

ABSTRACT

The purpose of this research is to analyze the effect of tax avoidance behavior on firm value and agency cost by considering transparency as a moderating variable. Tax avoidance as an independent variable is measured by book-tax-difference (BTD) value. Firm value and agency cost as dependent variables are measured by Tobin's q and STA value. Transparency as a moderating variable is measured by the amount of information voluntarily disclosed by the company. This research uses size and leverage as control variables.

The sample of this research is non-financial companies listed in Indonesia Stock Exchange during the period 2013-2015. The sampling method in this research is purposive sampling. The analysis technique in this study uses multiple regression analysis.

Overall, the results show that tax avoidance behavior has significant negative effects on firm value. Tax avoidance can increase agency costs. And transparency has a positive effect in moderating the relationship between tax avoidance and firm value.

Keywords: tax avoidance, firm value, agency costs, and transparency