

ABSTRACT

This study aims to examine the effect of tax avoidance on the firm value and agency costs with transparency of information as the moderating variable. The independent variable that is used in this research is tax avoidance which is measured by book tax difference (BTD), Total Accrual (TA), and Effective Tax Rate (ETR). Variables dependent are firm value which is measured by Tobin's Q and agency costs which is measured by Sales to Total Asset ratio (STA) and Operating Expense to Sales ratio (OETS). Then moderating variable is transparency of information which is measured by 33 voluntary disclosure index.

The population consist of manufacturing companies listed on Indonesia Stock Exchange during 2014-2016. Samples are selected using purposive sampling method and acquired 198 companies during 3 years. Test analysis using multiple regression model.

Finding in this study indicates that tax avoidance with BTD proxy has a significant negative effect to the firm value. Tax avoidance with BTD and ETR proxies has significant positive to the agency costs with STA proxy. Then the transparency of information also strengthens the relationship between tax avoidance with BTD proxy and the firm value.

Keywords: *tax avoidance, firm value, agency costs, transparency of information*