

THE EFFECT OF TAX AMNESTY ON TAX AVOIDANCE AND ITS CONSEQUENCES ON FIRM VALUE (EMPIRICAL STUDY ON COMPANIES IN INDONESIA STOCK EXCHANGE)

ABSTRACT

Firm value of company is very important for the company because it contains the views of investors about the good or bad company performance. High firm value makes investors believe in future prospects seen in the increase in stock prices that will provide welfare to shareholders. The gap phenomenon shows that there have been variations in changes in the BEI's firm value during the tax amnesty program in the hope that repairs will occur, so as to increase investor confidence.

The research problem is empirical testing of the effect of tax amnesty on tax avoidance and its consequences for firm value and the mediation of such influence needs to be done. The research objective is to obtain empirical evidence and analyze tax amnesty influencing on tax avoidance and its consequences for firm value (empirical studies on companies in the Indonesia Stock Exchange).

The research method uses causality, the population are all companies that participate in and do not participate in the tax amnesty program from 1 July 2016 to 31 March 2017 for 2 years, namely the first and second periods, are 535 companies listed on the Indonesia Stock Exchange (BEI) in 2016-2017 and meets the criteria for research criteria. Samples are 535 companies, participating in the tax amnesty program are 168 companies and not participating in the tax amnesty program are 367 companies, sampling techniques using proportional sampling techniques, research variables are independent is tax amnesty variables, dependent variable is firm value, tax avoidance as mediating variable, and profitability growth, firm size, audit quality, and operating cash flow as control variables. Data collection method is documentation. The analysis technique is multiple linear regression.

The results there are significant positive effect of tax amnesty on tax avoidance, significant positive effect of tax avoidance on firm value, significant negative effect of tax amnesty on firm value, and tax avoidance is not mediating variable on the effect of tax amnesty on firm value.

Suggestions for the research are first, to increase asset repatriation, the tax amnesty period can be added more than 2 years to better effect the effect of asset repatriation on firm value policies. Second, the increase in observation time for rational tax avoidance decision making can be a mediating variable.

Keywords: tax amnesty, tax avoidance, firm value