

Tax Planning and Corporate Governance on Firm Value: Board Diversity as Moderating

Amelia ^a, Yulius Kurnia Susanto ^b

^{ab} Trisakti School of Management, Jakarta, Indonesia

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ABSTRACT

This research is intended to analyse the influence of tax planning, CEO ownership, female member, board size, board independence, audit committee, and board meeting on firm value and the influence of board education background and board age on the relationship between tax planning and firm value in non-financial companies listed in Indonesia Stock Exchange. The population of this research are all non-financial companies consistently listed in Indonesia Stock Exchange from 2016 to 2018. This research uses 53 samples of non-financial companies selected through purposive sampling method resulting in 159 data to be analysed using moderating regressions analysis. The result of this research showed that audit committee has influence positive and significant on firm value. The board age has influence positive and significant on the relationship between tax planning and firm value. While tax planning, CEO ownership, female member, board size, board independence, board meeting have no significant influence on firm value. The influence of board education background on the relationship between tax planning and firm value has no significant. The increase in the size of audit committee will increase the value of firm, it is because the presence of audit committee that consists of independent members will reduce financial manipulation or fraud in the firms. Board age is strengthen the relationship between tax planning and firm value. Because the older the member of board directors, the more they obey their obligation to pay taxes, so the tax planning activities will be more effective and it will increase the value of the firm.

Keywords: Firm Value, Tax Planning, Board Diversity, Corporate Governance