

## **ABSTRACT**

The objective of this research is to examine the effect of tax planning measured by using three proxies (tax per share, effective tax rate, and book-tax differences per share) on the firm value. This research is projected to provide valuable information in the development of better research related to the effect of tax planning on firm value in the future.

The study's total sample was 27 companies in Consumer Goods sector listed on Indonesia Stock Exchange between 2016 to 2020, with total of 135 observation. The sample was selected using purposive sampling method and the analysis technique used panel data regression with the Eviews-10 application. The independent variables of this study are tax planning: Tax per Share (TaxPS), Effective tax Rate (ETR), and Book-tax Difference per Share (BTDPS). The control variables of this research are as follows: Book Value of Equity per Share (BVES), Long Term Debt per Share (LTDPS), and Sales per Share (SalesPS). Meanwhile, the dependent variable is firm value which is measured using Market Value of Equity per Share (MVES)

The findings of this study reveal that: Model 1 that using tax per share has a positive and significant effect on firm value which suggests that tax planning has a negative impact on firm value. Model 2 that using effective tax rate has no significant effect on firm value which indicates that no influence of tax planning on firm value. Model 3 that using book-tax differences per share has a positive influence on firm value which means that tax planning positively affects firm value.

**Keywords:** Tax Planning, Firm Value