

ABSTRACTS

The Effect of Tax Avoidance towards Firm Value

The objectives of this study are to obtain empirical proof and analyze tax avoidance behavior effect which is calculated using the Tobins' Q proxy, towards firm value. As another main idea, the role of transparency of information becomes another concern of this study which is used to moderates the effect of tax avoidance towards firm value.

The population of this study are manufacturing companies listed in Bursa Efek Indonesia (BEI) from 2011 - 2014. Total sample used in this study are 275 companies based on predetermined criteria (purposive sampling). Data was analyzed using descriptive statistical analysis, classic assumption test, multicollinearity test, and hypothesis testing with multiple regression analysis.

Results of this analytical study indicate that tax avoidance negatively effects firm value and also found that transparency of information moderates the effect of tax avoidance towards firm value. The companies with an outstanding information transparency will be granted with good firm value compares to untransparant companies although tax avoidance behavior was practically done by the management.

Keywords: tax avoidance, firm value, transparency