RISET
JURNAL APLIKASI EKONOMI AKUNTANSI DAN BISNIS

THE EFFECT OF TAX PLANNING AND VOLUNTARY DISCLOSURE ON COMPANY VALUE WITH PROFIT QUALITY AND AUDIT QUALITY AS MODERATION

Kusuma Dewi [1)], Syahril Djaddang [2)], Edy Supriyadi [3)]
Institute of Business and Informatics Kesatuan [1)] *Postgraduate School of Pancasila University* [2, 3)]

ARTICLE INFO

The Effect of Tax Planning and Voluntary Disclosure on Company Value with Profit Quality and Audit Quality as Moderation

Submitted:
19 – Februari - 2021
Revised:
1 – Maret - 2021
Accepted:
25 – Maret - 2021

ABSTRACT

This study aims to determine the effect of tax planning and voluntary disclosure on firm value with earnings quality and audit quality as moderation in pharmaceutical industry manufacturing companies listed on the Indonesia Stock Exchange for the period 2009-2018. The sample in this study amounted to 80 samples determined by the purposive sampling method. Tests are carried out using the Moderated Regression Analysis (MRA) test using Eviews 9. The test results show that tax planning and earnings quality have a significant negative effect on firm value. Voluntary disclosure has a positive effect on company value. And the quality of earnings does not affect the value of the company. Tax planning and voluntary disclosure have a significant effect on company value when moderated by earnings quality. Tax planning and voluntary disclosure do not have a significant effect on company value when moderated by audit quality. Earnings quality and audit quality can strengthen the relationship between tax planning and voluntary disclosure of company value.

Keywords: tax planning, voluntary disclosure, earning quality, audit quality, firm value

E-mail : kusumadewichandra@gmail.com[1)]*,djaddangsyahril@gmail.com*[2)]*, edyyadi2@univpancasila.ac.id*[3)]

INTRODUCTION

A company is founded with a clear objective, namely to achieve maximum profit or maximum profit (Martono & Harjito, 2005). One of the company's goals, namely increasing high company value, is a long-term goal that the company should achieve which will be reflected in the market price of its shares. In this case, the investor's assessment of the company can be observed through the movement of the company's stock price which is transacted on the stock exchange for companies that have go public. Investors can see that there are investment opportunities, both giving positive and negative signals regarding the company's future growth, which will result in an increase or decrease in the value of the company.

The company value is the price that would be paid if the company was sold (Kurniawati, 2016). Meanwhile, according to Hermuningsih (2012), company value is a reflection of company performance that affects investors' perceptions of a company. When the value of the company increases, the welfare of shareholders will increase (Anita & Yulianto, 2016). The increase in shareholder welfare will attract other investors to invest in the company. The interest of these investors can increase the value of the company's shares so that the stock market value will be high if the value of the company is also high (Pradnyana & Noviari, 2017).

In the context of the signal theory that emphasizes the importance of information issued by the company on investment decisions from outside the company, company management will certainly provide information to investors. Complete, relevant, accurate, and timely information is needed by investors in the capital market as an analytical tool for making investment decisions (Butarbutar in Laksono, 2014). From this information, investors can determine which companies have good corporate value so that they can bring benefits to investors (Pradnyana & Noviari, 2017). The value of the company report can be used as a tool to convince investors and potential investors.

In this study, firm value is measured using Tobin's Q ratio. *Tobin's Q* was developed by professor James Tobin. This Tobin's Q ratio can show the current financial market estimate of the return on each dollar invested. The rise and fall of firm value is an interesting phenomenon to discuss. The phenomenon of the company's value is measured by Tobin's Q. The average value of the company at the pharmaceutical company through Tobin's Q calculation shows that the average value of the pharmaceutical company in the year 2009-2018 experienced a fluctuating movement. Where in 2009, the average company value in pharmaceutical companies was 1.23, then in 2010 it increased to 1.61. In the year 2011, it was 1.52 which then increased in 2012 to 2.68 then in 2013 and 2014 it was 2.81. But in 2015 it decreased again to 2.09 which then rose again in 2016, 2017 and 2018 respectively 3.65, 3.70, and 3,69.

This study, using the object of pharmaceutical companies listed on the Indonesia Stock Exchange in the 2009-2018 period. The reason for choosing this company object is because pharmaceutical companies have such a large market in Indonesia. In 2011-2016, the Indonesian pharmaceutical market grew by an average of 20.6%/year (compound annual growth rate/CAGR) (Source: Kalbe Company presentation, 2016). Besides, with the existence of a government regulation that has imposed the obligation of the Indonesian people to register as members of the BPJS (Health Insurance Administration), all Indonesians are given the convenience of handling their health by visiting health facilities for medicinal purposes, so that the need for the production and consumption of drugs becomes to increase. This condition makes pharmaceutical companies one of the right choices for investors to invest in. According to that, pharmaceutical industries and should be able to maintain this success. However, in achieving this success, some problems will arise that can affect the value of the company.

The fluctuation of company value can be caused by many factors. Management decision-making can also be a factor that affects the value of the company, including financial decisions. Most investors are often only attracted to the level of profit without paying attention to how that profit is obtained as well as the supervision and control system in the process of presenting the company's financial statements. In this case, management decision-making is very crucial in the process of presenting the company's financial statements.

Management decision-making can be a factor that affects the value of the company, including in financial decisions, one of which is by doing tax planning to minimize tax payments. Taxes are a source of state revenue, in this case, taxes have a role as a source of funds for state financing originating from the non-oil and gas sector, so that the role of taxes should be optimally increased to accelerate the rate of growth in Indonesia (Chasbiandani & Martani, 2012). However, when it is implemented in the context of tax revenue, tax avoidance is inevitable. Tax avoidance is an effort for taxpayers not to commit acts that are subject to tax or efforts that are still within the framework of taxation legislation to reduce the amount of tax that needed to be paid (Martini et . Al . In Hidayat & Hairi, 2016). Tax avoidance is a bundle of activities of tax planning. According to Desai & Dharmapala (2009), tax planning can be seen from the perspective of the traditional theory which explained that the value of the shareholders in the company will increase with activity tax planning.

In this study, the proxy to measure tax planning is to use the Effective Taxes Rate (ETR) value. According to Irawan (2018), ETR can describe the percentage of companies paying actual taxes on commercial profits that a company receives. The higher the ETR value, it can indicate that the company is not doing enough tax planning.

Besides, demands for disclosure of information by investors are an important issue in the capital market in line with developments in the capital market. Disclosure of information in financial reports is very important in terms of public accountability. Management's decision-making on the presentation of the company's financial statements also plays an active role in disclosing information needed by investors. The importance of company information for its users makes the Capital Market Supervisory Agency / Bapepam (now the Financial Services Authority) through the Kep-431/BL/2012 regulation, obliging all companies listed on the Indonesia Stock Exchange (IDX) to issue an annual report. In this regulation, companies are also required to disclose financial and non-financial information in their annual reports. For this reason, companies need to provide relevant information either through mandatory or voluntary information. The existence of non-financial information that is voluntary disclosure that is disclosed by the company, such as private information, is expected to be *good news* for shareholders so that it can shape the company's value.

To give shareholders more confidence, companies must present good financial reports. Financial reports are expected to provide useful information for investors. In the financial statements, profit is an indicator that can be used to measure the operational performance of a company. The earnings report is expected to help investors and potential investors to make decisions (Siallagan, 2009). Good earnings quality in a company can help influence investors in the decision-making process so that it can affect company value. (Dechow & Dichev, 2002). Management will also certainly use quality audit services in auditing its financial statements. Audit quality is an indicator in selecting auditors. Audit quality is all the possibilities that can occur when the auditor audits the client's financial statements and finds errors or violations that have occurred, then reports them in the audited financial statements (Dewi and Jati in Irawan, 2018). Good audit quality will help provide positive signals for shareholders so that it will affect company value.

This study refers to the research conducted by Pradnyana & Noviari (2017), Yuono & Widyawati (2016), Herawati & Ekawati (2016) Lestari (2014), Perdana (2014), Lupita Ade Arisanti & Daljono (2014), Esfesalari & Zarei (2013), Melyana & Syafruddin (2015), and Leuz & Wysocki (2015). This research is designed by modifying the research that has been done by the research above to see the effect of tax planning, voluntary disclosure, earnings quality, and audit quality on firm value. Furthermore, this study will also look at the role of earnings quality and audit quality in moderating the effect of tax planning and voluntary disclosure on firm value.

Based on the phenomena and research gap above, the problem formulations in this study are: (1) whether tax planning affects firm value. (2) whether voluntary disclosure affects firm value. (3) whether tax planning affects firm value when moderated by earnings quality. (4) whether tax planning affects firm value when moderated by audit quality. (5) whether voluntary disclosure affects firm value when moderated by earnings quality. (6) whether voluntary disclosure affects firm value when moderated by audit quality. (7) does earnings quality affect firm value and (8) does audit quality affect firm value?

LITERATURE REVIEW

Signaling Theory

Signaling theory emphasizes the importance of information issued by the company on investment decisions to the outsiders. Information is an important element for investors and business people because information essentially provides information, notes, or pictures for the past, present, and future conditions for the survival of a company and the value of the company’s share. Complete, relevant, accurate, and timely information is needed by investors in the capital market as an analytical tool for making investment decisions. (Butarbutar in Laksono, 2014) Generally, investors will be interested in investing in stocks by considering income, growth, and diversification. If investors know the benefits that will be obtained from the company, investors can quickly estimate the company's stock price and the dividends received. In the context of the signal theory, company management will certainly provide information to investors. From this information, investors can determine which companies have good corporate values so that they can bring benefits to investors. (Pradnyana & Noviari, 2017).

Stakeholder Theory

According to Suratno et al. (2016), the stakeholder theory says a company is not an entity that only operates for its shareholders, but must benefit stakeholders (shareholders, creditors, customers, suppliers, government, public, analysts, and other parties). The main objective of the company is to maximize the benefits of its owner. In stakeholder theory, stakeholders have the authority to influence management in the process of exploiting all the potential of an organization or company. Because an organization or company is well managed and can maximize all its potential, the organization or company will be able to create added value which will then encourage financial performance and company value which is the orientation of stakeholders in management intervention. (Ulum, 2009)

The Company’s Value

The company’s value is the price that would be paid if the company was sold (Kurniawati, 2016). Meanwhile, according to Hermuningsih (2012), company value is a reflection of company performance that affects investors' perceptions of a company. A high company value will make the market believe that the company is performing well and has prospects for the future.

In this study, the measurement of firm value will use Tobin's Q proxy. Because *Tobin's Q* can summarize future information that is relevant to investment decisions. According to Weston and Copeland in Kurniawan (2009), Tobin's Q is calculated by comparing the ratio of the company's stock market value to the book value of the company's equity. Tobin's Q formula is as follows:

$$Q = \frac{\mathrm{EMV + D}}{\mathrm{EBV + D}}$$

Where :

Q = company value
EMV = market value of equity
EBV = book value of total equity
D = book value of total debt

In Tobin's Q analysis, if Tobin's Q value < 1, it indicates that the book value of the company's assets is greater than the company's market value. This means that the value of the company's shares is undervalued so that the company will become an attractive acquisition target, either to be merged with other companies or to be liquidated. Conversely, if Tobin's Q > 1 value indicates that the company's market value is higher than the book value of its assets (overvalued), so this indicates that the company has high growth potential so that the company's value is more than just its asset value (Prasetyorini, 2013).

Tax Planning

Tax planning is the process of taking the relevant *tax factor* and material non-tax factor to determine whether, when, how, and with whom (which party) to carry out transactions, operations, and trade relations that allow the achievement of the tax burden on the lowest possible and consistent tax events. by achieving business and other goals (Winanto & Widayat, 2013).

In this study, tax planning was measured using the Effective Taxes Rate (ETR) formula. ETR is used to measure the reflection of tax planning which reduces the company's tax liability without having to reduce accounting income. ETR assesses a company's tax performance by evaluating the company's actual tax burden.

ETR provides a basic summary of tax performance statistics that illustrates the amount of tax paid by a company relative to profit before tax. This measure reflects aggressive tax planning through permanent bookkeeping differences (Nwaobia, Kwarbai, & Ogundajo, 2016). The following is the ETR formula :

$$ETR = \frac{\text{Income Tax Expense}}{\text{Earning Before Tax}}\ x\ 100\%$$

Voluntary Disclosure

Voluntary disclosures are all disclosures other than those required by Bapepam. This voluntary disclosure will be very useful to reduce information asymmetry that occurs in the capital market. The existence of non-financial information that is voluntary disclosure, that is disclosed by the company, such as private information, is expected to be good news for shareholders so that it can shape the company's value. Voluntary disclosure is one way to increase the credibility of a company's financial reporting and help investors understand the company's business strategy (Sotomo in Nuswandari, 2009).

The area of voluntary disclosure is obtained from how much information is disclosed in the financial statements and adjusted using an index that is compiled and divided using the total of all items of voluntary disclosure. The calculation of the voluntary disclosure index in this study refers to items that have been used in the research of Sehar et al. (2013) which have been adjusted to the regulations of the Capital Market and Financial Report Supervisory Agency (BAPEPAM & LK) Number KEP-431/BL/2012 concerning Report Submission Annual Issuer or Public Company. After removing all items of mandatory disclosure information from the list of voluntary disclosure items consisting of 33 items. In calculating the voluntary disclosure index for each sample company item sample is carried out by giving a score if an item is disclosed it is given a value of 1 and if not disclosed is given a value of 0. Then the scores are added up to get a total score for voluntary disclosure. Then the last one compares the total score obtained by each sample company with the maximum score of the items used in this study, namely 33 items. The formula for these measurements is :

$$VD = \frac{\mathrm{n}}{\mathrm{k}}$$

Where :
VD = voluntary disclosure
n = Number of voluntary disclosure items included in the report
k = The sum of all voluntary disclosure items

Profit Quality

According to Bellovary, et al in Irawan (2018), earnings quality is defined as the ability of earnings to reflect the truth of company earnings and can help predict future earnings and taking into account the stability and persistence of earnings. According to Chandrarin in Irawan (2018), one of the characteristics of determining earnings quality is the relationship between accounting earnings and cash flow. The higher the level of correlation between accounting profit and cash flow, the higher the quality of earnings, this is due to the large number of income and expense transactions that are not accrual cash, so the recording of revenue or expense recognition is more objective in profit and loss. The formula for measuring the quality of earnings is:

$$Profit\ Quality = \frac{\text{Cash Flow Operation}}{\text{Profit Before Interest and Tax}}$$

Audit Quality

According to de Angelo (1981), audit quality is an assessment by the market where there is a possibility that the auditor will provide discovery of a violation in the client's accounting system and detect a violation in recording the financial statements. In this study, audit quality is proxied by current accruals. Where the high level of conservatism that an auditor has associated with a low accrual level is considered to improve audit quality. (Rustiarini, 2012). The current accrual formula is (Djaddang & Sulistiawarni, 2018; Irawan, 2018; Manry, Mock, & Turner, 2008; Rustiarini, 2012):

Accrual Current = (ΔAL - ΔKAS) - (ΔLL - ΔLJP)

Where :
ΔAL = change in current assets
ΔCASH = change in cash and cash equivalents
ΔLL = change in current liabilities
ΔLJP = change in long-term liabilities

RESEARCH METHOD

The population in this study were all 12 pharmaceutical industrial manufacturing companies listed on the Indonesia Stock Exchange. Sampling using purposive sampling method, namely the sampling method based on determining certain characteristics and criteria that have been adjusted to the objectives of the study.

This study uses multiple linear regression analysis using unbalance panel data and Moderated Regression Analysis (MRA). Moderated Regression Analysis to examine the relationship between the independent and dependent variables in which some factors can strengthen or weaken (moderating variables).

This analysis technique requires a classic assumption test, namely the normality test and multicollinearity test. Several statistical tests for testing the regression equation model are descriptive statistics; model specification test by selecting one of three approaches, namely the Common Effect Model, Fixed Effect Model, or Random Effect Model whose selection is tested by Chow Test, Hausman Test, and Lagrange Quotlier Test; and the coefficient of determination (R^2). To facilitate the implementation of calculations, this study uses the EViews tool.

The two regression models used are as follows:

1. $\mathbf{Q = \beta_0 + \beta_1 ETR + \beta_2 VD + \beta_3 KL + \beta_4 KA + \varepsilon}$
2. $\mathbf{Q = \beta_0 + \beta_1 ETR + \beta_2 VD + \beta_3 KL + \beta_4 KA + \beta_5 ETR * KL + \beta_6 ETR * KA + \beta_7 VD * KL + \beta_8 VD * KA + \varepsilon}$

Information:

Q = Firm Value
ETR = Tax Planning
VD = Voluntary Disclosure
KL = Profit Quality
KA = Audit Quality
β = Regression Coefficient
ε = Error Term

RESULTS AND DISCUSSION

Some of the criteria used to take samples in this study are:

1. Pharmaceutical industry manufacturing companies that were listed and active on the Indonesia Stock Exchange for consecutive years 2009-2018.
2. The company publishes its complete financial and annual reports for 2009-2018.
3. The company's financial statements are published on December 31 for uniform analysis and sample.
4. The financial statements are presented in Rupiah currency so that there are no differences in exchange rates when presented in other currencies.
5. The company announced its share price during the 2009-2018 observation period.
6. Have complete data following the variables used in the study

From the purposive sampling process, 80 observational data can be obtained from the pharmaceutical sector manufacturing companies that are the object. The following are pharmaceutical industry manufacturing companies that meet the sample criteria:

Table 1 Research Sample

No.	Company Code	Company name
1	DVLA	PT Darya Varia Laboratoria, Tbk
2	EPMT	PT Enseval Putera Megatrading, Tbk
3	INAF	PT Indofarma (Persero), Tbk
4	KAEF	PT Kimia Farma (Persero), Tbk
5	KLBF	PT Kalbe Farma, Tbk
6	PYFA	PT Pyridam Farma, Tbk
7	SDPC	PT Millenium Pharmacon International, Tbk
8	TSPC	PT Tempo Scan Pacific, Tbk

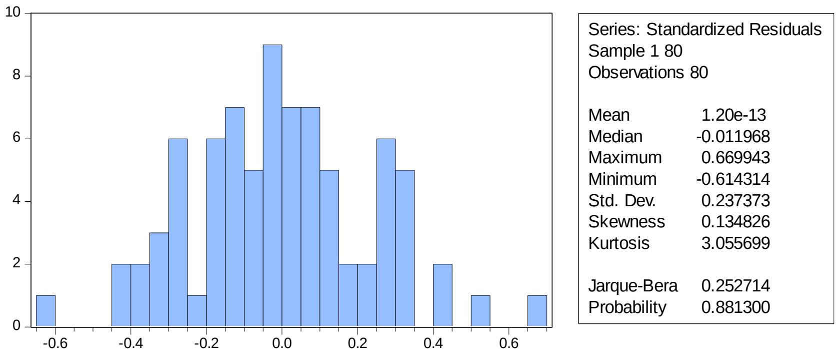
Source: Secondary data processed in the study

In the descriptive data, it can be concluded that the pharmaceutical industry manufacturing company for the period 2009-2018 is the Tobin's Q average value of 2.559, the maximum value is 14.622, and the minimum value is 0.668. The average ETR value is 0.282 or 28.2%, the maximum value is 0.832 or 83.2%, and the minimum value is -0.03 or -3%. The average value of voluntary disclosure (VD) was 0.487 or 48.7%, the maximum value was 0.727 or 72.7%, and the minimum value was 0.242 or 24.2%. The average value of earnings quality is 0.921 or 92.1%, the maximum value is 19.14 or 1.419%, and the minimum value is -6.656 or -6.656%. Meanwhile, the average value of audit quality is Rp.124.35 billion, the maximum value is Rp.766 billion, and the minimum value is Rp.292 billion.

To test for errors in the regression model that will be used in the study, classical assumption testing must be carried out so that the research is not biased. In this study, the classical assumption test used was the normality test and multicollinearity test. Autocorrelation and heteroscedasticity tests were not performed because the data used in this study were panel data. Autocorrelation will occur in *time series* or panel data. Meanwhile, heteroscedasticity will occur if the data is cross-section or panel.

Normality test

Graph 1 Normality Test



Source: data processed from Eviews 9

From graph 1, the test results for the equation model show that the probability > the significance value of 0.05 is 0.888096, meaning that the residuals of the model being tested are currently in a normal distribution.

Multicollinearity Test

Table 2 Multicollinearity Test

	ETR	VD	KL	KA
ETR	1,000000	-0.008669	- 0.043948	0.574394
VD	-0.008669	1,000000	-0.117069	-0.216221
KL	- 0.043948	-0.117069	1,000000	-0.033890
KA	0.574394	-0.216221	-0.033890	1,000000

Source: data processed from Eviews 9

From table 2, the test results show that each variable has a coefficient value of <0.8, meaning that the model being tested does not experience multicollinearity problems.

Test result

Before doing the hypothesis test, previously carried out the mode specification test for 2 (two) regression model equations. Where the second equation model is tested by the model specification test which produces the Common Effect Model as the best approach compared to Fixed Effect Model and Random Effect Model.

Table 3 Hypothesis Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	195.5624	88,86636	2,200635	0.0310
ETR	-170.4645	50,93850	-3.346477	0.0013
VD	62.96055	19.57978	3.215590	0.0020
KL	-18.96288	7,560297	-2.508219	0.0144
KA	7.910442	5.483378	1.442622	0.1535
ETR_KL	14.45930	4.295880	3.365852	0.0012
ETR_KA	0.118208	0.249843	0.473131	0.6376
VD_KL	-3.952885	1.365903	-2.893972	0.0050
VD_KA	-4.693057	3.034513	-1.546560	0.1264

Source: data processed from Eviews 9

From table 3, it can be concluded for the first equation that tax planning (0.0105) and voluntary disclosure (0.0004) have a significant effect on firm value at the 5% significance level, earnings quality (0.0977) has a significant effect on firm value at a significance level of 10%, while the quality of the audit (0.2847) does not affect significantly firm value. The following is a multiple regression equation models for the first equation, namely:

$Q = -1.0912 + 0.0461\ ETR + 0.8465\ VD - 0.0392\ KL - 0.1202\ KA + \varepsilon$

Whereas the second equation shows that tax planning (0.0013) and voluntary disclosure (0.0020), and earnings quality (0.0144) have a significant effect on firm value at a significance level of 5%, while audit quality (0.1535) does not has a significant effect on firm value. Tax planning has a significant effect on firm value at a significance level of 5% if it is moderated by earnings quality (0.0012). Voluntary disclosure has a significant effect on firm value at a significance level of 5% if it is moderated by earnings quality (0.0050). Tax planning has no significant effect on firm value if it is moderated by audit quality (0.6376). Voluntary disclosure has a significant effect on firm value if it is moderated by audit quality (0.1264). The following is a multiple regression equation models for the second equation, namely :

Q = 195.5624 - 170.4645 ETR + 62.96055 VD - 18.96055 KL + 7.910443 KA + 14, 45930 ETR * KL + 0.118208 ETR * KA - 3.952885 VD * KL - 4.693057 VD * KA + ε

Determination Coefficient Test

Table 4: Model 1 Determination Coefficient Test Results

R-squared	0.280557	Mean dependent var	0.276015
Adjusted R-squared	0.242187	SD dependent var	0.313963
SE of regression	0.273313	Akaike info criterion	0.304062
Sum squared resid	5.602494	Schwarz criterion	0.452939
Log-likelihood	-7.162489	Hannan-Quinn criter.	0.363751
F-statistic	7.311836	Durbin-Watson stat	2.216793
Prob (F-statistic)	0.000050		

Source: data processed from Eviews 9

Based on the test results shown in the table above, the coefficient of determination obtained an Adjusted R-Square (R^2) value of 0.24187. This means that about 24,2187 % of the state of firm value can be explained from the state of tax planning, voluntary disclosure, audit quality, and earnings quality. Then the remaining 75.7813 % of the state of the firm's value is influenced or can be explained by other factors.

Table 5: Model 2 Determination Coefficient Test Results

R-squared	0.428382	Mean dependent var	0.276015
Adjusted R-squared	0.363974	SD dependent var	0.313963
SE of regression	0.250390	Akaike info criterion	0.174057
Sum squared resid	4.451345	Schwarz criterion	0.442035
Log-likelihood	2.037733	Hannan-Quinn criteria.	0.281497
F-statistic	6.651095	Durbin-Watson stat	2.220115
Prob (F-statistic)	0.000002		

Source: data processed from Eviews 9

Based on the test results shown in the table above, the coefficient of determination obtained an Adjusted R-Square value of 0.363974. This means that about 36,3974 % of the state of firm value can be explained from the state of tax planning and voluntary disclosure which is moderated by audit quality and earnings quality. Then the remaining 63.6026 % of the state of the firm's value is influenced or can be explained by other factors. It can be seen from table 4 and table 5 that the coefficient of determination from model 1 before moderation is 24,2187 % and model 2 after moderation is 36,3974 %, it can be concluded that earnings quality can strengthen moderation.

Interpretation of Research Results

Effect of Tax Planning on Company Value

Tax planning is an effort made by company management so that the tax burden that must be paid is not too high. Tax planning is carried out by managing and manipulating transactions that occur within the company to maximize profits. Tax planning is quite effective as an effort to reduce the tax burden, besides that tax planning activities are also allowed and do not violate the Taxation Laws in force in Indonesia (Yuono & Widyawati, 2016).

From table 3, it can be seen that the tax planning significance value (ETR) is 0.0013 < 0.05, meaning that the tax planning regression coefficient (ETR) has a significant effect. The coefficient value = -170.4645 indicates that tax planning (ETR) harms firm value. It can be concluded if the Tax Planning (ETR) rose by 1 the value of the variable value of the company manufacturing the pharmaceutical sector in the year 2009-2020 listed on the Stock Exchange will drop by 170, 4645. In other words, Tax Planning (ETR) has a significant negative effect on firm value. This means that to reduce the managerial tax burden, profit manipulation or placement of resources is inappropriate and lacks transparency in carrying out company operations so that tax planning harms company value. In this case, the company carries out tax planning through tax evasion or illegal tax avoidance.

The Effect of Voluntary Disclosure on Firm Value

Information companies in publishing annual reports are very important information for users, including investors. The Kep-431/BL/2012 regulation requires all companies listed on the Indonesia Stock Exchange (IDX) to issue an annual report by disclosing both financial and non-financial information in their annual reports. Not only the information required, but the company will also need to provide information that is deemed relevant to the volunteer.

From table 3, it can be seen that the significance value of Voluntary Disclosure (VD) is 0.0020 < 0.05, meaning that the regression coefficient of Voluntary Disclosure (VD) has a significant effect. The coefficient value = 62.96055 indicates that Voluntary Disclosure (VD) has a positive effect on firm value. So it can be concluded that if the Voluntary Disclosure (VD) increases by 1, the value of the variable value of the pharmaceutical sector manufacturing companies in 2009-2018 listed on the IDX will increase by 62.96055. In other words, Voluntary Disclosure (VD) has a significant positive effect on firm value. This means that the presence of voluntary disclosure by the company, such as private information, will become good news for shareholders so that it can shape the company's value. Shareholders will be helped by the presence of private information needed by shareholders, in this case, management can provide this information voluntarily so that the company is considered to be able to provide added value to the information obtained.

The Effect of Tax Planning on Firm Value with Profit Quality as Moderating

Profit is closely related to the calculation of corporate tax at the end of the period. Where the tax liability will be paid based on the profits earned by the company. In tax planning activities, managerial roles are very important, including being able to manipulate profits or assign inappropriate resources and lack of transparency in carrying out company operations so that tax planning harms company value. However, managers will try to give more confidence to shareholders so that they must present good financial reports, including maintaining that the recorded earnings are of course quality earnings. In this case, companies that carry out good tax planning will still maintain the quality of earnings that have been reported in the company's financial statements and can affect company value.

Dari Table 3, it can be seen that the values significance Tax Planning moderated by Quality Earnings (ETR_KL) of 0.0012 < 0.05. This means that tax planning affects firm value when moderated by earnings quality. In this case, the manager will try to give more confidence to shareholders so that they must present good financial reports without any manipulation, including keeping the recorded profits of course quality earnings. In this case, companies that carry out good tax planning will still maintain the quality of earnings that have been reported in the company's financial statements and can affect company value.

The Effect of Tax Planning on Firm Value with Audit Quality as a Moderator

The audit is a process to reduce misalignment of information between managers and shareholders, so that a third party, namely a Public Accountant, is needed to provide confidence to investors that the financial statements presented by management can be trusted. The great trust of users of financial statements given by public accountants is what ultimately requires public accountants to pay attention to the quality of the audits they produce. (Agusti & Pertiwi, 2013)

From Table 3, it can be seen n use values of significance are moderated by the Tax Planning Audit Quality (ETR_KA) of 0.6376 < 0.05. That is, Tax Planning does not affect Firm Value when moderated by Audit Quality. So it can be concluded that audit quality cannot moderate the relationship between tax planning and firm value. Tax planning on firm value does not affect when moderated by audit quality, in this case, tax planning will continue to run even though the quality of the auditors is good or bad because tax planning is carried out before auditing the financial statements.

The Effect of Voluntary Disclosure on Firm Value with Earnings Quality as a Moderator

Managerial will try to give more credence to the shareholders, the company must present a good financial report. For companies need to provide the relevant information through the information required or voluntarily. The existence of non-financial information that is voluntary disclosure which is disclosed by the company, such as private information, is expected to be *good news* for shareholders so that it can shape the company's value.

Information disclosed voluntarily by company management with the support of quality earnings can influence investors in the decision-making process so that it can affect company value.

From table 3, it can be seen that the significance value of Voluntary Disclosure as moderated by Earning Quality (VD_KL) is 0.0050 < 0.05. This means that Voluntary Disclosure affects Firm Value when moderated by Earning Quality. This means that voluntary disclosure affects firm value when moderated by earnings quality. This means that managers strive to provide more trust to shareholders by presenting financial reports containing relevant information either through required or voluntary information. Information disclosed voluntarily by company management with the support of quality earnings can influence investors in the decision-making process so that it can affect company value. Because the information disclosed is company information to earn a profit, so it can convince its shareholders of the company's performance.

The Effect of Voluntary Disclosure on Firm Value with Audit Quality as a Moderator

Management will certainly use quality audit services in auditing its financial statements. In the financial statements, there is non-financial information that is voluntary disclosure that is disclosed by the company, such as private information, which is expected to be good news for shareholders so that it can shape the company's value. Voluntary disclosure information provided by company management will certainly be considered good for users of financial statements including investors when it is supported by good audit quality.

From Table 3, it can be seen that the use-values significance Voluntary Disclosure moderated by Quality Audit (VD_KA) of 0.1264 > 0.05. That is voluntary disclosures do not affect the value of the company when moderated by the quality of audit. This means, voluntary disclosure information provided by company management will certainly be considered good for users of financial statements, including investors, even though it is not supported by good audit quality. Because management will certainly disclose information voluntarily following the need to convince shareholders without having good audit quality.

The Effect of Earnings Quality on Firm Value

Besides providing voluntary disclosure information in the company's financial statements, of course, the company must present a good financial report to give shareholders more confidence. Financial reports are expected to provide useful information for investors. Profit is an indicator that can be used to measure the operational performance of a company. The earnings report, which is presented in the financial statements, is expected to help investors and potential investors to make decisions. So that good earnings quality in a company can help influence investors in the decision-making process so that it can affect firm value.

From Table 3, it can be seen n use-values significance Earnings Quality (KL) of 0.0144 < 0.05, meaning that the regression coefficient Earnings Quality (KL) significantly. The coefficient value =-18.96288 indicates that the Earning Quality (KL) harms firm value. So it can be concluded that if the Profit Quality (KL) increases by 1, the value of the variable value of manufacturing companies in the pharmaceutical sector in 2009-2018 listed on the IDX will decrease by 18.96288. In other words, Earning Quality (KL) has a significant negative effect on firm value. Because profit is one indicator that can be used to measure the operational performance of a company. However, management can report earnings by playing an illegal earnings management role so that profits remain constant from period to period, so that investors are attracted to invest in the company.

The Effect of Audit Quality on Firm Value

Audit quality is an indicator in selecting auditors. Audit quality is all the possibilities that can occur when the auditor audits the client's financial statements and finds errors or violations that have occurred, then reports them in the audited financial statements. Good audit quality will help provide positive signals for shareholders so that it will affect company value.

In this study, audit quality is proxied by current accruals. Where the high level of conservatism that an auditor has associated with a low accrual level is considered to improve audit quality. Thus, a low accrual rate will increase firm value.

From table 3, it can be seen that the significance value of Audit Quality (KA) is 0.1535 > 0.05, meaning that the Audit Quality regression coefficient (KA) has no significant effect. The coefficient value =7.910442 indicates that the quality of audit (KA) has a positive influence on firm value. It can be concluded if the Quality Audit (KA) rose by 1 means the variable value of the company manufacturing the pharmaceutical sector in the year 2009-2018 listed on the Stock Exchange will increase by 7.910442. In other words, audit quality has no significant effect on firm value. In this case, the quality of audit as measured by the smooth accrual does not affect the value of the company, due to the level of a low accrual can not describe the level of conservatism which is owned by an auditor. Investors often judge the quality of auditors to be better when audited by well-known public accounting firms (big four).

CONCLUSION

It can be concluded that the tax planning gave a significant negative effect on the value of the company, voluntary disclosure gave a significant positive effect on firm value. Also, the tax planning showed a positive effect on the value of the company when it is moderated by the quality of earnings and the tax planning does not affect the value of the company when it is moderated by a quality audit. While voluntary disclosure affects the value of the company when it is moderated by the quality of the profit and voluntary disclosure does not affect the value of the company when it is moderated by a quality audit. The Quality of earnings impacts negatively significantly to the company's value and the quality of audit no significant effect on the value of the company. The coefficient of determination states that earnings quality and audit quality can strengthen the relationship between tax planning and voluntary disclosure.

This study is inseparable from the limitations, namely:

1. Only investigated the influence of the variable tax planning and the voluntary disclosure as well as moderating variable earnings quality and audit quality on the variable value of the company in the pharmaceutical manufacturing companies in 2009-2018.
2. This study only uses a sample of manufacturing companies in the pharmaceutical industry sector, so this study cannot generalize to the industrial sector in Indonesia.
3. This study only uses Tobin's as the only measure of firm value. The effective tax rate is the only measurement of tax planning. And use current accruals as the only measure of audit quality.

REFERENCES

Agusti, R., & Pertiwi, N. P. (2013). The Influence of Competence, Independence, and Professionalism on Audit Quality (Empirical Study at Public Accounting Firms in Sumatra). Economic *Journal*, *21*(3), 1–13.

Anita, A., & Yulianto, A. (2016). The Effect of Managerial Ownership and Dividend Policy on Firm Value. *Management Analysis Journal*, *5*(1), 17–23.

Arisanti, L. A., & Daljono. (2014). nesia Tahun 2011) The Effect of the Level of Voluntary Disclosure on Firm Value (Empirical Study on Manufacturing

Companies Listed on the Indonesia Stock Exchange in 2011). *Diponegoro Journal of Accounting*, *3*(3).

Chasbiandani, T., & Martani, D. (2012). The Effect of Long-term Tax Avoidance on Firm Value. *Simposium Nasional Akuntansi XV*, (90).

de Angelo, L. E. (1981). Auditor Size and Audit Quality. *Journal of Accounting and Economics*, *3*(3), 183–199. https://doi.org/10.1016/0165-4101(81)90002-1

Dechow, P. M., & Dichev, I. D. (2002). The Quality of Accruals and Earnings: The Role of Accrual Estimation Errors. *The Accounting Review*, *77*(3), 35–39. https://doi.org/10.2308/accr.2002.77.s-1.35

Desai, M. A., & Dharmapala, D. (2009). Corporate Tax Avoidance and Firm Value. *Review of Economics and Statistics*, *91*(3), 537–546. https://doi.org/10.1162/rest.91.3.537

Djaddang, S., & Sulistiawarni, E. (2018). Empirical Research on Accrual Management (*Artificial Smoothing) dan Profit Volatility*. Semarang: CV. Tigamedia Pratama.

Esfesalari, D. R., & Zarei, A. (2013). Studying The Effect of Voluntary Disclosure Changes on Firm Value. *European Online Journal of Natural and Social Sciences*, *2*(3), 130–136.

Herawati, H., & Ekawati, D. (2016). The Effect of Tax Planning on Firm Value. Journal of Accounting and Financial Research, *4*(1), 873–884. https://doi.org/10.17509/jrak.v4i1.7708

Hermuningsih, S. (2012). The Effect of Profitability, Size on Firm Value with Capital Structure as an Intervening Variable. *Journal Siasat Bisnis*, *16*(2), 232–242. https://doi.org/10.20885/jsb.vol16.iss2.art8

Hidayat, M., & Hairi, M. I. A. (2016). The Effect of Tax Planning and Intellectual Capital on Firm Value in Financial Services Companies Listed on the Indonesian Stock Exchange 2009 - 2013 *Journal Current Global Economic Scientific*, *7*(2), 23–29.

Irawan, R. (2018). The Role of Earnings Quality on the Intensity of Accounting Fraud and Accrual Profit Management on Tax Aggressiveness with Audit Quality as Moderation (Studies on Agricultural Companies Listed on the Indonesia Stock Exchange). Journal of Economics, *21*(3), 1–13.

Kurniawan, T. Y. (2009). The Effect of Economic Value Added and Return on Assets on Firm Value. Universitas Pembangunan Veteran.

Kurniawati, H. (2016). Effect of Board Size, Leverage, and Quality on Firm Value. Journal of Finance and Banking, *12*(2), 110–127.

Laksono, F. D. (2014). Analysis of Factors Affecting Audit Delay and Timeliness of Financial Report Publication (Empirical Study on Manufacturing Companies in the Consumer Good Sector Listed on the IDX in 2010 - 2012). Diponegoro University.

Lestari, N. (2014). The Effect of Tax Planning on Firm Value. Accountability, *7*(1), 69–83. https://doi.org/10.15408/akt.v7i1.2647

Leuz, C., & Wysocki, P. D. (2015). The Economics of Disclosure and Financial Reporting Regulation: Evidence and Suggestions for Future Research. *Journal of Accounting Research*, *54*, 525–622. https://doi.org/10.2139/ssrn.2733831

Manry, D., Mock, T., & Turner, J. (2008). Does Increased Audit Partner Tenure Reduce Audit Quality? *Journal of Accounting, Auditing and Finance*, *23*. https://doi.org/10.1177/0148558X0802300406

Martono, & Harjito, A. (2005). *Finacial Management* (1st ed.). Yogyakarta: Ekonisia.

Melyana, R., & Syafruddin, M. (2015). The Effect of Voluntary Disclosure on Firm Value. *Diponegoro Journal of Accounting*, *4*(2), 1–11.

Nuswandari, C. (2009). Financial Reporting Disclosures in Signaling Theory Perspective. Scientific Journal of Accounting Studies, *1*(1), 48–57.

Nwaobia, A., Kwarbai, J., & Ogundajo, G. (2016). Tax Planning and Firm Value: Empirical Evidence from Nigerian Consumer Goods Industrial Sector. *Research Journal of Finance and Accounting Online)*, *7*(12), 2222–2847.

Perdana, R. Z. P. (2014). *The Effect of Tax Planning and Corporate Governance Mechanisms on Company Value*. Muhammadiyah University Yogyakarta.

Pradnyana, I. B. G. P., & Noviari, N. (2017). The Effect of Tax Planning on Firm Value with Company Transparency As A Moderation Variable. *E-Jurnal Accounting Udayana University*, *18*(2), 1398–1425.

Rustiarini, N. W. (2012). Audit Committee and Audit Quality: An Assessment Based on The Characteristics, Competencies, and Activities of The Audit Committee. Accounting National Symposium *XV Banjarmasin*, 20–23.

Sehar, N.-U., Bilal, & Tufail, S. (2013). Determinants of Voluntary Disclosure in Annual Report: A Case Study of Pakistan. *Management and Administrative Sciences Review*, *2*(2), 181–195.

Siallagan, H. (2009). The Effect of Earnings Quality on Firm Value. Contemporary Accounting Journal, *1*(1), 21–32. https://doi.org/10.33508/jako.v1i1.1036

Suratno, Djaddang, S., Astuti, S. B., & Supriatno, B. (2016). The Role of Self Efficacy of The Professionalism of Accountants, Auditors Individual Cultural Relations With Government Quality Investigative Audit (Study on Auditor BPK Government In Jakarta). *International Conference on Education For Economics, Business and Finance*, 465–479.

Ulum, I. (2009). *Intellectual Capital : Consept and Empirical Study*. Yogyakarta: Graha Ilmu.

Winanto, & Widayat, U. (2013). The Effect of Tax Planning and Corporate Governance Mechanisms on Firm Value. Accounting National Symposium *XVI Manado*.

Yuono, C. A. S., & Widyawati, D. (2016). The influence of tax planning and corporate governance on corporate value. Journal of Accounting Science and Research, *5*(6), 1–19.