

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). Variables dependent are firm value which is measured by Tobin's Q and agency costs which is measured by STA ratio (sales to total assets). Then moderating variable is transparency of information which is measured by 62 voluntary disclosure index. The control variables are leverage, size and profitability.

This study replicates previous research done by Chen & Wang (2013). Data used in this study is secondary data. The population consist of manufacturing companies listed on Indonesia Stock Exchange during 2013-2015. Samples are selected using purposive sampling method and acquired 44 companies each year. The total samples used in this study are 132 companies. After processing the data, there are 21 samples outlier that should be excluded from the data, so that the final samples used are 111 companies. Test analysis using multiple regression model.

Finding in this study indicates that tax avoidance has a significant negative effect to the firm value. Tax avoidance not significantly affect the agency costs. Then the transparency of information also strengthens the relationship between tax avoidance and the firm value.

Keywords : tax avoidance, firm value, agency costs, transparency of information, voluntary disclosure.