The Effect of Tax Planning And Financial Performance on Company Value on Manufacturing Companies Listed on The Indonesia Stock Exchange

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Abstract. This research was conducted with the aim of viewing, testing, and analyzing tax planning and financial performance on firm value in manufacturing companies. Tax planning in this study was measured using the Effective Tax Rate (ETR), financial performance was measured using ROA, The population in this study are manufacturing companies listed on the Indonesia Stock Exchange which were selected using a saturated sampling technique. This research approach uses associative research Based on results testing by partial (t test), the effect of planning tax to measured company value with the Effective Tax Rate (ETR), can, can concluded Planning Tax take effect positive and significant to Company Value. Based on results testing by partial (t test), the effect of performance finance to measured company value with Return On Assets (ROA), can is known that based on from results calculation value Sig. for the effect of X2 on Y is of $0.000 < 0.05$ and value of t count $12,124 >$ t table 2,011, Based on results testing by simultaneous (F test) can is known that score significance for the effect of X1 and X2 simultaneous against Y is of $0.000 < 0.05$ and F arithmetic value $73,641 >$ F table 3,19, so could concluded that H3 is accepted which means there is influence Among planning tax and performance finance to score company on company manufactures listed on the Indonesia Stock Exchange. Based on from results testing, can seen that R Square value is 0.758, which means 75.8 %.

Keywords: Tax Planning, Financial Performance .

1.   Introduction

State revenue is income that obtained country for finance and operate every programs government, whereas sources reception Country originated from various sectors, where all of the proceeds will be used to finance development and increase well-being whole people Indonesia. One of the revenue sectors that has an important role is revenue from taxes, so that the role of taxes should be increased optimal in order to accelerate growth rate Indonesia.

 According to [6], stated that the value of the company is the investor's perception of the level of success of the company which is often associated with stock prices. The value of the company can be measured by the Price Earning Ratio (PER) which describes how the profit of the company or issuer of shares on its share price, which shows the amount of rupiah that must be paid by investors to get one rupiah of company earnings. The higher the profit growth, the higher the PER value [7].

One of the goals of the company is to increase the value of the company each period. Where the value of the company is reflected based on the market price of the company's shares. If the value of the company increases, then the welfare of the shareholders will increase, which can be seen from the stock returns for investors. Where this can be a stimulus for other potential investors to invest in the company. The increase in investor welfare can increase the interest of other investors to invest in the company, which can increase the value of the company's shares. So that the value of the company's shares in the market will be high if the company's value is also high [8].

One of the efforts made by the company in conducting tax management (tax management) carried out by the tax manager is tax planning, which is a business that includes tax planning so that the taxes paid by the company are truly efficient, with the aim of finding various loopholes. that can be taken within the corridor of tax regulations (loophole), so that companies can pay taxes in a minimal amount [7].

Tax planning (tax planning) is carried out to maximize profit after tax (after tax return), by taking advantage of opportunities or opportunities in the provisions of regulations made by the government to provide different treatment for objects that are economically essentially the same, or in other words take advantage of tariff differences. tax (tax rated) and the difference in treatment of tax objects as the basis for tax imposition (tax based) loopholes, shelters, havens [10].

Tax planning can be viewed from two different perspectives. First, the perspective of traditional theory, that tax planning activities are to transfer welfare from the state to shareholders [3]. Second, from the perspective of agency theory, that through tax planning activities can facilitate managerial opportunities to take opportunistic actions by manipulating profits or inappropriate resource placement and lack of transparency in carrying out company operations so that tax planning has a negative impact on firm value [3].

Company value at manufacturing companies listed on the Indonesia Stock Exchange are volatile and did not experience a significant decrease. According to [12] high company value will have an impact on the prosperity of the owner company or shareholders. tax planning on company manufacture which registered in Exchange Effect Indonesia tend fluctuating and the value of the company experienced an insignificant decrease. Score the effective tax rate for 2015-2019 has decreased, according to [1] The more low score ETR and worth negative so show the company is in a bad condition or the company isexperience loss. *Return On Assets* on company manufacture which registered in Exchange Effect Indonesia tend experience drop which no significant and score company experience drop which no significant. *Return On Asset* (ROA) is ratio which shows how much big contribution asset in create profit clean [4].

that planningtax no take effect to score company. As for study which find influence positive planning tax to score company including . which states that score company determined by earnings power from asset company. Positive results indicate that the higher the earnings power, the more efficient asset turnover and or the higher the profit margin obtained by company.

2.   Literature Review

According to [2] that: "the value of a company is a value that depends on its opportunity to grow, where this opportunity depends on its ability to attract capital". High company value is the desire of company owners, because a high value indicates high shareholder prosperity. Wealth of shareholders and companies as a percentage of the market price of shares which is a reflection of investment decisions, financing (*financing*), and asset management. Maximizing company value is very important for a company, because maximizing company value means maximizing the company's main goal. Firm value is the shareholder's perception of the company, which is often associated with stock prices. High stock prices make the value of the company also high [11].

According to [2] states that: "company value benefits and the goal is to maximize shareholder wealth (stockholder wealth maximization) which translates into maximizing the company's common stock price". Then according to [9] stating the value of the company can be measured by PBV (book value per share) aims and is useful to show the amount of rupiah that will be paid to each share if the company at that time is dissolved with the assumption that all assets can be realized or sold. at a price equal to the book value or indicating the rupiah amount of the company's assets to which each share is entitled.

Tax planning is generally focused on a process to manipulate taxpayers' businesses and transactions so that the tax payment obligations are as low as possible but still within the scope of tax regulations. In line with the above understanding, Tax Planning is: "a capacity possessed by taxpayers (WP) to arrange financial activities in order to obtain minimal tax expenditures (burden) [10].

According to [5], the purpose of the company using the Return On Assets (ROA) ratio is to measure or calculate the profits earned by the company in a certain period, to assess the company's profit position in the previous year with the current year, to assess the development of profits from time to time. , to assess the amount of net profit after tax by yourself, to measure the productivity of all company funds used both loan capital and own capital, to measure the productivity of all company funds used both own capital.

The two independent variables each have an influence on the value of the company which acts as the dependent variable. So that the conceptual framework can be described as follows:
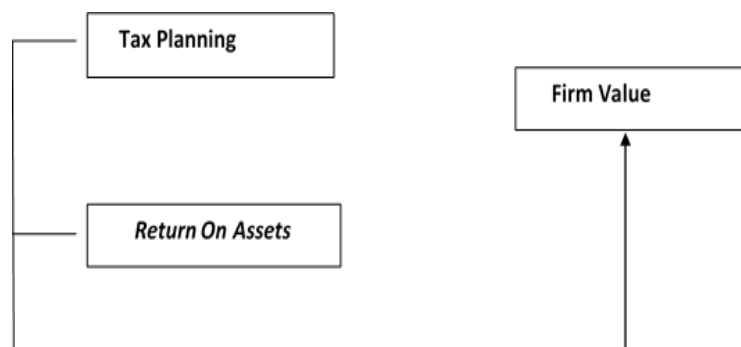

Fig. 1. Skeleton Conceptual.

3. Method

The research approach in this study uses an associative research approach. The type of data used in this study is in the form of quantitative data, which can be in the form of numbers using formal, standard, and measuring instruments. In this study, the operational definitions of the variables are as follows:
   a) Dependent variable
   b) Independent Variable
      1. Tax Planning (X_1)
         Effective Tax Rate is an important indicator of market acceptance of a company's products and/or services, where the profit generated from sales can be used to measure the level of effective tax rate.
      2. Return On Assets (X_2)
         According to Return on assets (ROA) is a ratio to show the company's ability to generate profits from the assets used.

4. Result And Discussion

4.1 Influence Planning Tax To Score Company

Based on results study about variable planning tax on the variable value of the company obtained T count 2.187 withprobability sign as big as 0.034 < 0.05. Thing the show thatH0 rejected and Ha accepted. This shows that there is an influence Among tax planning to the value of the company.The results of this study are in line with research conducted by (Wilson, 2009), (Wang, 2010) and (Tryas Chasbiandani and Dwi Martani, 2012) who found that tax planning has a relationship positive to score company. Connection positive the show that managerial To do planning tax in skeleton increase score company and benefits which obtained more bigthan the costs and risks.

4.2 Influence Performance Finance To Score Company

Hypothesis second also show existence influence Among financial performance variable on firm value variable. It canseen from results which obtained that is Count> Ttable where 12,124 > 2011 with level significance as big as 0.000 < 0.05. Thing this shows that financial performance has a positive effect on the value of company, thus (H2) can be accepted, namely financial performancetake effect positive on the value of the company.Based on results the show that by Partial financial performance has a significant and significant effect on firm value on company manufacture which registered in Exchange Effect Indonesia, Thing This shows that with increasing financial performance,so score company on company manufacture registered in The Indonesia Stock Exchange has increased, which is getting higher performance finance, company have opportunity for give great income for shareholders.Results of research This also shows that financial performance has an important role to the value of a company. If a company has performance finance which good so good also score the company.

4.3 Influence Planning Tax and Performance Finance Against company

ValueBased on results testing simultaneous test statistics F onbasic show is all variable independent which entered in model have influence which bytogether (simultaneously) on the dependent variable. F Uji test also carried out to find out whether the model usedin this study is a feasible model or not.The results of statistical tests in this study supports the third hypothesis which states that, Tax Planning and Financial Performance significantly affect simultaneously on the Company Value. It can be seen from Fcount 73,641 with a significance level of 0.000. Thing this means Fcount = 73,641 > Ftable = 3.19 with levelsignificance 0.000 < 0.05. Then it can be concluded that Variables of Tax Planning and Financial Performance together (simultaneous) take effect to Score Company.

5. Conclusion

Based on results testing by partial (t test), the effect of planning tax to measured company value with the Effective Tax Rate (ETR), can is known that based on from results calculation value Sig. for the effect of X1 on Y is of 0.034 < 0.05 and t value 2.187 > t table 2.011. With so, can concluded Planning Tax take effect positive and significant to Company Value .

Based on results testing by partial (t test), the effect of performance finance to measured company value with Return On Assets (ROA), can is known that based on from results calculation value Sig. for the effect of X2 on Y is of 0.000 < 0.05 and value of t count 12,124 > t table 2,011, so that could concluded that H2 is accepted show that his there is influence Among performance finance to score company on company manufactures listed on the Indonesia Stock Exchange .

Based on results testing by simultaneous (F test) can is known that score significance for the effect of X1 and X2 simultaneous against Y is of 0.000 < 0.05 and F arithmetic value 73,641 > F table 3,19, so could concluded that H3 is accepted which means there is influence Among planning tax and performance finance to score company on company manufactures listed on the Indonesia Stock Exchange .

Based on from results testing , can seen that R Square value is 0.758, which means 75.8 %. This thing describe that variable planning tax and performance finance 75,8 % affect _ variable score company . Whereas remainder from results the ie 24.2 % shows _ that his there is other variables that affect score company by 24.2%.

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