Secondly, the bivariate Pearson correlation analysis was conducted to assess direction and level of associations between tax planning and sustainable growth indicators. Finally, a multiple regression analysis was performed to discover whether the three predictors (ETR, TAX/CFO, TAX/ASSET) have a significant influence on each of the three dependent variables (SG, ROA, SGR). Additionally, the problem of multicollinearity was tested using Tolerance and Variance Inflation Factor (VIF) statistics. The results of the analyses are presented below.

Data analysis of the quantitative data

Descriptive statistics of tax planning

Descriptive statistics were first used to examine the distribution of the three tax planning indicators. The analysis included the minimum value, maximum value, mean, and standard deviation for ETR, TAX/CFO, and TAX/ASSET.

Table III
Descriptive statistics of tax planning

Tax Planning Variable	Minimum	Maximum	Mean	*SD*
ETR	0.02	79.84	16.96	12.50
TAX/CFO	-161.18	142.79	14.18	29.91
TAX/ASSET	0.00	18.35	1.76	2.31

As shown in Table III, the mean ETR equals 16.96, while the Standard Deviation (*SD*) is 12.50. The minimum value is 0.02, while the maximum value is 79.84. Thus, it can be concluded that the effective tax rates varied significantly among the analyzed firm-years. In turn, for the TAX/CFO ratio, the mean equals 14.18, while the *SD* is 29.91. The minimum value is -161.18, while the maximum value is 142.79. Consequently, there is a great variation in TAX/CFO ratios in the sample. For the TAX/ASSET ratio, the mean is 1.76, while the *SD* is 2.31. The minimum value is 0.00, while the maximum value is 18.35. Altogether, based on the descriptive analysis, it can be concluded that there was a great difference in tax-related characteristics in the analyzed SET100 firms in these years.

Descriptive statistics of sustainable growth

The descriptive statistics for sustainable growth were examined using three indicators: SG, ROA, and SGR.

Table IV
Descriptive statistics of sustainable growth

Sustainable Growth Variable	Minimum	Maximum	Mean	*SD*
SG	0.00	100.00	36.62	30.67
ROA	0.70	50.95	8.66	6.40
SGR	-34.58	62.07	6.00	7.47

Table IV presents descriptive statistics. SG had a mean of 36.62 and a Standard Deviation (*SD*) of 30.67. The *SD* indicates that the range of values was spread out over a relatively wide range, specifically, between 0.00 and 100.00. ROA had a mean of 8.66 and an *SD* of 6.40, with a minimum of 0.70 and a maximum of 50.95. Thus, the data indicate that the efficiency of converting assets into profits varied significantly among the observed firm-years. SGR had a mean of 6.00 and an *SD* of 7.47, with a minimum of -34.58 and a maximum of 62.07. Negative SGR was a common occurrence for some firm-years, while others showed a substantially high SGR.

Pearson correlation analysis

Pearson correlation analysis was conducted to establish the direction and magnitude of linear relationships between the three tax planning indicators and the three sustainable growth indicators. The Pearson correlation coefficient ranges between -1 and $+1$. A value close to -1 or $+1$ indicates that there is a strong linear relationship between the variables under study, and the closer the value is to zero, the weaker the relationship is. The statistical software determines whether correlations are significant at the 0.05 and 0.01 levels.

Table V
Pearson correlation coefficients for tax planning and sustainable growth

Variable	ETR	TAX/CFO	TAX/ASSET	SG	ROA	SGR
ETR	1	0.265**	0.404**	-0.019*	-0.150*	-0.064
TAX/CFO	0.265**	1	0.255**	-0.004	0.115	0.210**
TAX/ASSET	0.404**	0.255**	1	0.111	0.396**	0.312**
SG	-0.019*	-0.004	0.111	1	0.124	0.208**
ROA	-0.150*	0.115	0.396**	0.124	1	0.619**
SGR	-0.064	0.210**	0.312**	0.208**	0.619**	1

Notes: ** $p < .01$; * $p < .05$.

Table V suggests that the relationship between ETR and SG was negative and extremely weak ($r = -0.019$), whereas TAX/CFO and TAX/ASSET were not correlated with SG significantly. This implies that tax planning indicators failed to show meaningful bivariate relationships with SG. As for ROA, ETR had a negative and weak relationship with ROA ($r = -0.150$, $p<.05$), while TAX/ASSET had a positive and moderate relationship with ROA ($r = 0.396$, $p<.01$). TAX/CFO was not significantly correlated with ROA ($r = 0.115$). Thus, among the tax planning indicators, TAX/ASSET showed the strongest bivariate pattern with ROA. In the case of SGR, TAX/CFO had a positive association with SGR ($r = 0.210$, $p<.01$), while TAX/ASSET also had a positive pattern with SGR ($r = 0.312$, $p<.01$). ETR was not significantly associated with SGR ($r = -0.064$). The correlations among the three tax planning indicators were positive and significant, with coefficients ranging from 0.255 to 0.404. Despite the fact that the tax planning indicators were interrelated, the correlation coefficients were not sufficiently high to indicate a serious multicollinearity problem. The strongest correlation among independent variables was found between ETR and TAX/ASSET ($r = 0.404$).

Table VI
Summary of the relationships between tax planning and sustainable growth

Variable	ETR	TAX/CFO	TAX/ASSET	SG	ROA	SGR
ETR	−	+	+	−	−	×
TAX/CFO	+	−	+	×	×	+
TAX/ASSET	+	+	−	×	+	+
SG	−	×	×	−	×	+
ROA	−	×	+	×	−	+
SGR	×	+	+	+	+	−

Notes: + = positive relationship; − = negative relationship; × = no statistically significant relationship. Source: Researchers' analysis.

Table VI reports the direction of the relationships. It can be seen that the association between tax planning and sustainable growth depends on which indicator is used. Specifically, TAX/CFO and TAX/ASSET were positively related to SGR, but ETR was unrelated to SGR. For ROA, ETR was negatively related, while TAX/ASSET was positively related. None of the three indicators of tax planning tended to have positive associations with SG.

Multiple regression analysis

Multiple regression analysis was conducted to explore the impact of ETR, TAX/CFO, and TAX/ASSET on all three dimensions of sustainable growth, namely SG, ROA and SGR. The analysis incorporated standardized regression coefficients (Beta), *t*-value, *p*-value, tolerance, and VIF. Overall explanatory power of each regression model was evaluated using *R* and R^2 while the *F*-test was conducted to assess if the overall regression equation was statistically significant.

Tax planning and sales growth

The multiple regression analysis was first conducted to determine whether ETR, TAX/CFO, and TAX/ASSET significantly influenced SG.

Table VII
Multiple regression analysis of tax planning on Sales Growth (SG)

Predictor	β	*t*	*p*	Tolerance	VIF
Constant	−	2.982	0.003	−	−
ETR	−0.071	−0.952	0.342	0.809	1.236
TAX/CFO	−0.022	−0.307	0.759	0.903	1.107
TAX/ASSET	0.145	1.943	0.053	0.813	1.230

Notes: Model statistics: R = 0.132; R^2 = 0.018; Adjusted R^2 = 0.004; *SE* = 36.711; F = 1.284; *df* = 3, 216; *p*(ANOVA) = .281; Durbin–Watson = 1.902. Dependent variable: SG.

As can be seen from Table VII, the overall regression model was not statistically significant, $F(3, 216) = 1.284$, $p = .281$. The model had $R = 0.132$ and $R^2 = 0.018$, which means that the three predictors used in the model were able to explain only 1.8% of variance in SG. None of the three tax planning indicators significantly predicted SG. ETR had a negative insignificant impact on SG, $\beta = -0.071$, $p = .342$. Similarly, TAX/CFO had a negative insignificant impact on SG, $\beta = -0.022$, $p = .759$. The third tax planning indicator, TAX/ASSET, had a positive but insignificant impact at the 5% level on SG, $\beta = 0.145$, $p = .053$. Thus, the initial hypothesis about the significant impact of tax planning on SG was not supported by the results of the regression analysis. The tolerance values for all predictors were between 0.809 and 0.903, and the corresponding VIF values

were between 1.107 and 1.236, indicating no multicollinearity problem. The Durbin–Watson statistic was also close to 2, another sign of a good regression model.

Tax planning and return on assets

The second multiple regression model examined whether the three tax planning indicators significantly influenced ROA.

Table VIII
Multiple regression analysis of tax planning on Return On Assets (ROA)

Predictor	β	*t*	*p*	Tolerance	VIF
Constant	—	14.565	$<$ .001	—	—
ETR	−0.386	−5.998	$<$ .001	0.809	1.236
TAX/CFO	0.082	1.342	.181	0.903	1.107
TAX/ASSET	0.530	8.269	$<$ .001	0.813	1.230

Notes: Model statistics: R = 0.526; R^2 = 0.277; Adjusted R^2 = 0.267; *SE* = 5.476; F = 27.593; *df* = 3, 216; *p*(ANOVA) $<$ .001; Durbin–Watson = 1.810. Dependent variable: Return on Assets (ROA).

Table VIII presents the results of the regression analysis. The overall regression model was statistically significant, $F(3, 216) = 27.593$, $p <$ .001, with $R = 0.526$ and $R^2 = 0.277$, indicating that the three tax planning indicators jointly explained 27.7% of the variance in ROA. The adjusted R^2 was 0.267. At the individual predictor level, ETR had a statistically significant negative effect on ROA, $\beta = -0.386$, $p <$ .001. This indicated that higher ETR was associated with lower ROA when the other tax planning variables were statistically controlled. In contrast, TAX/ASSET had a statistically significant positive effect on ROA ($\beta = 0.530$, $p <$ .001), indicating that higher TAX/ASSET was associated with higher ROA. TAX/CFO did not have a statistically significant effect on ROA ($\beta = 0.082$, p = .181). The collinearity statistics indicated that multicollinearity was not a concern. Tolerance values ranged from 0.809 to 0.903, while VIF values ranged from 1.107 to 1.236. The Durbin–Watson value of 1.810 also indicated an acceptable level of residual independence. Thus, the results provided evidence that tax planning had a significant effect on ROA, although the direction differed between tax planning indicators; ETR had a negative effect, whereas TAX/ASSET had a positive effect.

Tax planning and sustainable growth rate

The third regression model examined the influence of ETR, TAX/CFO, and TAX/ASSET on the SGR.

Table IX
Multiple regression analysis of tax planning on Sustainable Growth Rate (SGR)

Predictor	β	*t*	*p*	Tolerance	VIF
Constant	—	7.495	$<$ .001	—	—
ETR	−0.262	−3.810	$<$ .001	0.809	1.236
TAX/CFO	0.185	2.839	.005	0.903	1.107
TAX/ASSET	0.370	5.392	$<$ .001	0.813	1.230

Notes: Model statistics: R = 0.414; R^2 = 0.171; Adjusted R^2 = 0.160; *SE* = 6.847; F = 14.857; *df* = 3, 216; *p*(ANOVA) $<$ .001; Durbin–Watson = 2.112. Dependent variable: Sustainable Growth Rate (SGR).

Table IX presents the results of the regression analysis. As seen from the table, the overall regression model was statistically significant, $F(3, 216) = 14.857$, $p <$ .001. The model explained 17.1% of variance in SGR with $R = 0.414$ and $R^2 = 0.171$. The adjusted R^2 was 0.160. All three tax planning indicators were significant predictors of SGR. First, ETR was a significant predictor of SGR with a beta coefficient of -0.262, $p <$ .001. This suggests that the higher the effective tax rate, the lower was the level of sustainable growth, controlling for other variables in the model. Second, TAX/CFO had a significant positive effect on SGR ($\beta = 0.185$, p = .005). In other words, the higher income tax as a ratio to cash flow from operations, the higher the level of sustainable growth. Third, TAX/ASSET also had a significant positive effect on SGR ($\beta = 0.370$, $p <$ .001). Moreover, it had the highest standardized beta among the three predictors in the model, meaning that it was the strongest individual predictor of SGR. Thus, among tax planning determinants, firms that had a higher value of income tax as a ratio to total assets had a higher level of sustainable growth. The tolerance values were between 0.809 and 0.903, and VIF ranged from 1.107 to 1.236, suggesting that there was no collinearity problem. Finally, the model had a Durbin–Watson statistic of 2.112, implying that there was no autocorrelation.

Summary of the results

The quantitative results suggest that the impact of tax planning on sustainable growth depends on the dimension of sustainable growth and the indicator that represents tax planning. First, the regression analysis indicates that tax planning did not significantly influence SG. Tax planning markers did not significantly predict SG, and the overall model was also statistically insignificant (p = .281), explaining only 1.8% of SG. Thus, the results do not support H1. Second, tax planning significantly influenced ROA. ETR significantly influenced ROA in the negative direction ($\beta = -0.386$, $p < .001$), while TAX/ASSET significantly predicted ROA positively ($\beta = 0.530$, $p < .001$). TAX/CFO did not significantly influence ROA. The overall model was statistically significant and explained 27.7% of ROA's variance. Thus, the results partially support H2 because the impact of tax planning on ROA depends on the indicator of tax planning. Third, tax planning significantly influenced SGR. ETR significantly influenced SGR ($\beta = -0.262$, $p < .001$), while TAX/CFO ($\beta = 0.185$, p = .005) and TAX/ASSET ($\beta = 0.370$, $p < .001$) positively affected SGR. The overall model explained 17.1% of SGR's variance. Thus, H3 holds true because different indicators of tax planning collectively have statistically significant impacts on SGR.

Table X
Summary of multiple regression results and hypothesis testing

Hypothesis	Dependent Variable	Predictor	β	p-value	Result
		ETR	-0.071	.342	Not Significant
H1	Sales Growth (SG)	TAX/CFO	-0.022	.759	Not Significant
		TAX/ASSET	0.145	.053	Not Significant
H1 Overall	SG	Tax Planning	–	.281	Rejected
		ETR	-0.386	$< .001$	Significant
H2	Return on Assets (ROA)	TAX/CFO	0.082	.181	Not Significant
		TAX/ASSET	0.530	$< .001$	Significant
H2 Overall	ROA	Tax Planning	–	$< .001$	Accepted
		ETR	-0.262	$< .001$	Significant
H3	Sustainable Growth Rate (SGR)	TAX/CFO	0.185	.005	Significant
		TAX/ASSET	0.370	$< .001$	Significant
H3 Overall	SGR	Tax Planning	–	$< .001$	Accepted

Overall, the results suggest that tax planning tends to be more closely related to internal financial performance and sustainable financial growth, rather than sales expansion. The lack of effect on SG indicates that tax planning alone may not be sufficient for revenue growth. On the other hand, the significant associations with ROA and SGR suggest that tax-related financial management tends to be related to those reflecting profitability, asset utilization, cash-flow conditions, and internally supported growth. The results therefore provide quantitative evidence on the multifarious effect of tax planning. Different indicators of tax planning show different directions and levels of influence on corporate performance and sustainable growth.

Conclusion, Discussion, and Recommendation

Conclusion

This study aims to analyze the impact of tax planning on the companies' financial and sustainable growth in the SET100 Index of the SET. Three factors were taken into account as the indicators of tax planning: ETR, TAX/CFO, and TAX/ASSET. Sustainable growth was measured in terms of SG, ROA, and SGR. The study relied on the sample of 220 firm-years of observation during 2018–2022.

Objective 1: To investigate the effect of tax planning on sales growth of firms listed at Stock Exchange of Thailand.

The first objective was to determine the effect of tax planning on the SG of listed companies on the SET. The results of the multiple regression analysis revealed that tax planning had no significant effect on SG. None of the three tax-planning indicators, ETR, TAX/CFO, and TAX/ASSET, had a significant effect on SG at the 0.05 significance level. While TAX/ASSET had a relatively higher positive coefficient than the other tax-planning variables, its significance level was .053, which was not significant at the conventional .05 level. The overall regression model was also not significant. These results suggest that differences in tax-planning practices of the firms in the sample were insufficient to explain differences in SG during the period under study. SG may therefore be influenced by factors other than tax planning, such as market conditions, competitive strategies, customer demand, and firms' operating activities.

Objective 2: To investigate the effect of tax planning on return on total assets of firms listed at Stock Exchange of Thailand.

The second objective was to investigate the impact of tax planning on the ROA of firms listed on SET. The results revealed that the overall regression model significantly explained the variations in the ROA. Among the three tax-planning indicators, the ETR significantly and negatively influenced ROA, whereas the TAX/ASSET significantly and positively influenced ROA. However, TAX/CFO had no significant influence on ROA. The results show that tax planning was associated with the firms' ability to generate returns from their assets, with a different mix of influences based on the tax-planning indicator. Specifically, a high ETR was associated with a low ROA, whereas a higher TAX/ASSET ratio was associated with a higher ROA.

Objective 3: To investigate the effect of tax planning on sustainable growth rate of firms listed at Stock Exchange of Thailand.

The third research objective was to explore the relationship between tax planning and the SGR of companies listed on the SET. The regression model was found to be statistically significant, and together the three independent variables helped explain variations in the dependent variable. The results further revealed that ETR had a statistically significant negative impact on the SGR. However, TAX/CFO and TAX/ASSET had statistically significant positive impacts on SGR. Among the three tax-planning indicators, TAX/ASSET had the highest positive standardized coefficient, followed by TAX/CFO, while ETR had a negative coefficient. These results therefore reveal that the relationship between tax planning and SGR differs depending on the indicator used. In general, the results reveal that tax planning has different impacts on different aspects of growth for the firms included in the study. Tax planning had no significant impact on SG but had a significant impact on ROA and SGR. The impacts further varied depending on the indicator used in representing tax planning.

Discussion

Hypothesis 1: Tax planning significantly influences the sales growth of companies listed in the SET100 Index of the Stock Exchange of Thailand.

H1 proposed that tax planning significantly influences the SG of companies listed in the SET100 Index of the SET. The findings did not support H1. The multiple regression analysis revealed that none of the tax-planning indicators significantly influenced SG. ETR had a negative but statistically insignificant coefficient, and TAX/CFO also had a negative and statistically insignificant coefficient, while TAX/ASSET had a positive coefficient that was marginally above the .05 significance threshold. In addition, the overall regression model was not statistically significant. The lack of a significant relationship between tax planning and SG implies that tax planning may not directly determine the ability of large listed companies to achieve SG. This can be interpreted from the difference between the concepts of tax-management and revenue-generating activities. SG is primarily associated with changes in revenue and may depend on market demand, competitive positioning, product and service strategies, customer relationships, and industry conditions. Tax planning, on the other hand, is primarily concerned with managing tax liabilities and the timing and structure of tax-related financial obligations. Although effective tax planning may influence the financial resources available to a company, the resulting resources do not necessarily translate directly into SG. The finding aligns with the general evidence of the relationship between tax planning and corporate outcomes being non-uniform. Fadhillah and Suryadi (2024), for instance, found that tax planning did not significantly affect the firm value of Indonesian financial companies. Although their dependent variable was firm value rather than SG, their finding offers a relevant comparison because it demonstrates that tax planning does not necessarily result in a significant improvement in every aspect of corporate performance. This highlights the fact that the impact of tax planning may depend on the particular corporate outcome being examined.

The present finding also differs from studies that reported significant relationships between tax planning and firm value. Ftouhi et al. (2015) found a negative association between ETR and the firm value of companies listed in the EURONEXT 100 Index, while Le et al. (2022) reported a negative relationship between tax planning and the firm value of Vietnamese listed companies. Similarly, Saila and Agustina (2023) found a significant negative relationship between tax planning and the firm value of Indonesian infrastructure companies. On the other hand, Wedha and Sastri (2017) reported a positive influence of tax planning on the firm value of Indonesian food and beverage companies, while Dewanthi and Purwatiningsih (2024) found that tax planning significantly affected the value of Indonesian real estate companies. These findings from previous studies highlight the importance of examining the specific outcome variable and its institutional context when evaluating the consequences of tax planning. The previous studies primarily focused on firm value, while the present study examines SG. Thus, their findings cannot be interpreted as conclusive evidence that tax planning should influence SG. Instead, they show that tax planning may be associated with different corporate outcomes in different directions depending on the characteristics of the firms, industries, countries, and financial environments. For companies listed in the SET100 Index, the lack of a significant relationship may also reflect the characteristics of large listed firms, which generally have multiple means of managing growth and allocating their financial resources. Any financial benefits associated with tax planning may be used for investment, debt management, dividend payments, asset acquisition, and operational improvements rather than immediate revenue expansion. Hence, SG may be primarily influenced by market and operation factors rather than tax-planning practices. The finding therefore contributes to past literature because it indicates that the potential benefits of tax planning do not necessarily extend to sales expansion.

Hypothesis 2: Tax planning significantly influences the return on assets of companies listed in the SET100 Index of the Stock Exchange of Thailand.

H2 proposed that tax planning significantly influences the ROA of companies listed in the SET100 Index of the SET. The results supported H2 at the overall level. The multiple regression model was statistically significant, which suggests that tax-planning indicators jointly accounted for a significant proportion of the variance in the outcome variable. However, the individual indicators reflected different patterns. ETR had a statistically significant negative influence, while TAX/ASSET had a statistically significant positive influence, and TAX/CFO did not have a statistically significant influence on ROA. The negative relation between ETR and ROA suggests that firms that reported higher effective tax rates tended to post lower returns relative to their assets. This result aligns with the financial argument that a higher effective tax rate may constrain the amount of profits that could be retained by a firm after taxation. As ROA reflects the profitability generated by the firm's asset base, a greater tax burden may be associated with lower after-tax returns that could be derived from the assets. However, the result needs to be interpreted as a correlation because changes in ETR alone cannot account for the variance in ROA. In addition, this result is generally concordant with past studies that have reported negative relations between tax planning or ETR and corporate value. Ftouhi et al. (2015) found that ETR was negatively associated with Tobin's Q among firms listed in the EURONEXT 100 Index. Bwala et al. (2024) also found that ETR negatively influenced the value of Nigerian commercial banks. Le et al. (2022) and Saila and Agustina (2023) similarly found negative relations between tax planning and firm value. Although these investigations focused on firm value rather than ROA, they provide additional justification for the observation that tax-related financial burden is related to lower corporate financial outcomes.

Conversely, the current finding contradicts studies that have reported positive or significant effects of tax planning on corporate value. Wedha and Sastri (2017) found that tax planning positively influenced the value of Indonesian food and beverage companies, while Dewanthi and Purwatiningsih (2024) reported that tax planning significantly affected the value of Indonesian real estate firms. These results suggest that the financial repercussions of tax planning on corporate performance may depend on industry-specific characteristics, tax environments, firm-specific attributes, as well as the outcome measurement. The positive relation between TAX/ASSET and ROA also needs to be interpreted with caution. While the result suggests that higher income tax payments relative to total assets were associated with higher returns on assets, it does not imply that higher tax payments improve profitability. Instead, the relation may reflect the characteristics of firms that have strong profitability and productive assets. Firms that generate greater taxable income may simultaneously have greater tax liabilities and higher returns on their assets. Thus, TAX/ASSET appears to partially reflect patterns of profitability and asset utilization. The contrasting patterns between the influence of ETR and TAX/ASSET on ROA suggest that tax planning is multidimensional. The individual tax-planning indicators captured different facets of the firms' financial conditions. This is a significant finding because most past investigations focused on the use of a single indicator, particularly ETR, as a proxy for tax planning. The current results demonstrate that the association between tax planning and ROA cannot be captured by a single positive or negative direction.

Hypothesis 3: Tax planning significantly influences the sustainable growth rate of companies listed in the SET100 Index of the Stock Exchange of Thailand.

H3 proposed that tax planning significantly influences the SGR of companies listed in the SET100 Index of the SET. The findings supported H3 at the overall model level. The multiple regression analysis revealed that the tax-planning variables jointly had a statistically significant influence on SGR. At the individual level, ETR had a statistically significant negative influence on SGR, whereas TAX/CFO and TAX/ASSET had statistically significant positive influences. The negative relationship between ETR and SGR implies that firms with higher effective tax rates tended to have lower SGRs. This finding is consistent with the financial logic underpinning sustainable growth. SGR represents a firm's capacity to sustain growth using internally generated financial resources, taking into account its profitability and dividend policy. A higher effective tax burden may reduce the earnings retained within the firm and hence limit the financial resources available to facilitate internally financed growth. Therefore, the negative association between ETR and SGR is indicative of tax-related financial burdens being relevant to firms' capacity to sustain growth. This finding is broadly consistent with previous research reporting negative relationships between ETR or tax planning and corporate outcomes. Ftouhi et al. (2015) found a negative relationship between ETR and firm value, whereas Le et al. (2022) and Saila and Agustina (2023) reported negative relationships between tax planning and firm value. Bwala et al. (2024) found that ETR negatively influenced the value of Nigerian commercial banks. Although these studies do not examine SGR, their findings provide comparative evidence that higher effective tax burdens may be associated with less favorable corporate outcomes. The present study extends this line of research by examining sustainable growth instead of firm value.

In contrast, TAX/CFO had a significant positive influence on SGR. This finding indicates that firms with higher income tax payments relative to operating cash flow also tended to report higher SGR. At first glance, this result may appear inconsistent with the negative relationship between ETR and SGR. However, the two measures capture different financial relationships. ETR represents income tax relative to pre-tax income, whereas TAX/CFO relates tax payments to operating cash flow. Consequently, TAX/CFO may reflect not only tax-related obligations but also the operating cash-flow characteristics of firms. Firms with strong operating cash flows are able to generate sufficient financial resources to support sustainable growth even when their tax payments are relatively high. TAX/ASSET also had a significant positive influence on SGR and showed the strongest standardized coefficient of the three tax-planning indicators. This result indicates that the relationship between tax payments and sustainable growth cannot be interpreted as one in which lower tax payments necessarily lead to higher growth. Firms with larger and more productive asset bases are able to generate higher taxable income, incur higher tax payments, and have a stronger capacity for sustainable growth. Therefore, the

positive relationship between TAX/ASSET and SGR may partly reflect the underlying financial strength, asset utilization, and growth capacity of the firms (Gao et al., 2026; Kasim, 2026).

The positive findings for TAX/CFO and TAX/ASSET are particularly relevant to the mixed evidence in the existing literature. Wedha and Sastri (2017) found that tax planning positively influenced firm value, whereas Dewanthi and Purwatiningsih (2024) reported a significant relationship between tax planning and firm value. These studies provide some support for the possibility that tax planning can be associated with favorable corporate outcomes, although their dependent variable was firm value rather than SGR. In contrast, Fadhillah and Suryadi (2024) found no significant effect of tax planning on firm value, demonstrating that the relationship is not consistently positive across firms and settings. It is worth noting that the literature reviewed in this study indicates that most previous research has concentrated on firm value and financial performance, whereas relatively limited attention has been given to sustainable growth as an outcome of tax planning. The present findings therefore extend the existing literature by demonstrating that tax-planning indicators are significantly associated with SGR among firms in the SET100 Index of the SET. At the same time, the differing coefficients among ETR, TAX/CFO, and TAX/ASSET demonstrate that the relationship between tax planning and sustainable growth is complex and cannot be adequately explained by the assumption that tax planning simply reduces tax payments. Taken together, the findings support H3 and indicate that tax planning is significantly associated with SGR, but the direction of the relationship varies depending on the specific tax-planning measure used. ETR was negatively associated with SGR, whereas TAX/CFO and TAX/ASSET were positively associated with SGR. This finding reinforces the importance of using multiple indicators to examine tax planning and provides further evidence that the relationship between tax management and corporate growth should be interpreted in the context of firms' profitability, operating cash flows, asset bases, and overall financial conditions.

Overall, the findings of H1–H3 demonstrate that the influence of tax planning is not uniform across different dimensions of corporate growth. Tax planning did not significantly relate to SG, whereas it significantly influenced both ROA and SGR. Moreover, the individual tax-planning measures produced different directions of association with ROA and SGR. These findings are generally consistent with the mixed evidence reported in previous studies and further suggest that the effects of tax planning depend on the corporate outcome, measurement approach, industry, and institutional context. The study therefore contributes to the literature by providing evidence from firms listed in the SET100 Index of the SET, a context that has received relatively limited attention in previous research on tax planning and sustainable corporate growth.

Recommendation

Practical recommendation

Based on the analysis results, some recommendations on tax planning for companies listed in SET100 may be suggested. First, tax planning should be considered in relation to overall financial and strategic planning to ensure the proper use of resources. As tax planning was found significantly associated with ROA and SGR but not with SG, managers should analyze tax-related plans in terms of their impact on profits, utilization of assets, cash flows, and the firm's ability to grow. In addition, managers should monitor ETR, as it was negatively related to both ROA and SGR. Tax planning should be developed and implemented in accordance with tax laws and regulations, taking into account possible tax liabilities and their impact on retained earnings, cash flows, and the firm's growth prospects. Furthermore, the relationship between tax expenses and the asset base should be analyzed, as TAX/ASSET had a significant positive association with ROA and SGR and was the strongest predictor of SGR. Nevertheless, the analysis results should not be used by managers to increase TAX/ASSET in order to benefit from higher tax expenses. Instead, they should analyze the interrelation between taxes, profitability, asset utilization, and investment planning. Finally, tax planning should not be focused on increasing SG, as there were no significant associations between any tax-planning indicators and SG. If a company wishes to increase its sales, it should focus on developing its markets and products, analyzing customer needs, and finding ways to become more competitive and profitable.

Recommendation for future research

Future research should extend the current research model by including additional variables that could help explain the differences in SG, ROA, and SGR. The variables that future researchers should consider are firm size, financial leverage, profitability, liquidity, asset turnover, investment intensity, dividend policy, capital structure, corporate governance, firm age, and industry characteristics. Firm size and firm age could be used to explain the differences in the availability and use of organizational resources and in the level of operating experience, respectively. Financial leverage and capital structure could help explain the differences in the availability and cost of financial resources for growth. Liquidity and asset turnover might offer additional explanations for the differences in firms' operating efficiency and their ability to generate returns from the available assets. Another variable that future researchers might consider is investment intensity. It could be argued that firms that invest more in fixed assets, technology, research and development, and business expansion tend to have better financial performance and tend to experience higher growth in the long run. Dividend policy could also be considered because the distribution of the firm's earnings to its shareholders is directly related to the amount of internally generated resources that the firm has available to support its sustainable growth. Corporate governance is another important variable that future researchers might consider because governance mechanisms affect how firms make tax-planning decisions, report their financial performance, and allocate resources. Future researchers could also consider such economic conditions as GDP

growth, inflation, interest rates, changes in tax policy, and others. Moreover, future researchers could consider investigating tax planning as a multidimensional concept. To do that, they could include additional variables such as book-tax differences, the cash effective tax rate, the long-run effective tax rate, and tax avoidance. Finally, future researchers could consider investigating whether profitability, financial flexibility, or retained earnings mediate the relationship between tax planning and sustainable growth, and whether firm size, industry, ownership structure, or economic conditions moderate this relationship.

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