# The Influence of Tax Avoidance and Profit Management on The Value of Companies Listed on The Indonesian Stock Exchange

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**ABSTRACT**

This research aims to determine the relationship between tax avoidance and earnings management on company value. Tax avoidance is considered a flow of wealth from the government to the company, which should increase the value of the company.

This research was conducted to test whether there is an influence of Tax Avoidance and Profit Management on the Company Value of 15 companies that have become constituents of the Indonesian Stock Exchange during 2020-2022.

This research uses associative quantitative methods with data collection techniques in the form of documentation using secondary data, and processing using SPSS version 26. The data analysis techniques for this research are classical assumption testing, multiple regression analysis, and hypothesis testing.

The research results obtained show 1) Tax avoidance does not partially have a significant influence on company value. This is proven by the t-test carried out, where the calculated t value (0.37) < t table (2.01) and a significant value of 0.71 are obtained. > 0.05. 2) Earnings management has no significant influence on company value. This is proven by the t-test carried out, where the calculated t value was obtained (-0.05) < t table (2.01) and a significant value of 0.93 > 0.05. 3) Simultaneously Tax District, Pinrang Regency, as evidenced by the Pearson correlation value of 0.564, meaning that the two variables have a moderate correlation with a positive relationship. Financial Management Behavior influences Financial Well-Being, this is proven by the calculated t value > t table or 6.694 > 1.985 with a significance of 0.00 < 0.05.

## INTRODUCTION

Taxes are the main support for national development in Indonesia. However, tax collection is not without problems. Based on the total realization of state revenue, the realization of tax revenues in 2020 only reached IDR 1,070.0 trillion or 89.3% of the 2020 APBN target which was amended through Presidential Decree 72/2020 worth IDR 1,198.8. Tax realization also experienced a contraction of 19. 7% compared to the previous year. Then the realization of tax revenue in 2021 amounted to IDR 1,547.8 trillion. The realization of tax revenues is supported by tax and customs and excise revenues. Meanwhile, actual government tax revenue in 2022 will reach IDR 2,034.5 trillion or 114% of the target of IDR 1,784

trillion.

There are differences in interests between the government as tax collector and companies as taxpayers. The government wants large revenues from taxes to finance government administration. Meanwhile, companies as taxpayers want to pay as little tax as possible. Taxpayers always try to pay as little tax as possible, as long as this is permitted by the provisions of tax laws and regulations. One of the strategies carried out by the company is to implement a tax planning strategy.

Tax planning refers to the process of engineering a taxpayer's business and transactions so that the tax debt is at a minimum amount but is still within the framework of tax regulations. 9 There are several terms referring to tax planning, such as tax avoidance, tax investigation, tax management, tax shelter and tax shifting.

Tax payments are often considered a burden for every company because they can reduce the company's returns, so companies use a number of ways to reduce tax payments with the aim of increasing profits. Tax payments are a burden for every company because they can reduce the company's returns. Companies often take a number of steps to reduce tax payments so that the company can gain greater profits. Therefore, Tax Avoidance is a way to reduce tax payments for companies.

The tax evasion case that occurred in 2019 was carried out by PT. Adaro Energy Tbk, which is suspected of practicing tax avoidance. PT. Adaro Energy Tbk, is suspected of carrying out tax avoidance practices by carrying out transfer pricing, namely by transferring large amounts of profits from Indonesia to companies in countries that can exempt taxes or have low tax rates, this was done from 2009 to 2017. PT. Adaro Energy Tbk is suspected of having carried out this practice, so that the company was able to pay taxes of IDR 1.75 trillion or US$ 125 million less than the amount that should have been paid in Indonesia.

Earnings management is interference in the process of preparing external financial reporting with the aim of gaining personal gain. Agency conflicts occur due to differences in interests and separation between owners and managers. This separation between owners and managers gives rise to information asymmetry where managers know more about the company's information and prospects in the future so they take actions for their own benefit, one of which is earnings management activities.

The relationship between earnings management and tax avoidance. This is in accordance with the company's motivation to carry out profit management with tax motivation. Earnings management can influence tax planning because earnings management will change taxable income which in turn changes the tax burden. One planning action that can be carried out is through tax avoidance or often called tax avoidance.[1] For the reason of increasing company value, management takes opportunistic action by carrying out earnings management. Therefore, companies need to implement good corporate governance mechanisms in the company's control and management system, one of which is by means of tax avoidance. Tax avoidance is able to moderate the relationship between earnings management and company value which will influence the level of trust of owners (shareholders) in management performance in running the company in the future. So better planning is needed for the Company.[2]

Companies with debt will pay lower taxes than companies without debt. Companies that are in debt tend to have low performance, which can reduce tax payments and company value. Debt can reduce profits for the company so that it can reduce the value of the company.

As company value tends to be low, corporate tax payments also decrease. There is a trade off between tax savings and cost of debt. The amount of profit the company obtains from saving taxes and paying debt interest can be considered by company management. Thus, the cost of tax savings and the cost of debt can influence. This step to save tax can be interpreted as a form of tax avoidance which can have an impact on company value. Companies that carry out tax avoidance actions can make investors

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[1] Imron Septiadi, Anton Robiansyah, and Eddy Suranta, 'The Influence of Profit Management, Corporate Governance, and Corporate Social Responsibility on Tax Avoidance', Journal of Applied Managerial Accounting, 1.2 (2017), 114–33.

[2] Muhammad Fahmi and Muhammad Derry Prayoga, 'The Influence of Profit Management on Company Value with Tax Avoidance as a Mediating Variable. Influence of Profit Management on Company Value with Tax Avoidance as a Mediating Variable', Liabilities (Journal of Accounting Education), 1.3 (2018), 225–38.

happy because of the high rate of return. This action can increase company value.

Several studies in detecting them in 2022 show that tax avoidance through the CETR ratio has a significant negative effect on company value. Corporate tax payments can reduce the value of the company. The debt a company has affects the amount of company tax payments, thereby impacting the company's value.[3] Further research in 2021 proves that independent commissioners have a positive effect on tax avoidance. This is proven by the significance value of 0.011 which shows that H0 is accepted and the t-count value is greater than the t-table (2.640 < 2.064). It can be explained that the existence of an independent commissioner is effective in preventing the practice. Tax avoidance in property and real estate companies. The higher the number of independent commissioners, the more parties will supervise internal management actions, so that management will be wiser in carrying out tax avoidance actions.[4]

The relationship between tax avoidance and firm value is important but still under debate. Empirical evidence now suggests that investors' reactions to tax avoidance remain unclear. Overall, the impact of corporate tax avoidance activities on company value is not significantly different from zero. The effect is positive only for companies with a high level of institutional ownership. This research was conducted based on the background of the phenomenon of widespread cases of tax avoidance in several companies listed on the Indonesian Stock Exchange which continues to occur and is still quite difficult to reveal.

Based on the description above, the author is interested in conducting further research regarding tax avoidance and earnings management on company value. In terms of the object to be researched are companies listed on the Indonesian Stock Exchange. This is done so that the research results are more relevant to current conditions.

## METHOD

This research method uses quantitative research methods with an associative approach. Associative is a research approach that utilizes existing data to search for and analyze causal relationships between two or more variables, between the independent variable and the dependent variable. Quantitative research methods can be interpreted as research methods that are based on the philosophy of positivism, used to research certain populations or samples, collect data using field research, and analyze data in quantitative/statistical form, with the aim of testing existing hypotheses. This research was conducted on companies listed on the Indonesia Stock Exchange (BEI) Makassar branch, specifically JL. AP Pettarani.

The population in this research is companies listed on the Indonesia Stock Exchange (BEI) during 2020-2022, where after data processing there are 15 companies that are in the BEI constituents during 2021-2022 out of 30 companies registered each year. The sampling method used in this research was purposive sampling. This technique is the careful selection of samples by selecting research objects or subjects that have specific characteristics.

## RESULTS

### 1. Description of Research Data

The data used in this research is secondary data in the form of annual financial report data published on the Indonesia Stock Exchange website. The data obtained will be processed to get answers to the research problem formulation, whether tax avoidance and company value have an influence on company value. Where the object of this research is companies that are constituents. Where the object of this research is companies that are constituents of the Indonesian Stock Exchange during 2020 – 2022. A total of 15 companies have been part of the Indonesian Stock Exchange for three consecutive years and also meet the purposive sampling criteria used by researchers, including the following :

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[3] Pristin Prima Sari and Teguh Erawati, 'The Effect of Tax Avoidance and Company Value Through Debt Moderation', Journal of Business, Finance, and Economics (JBFE), 3.2 (2022).

[4] LR Masrurroch, S Nurlaela, and RN Fajri, 'The Effect of Profitability, Independent Commissioners, Leverage, Company Size and Capital Intensity on Tax Avoidance. The Effect of Profitability, Independent Commissioners, Leverage, Firm Size and Capital Intensity on Tax Avoidance. INOV a SI-, 17(1),', 2021.

Research Sample

| No. | Code | Issuer Name | Information |
|---|---|---|---|
| 1 | ADRO | Adaro Energy Tbk. | Still |
| 2 | AKRA | AKR Corporindo Tbk. | Still |
| 3 | BRPT | Barito Pacific Tbk. | Still |
| 4 | CPIN | Charoen Pokphand Indonesia Tbk. | Still |
| 5 | ERAA | Erajaya Swasembada Tbk. | Still |
| 6 | EXCL | XL Axiata Tbk. | Still |
| 7 | ICBP | Indofood CBP Sukses Makmur Tbk. | Still |
| 8 | INCO | Vale Indonesia Tbk. | Still |
| 9 | INDF | Indofood Sukses Makmur Tbk. | Still |
| 10 | INTP | Indocement Tunggal Prakarsa Tbk. | Still |
| 11 | UNVR | Unilever Indonesia Tbk. | Still |
| 12 | WIKA | PT. Wijaya Karya (Persero) Tbk. | Still |
| 13 | SMGR | Semen Indonesia (Persero) Tbk. | Still |
| 14 | TLKM | PT. Telkom Indonesia (Persero) | Still |
| 15 | KLBF | Kalbe Farma Tbk. | Still |

Data Source: PT. Website, Indonesia stock exchange

**2. Descriptive Statisrical Analysis**

Descriptive statistics are statistics that study procedures for collecting, compiling, presenting and analyzing research data in the form of numbers, in order to provide an orderly, concise and clear picture of a symptom, event and situation so that it can draw a certain meaning.[5] Descriptive statistics attempts to describe various characteristics of data originating from a sample. The following are the results of Descriptive Statistics Analysis obtained in this research.

**Descriptive Statistical Analysis**

| Descriptive Statistics | | | | | |
|---|---|---|---|---|---|
| | N | Minimum | Maximum | Mean | Std. Deviation |
| Tax Avoidance | 45 | 1.17 | 427.97 | 53.8523 | 91.54448 |
| Profit management | 45 | -5.33 | 8.76 | 0.3264 | 1.78792 |
| The value of the company | 45 | 0.59 | 1.00 | 0.9892 | 0.06147 |
| Valid N (listwise) | 45 | | | | |

Source Data: SPSS Version 26.0, 2023

The final result of selecting this research sample was 15 companies with complete data which then became 45 companies during the 3 years of research. The data found by the author is then processed to determine the value of each research variable. Based on the results of descriptive statistical tests, it is known that the independent variable, namely tax avoidance, shows a minimum

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[5] M. Fadhil R. Ananda, Educational Statistics: Theory and Practice in Education.

value of 1.17 and a maximum value of 427.97, while the average value is 53.8523, then the independent variable Profit Management shows a minimum value of -5.33 and a value of 8.76. While the average value is 0.3264. Results of descriptive statistics for the dependent variable, namely company value, show a minimum value0.59 and the maximum value is 1.00 while the average valueamounting to 0.9892 with a standard deviation of 0.06147. This means that the standard error of this variable is low because the data quality is quite good.

3.  **Multiple Linear Regresion Analysis Test**
        Multiple linear regression analysis is carried out to test the influence between two or more variables. This is done to find out whether the regression obtained can estimate changes in the value of the dependent variable or not. The model of multiple linear regression can be seen below:

**Multiple Linear Regression Analysis Test**

| Coefficientsa | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Model | | | | Standardized Coefficients | Q | Sig. | Collinearity Statistics | |
| | | | | Beta | | | Tolerance | VIF |
| 1 | (Constant) | 0.987 | 0.011 | | 90,468 | 0,000 | | |
| | Tax Avoidance | 3,953 | 0,000 | 0.059 | 0.374 | 0.710 | 0.957 | 1,045 |
| | Profit management | 0,000 | 0.005 | -0.009 | -0.056 | 0.956 | 0.957 | 1,045 |
| a. Dependent Variable: Company Value | | | | | | | | |

Source Data: SPSS Version 26.0, 2023

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$$
$$\text{Company Value} = 0.987 + 3.953\ X_1 + 0.000\ X_2 + \varepsilon$$

The multiple linear regression equation above can be explained as follows :
   a.  The constant value ($\alpha$) has a positive value of 0.987. This shows that there is a unidirectional influence between the independent variable and the dependent variable. This means that if the value of the independent variables (Tax Avoidance and Profit Management) increases, then the value of the dependent variable (Company Value) will also increase.
   b.  The Tax Avoidance coefficient value has a positive value of 3,953. This shows that there is a positive influence in the same direction between the Tax Avoidance variable and Company Value. This means that every 1% value added to the Tax Avoidance variable will cause the company value variable to increase by 3,953 with the assumption that the other independent variables have constant values.
   c.  The Profit Management coefficient value has a positive value of 0.000. This shows that there is a positive influence in the same direction between Profit Management and Company Value. This means that every 1% value added to the Profit Management variable will cause the company value variable to increase by 0.000, assuming that the value of the other independent variables is constant.

4.  **Hypothesis Testing**
 a.  **Coefficient of Determination Test (Adjusted $R^2$)**
        This testing method is used to measure the extent of the model's ability to explain variations in the dependent variable. The R2 values is between 0 and 1. A small value indicates that the ability of the independent variable to explain variations in the dependent variable is limited, so the resulting value will be better closer to 1.

**Determination Coefficient Test (Adjusted $R^2$)**

| | | | | | |
|---|---|---|---|---|---|
| **Model Summary b** | | | | | |
| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1 | .058a | 0.003 | 0.044 | 0.06281 | 2,059 |
| a. Predictors: (Constant), Profit Management, Tax Avoidance | | | | | |
| b. Dependent Variable: Company Value | | | | | |

Source Data: SPSS Version 26.0, 2023

The result of the coefficient of determination test above obtained an Adjusted R Square value of 0.444. This shows that the ability of the independent variables (Tax Avoidance and Profit Management) in this study influences the dependent variable (Company Value) by 4.4%. Meanwhile, the remaining 95.6% is influenced by other variables outside the variables used in this research.

b. **Partial Test (T)**

This testing method is carried out to determine how much the independent variable is able to influence the dependent variable individually. If the calculated t value > t table and the sig value. < 0.05, then partially there is a significant influence of the independent variable on the dependent variable. Conversely, if the calculated t value < t table and the sig value. > 0.05, then partially there is no significant influence of the independent variable on the dependent variable. The following are the results of the partial test (t-test) obtained through SPSS data processing.

**Partial (t test)**

| | Model | | | Standardized Coefficients | Q | Sig. |
|---|---|---|---|---|---|---|
| | | | | Beta | | |
| 1 | (constant) | 0.987 | 0.011 | | 90,468 | 0,000 |
| | Tax Avoidance | 3.953E-05 | 0,000 | 9,098 | 0.374 | 0.710 |
| | Profit management | 0,000 | 0.005 | -0.009 | -0.056 | 0.956 |
| a. Dependent Variable: Company Value | | | | | | |

Source Data: SPSS Version 26.0, 2023

1. Tax Avoidance
   Tax Avoidance (X1) Partial test results on the Tax Avoidance variable (X1) show the calculated t value (0.374) < t table value (2.018082) and a significant value of 0.710 > 0.05. This means that the independent variable Tax Avoidance (X1) has no influence and is significant on the dependent variable Company Value (Y). So it can be concluded that the null hypothesis (H0)

is accepted and the first hypothesis (H1) is rejected.

2. Profit management

Profit Management (X2) Partial test results on the Profit Management variable (X2) show the calculated t value (-0.056) < t table value (2.018082) and a significant value of 0.956 > 0.05. This means that the independent variable Profit Management (X2) has no influence and is significant on the dependent variable Company Value (Y). So it can be concluded that the null hypothesis (H0) is accepted and the first hypothesis (H2) is rejected.

c. **Simultaneous Test (F)**

Simultaneous testing is a testing method carried out to see whether the independent variables together have an effect on the dependent variable. If the calculated F value > F table and the significant value < 0.05, then simultaneously there is a significant influence of the independent variable on the dependent variable. On the other hand, if the calculated F value < F table and the significant value is > 0.05, then simultaneously there is no significant influence of the independent variable on the dependent variable.

**Simultaneous Test (F Test)**

| ANOVAa | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
| 1 | Regression | 0.001 | 2 | 0,000 | 0.070 | .932b |
| | Residual | 0.166 | 42 | 0.004 | | |
| | Total | 0.166 | 44 | | | |
| a. Dependent Variable: Company Value | | | | | | |
| b. Predictors: (Constant), Profit Management, Tax Avoidance | | | | | | |

Source Data : SPSS Version 26.0, 2023

Table Simultaneous Test (F) above shows the results of the simultaneous test of the independent variable and the dependent variable. Where it can be seen that the calculated F value is (0.070) < table F value (3.21) and the significant value is 0.932 > 0.05. This means that the independent variables (Tax Avoidance, Profit Management) simultaneously have no influence and are significant on the dependent variable Company Value (Y). So it can be concluded that H0 is accepted and H3 rejected.

d. **Chi-Square Test**

The chi-square test is a type of test that uses an ordinal data scale carried out on two variables, where the data scale for both variables is nominal. If there are two variables, with one nominal scale variable then what must be done is the Chi-square test by looking at the lowest degree.

**Chi-Square Test**

| Chi-Square Tests | | | |
|---|---|---|---|
| | Value | df | Asymptotic Significance (2-sided) |
| Pearson Chi-Square | 118.125a | 140 | ,910 |
| Likelihood Ratio | 35,352 | 140 | 1,000 |

| Linear-by-Linear Association | ,001 | 1 | ,982 |
|---|---|---|---|
| N of Valid Cases | 45 | | |

(Source) Data: SPSS Version 26.0, 2023.

## DISCUSSION

**Does Tax Avoidance Influence the Value of Companies listed on the Indonesia Stock Exchange For the 2020-2022 period**

Based on the results of research conducted by researchers on companies listed on the Indonesian stock exchange regarding whether tax avoidance affects the value of companies listed on the Indonesian stock exchange for the 2020-2022 period.

The results of the tests that have been carried out show that there is no significant influence between Tax Avoidance on the value of companies listed on the Indonesian Stock Exchange in 2020-2022.

This is proven by the results of the partial test (t-test), which obtained a calculated t value (0.374) < t table value (2.018082) and a significant value of 0.710 > 0.05. This means that the Tax avoidance variable does not have a significant influence on the dependent variable Company Value (Y). So it can be concluded that H1 is rejected and H0 is accepted.

Tax avoidance is any form of activity that has an effect on tax obligations, both activities permitted by tax and special activities to reduce tax. The reason companies carry out tax avoidance practices is to reduce the tax burden that will later be paid by the company.

According to Nanda Oktavia Ximenes et al, tax avoidance for some companies is considered normal as part of tax management, because companies have the right to control their expenses. The success and effectiveness of management can be seen from the company's profitability ratio.[6] However, contrary to the theory above, the results obtained in this research show that there is no significant influence so it can be said that the higher the tax avoidance carried out by the company, the more the company value will decrease as reflected in the company's share price. This shows that there is still a lack of more optimal monitoring of performance so that tax avoidance can be carried out in order to increase company value.

The results of this research are in line with the results of research conducted by Muhammad Fahmi and Muhammad Derry Prayoga.[7] Proves that tax avoidance has a negative effect on company value. However, this research contradicts the results of research conducted by Nanda Oktavia Ximenes et al in.[8] And Fachrun Alhamid.[9] Which states that companies are considered normal as part of tax management, because companies have the right to control their burden. Success and effectiveness thus have an influence on company value.

**Does Earnings Management Affect the Value of Companies listed on the Indonesian Stock Exchange for the 2020-2022 period**

Based on the results of research conducted by researchers on companies listed on the Indonesian stock exchange regarding whether earnings management has an effect on the value of companies listed on the Indonesian stock exchange for the 2020-2022 period.

The results of the tests that have been carried out show that there is no significant influence between earnings management on the value of companies listed on the Indonesian Stock Exchange in

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[6] Nanda Octavia Ximenes, I Nyoman Darmayasa, and Dahyang Ika Leni Wijayani, 'Analysis of the Influence of Profitability, Leverage, and Audit Committees on Tax Avoidance in Health Sub-Sector Companies on the Indonesian Stock Exchange in 2020-2022'.

[7] M Prayoga M.fahmi, 'The Influence of Profit Management on Company Value with Tax Avoidance as a Mediating Variable. Influence of Profit Management on Company Value with Tax Avoidance as a Mediating Variable', Liabilities (Journal of Accounting Education), 2018.

[8] Ximenes, Darmayasa, and Wijayani, 'Analysis of the Effect of Profitability, Leverage, and Audit Committee on Tax Avoidance in Health Sub-Sector Companies on the Indonesian Stock Exchange in 2020-2022'.

[9] Fachrun Al-Hamid, 'The Influence of Profitability, Leverage, Company Size, Company Age, and Institutional Ownership on Tax Avoidance During the Pandemic (Empirical Study of Consumer Cyclical Sector Companies in 2020-2022)', 2023.

2020-2022.

This is proven by the results of partial testing (t-test) obtained by the calculated t value (-0.056) < t table value (2.018082) and a significant value of 0.956 > 0.05. This means that the earnings management variable does not have a significant influence on the dependent variable Company Value (Y). So it can be concluded that H1 is rejected and H0 is accepted.

Earnings management is the manager's actions in choosing accounting policies as an effort to achieve goals. Earnings management as a specific intervention in the external financial reporting process with the aim of obtaining profits for one's own interests. Earnings management as an act of profit manipulation in conflict with accounting practices so that it affects shareholders and is in conflict with the basic concept of fairness of earnings presentation.[10]

When carrying out earnings management, it is very necessary to adapt it to sharia accounting principles. There are three basic principles in sharia accounting, namely the principles of justice, accountability and truth.

Referring to sharia accounting theory which states that the principles of sharia accounting are: 1) Sharia accounting has the principle of responsibility as a form of implementation of the teachings stated in the Al-Qur'an. This means that every human being is taught to always be responsible for his actions. 2) The principle of justice comes from the word fair which is fundamental and based on sharia and moral values. This means that justice is a driving force for deconstructing efforts to develop modern accounting into a better alternative accounting. 3) Sharia accounting also has the principle of truth which is continuous with the principle of justice. The existence of this principle of truth will create fairness in recognizing, measuring and reporting every economic transaction.

The theory above explains that earnings management cannot be separated from sharia accounting principles which regulate achieving prosperity with the aim of establishing long-term relationships between the company and customers, in acting fairly to all customers, being responsible and providing correct reporting both from company reporting. In applying the principle of truth, it cannot be separated from the principles of accountability and justice because to measure truth, it is through measuring responsibility and justice.

This theory is in line with the research results of Muhammad Fahmi and Muhammad Derry Prayoga which state that earnings management does not have a significant influence, because data manipulation affects shares in a company. The results of this research are contradictory. The results of this research are also in line with research conducted by Sagita & Khairani,[11] that earnings management has a positive but not significant effect on company value. This shows that the earnings management carried out by the company has nothing to do with the value of the company, because earnings management is a difference in interests between capital owners and managers, so that earnings management carried out by the company does not affect the value of the company.

**Do Tax Avoidance and Earnings Management Simultaneously Influence the Value of Companies listed on the Indonesian Stock Exchange for the 2020-2022 period**

The results of simultaneous tests carried out show that together there is no significant influence between Tax Avoidance and Profit Management on the value of companies listed on the Indonesian Stock Exchange in 2020-2022. This is proven by the results of the F-test carried out, where the calculated f value (0.070) < table F value (3.21) and a significant value of 0.932 > 0.05 is obtained. This means that the independent variables (Tax Avoidance, Profit Management) and simultaneously do not have influence and significance on the dependent variable Company Value (Y). So it can be concluded that H0 is accepted and H3 rejected.

The results obtained in this research prove that the variables Tax avoidance and earnings management together do not have a significant influence on company value. Where the results of this research are in line with the results of research conducted by Haqi Fadillah and Muhammad Fahri and

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[10] Patricia M Dechow and Douglas J Skinner, 'Earnings Management: Reconciling the Views of Accounting Academics, Practitioners, and Regulators', Accounting Horizons, 14.2 (2000), 235–50'.

[11] Angelina Sagita and Siti Khairani, 'The Effect of Tax Avoidance, Information Transparency, and Profit Management on Company Value (Study of Manufacturing Companies Listed on the Indonesian Stock Exchange 2013-2016)', 2018.

Muhammad Derry Prayoga that tax avoidance and earnings management do not have a direct relationship to company value.

A company is not only looking for maximum profits but how the company can also provide benefits to its investors, one way is by avoiding taxes, the taxes paid by small companies and company profits will be distributed to large investors so that it can increase the value of the company However, this action will weaken the relationship between tax rates and company value.[12]

Company value (firm value) basically also shows the net worth of the company owner (shareholder wealth). Creation of company value is carried out by managing company performance in such a way as to obtain increased income and reduced risk.[13] For companies that are registered on the IDX, the value of the company can be seen from the market value of the shares when they are traded on the capital market. The high and low stock prices will be directly proportional to the company value. When stock prices rise, so does the value of the company.

## CONCLUSION

Based on the results of research and discussions related to the influence of tax avoidance and profit management on the value of companies listed on the Indonesian Stock Exchange, the following conclusions can be drawn:

a. Based on research that has been carried out, partial Tax Avoidance does not have a significant influence on the value of companies listed on the Indonesian Stock Exchange 2020-2022. This is proven by the t-test carried out, where the calculated t value was obtained (0.374) < t table value (2.018082) and a significant value of 0.710 > 0.05.

b. Based on research that has been conducted, it is known that earnings management does not have a significant influence on company value in listed companies listed on the Indonesian Stock Exchange 2020-2022. This is proven by the t-test carried out, where the calculated t value (-0.056) < t table value (2.018082) and a significant value of 0.956 > 0.05.

c. Based on the research that has been carried out, it is known that together there is no significant influence between Tax Avoidance and Profit Management on the value of companies listed on the Indonesian Stock Exchange in 2020-2022. This is proven by the results of the F-test carried out, where the calculated F value was obtained (0.070) < table F value (3.21) and the significant value was 0.932 > 0.05. This means that the independent variables (Tax Avoidance, Profit Management) simultaneously have no influence and significant for the dependent variable Company Value (Y).

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