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Tax Planning and Tax Avoidance The Effect on the Value of Manufacturing Companies in the Food and Beverage Sub-Sector

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ABSTRACT

This study aims to determine the effect of tax planning and tax avoidance on firm value in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange. The population in this study are food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange. Samples were taken as many as 12 companies using purposive sampling technique. The results of the study partially show that tax planning has a significant effect on firm value. The results of the study partially show that tax avoidance has no effect and is not significant on firm value. Simultaneous research results show that tax planning and tax avoidance have a significant effect on firm value. The coefficient of determination (R^2) shows that the Firm Value variable can be explained by the tax planning, tax avoidance variables while the rest is explained by other factors such as Profit Persistence and Profitability.

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INTRODUCTION

In general, companies can earn income from the sale of goods and services. But apart from that, companies or the public can also earn income by investing in capital in the form of stocks, bonds, mutual funds, gold and others. Investment is an action taken by investors on a number of funds placed within a certain period of time to manage wealth with the aim of obtaining a number of benefits for future returns. In addition to obtaining personal benefits, investing can also increase welfare, reduce the risk of inflation, reduce uncertainty, and encourage tax savings. Therefore, investment is very important and good if it can be done correctly.

There are various factors that can affect the value of the company. To proxy the value of the company, the author uses Price Book Value. Maximizing profit is one way that can be done to increase the value of the company. If the level of prosperity or profit of the company is high, then the public will view the company as having good value. Companies can maximize profits by doing

tax planning and tax avoidance. Several previous researchers have discussed the issue of firm value, including Astuti & Fitria (2019) regarding the effect of tax planning on firm value, the results show that tax planning has a positive effect on firm value. The effect of tax avoidance on firm value shows that tax avoidance has a positive effect on firm value. This is in contrast to research conducted by Apsari & Setiawan (2018) where tax avoidance has a negative effect on firm value.

This research was conducted in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2015 - 2019 period. Researchers chose food and beverage sub-sector manufacturing companies because company value can be achieved through the implementation of good management functions, namely tax planning decisions, and other management decisions related to tax activities, namely by doing tax avoidance. From the explanation above, the researcher is interested in knowing whether tax planning and tax avoidance have a significant effect on firm value in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the 2015 - 2019 period.

Company value is an assessment of a company by investors seen from the company's stock price. Hery (2017) states that company value is an investor's perception of the company's success rate, which is often associated with stock prices. Investment decisions, funding decisions, dividend decisions are factors that can maximize firm value (Sutrisno, 2017). To proxy the value of the company, the author uses Price Book Value. Sukamulja (2019) states to calculate Price Book Value the formula can be used:

$$Price\ Book\ Value = \frac{\text{Price per share}}{\text{Book value per share}}$$

Tax Planning is an effort to carry out tax management in tax savings carried out by company management in a legal way. Putra (2019) stated that tax planning is one way that taxpayers can use in managing their business or income taxation. There are 6 factors that influence taxpayers to minimize their tax payment obligations, namely: the level of complexity of a regulation, the amount of tax paid, costs for negotiation, detection risk, the amount of fines, and community morale (Pohan, 2013). To proxy Tax Planning the author uses Book tax difference. Pohan (2013) states that to calculate the Book tax difference, the following formula can be used:

$$Book\ tax\ difference\ = \frac{Pretax\ Income - Tax\ income}{Average\ Assets}$$

Pohan (2013) states that tax avoidance is an effort to streamline the tax burden by avoiding taxation by directing it to transactions that are not tax objects. The main principle of tax avoidance can be divided into three principles, namely: delaying payments, choosing low tax rates, and engineering income into various types of income that have different taifs (Farouq, 2018). To proxy Tax Avoidance the author uses the Cash Effective Tax Rate. Salman & Tjaraka (2019) stated that to calculate the Cash Effective Tax Rate the following formula can be used:

$$Cash\ Effective\ Tax\ Rate\ = \frac{\text{Tax expense}}{\text{Profit before tax}}$$

RESEARCH METHOD

This type of data uses quantitative data. According to Wahyudi (2017), quantitative data are data in the form of numbers whose characteristics are always in numerical form. The population in this study is the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the period 2015 - 2019 as many as 27 companies. This study uses a purposive

sampling technique where samples are taken based on predetermined criteria, so the total number of samples in this study is 60 consisting of 12 food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange for 5 periods, namely the 2015 period. - 2019.

Collecting data in this study the authors conducted a literature study by studying data from related sources that could provide information about this research. The source of this information is obtained from financial reports published by companies in the automotive sub-sector or on the Indonesia Stock Exchange. According to Sujarweni (2015) this study aims to see the influence between the independent variable and the dependent variable with a measurement scale or ratio in a linear equation, in this study used multiple regression analysis processed with Statistical Product and Service Solutions (SPSS) software:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Information:
Y : Company Value
X1 : Tax Planning
X2 : Tax Avoidance
a : Constant
β1… β2 : Regression Coefficient
e : Error

RESULTS AND DISCUSSIONS

Descriptive Statistics
The following are the results of descriptive statistical tests as follows:

Table 1. Descriptive Statistics

	N	*Minimum*	*Maximum*	*Mean*	*Std. Deviation*
Tax Planning	60	,0005	,2361	,093333	,0619614
Tax Avoidance	60	,0922	,8146	,265612	,0973954
Nilai Perusahaan	60	,2564	6,8574	2,76649	1,810420
Valid N (*listwise*)	60				

The amount of data used is 60 consisting of 12 food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange for 5 periods, namely the 2015 – 2019 period. The Company Value variable has a minimum value of 0.2564 owned by BUDI companies (Budi Starch & Sweetener) in 2015, the maximum value of 6.8574 owned by MYOR (Mayora Indah Tbk) in 2018, the average value of 2.76649 and the standard deviation of 1.810420. The Tax Planning variable has a minimum value of 0.0005 which is owned by the SKBM company (Sekar Bumi Tbk) in 2019, the maximum value is 0.2361 which is owned by DLTA (Delta Djakarta Tbk) in 2018, the average value is 0, 93333 and the standard deviation value is 0.0619614. The Tax Avoidance variable has a minimum value of 0.0922 which is owned by the ADES company (PT Akasha Wira International Tbk) in 2016, the maximum value is 0.8146 which is owned by the SKBM company (Sekar Bumi). Tbk) in 2019, the average value is 0.265612 and the standard deviation value is 0.0973954.

Normality test

The normality test aims to test whether in the regression model the confounding or residual variables have a normal distribution. There are two ways to detect whether the residuals are normally distributed or not, namely by graphical analysis and statistical tests.

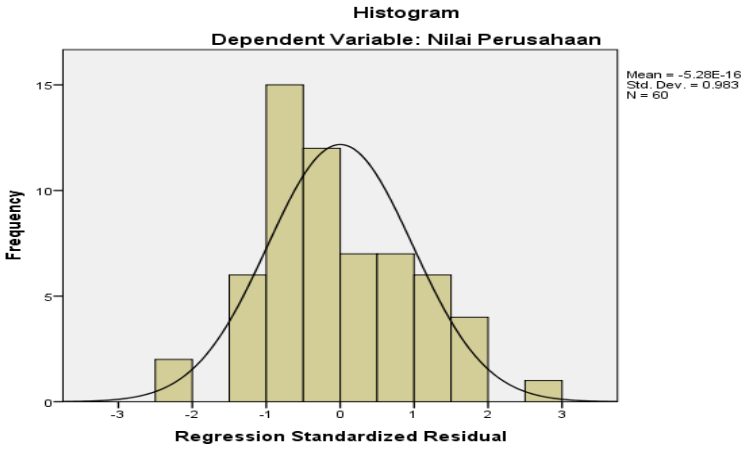

Fig 1. Normality test

Based on Figure 1 above, it can be explained that the data forming a curve line tends to be symmetrical about the mean. The results of this test indicate that the data is normally distributed.

Table 2. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		60
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	1,49023175
Most Extreme Differences	Absolute	,099
	Positive	,099
	Negative	-,072
Kolmogorov-Smirnov Z		,099
Asymp. Sig. (2-tailed)		,200

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Test distribution is Normal Correction.

Based on Table 4 above, it can be seen that the Kolmogorov Smirnov statistical test value is 0.099 with a significant value greater than 0.05, which is 0.200. The results of this test indicate that the data is normally distributed.

Multicollinearity Test

The results for multicollinearity testing can be seen in the following table:

Table 3. Multicollinearity Test Results

Model	*Collinearity Statistics*	
	Tolerance	*VIF*
Tax Planning	,904	1,107
Tax Avoidance	,904	1,107

a. *Dependent Variable*: Nilai Perusahaan

Based on Table 3 above, it can be seen that the correlation value for the Tax Planning and Tax Avoidance variables has a tolerance value (0.904) > 0.10 and a VIF value (1.107) < 10 so it can be

concluded that the Tax Planning and Tax Avoidance variables do not have symptoms of multicollinearity.

Autocorrelation Test

Autocorrelation testing can be done by looking at the Durbin-Watson value. Here are the results of the autocorrelation test:

Table 4. Multicollinearity Test Results

Model Summary[b]	
Model	Durbin-Watson
1	1,685

a. Predictors: (Constant), Tax Avoidance, Tax Planning
b. Dependent Variable: Nilai Perusahaan

Based on Table 4 above, it can be seen that the Durbin-Watson (d) value is 1.685. This value will be compared with the value of the Durbin-Watson table which uses a significance of 5% for the number of samples (n) as many as 60 and the number of independent variables (k) as much as 2. Based on the Durbin-Watson table, it can be seen that the dL value is 1.5144 and the dU value is of 1.6518. Therefore, the values of d, dL, dU meet the Vth criteria with the condition that dU < d < 4 – dU (1.6518 < 1.685 < 4 – 1.5144), namely with a value of 1.6518 < 1.685 < 2, 3482. The results of this test indicate that there is no positive or negative correlation.

Multiple Linear Regression Analysis

The results for testing multiple linear regression analysis can be seen in the following table:

Table 5. Multiple Linear Regression Analysis Test Results

Coefficients[a]				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	1,219	,753	
	Tax Planning	16,590	3,351	,568
	Tax Avoidance	-,003	2,132	,000

a. Dependent Variable: Nilai Perusahaan

Based on Table 5 above, a multiple linear regression equation is obtained where if the value of the independent variable (X1), namely Tax Planning and the variable (X2), namely Tax Avoidance, is 0, then the firm value is 1.219. For every 1 unit increase in the Tax Planning (X1) aspect, the Company Value will increase by 16,590. Every decrease in Tax Avoidance (X2) aspect by 1 unit, the Company Value will decrease by 0.003.

Partial Test

The results of partial hypothesis testing (t-test) can be seen in the table below as follows:

Table 6. Partial Test Results

Model	t	Sig.
(Constant)	1,619	,111
Tax Planning	4,950	,000
Tax Avoidance	-,002	,999

Based on Table 6, the Tax Planning (X1) variable has a value of tcount (4.950) > ttable (2.00172) with a significant level of 0.000 <0.05 so it can be concluded that partially the Tax Planning variable has a significant effect on firm value in manufacturing companies in the food sub-sector. and beverages listed on the Indonesia Stock Exchange and the Tax Avoidance Variable (X2) has a value of tcount (-0.002) < ttable (2.00172) with a significant level of 0.999 > 0.05 so it can be concluded that

the Tax Avoidance variable has no and no significant effect on Company value in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange.

Simultaneous Test

The results of simultaneous hypothesis testing (F-Test) can be seen in the table below as follows:

Model		F	Sig.
1	Regression	13,563	,000[b]
	Residual		
	Total		

Based on Table 8, it can be seen that the value of Fcount (13.563) > Ftable (3.16) with a significance of 0.00 < 0.05, so it can be concluded that Tax Planning and Tax Avoidance have a significant effect on firm value in food and beverage sub-sector manufacturing companies listed on the Stock Exchange. Indonesian Effect.

CONCLUSION

Based on the results of the analysis and discussion that have been described in the previous chapters, the conclusions in this study are the results of this study indicate that the effect of Tax Planning (X1) and Tax Avoidance (X2) on Firm Value (Y) is shown from the results of linear regression analysis. multiple. This means that the variables of Tax Planning and Tax Avoidance together have an influence on Company Value. Partially, the tax planning variable has a significant effect on firm value in the food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange. This shows that H1 is accepted. Partially, the tax avoidance variable has no and no significant effect on firm value in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange. This shows that H2 is rejected. Simultaneously, tax planning and tax avoidance variables have a significant effect on firm value in food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange. This shows that H3 is accepted. Based on the results of the coefficient of determination test, it is known that tax planning and tax avoidance can explain the relationship with firm value. In addition to tax planning and tax avoidance variables, firm value can also be influenced by other variables not examined in this study, such as Profit Persistence and Profitability.

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