Research Paper

Cigarette Company Classification and Environmental Uncertainty with Risk Management Mediation in Predicting Excise Tax Returns

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Abstract

This research was conducted on the basis of the fact that the amount of excise returns as a deduction from state revenues from the excise sector is fluctuating and tends to increase over the last five years from 2018 to 2022. This research aims to conduct an analysis and obtain empirical evidence regarding the influence of Cigarette Company Classification on excise returns through the implementation of management. risks and the influence of Environmental Uncertainty on excise returns through the application of Risk Management. This research falls into the realm of quantitative research that adheres to a causality approach, the focus of which is testing cause-and-effect relationships between variables. Data collection and analysis were performed using quantitative methods, with a statistical testing approach through path analysis. The source of information used in this research comes from secondary data, namely financial report data from the Directorate General of Customs and Excise and Risk Management Values in the form of profiling tobacco products companies from 2015 to 2022. This research is different from previous research and shows a higher level of originality. because it uses Risk Management variables as mediators and utilizes a unique unit of analysis by adopting indicators of tobacco production capacity and the size of cigarette company capital ownership as a method for measuring company size variables.

Keywords: *Excise Tax Returns; Risk Management; Company Classification; Environmental Uncertainty; COVID-19*

INTRODUCTION

Economic growth theory shows a close and positive relationship between company scale and state income. Large companies generally have higher production capabilities, more advanced technological innovation, and wider international market access (Chen et al., 1997). Increasing a company's scale can trigger growth in production, revenue, and profits. Each company has different optimal sizes. Larger companies can make greater tax contributions because they have more tax resources (Samuelson, 1954). This theory also assumes that company dimensions have a significant impact on various aspects of the company, including the implementation of Risk Management.

The implementation of Risk Management is carried out with the aim of reducing negative impacts that may arise due to risks that cannot be predicted by the company. The risks that can occur are environmental uncertainties that may influence the managerial decision-making process. Uncertainty in the environment can arise from various factors, such as changes in government policy, economic fluctuations, or political instability. This uncertainty can influence taxpayers' views of the benefits and costs of paying taxes, which in turn influences their intentions to pay taxes. To anticipate the possibility of not achieving the state revenue target, Risk Management can be used to determine alternatives that provide maximum state revenue with minimal risk.

Previous research conducted by Bilicka (2022) and Doğan (2013) focused on the positive influence of company size on the management of income and state revenues through taxes. However, findings from (Deng & Luo, 2012) state that a company's ability to pay taxes has a negative correlation with the probability of being selected, especially large companies that have more bargaining power when negotiating with local tax administrations, which ultimately results

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in a decrease in the amount of tax that must be paid.

Several other studies, such as those conducted by Aven (2016), Falkner and Hiebl (2015), Koenig and Meissner (2017) and Krause and Tse (2016), examined the positive and significant relationship between company size and Risk Management, which in turn affects the value and return of the company. Meanwhile, research by adding Environmental Uncertainty variables found a significant and negative relationship between Environmental Uncertainty and effective tax rates (Huang et al., 2017). Different research in relation to earnings management, which is not always in line with corporate Risk Management, shows that institutional ownership and managerial ownership influence corporate earnings management (Kusumawardhani & Murdianingrum, 2022). The risk examined in this study is related to the risk of cigarette companies in contributing to excise revenue, which is different from the risk in previous research that discussed banking companies that prefer credit risk to increase loan supply (Fauzie et al., 2022).

Existing facts show that the Customs and Excise Supervision and Services Office, which is responsible for supervising the circulation of excisable goods, groups tobacco products companies into several categories based on their production capacity. The Customs and Excise Office, as a state revenue-collecting entity under the Ministry of Finance, has implemented Risk Management to overcome the possibility of not achieving state revenue targets. The implementation of this Risk Management, in accordance with Minister of Finance Regulation Number 222/PMK.01/2021, aims to control risks related to the potential for not achieving excise revenue targets. The Directorate General of Customs and Excise has also implemented a third-generation state revenue module that includes the use of the internet and information and communication technology such as e-wallets to manage state revenues more accurately and on time and provide better services to the public in performing their obligations to pay taxes. This is proven by the results of previous research, which shows that internet use and rapid advances in information and communication technology influence consumer satisfaction and loyalty (Wati et al., 2024).

In reality, there is a problem that occurs, namely, the value of excise returns, which is a deduction from the realization of state revenues from the excise sector based on the fact that the financial reports of the Directorate General of Customs and Excise from 2015 to 2022 experienced fluctuating changes and tended to increase. Significant changes occurred in 2017, where the amount of Excise Tax Returns of IDR 242 billion increased 17 times compared to 2016, which only amounted to IDR 13 billion and decreased significantly in 2018 to IDR 2.9 billion. There was also a significant increase in excise returns in 2020 amounting to IDR 217 billion from previously in 2019, which only amounted to IDR 11 billion. Significant changes in the number of excise returns will be difficult to avoid if the factors that influence cigarette companies in applying for excise returns are not known.

Previous research has shown that company size impacts tax revenues, as stated by Bilicka (2022). In another study, Click or tap here to enter text. They examined the relationship between Environmental Uncertainty, company size, and the implementation of Risk Management (Gonçalves et al., 2022). Their findings show that company size and Environmental Uncertainty influence the implementation of Risk Management within the company. This research focuses on investigating cigaret company size variables and Environmental Uncertainty in the context of excise returns, both directly and indirectly through Risk Management. The uniqueness of this research lies in examining direct and indirect impacts, an aspect not involved in previous research. This initiative seeks to fill the gaps in previous research, such as those found in studies by Doğan (2013) and Bilicka (2022), which only examined the impact of company size and tax revenue.

Based on that, this research aims to conduct an analysis and obtain empirical evidence whether cigarette company groups influence Risk Management and Environmental Uncertainty influences Risk Management. In addition, this research also tests whether the classification of

cigarette company influences Excise Tax Returns, Environmental Uncertainty influences excise returns, and Risk Management influences excise returns. Researchers also tested whether Risk Management could mediate the relationship between Cigarette Company Classification and Environmental Uncertainty on Excise Tax Returns.

LITERATURE REVIEW

Large-scale companies generally have access to more sophisticated technology, greater capital, and a more skilled workforce. This allows them to achieve economies of scale and increase overall productivity (Chen et al., 1997). This increase in productivity is then passed on to consumers in the form of lower prices and better product quality, ultimately driving the country's economic growth. Large-scale companies generally have more resources to invest in research and development (R&D), infrastructure, and human capital. This investment can encourage innovation, increase competitiveness, and create new jobs. The Cigarette Company Classification used in this research is that of tobacco products companies, which refers to the limit on the number of tobacco products produced per company per year as regulated in the Regulation of the Minister of Finance of the Republic of Indonesia.

The Minister of Finance of the Republic of Indonesia also regulates each directorate under him, including the Directorate General of Customs and Excise, to implement Risk Management in dealing with the possibility of not achieving state revenues. This agrees with the agency theory that large companies are not always risk averse. Large company sizes can bring new challenges, such as management complexity, difficult coordination, and excessive bureaucracy (Eisenhardt, 1989). This study also refers to agency theory associated with Risk Management as the theoretical framework underlying this research.

The Impact of Cigarette Company Classification on Risk Management

A large company can pose additional challenges, such as increased management complexity, coordination difficulties, and potential bureaucratic overload. Therefore, large companies must establish an effective Risk Management system to overcome various risks that may arise. A study conducted by Brender and Markov (2013) investigated the implementation of Risk Management in large companies in Europe, while other researchers explored the correlation between company size and ownership in the context of corporate Risk Management (Falkner & Hiebl, 2015).

The Customs and Excise Supervision and Services Office, which oversees excise, applies Risk Management to anticipate the possibility that state revenues will not be achieved. Previous studies have focused more on Risk Management associated with groups of companies (Aven, 2016; Falkner & Hiebl, 2015; Gonçalves et al., 2022; Krause & Tse, 2016).

Hypothesis 1**:** There is a positive impact of Cigarette Company Classification on Risk Management.

Impact of Environmental Uncertainty on Risk Management

Environmental Uncertainty refers to situations in which there is a lack of information, limitations in estimating outcomes, and difficulty in determining probabilities. Several studies, such as those conducted by Adeiza et al. (2023), Fan et al. (2023), and Schulman (2022), have explored Environmental Uncertainty related to the COVID-19 pandemic. In fact, other research with a different focus found the impact of the COVID-19 pandemic, which resulted in many company share prices experiencing a decline, while sharia shares experienced an increase in investors every year (Supitriyani et al., 2022). Environmental Uncertainty because of the COVID-19 pandemic in Indonesia has prompted the Customs and Excise Office to take mitigation steps to secure state revenues.

Hypothesis 2**:** The positive impact of Environmental Uncertainty on Risk Management.

Impact of Risk Management on Excise Tax Returns

To overcome the adverse impacts of the COVID-19 pandemic, customs has implemented many strategic fiscal policy steps as risk mitigation measures to ensure that state revenue targets are achieved. However, during 2020, customs financial report data showed that during the pandemic period, excise returns increased sharply up to 11 times compared with excise returns in 2019. This is in line with research conducted by Koenig and Meissner (2017) showing that the implementation of Risk Management significantly affects company returns.

Hypothesis 3**:** Risk Management has a positive impact on Excise Tax Returns.

The impact of Cigarette Company Classification on Excise Tax Returns

Large-scale companies must involve an efficient Risk Management system to anticipate possible risks that may arise. In this context, cigarette companies that are able to produce large quantities of excisable goods will make a greater contribution to the amount of excise tax paid to the state. The amount of excise tax recognized as net state revenue is the amount of excise revenue after deducting excise returns. However, the research results presented by Deng and Luo (2012) show that large companies tend to have a more significant positive influence on tax reduction practices compared with small-scale companies.

Hypothesis 4: Cigarette Company Classification has a positive impact on Excise Tax Returns.

Impact of Environmental Uncertainty on Excise Tax Returns

Environmental Uncertainty is a condition where there is a lack of information, the inability to know the results with certainty, and the inability to determine the possible consequences of the COVID-19 pandemic. In situations like this, Customs and Excise must implement adaptive policies in accordance with developing environmental conditions, especially considering the decline in demand for tobacco products, which has resulted in the withdrawal of several tobacco products from free circulation and induced requests for excise returns. Environmental Uncertainty also affects the amount of tax revenue due to the many tax avoidance efforts during the COVID-19 pandemic (Arieftiara et al., 2020). Therefore, based on this context, the researcher described the fifth hypothesis as follows.

Hypothesis 5: Environmental Uncertainty has a positive impact on Excise Tax Returns.

The impact of Cigarette Company Classification on Excise Tax Returns through Risk Management

Large tobacco companies, which have abundant resources compared to small companies and are in a higher class of companies, have the capacity to produce more excisable products. However, in a context where several tobacco products are withdrawn from the market, the potential for Excise Tax Returns also increases. Findings by Arieftiara et al. (2020) show that there was a higher level of tax reduction during the COVID-19 pandemic due to the large number of tax avoidance efforts. However, research by Falkner and Hiebl (2015) shows that larger companies tend to implement more complex Risk Management strategies to ensure that risks that affect company revenue can be minimized.

Hypothesis 6: Risk Management can mediate the positive impact of Cigarette Company

Classification on Excise Tax Returns.

Impact of Environmental Uncertainty on Excise Tax Returns through Risk Management

In the situation of uncertainty that has arisen as a result of the COVID-19 pandemic, business actors are trying to maintain business continuity by optimizing cost efficiency, and one of the significant cost aspects is tax. For tobacco product companies, excise is an important component in determining the cost of goods sold, which is called the Retail Selling Price (RSP). However, large companies that implemented effective Risk Management could survive and even innovate during the pandemic in their countries (Al-Thaqeb et al., 2022). Findings from research by Song et al. (2021) regarding Environmental Uncertainty and tax facilities during the COVID-19 pandemic in 32 countries also provide insight into this context. Other researchers have shown that Environmental Uncertainty negatively affects Risk Management performance (Hoffmann et al., 2013).

Hypothesis 7: Risk Management can mediate the positive impact of Environmental Uncertainty on Excise Tax Returns.

The conceptual framework for thinking, as shown in Figure 1, explains the relationship between research variables and the formation of hypotheses based on the underlying theory.

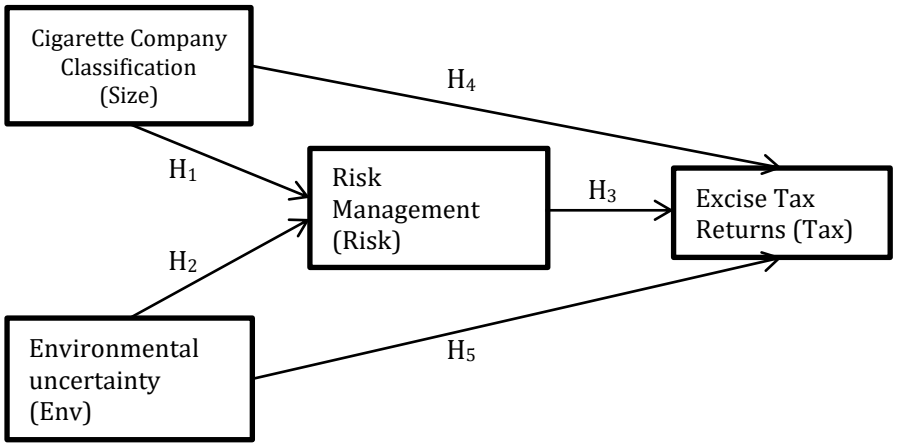

Figure 1. Conceptual Framework

RESEARCH METHOD

This research falls into the realm of quantitative research, which adheres to a causality approach, where the focus is on testing cause-and-effect relationships between variables. Data collection and analysis were performed using quantitative methods, with a statistical testing approach through path analysis. The analysis tool used was the Statistical Package for Social Science (SPSS) version 27. The independent variables in this study include Company Classification (X1) and Environmental Uncertainty (X2). The independent variable Company Classification is formed from the classification of company classes based on the regulations of the directorate general of customs and excise and the amount of capital used. The independent variable of Environmental Uncertainty was formed using indicators of the 2019 presidential election of the Republic of Indonesia and overcoming the spread of COVID-19. The focus of this research is Excise Tax Returns (Y) and Risk Management (Z), both of which are dependent variables.

The path analysis was used in this study because it allows testing of complex causal relationships between several variables. This is different from traditional statistical techniques such as linear regression, which can only test simple causal relationships between two variables.

Path analysis can be used to identify the mediator and moderator variables. In addition, path analysis can be used to estimate the direct and indirect effects of one variable on another variable (Ghozali, 2011).

Researchers used robustness test analysis, goodness of fit tests with simultaneous tests, and Sobel tests to determine the durability of the structural model created. Researchers also use classical assumption tests, including normality tests, multicollinearity tests, and heteroscedasticity tests, to ensure the reliability of regression results, increase the accuracy of estimates, increase the validity of conclusions, and prevent interpretation errors. The structural equation of this study is as follows:

$$Risk = \alpha + \beta 1 Size + \beta 2 Env + \varepsilon 1 \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots.. (1)$$

$$Tax\ return = \alpha + \beta 3 Size + \beta 4 Env + \beta 5 Risk + \varepsilon 2 \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots. (2)$$

Information:

β1- β5	= Regression coefficient
Tax return	= Excise Tax Returns
Size	= Company Classification
Env	= Environmental Uncertainty
Risk	= Risk Management
ε	= Error

FINDINGS AND DISCUSSION

Descriptive Statistical Analysis Results

Valid and reliable secondary data were obtained from excise return documents from 2015 to 2023, totalling 1377 excise return applications submitted by 66 cigarette companies operating in the Malang area, East Java, Indonesia. Results of descriptive statistical analysis of observational data are listed in Table 1.

Table 1. Descriptive Statistical Analysis

Descriptive Statistics					
Variable	**N**	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
Excise Tax Returns	1377	0.0783	99.9927	33.779313	28.4965579
Size	1377	2.0000	8.0000	5.938998	1.5031159
Env	1377	1.0000	6.0000	3.024691	1.7360659
Risk	1377	30.2500	94.0900	86.203784	8.1871360

Source: Author Calculation

From Table 1, it can be seen that the average value of the excise return variable is 33.78% with quite high variability; namely, the data is spread farthest from the average to 28.49%. This shows that tax returns are well above and below the average.

Classic Assumption Test Results

The results of the normality test using Q-Q Plots (Quantile-Quantile Plots) show that the distribution of the scatter plot or Q-Q plot data points formed is around the diagonal line forming a straight line following a normal distribution.

The results of the multicollinearity test show that each independent variable, company classification and Environmental Uncertainty, has a VIF value < 10, namely 1.352 and 1.077 with a

tolerance value of more than 0.1, namely company classification with a tolerance value of 0.740 and Environmental Uncertainty with a tolerance value of 0.929. Therefore, it can be concluded that multicollinearity does not occur.

Table 2. Classic Assumption Test Results

Variable	Unstandardized B	Coefficients Std. Error	Multicollinearity test	heteroscedasticity
			VIF	Sig.
Size	5.365	0.412	1.352	0.146
Env	12.237	0.318	1.077	0.928
Risk	-0.205	0.073	1.266	0.054

Source: Author Calculation

From the results of the Glejser test by transforming the independent variable values using the Weighted Least Squares (WLS) method, the significance value for each company classification variable is 0.146 and Environmental Uncertainty is 0.928, which is greater than 0.05. Therefore, it can be concluded that there is no heteroscedasticity problem for each independent variable.

Goodness of Fit Test Results from The Structural Model

The results of the robustness test using the bootstrapping method by taking 1000 data samples from all observed samples were obtained, as shown in the following table.

Table 3. Robustness Test Results with Bootstrapping

Variable	B	Bootstrap[a]				
		Bias	Std. Error	Sig. (2-tailed)	95% Confidence Interval	
					Lower	Upper
(Constant)	-17.448	0.261	5.760	0.004	-28.404	-5.656
Size	5.365	-0.011	0.397	0.001	4.610	6.146
Env	12.237	-0.015	0.301	0.001	11.619	12.823
Risk	-0.205	-0.002	0.075	0.006	-0.364	-0.064
Dependent Variable: Excise Tax Returns						

Source: Author Calculation

The value in the Sig column (2-tailed) shows that for all company classification variables, Environmental Uncertainty and Risk Management are below 0.05. This shows that substructure model 2, after carrying out a robustness test using the bootstrapping method at a significance level of 5%, is robust.

Based on the statistical output, the significance value obtained for the influence of company classification, Environmental Uncertainty, and Risk Management simultaneously on Excise Tax Returns is 0.000 < 0.05 and the calculated F value is 495.766 > 2.611; therefore, it can be concluded that there is an influence of company classification, Environmental Uncertainty, and simultaneous Risk Management of Excise Tax Returns.

Table 4. R-square

Variable independent	Variable dependent	Adjusted R-square	ε
Size, Env	Risk	0.209	0.889
Size, Env, and Risk	Tax	0.519	0.693

Source: Author Calculation

Therefore, the sub-structure model of the regression equation is based on standardized coefficients using a significance level of 5% for both as follows:

$$Risk = 70.256 + 0.469\ Size + 0.054\ Env + 0.889 \quad \text{.....(3)}$$
$$Tax\ return = -17.448 + 0.283\ Size + 0.745\ Env - 0.059\ Risk + 0.693 \quad \text{.....(4)}$$

Results of hypothesis testing

The results of statistical analysis of the relationship between the independent variables company classification, Environmental Uncertainty, and Risk Management and the dependent variable excise returns are summarized in the following table.

Table 5. Hypothesis Testing Results

Hypothesis	Influence Between Variables	Parameter Coefficient	T statistic	p-value	Result
H_1	Cigarette Company Classification → Risk Management	0.469	18.898	0.000	Significant
H_2	Environmental Uncertainty → Risk Management	0.054	2.154	0.031	Significant
H_3	Risk Management → Excise Tax Returns	-0.059	-2.796	0.005	Significant
H_4	Cigarette Company Classification → Excise Tax Returns	0.283	13.017	0.000	Significant
H_5	Environmental Uncertainty → Excise Tax Returns	0.745	38.421	0.000	Significant
H_6	Cigarette Company Classification → Risk Management → Excise Tax Returns	-0.196	-0.702	0.689	Not Significant
H_7	Environmental Uncertainty → Risk Management → Excise Tax Returns	-0.063	-0.317	0.043	Not Significant

Source: Author Calculation

The results of the Sobel test using the Sobel calculator show that the p-value of company classification on Excise Tax Returns through Risk Management is 0.689 > 0.025; therefore, Risk Management is unable to mediate the relationship between the influence of tobacco product company groups on Excise Tax Returns. The p-value of Environmental Uncertainty on excise returns through Risk Management is 0.043 > 0.025; therefore, Risk Management is unable to mediate the relationship between the influence of Environmental Uncertainty on Excise Tax Returns.

Discussion

The Impact of Cigarette Company Classification on Risk Management

The statistical test results support the first accepted hypothesis, namely that company classification influences Risk Management. These results strengthen other research that uses company size indicators that refer to criteria integrated in the European Network and Information Security Agency (ENISA). The results of this research show that large-scale companies have a better understanding of risk perception and implement comprehensive Risk Management in all their businesses (Brender & Markov, 2013). This research uses a company size variable indicator that is different from the company size criteria used by previous researchers, namely, the limit on the

number of tobacco products produced in one year. This production quantity limit determines the position of the group of companies studied. The greater the number of tobacco bars produced during one year, the higher the value of the company classification. This makes sense because when a company has a large amount of resources to produce a large number of cigarettes, it will increase the Risk Management value provided by the customs and excise supervision and services office.

The criteria used in assessing Risk Management by the customs and excise supervision and service office include several factors such as the number of employees, the amount of capital used, the number of assets owned by the company, the number of orders for excise stamps, and the age of the company since its founding. Higher classification companies involve more resources, so they can produce excisable goods in the form of tobacco products in greater quantities. The company's ability to produce tobacco products will increase the value of Risk Management profiling, which will have an impact on the number of excise stamps that the company can order. The limit on the number of excise stamps ordered by companies with a low Risk Management profile score will be less than the limit on the number of excise stamps that can be ordered by companies with a high Risk Management profile score.

Impact of Environmental Uncertainty on Risk Management

The statistical test results show that the second hypothesis is accepted or the results of the statistical test are strong enough to state the relationship between Environmental Uncertainty and the implementation of Risk Management. The results of this study contradict previous research conducted by Hoffmann et al. (2013), which showed that Environmental Uncertainty has a negative effect on Risk Management performance with a sample of 207 companies. However, this research further strengthens previous research results, which show that Environmental Uncertainty during the COVID-19 pandemic influences the Risk Management process to reduce the negative impacts caused (Al-Thaqeb et al., 2022).

The Environmental Uncertainty examined in this research is related to extraordinary events such as the election of the president of the Republic of Indonesia in 2019 and the efforts of the government to prevent the spread of the COVID-19 virus through large-scale social restrictions and the implementation of restrictions on community activities. In other fields, previous research conducted by Adeiza et al. (2023) concluded that the COVID-19 shock had a strong contraction effect on the economy. Tobacco companies are one of the many companies affected during the policy to tackle the spread of COVID-19. During large-scale social restrictions, many employees were temporarily furloughed and some were even laid off. The number of employees who come to work at tobacco companies influences the value of the Risk Management profile; therefore, this research further strengthens the hypothesis that Environmental Uncertainty has a significant effect on Risk Management.

Impact of Risk Management on Excise Tax Returns

The statistical test results indicate that the third hypothesis is accepted or the statistical test results are strong enough to state the relationship between Risk Management and excise returns. The results of this research are something new that has never been studied in previous research because it uses company Risk Management indicators based on assessment criteria carried out by the Directorate General of Customs and Excise. However, interestingly, the beta coefficient value of the Risk Management variable is negative, indicating the opposite influence between Risk Management and excise returns.

Different studies have shown that companies that have implemented good Risk Management increase the protection of company revenues (Al-Shbail, 2020). However, what is unique about the

results of this research is that the high risk profile value of the tobacco product company group has an inverse relationship with the potential for smaller Excise Tax Returns applications. Looking at these results, the researchers discovered something new, namely that the potential for Excise Tax Returns was more likely to occur in companies with low Risk Management profile scores. When linked to a logical way of thinking, the Risk Management profile assessment elements of tobacco products companies do not directly link the amount of excise returns in their assessment indicators. However, one element of the assessment is the number of excise stamp orders made by the company within the Risk Management profile assessment period.

The impact of Cigarette Company Classification on Excise Tax Returns

The results of the statistical tests are strong enough to state the relationship between tobacco product company classification and returns. The results of this research further strengthen the results of research that shows that large company sizes tend to have a more significant positive influence on tax reduction practices compared with small companies (Deng & Luo, 2012). This becomes logical when a large company has a large number of products. Large tobacco product companies have more brands of tobacco products, order more excise stamps, bank guarantees or insurance to finance their debts, and have easier excise facilities.

Large tobacco product companies have a wider marketing area for tobacco products than small companies. When a wider company's tobacco products do not sell well, they will withdraw distribution to the factory and will then submit a return for the excise that has been paid. Smaller companies sometimes do not can do the same. Tax returns will not be sought for products that are on the market and are not sold in tolerable quantities. The meaning of toleration here is that operating costs arising from the recall of unsold products result in greater costs than the potential for obtaining excise returns.

Impact of Environmental Uncertainty on Excise Tax Returns

The Environmental Uncertainty that occurs in Indonesia has a significant effect on Excise Tax Returns. The Environmental Uncertainty examined in this research uses the period that occurred during the campaign for the election of the president of the Republic of Indonesia and overcoming the spread of COVID-19. Other research that uses Environmental Uncertainty variables with reference to the process of overcoming COVID-19 is linked to macroeconomics, which results in Environmental Uncertainty causing contraction in a country's economy (Adeiza et al., 2023). Other research uses indicators of decline in stock value to determine the effects of Environmental Uncertainty. They resulted in several companies experiencing an increase in share value during the response to Covid-19, including shares from the health sector (Song et al., 2021).

Other research examining tax returns has resulted in government efforts to increase value-added tax return rates, which are not always necessary under certain conditions, where higher value-added tax return rates actually reduce the profits of companies operating in the recycling sector (Lingling & Hongping, 2022). In relation to Environmental Uncertainty caused by the COVID-19 pandemic, the results of this research also support previous research, which found that to accelerate the recovery of companies' financial conditions, internal funding constraints should be eased, and companies should be encouraged to increase investment in fixed assets after the COVID-19 pandemic through a value-added tax credit return policy (Zhao et al., 2024). Environmental Uncertainty such as that caused by COVID-19 has also brought back ideas from the past 30 years about a wealth tax targeting the super-rich to restore justice, equality, and balance in economic and social development (Andrew et al., 2024).

The impact of Cigarette Company Classification on Excise Tax Returns through Risk Management

Risk Management cannot mediate the relationship between company classification and Excise Tax Returns. This result is a new research finding where the Risk Management variable is apparently unable to mediate the relationship between company classification and Excise Tax Returns. Initially, researchers believed that Risk Management could be a mediator in the influence of company groups on Excise Tax Returns. This is a temporary assumption based on previous research that examined the relationship between company size and Risk Management carried out by Brender and Markov (2013) and Risk Management associated with the company's ability to maintain its profits (Al-Shbail, 2020). Researchers tried to place Risk Management as a mediator in this relationship, but the Risk Management variable could not mediate this relationship.

From the results of the statistical analysis, which were strengthened by figures using the Sobel calculator, it was believed that the relationship between the influence of tobacco company groups on Excise Tax Returns was stronger than before Risk Management mediation was provided. Risk Management itself has a significant influence on excise returns. From this discussion, researchers can draw an initial conclusion that the high risk profile value of companies classified as small does not necessarily affect the amount of excise returns. Many factors outside the variables used in this research may play a stronger role than Risk Management itself.

Impact of Environmental Uncertainty on Excise Tax Returns through Risk Management

Research conducted by Jackson and White (2008) shows that tax returns tend to be disguised in the form of expenses that will be used as a deduction in the calculation of taxed income. This will result in an overpayment of tax, which will be discovered during an audit. However, in contrast to this, excise returns can be submitted when excisable goods are not sold on the market, and the excisable goods can be destroyed or reprocessed, and a return of excise can be requested. The Risk Management profile value, which is categorized into low-medium-high risk, cannot be used as a mediator of this influence.

Risk Management is also unable to mediate the relationship between Environmental Uncertainty and excise returns. This makes perfect sense if you look at the assessment period of the Risk Management profile of tobacco companies by the customs and excise supervisory and service office, which cannot be done at any time, as is the case with submitting documents for ordering excise stamps. This Risk Management profile assessment period cannot be available all the time, which could result in the effects of Environmental Uncertainty on Excise Tax Returns being felt before the company's Risk Management profile assessment is updated. This is also something new that can complement research conducted by Afifa and Saleh (2021), Aven (2016), Hoffmann et al. (2013), and Koenig and Meissner (2017), who have previously researched Risk Management.

CONCLUSIONS

Empirically proven on the basis of statistical test results, company classification has a significant influence on Risk Management. This indicates that the higher the category of tobacco products company, the more impact it will have on increasing the value of Risk Management. Environmental Uncertainty, such as the general election for the President of the Republic of Indonesia and the handling of COVID-19, has a significant effect on the value of Risk Management. Risk Management has a significant inverse effect on Excise Tax Returns. This shows that the higher the company's Risk Management value, the higher the percentage of Excise Tax Returns. The group of tobacco companies has a significant effect on Excise Tax Returns. This indicates that the higher the category of tobacco products company, the greater the potential for Excise Tax Returns in the future. Environmental Uncertainty had the effect of increasing excise returns from tobacco companies. It has been proven that Risk Management is unable to mediate the influence between

tobacco product companies on Excise Tax Returns and that Risk Management is also unable to mediate the influence of Environmental Uncertainty on Excise Tax Returns.

LIMITATION & FURTHER RESEARCH

This study only focuses on a sample of companies that produce excisable goods in the form of tobacco products. The Risk Management variable also uses assessment indicators determined by the directorate general of customs and excise. Future research can use these limitations for further research, such as adding subjects to companies that produce drinks containing ethyl alcohol. For the sake of sustainability of this research in the future, future researchers can also use other variables as mediators that were not used in this research, such as restrictions on ordering excise stamps or facilities for delaying excise payments.

Suggestions for practitioners in the field, supervisory offices, and customs and excise services can consider the number of companies in certain categories and the risk profiling value of companies ordering excise stamps to project the amount of excise returns that will reduce state revenues from the excise sector. Suggestions for companies engaged in the production of tobacco products, as material for study, are that Environmental Uncertainty can trigger an increase in the number of unsold products on the market. Companies can consider the costs incurred to use the excise return facility or not.

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