Tax Amnesty Effect on Tax Avoidance and Its Consequences on Firm Value (Empirical Study on Companies in Indonesia Stock Exchange)

Zati Rizka Fadhila[✉][1], Rr Sri Handayani[2]

Accounting Department, Faculty of Economics and Business, Universitas Diponegoro
Jl. Hayam Wuruk SH No. 5 Semarang 50241, Indonesia

Abstract
This study aims to examine the influence of tax amnesty on tax avoidance and it's consequency on firm value and tax avoidance as intervening variable. Variables examined in this research consisted of tax amnesty measured with dummy variable, tax avoidance which measured with shot-run tax avoidance (CETR), and firm value measured using Tobins' Q. The sample which is used in this research was extracted with using proportional sampling. After reduces with several criteria, 287 firms are determined as samples. The results showed that tax amnesty effect on tax avoidance, tax avoidance effect on tax amnesty, tax amnesty effect on firm value, and tax avoidance is not as intervening variable.

Keywords: *tax amnesty; tax avoidance; firm value*

INTRODUCTION

Company operations in the form of company activities to maximize profits or firm value of company by combining the limitations of the conditions of input, output, and company goals (Rajan & Zingales, 2001). The company in principle considers the ownership structure of the company with tax planning to minimize expenses and increase firm value of company so that the profits or firm value can succeed optimally (Rajan & Zingales, 2001). The company's business activities aim to increase the firm value in each period based on its stock price. High corporate value can improve welfare to shareholders and investors will place their capital in the company. For investors as principals who have placed their funds in the company, they will make a low assessment to the company if they are known to do tax avoidance by withdrawing funds already placed on the company. For management, tax avoidance activities are expected to increase company value.

Tax amnesty is related to taxes while taxes are the biggest contribution in state income. The government is trying to maximize the tax sector revenue. In Indonesia efforts to increase and optimize tax revenues are pursued through extensification and intensification of the amount of tax value (Suminarsi & Supriyadi, 2012). The government program of authentication and extensification is expected to increase public awareness to pay off taxes (Nugroho, 2014).

Zahrotul Azizah (✉)
E-mail: zatirizkafadhila6@gmail.com

According to Brian & Martani (2014) that to increase or reduce the amount of tax paid, companies can reduce the amount of tax in addition to still adhering to tax rules and regulations (tax avoidance) and reduce the amount of tax value by not following the tax law (tax evasion). Tax avoidance and firm value based on the results of Desai & Dharmapala (200(research are influenced by the application of tax planning. Tax planning can be done by tax avoidance in the form of reducing explicitly (Hanlon, 2005). Tax avoidance according to Hanlon (2005) is a way to reduce the amount of tax value explicitly because tax avoidance is a series of management activities or tax planning. This research is development of research conducted by Rusmadi (2017), Rahayu (2017), Jackson (2017), Kartika, Nangoi, & Lambey (2017), Bayer, Oberhofer, & Winner (2014), Desai & Dharmapala (2009), Simarmata (2012), Chasbiandani & Martani (2012), Dyreng, Hanlon, & Maydew (2010), Wang (2010), Karimah & Taufiq (2014), Jonathan & Tendean (2016), Nugroho & Agustia (2018), Zebua (2016), Chen et al. (2016), Chen & Chu (2010), Cai & Liu (2009), Kim, Li, & Li (2010), Alstadsæter, et. al (2018), Palmi (2017), Parluhutan (2018). Model development in this study was carried out by building intervening or mediation model.

This study tries to create a new model that is combining independent variables namely tax amnesty, firm value as the dependent variable, adding tax avoidance as intervening variable, and control variables including profitability, company growth (growth), firm size, audit quality, and, cash flow operation as an aspect of renewal of research. The intervening variable is indirect effect of the connecting variable between independent variable towards the dependent variable and does not stand alone. Tax avoidance is used as intervening variable or the variable that influences the relationship pattern of the independent variable, that is, tax amnesty towards firm value, is based on the statement that companies participating in the tax amnesty program will have low firm value (Kartika, Nangoi, & Lambey, 2017).

Profit gained by company will be even greater if tax avoidance measures have been implemented by the company so that it can add firm value firm value (Prasetyo, 2013). The results that support and underlie this are to overcome tax avoidance, so the practice of many countries is commonly implemented by offering tax amnesty programs as driving factor for voluntary compliance. The implementation of the tax amnesty program is due to tax evasion efforts getting worse (Santoso & Setiawan, 2009). This research is important because it can provide complete information and has large number of samples so that it can test whether the findings can be generalized to the overall practice of tax amnesty, tax avoidance, and firm value of IDX companies.

Theoretical Thinking Framework And Hypothesis Formulation

Tax Amnesty Has Influence on Tax Avoidance

Tax amnesty based on the Republic of Indonesia Law No. 11 of 2016 concerning Tax Amnesty is the elimination of tax payable, not subject to administrative sanctions and taxation penalties, by disclosing property and paying ransom stipulated in this Act. . The Tax Amnesty is the elimination of taxes in the form of payment of taxes through compensation for taxpayers (WP) who keep their funds abroad and do not fulfill their obligations to deposit lower tax rates. To avoid the obligation to pay taxes, most rich people in Indonesia leave their funds abroad. The benefits of tax amnesty for companies are to encourage businesses in a healthy manner to be able to do business in Indonesia and strictly follow the rules. Tax avoidance has severe consequences in the form of large and high penalties and penalties. The tax amnesty program is held in order to support employers to pay the tax they pay and do business fairly and healthy in Indonesia. If the company avoids taxation, the business can sell its goods at very low prices, thus making chaotic market sales for similar products. Payment of taxes will put each business in the same position and expenditure (Camelia & Nurdin, 2017).

Expropriation is the use of control in order to maximize personal welfare through the distribution of wealth of others (Claessens et al., 2000b). McNair (2009) explains that expropriation is more broadly not only in the company but in the country. Expropriation is the takeover of property or private property by the government for public purposes, and is subject to

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compensation. The results of the study by Plessis (2009) examined expropriation in South Africa and then compared the results of expropriation to Germany, the United States, and Australia. The implementation of expropriation in South Africa provides compensation to companies taken over by the government.

The results of research by Rinaldi (2017) and Jackson (2017) found that tax amnesty positively had a significant effect on tax avoidance. Research by Rusmadi (2017) and Rahayu (2017) that the effect of tax amnesty on taxpayer compliance is significantly positive. The results of the study by Kartika, Nangoi, & Lambey (2017) state that the effectiveness of receiving tax amnesty on average is classified as "Very Effective". The results of the Bayer, Oberhofer, & Winner (2014) research applied a significant positive effect of tax amnesty on American corporate tax compliance.

H1: Tax amnesty positively effect on tax avoidance

Tax Avoidance Has Influence on Firm Value

Wang (2010) argues that tax avoidance is an attempt to reduce explicit tax per dollar accounting income before tax, describe the transfer of government wealth to corporate companies, and add value to the company. Dyreng, Hanlon, & Maydew (2010), corporate tax avoidance is not always involved in improper actions. The company allows and encourages reducing tax rates because there are many gaps in tax provisions or regulations. There are distinguishing features of fraud (tax evasion) with tax avoidance (tax avoidance). Tax avoidance is the activity of exploiting loopholes in the law and not violating it.

Control shareholders are motivated to cover their expropriation so that they are not detected by external parties by means of the company's financial statements revealed quality (disclosure) (Fan & Wong, 2005) and keep the financial statements non-transparent so that they are free of expropriation. The decrease in the quality of external audit public accounting offices is lowered to keep the transparency of the company's financial statements (Lin & Liu 2009). Choi, Kwak, & Yoo (2007) that entrenchment effects negatively affect audit quality. Decreasing the quality of disclosures results in an increase in the asymmetry of information on controlling and non-controlling shareholders.

Desai & Dharmapala (2009) said that corporate tax avoidance in a traditional perspective shows that if shareholder value increases, corporate tax avoidance measures also increase. This is different from the view of managers about tax avoidance activities. The manager's view that tax avoidance is the cost of future spending include tax planning and compliance so that shareholders do not always want tax avoidance (Wang, 2010).

The results of the study by Chasbiandani & Martani (2012) that there is a positive effect of long run tax avoidance on firm value. Dyreng, Hanlon, & Maydew (2010), Wang (2010), Karimah & Taufiq (2015), Jonathan & Tendean (2016), Nugroho & Agustia (2018) that tax avoidance has a positive and significant effect on firm value. Chen & Chu (2010), Cai & Liu (2009), and Kim, Li, & Li (2010) that tax avoidance can increase company value. Alstadsæter, et al. (2018) found that tax avoidance affects firm value in Norway.

H2: Tax avoidance positively effect on firm value

Tax Amnesty Has Influence on Firm Value

The emphasis of the tax amnesty is to give taxpayers the opportunity to pay off their tax debt arrears without penalty. Rinaldi (2017) stated that the tax amnesty is valid once and for a limited time before the law enforcement firmness is taken. The purpose of providing a tax amnesty program is to accelerate state revenues and inclusion of foreign assets. The government's tax amnesty policy can influence corporate funding decisions. In accordance with the objectives of implementing the tax amnesty, companies that participate in tax amnesty will increase compliance in paying taxes. The tax amnesty will result in the company's value being low (Jackson, 2018).

According to expropriation theory can be explained from the perspective of agency

theory. Within the framework of agency theory there are three types of relationships, namely the relationship between shareholders and management, the relationship between shareholders and creditors, and the relationship between management and the government. Government policy plays an important role in controlling the consequences of agency problems (Desai & Dharmapala, 2006; Armstrong et al., 2013). Research by Lo, Wong, & Firth (2010) found that the Chinese government's policy on the concentration of government ownership in China was influential in transfer pricing decisions, namely companies willing to ignore tax savings to tunneling (receiving loans from other parties) profits to the parent company.

The results of the research conducted by Rusmadi (2017) state that the existence of the tax amnesty made 2016 tax revenues increase by 298.7 trillion from 2015 and the existence of Tax Amnesty made the total 2016 tax revenue amounted to 1,539.1 trillion. The results of the Bayer, Oberhofer, & Winner (2014) study have the effect of implementing an increase in compliance after the tax amnesty against the firm value of American companies and the state income increases briefly. The results of Rinaldi (2017) study that firm value after the tax amnesty decreases compared to before the tax amnesty was conducted. The results of Palmi (2017) and Parluhutan (2018) research that tax amnesty has a negative effect on firm value.

H3: Tax amnesty negatively effect on firm value

Tax avoidance Has Intervening on Tax Amnesty Has Influence on Firm Value

The implementation of the tax amnesty program in 2016 affected the trade off of corporate funding. The company has deposit funds because the ransom rate for reporting the company's assets and liabilities is very low compared to the corporate income tax rate. More funds from companies participating in the tax amnesty program can be used as project operational funding so that companies do not need to make external loans through debt.

Expropriation is a takeover of property owned by someone who is destined for public interest (Bris & Brisley, 2008). The results of the study by Plessis (2009) examined expropriation in South Africa and then compared the results of expropriation to Germany, the United States, and Australia. The expropriation exercise in South Africa compensated the companies that were taken over. According to McNair (2009) expropriation occurs not only in companies but can be done by the state.

According to Chasbiandani & Martani (2012) that the smaller the effective tax rate (ETR) of the company, the greater the value of the company. Tax avoidance can increase the value of the company, because the tax-deductible profit is greater so that the value of the company will be even greater (Prasetyo, 2013). A common practice is carried out by many countries to overcome tax avoidance in order to encourage voluntary compliance by offering tax amnesty. Efforts to avoid tax evasion have worsened, tax amnesty has been implemented. The tax amnesty is useful to increase the acquisition of funds, namely the return of foreign funds. As a result of the poor decline in voluntary compliance (voluntary compliance) of taxpayers if the tax amnesty program is implemented in a long-term and inappropriate manner (Santoso & Setiawan, 2009).

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Previous research shows different views regarding the factors of tax avoidance determinants.

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These inconsistencies tend to be caused by the weak concept and measurement of tax avoidance, and are not relevant in practice (Desai & Dharmapala 2006). Therefore, a parsimony (simple) model is needed so that it can be understood and implemented by researchers and practitioners simply. On the other hand, government policy has been identified as an important variable that explains variation in tax avoidance (Armstrong et al., 2013; James & Igbeng, 2014), but the results of empirical research show that the relationship between government policy and tax avoidance is still not conclusive.

Tax avoidance variables that are functioned as mediating variables or variables that affect the relationship between the independent variables namely tax amnesty towards firm value are based on the statement that companies that participate in tax amnesty will have a low corporate value (Jackson, 2018). Tax amnesty decreases firm firm value and the effect of tax avoidance action on firm value is not significant because only companies with high institutional ownership can influence positively (Desai & Dharmapala, 2006).

H4: Tax avoidance as intervening variable tax amnesty effect on firm value

METHODS
1. Independen variable
Independent variable is tax amnesty (X). Tax amnesty is the elimination of tax payable, not subject to administrative sanctions and tax penalties, by disclosing property, and paying ransom according to Law No. 11 in 2016. The company's participation in the tax amnesty can be seen in the annual financial report. The measurement of tax amnesty uses the nominal scale with the category of dummy variable (Jackson, 2017) in order to obtain a parsimony (simple) model that is following the tax amnesty coded 1 and not following the tax amnesty coded 0.

2. Dependen variable
Dependent variable is firm value (Y). Firm value is the perception or judgment of investors on the company's stock price (Sugiyono, 2010). Measuring firm value using Tobins'Q (Rinaldi, 2017):

$$Q = \frac{PN + D}{BVA}$$

Information:
Q   = firm value
P   = closing stock price
N   = shares numbers
D   = total debt
BVA   = total assets

3. Intervening variable
Intervening variable is tax avoidance (Z). Tax avoidance according to Darussalam (2009) is transaction scheme with the aim of minimizing and reducing the tax burden through the use of weaknesses and weaknesses (loophole) of state tax rules and regulations so that tax experts have legal views and do not violate tax rules and provisions (Rinaldi, 2017). CETR is used as a measurement of tax avoidance [Dyreng, Hanlon, & Maydew, 2010; Minnick & Noga, 2010; Nugroho, 2014;):

$$CETR = \frac{Payment\ of\ taxes}{Earning\ before\ tax}$$

Information:
CETR   = Tax avoidance measuremant t year
Payment of taxes   = Tax paid in cash in year t (cash flow statement)
Earning before tax   = Earnings before tax t year

4. Control Intervening variable

a. Profitability

Profitability is alternatives assess the rate of return of the company obtained based on its investment activities (Haryanto & Sugiarto, 2003). Using ROA (Retun on Assets) profitability (Suhartanti & Asyik, 2015; Jonathan & Tandean, 2016):

$$ROA = \frac{Earning\ After\ Tax}{Total\ Assets} \times 100\%$$

Information:
ROA = Return on assets

b. Growth

Growth is change such as decreasing or increasing total aset companies increasing (Brigham & Houston, 2009). Growth measurement using formulation such as (Joni dan Lina, 2010):

$$Growth = \frac{Assets\ Year_t - Assets\ Year_{t-1}}{Assets\ Year_{t-1}} \times 100\%$$

Information:
Growth   = Companies growth
t   = Before year
t-1   = After year

c. Firm Size

According Brigham & Houston (2009) firm size is total assets measurement, penjualan, earning, beban pajak dan lain-lain perusahaan. Firm size has been used by natural logaritm (Ln) total assets companies (Harahap, 2007).

d. Audit Quality

Defition of audit quality is the possibility of the auditor finding and reporting material misstatement of the client's financial statements (Watkins et al., 2004). Audit quality measurement uses a nominal scale with the category of dummy variables, namely code 1, namely the Big Four KAP and code 0, which is non The Big Four (Setyawan, 2018).

e. Cash Flow Operation

Defition of cash flow operation is cash flow and expenditure or the same as cash (IAI, 2013). CFO formulation is (Yocelin & Christiawan, 2012):

$$CFO = \frac{CFO_t - CFO_{t-1}}{CFO_{t-1}} \times 100\%$$

Information:
CFO   = Cash Flow Operation
CFO_t = Cash Flow Operation now period
CFO_{t-1} = Cash Flow Operation before period

Sample Determination

Data sources are taken from secondary data namely data obtained indirectly from the primary sources (through intermediary media). In this study the secondary data obtained through of annual reports and financial reports obtained from the www.idx.com site, while the stock list comes from finance.yahoo.com. The population are 515 companies that participated in and did not take part in the 2-year tax amnesty program for the first and second periods. The research sample consisted of all companies listed on the Indonesia Stock Exchange (IDX) in 2016-2017 due to the enactment of the tax amnesty from 1 July 2016 to 31 March 2017 and fulfilled the criteria for the research criteria. The number of samples is 287 companies. Proportional sampling techniques are used as determinants of criteria for research samples with the following criteria:

1. Companies that register (registered) during the year of observation and do not experience

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delisting or are excluded from the IDX index list. Companies issued from the IDX index list were not included as samples. The company that publishes audit financial statements as of December 31, 2017 and 2018 in the form of annual financial statements of companies at www.idx.co.id, finance.yahoo.com and BEI Diponegoro University.

2. Companies that earn positive profit and operating cash flow during the observation period due to good company profitability are characterized by positive earnings and positive operating cash flows show good corporate performance.

3. Using rupiah because of the consistency of the currency used by companies to pay tax amnesty to tax collectors so that financial statements using dollar currency are not used. Foreign currency exchange carries the risk of exchange rate changes in real currencies, causing changes in relative prices (comparison between prices of domestic goods and foreign goods). Thus the change affects the price of domestic goods and stock prices.

Based on criteria, companies listed in Indonesia Stock Exchange 2016 are 476 companies and 2017 are 515 companies. Number of research sample based on criteria sample in 2016 are 141 companies such as 74 companies follow tax amnesty and 67 companies not follow tax amnesty. In 2017 are 146 companies such as 71 companies follow yang tax amnesty and 75 companies not follow tax amnesty. Outlier data in 2016 are 12 companies and 2017 are 13 companies. Te following are the processes and criteria for determining the research sample.

Tabel 1. Research Object

No	Criteria	2016	2017
1	Companies listed in Indonesia Stock Exchange	476	515
2	Annual report's companies not completed	(61)	(71)
3	Negatively earning and or dan operations cash flow	(200)	(193)
4	Annual report's companies using dollar	(62)	(92)
5	Outlier Data	(12)	(13)
	Number of research sample using rupiah	141	146
6	Companies follow tax amnesty	74	71
7	Companies not follow tax amnesty	67	75

Source: Data sekunder processing 2019

Analysis Method

Multiple linier regression analys was used to examine the research hypothesis. The following is the equation model:

$$Y_1 = \alpha + \beta_1 X_1 + e$$
$$Y_2 = \alpha + \beta_2 Y_1 + \beta_3 X_1 + \beta_4 X_2 + \beta_5 X_2 + \beta_6 X_3 + \beta_7 X_4 + \beta_8 X_5 + \beta_9 X_6 + e$$

Keterangan:

Y_1	=	*Tax Avoidance*
Y_2	=	*Firm Value*
α	=	Constant
β_{1-9}	=	Regression coefficient
e	=	Residual error
X_1	=	*Tax Amnesty*
X_2	=	Profitability
X_3	=	*Growth*
X_4	=	*Firm size*
X_5	=	Audit quality
X_6	=	Cash Flow Operation

Mediation analysis using the Sobel formula.

RESULTS AND DISCUSSION

Description of Variables

Te description of the independent variables is explained through the results of descriptive statistical analysis which provides an overview of the research data based on the mean, median, maximum, minimum, and standard deviations of each variable. Te results of the descriptive statistical test can be seen in the following Table 2.

Table 2. Descriptive Statistics

	X1	Y1	Y2	X2	X3	X4	X5	X6
Mean	0.505226	0.336131	1.599702	5.346411	26.16641	28.85590	0.379791	212.4977
Median	1.000000	0.259100	1.145500	3.940000	11.27000	28.76990	0.000000	40.38000
Maximum	1.000000	3.447500	8.658500	22.68000	598.4300	33.21570	1.000000	8931.070
Minimum	0.000000	0.000000	0.194600	0.010000	-95.50000	24.56830	0.000000	0.500000
Std. Dev.	0.500846	0.364955	1.266275	4.723613	67.52547	1.685595	0.486182	779.3835
observations	287	287	287	287	287	287	287	287

Source: Data processing Eviews 10

The population in this study was obtained by the number of companies listed on the Stock Exchange in 2016 as many as 476 companies and in 2017 as many as 515 companies. Data samples that met the research criteria in 2016 were 141 companies that participated in the tax amnesty as many as 74 companies and 67 companies that did not participate in the tax amnesty. In 2017 there were 146 companies that participated in the tax amnesty of 71 companies and 75 companies that did not participate in the tax amnesty. The descriptive analysis results that the number of research units (N) is 287.

The number is the total sample of companies during the 2 years of observation in research from 2016 to 2017 where in 2016 there were 141 companies and in 2017 there were 146 companies that were the research samples.

The tax amnesty variable has value mean is 0.50226 indicating that most sample companies have participated in the tax amnesty, with a standard deviation of 0.500846 indicating heterogeneous data distribution that is having non-identical values, the minimum value of 0 indicates the company does not take tax amnesty and the maximum value of 1 indicates that the company follows tax amnesty.

Tax avoidance variables have value mean is 0.336131 that the average payment of corporate tax samples is 33.6131% of profit before tax, with a standard deviation of 0.364955 indicating the distribution of heterogeneous data which has a value that is not identical. The minimum value is 0,000 owned by Indofood CBP Sukses Makmur Tbk (ICBP 2017) and the maximum value is 3.4475 owned by Hotel Sahid Jaya International Tbk (SHID 2017).

Firm value variables have value mean is 1.599702 that the average perception or valuation of investors on the price of the sample company is 159.9702%, with standard deviation of 1.266275 showing the distribution of heterogeneous data which has value that is not identical. Where the minimum value is 0.1946 owned by Bank Capital Indonesia Tbk (BACA 2016) and the maximum value is 8.6585 owned by Danasupra Erapacific Tbk (DEFI 2016).

Profitability variable has value mean is 5.346411 that the average rate of return of the sample company is 534.6411%, the standard deviation of 4.723613 shows the distribution of heterogeneous data which has a value that is not identical. Where the minimum value is 0.01 which is owned by Fast Food Indonesia Tbk (FAST 2017) and the maximum value is 22.68 which is owned by Saratoga Investama Sedaya Tbk (SRTG 2016).

Growth variables have value mean is 26.16641 that the mean increase in total sample assets of the company is 261.6641%, with standard deviation of 67.52547 indicating the distribution of heterogeneous data which has value that is not identical. Where the minimum value is -95.50

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owned by Jasa Armada Indonesia Tbk (IPCM 2017) and the maximum value is 598.43 which is owned by Kioson Komersial Indonesia Tbk (KIOS 2017).

Firm size variable has value mean is 28,85590 that the average sample size of the company is 288.5590%, with a standard deviation of 1.685595 showing the distribution of heterogeneous data which has a value that is not identical. Where the minimum value is 24,5683 owned by Inter Delta Tbk (INTD 2016) and the maximum value is 33,2157 owned by Batavia Prosperindo International Tbk (BPII 2017).

Audit quality variables using dummy variables namely KAP The Big Four are coded 1 and non KAP The Big Four is coded 0. Audit quality variables have value mean is 0.379791 indicating that the average sample company has improved the quality of good corporate governance in terms of audit quality, with a standard deviation of 0.486182 indicating the distribution of heterogeneous data which has a non-identical value, the minimum value is 0 and the maximum value is 1.

The CFO variable has value mean is 212.4977 that the average income and expenditure flows of cash or cash equivalents of the sample companies are 21249.77%, with a standard deviation of 779.3835 indicating the distribution of heterogeneous data which has a non-identical value. Where the minimum value is 0.5 which is owned by Fast Food Indonesia Tbk (FAST 2017) and the maximum value is 8931,070 which is owned by Pool Advista Indonesia Tbk (POOL 2016).

Hypothesis Testing

The test results of the multiple linier regression and sobel test hypothesis can be seen in table 3. If the results of the t statistic test are less than 1,97 then the hypothesis is rejected and if more than 1,97 then the hypothesis is accepted. If the results of the t statistic Sobel test are less than 1,98 then the hypothesis is rejected and if more than 1,98 then the hypothesis is accepted.

Table 3. Hypothesis Test Results

Hypothesis	Statements	t Statistic Test	Sig.	Conclusions
H1	Tax amnesty positively effect on tax avoidance	2.004876	0.0459	Accepted
H2	Tax avoidance positively effect on firm value	2.594292	0.0100	Accepted
H3	Tax amnesty negatively effect on firm value	-2.381000	0.0179	Accepted
H4	Tax avoidance as intervening variable tax amnesty effect on firm value	1.517366	-	Rejected

Based on the results of processing data, it is known that tax amnesty variables is β = 0.085933, t statistic = 2.004876, and significance is 0.0459 < 0.05. The meaning of these results is that tax amnesty is has effect on tax avoidance. Therefore, it can be concluded that H1 which reads tax amnesty has an positive effect on tax avoidance can be accepted.

Based on the results of processing data, it is known that tax avoidance is β = 0.488678, t statistic = 2.594292, and significance is 0.0100 < 0.05. The meaning of these results is that tax avoidance has positive effect on firm value. Therefore it can be concluded that H2 which reads tax avoidance has an positive effect on tax firm value can be accepted.

Based on the results of processing data, it is known that tax amnesty is β = -0.311555, t statistic = -2.381000, and significance 0.0179 < 0.05. The meaning of these results is that tax amnesty has negative effect on firm value. Therefore it can be concluded that hypothesis 3 which reads tax amnesty has an negative effect on firm value is acceptable.

Based on the results of processing data, it is known that t sobel test = 1.517366 < z score = 1.98. The meaning of these results is that tax avoidance is not as intervening variable. Therefore, it can be concluded that H4 which reads tax avoidance as intervening variable on tax amnesty towards firm value can not be accepted.

RESULTS AND DISCUSSION

The tax amnesty in this study shows a significant positive result on tax avoidance. The value of t count tax amnesty = 2.004876 > 1.97 with a significance value of 0.0459 < 0.05. This study accepted the H1 Hypothesis which proved that tax amnesty had a significant positive effect on tax avoidance. The results of this research reinforce the theory used to hypothesize that tax amnesty has a significant positive effect on tax avoidance. The motive of the company to do tax avoidance is an effort to increase the profits expected by shareholders and the implementation carried out by managers (Desai & Dharmapala, 2009). The practice of tax avoidance opens opportunities for managers to be opportunistic for short-term profit goals that are likely to be detrimental to shareholders in the long term (Desai & Dharmapala, 2006). Government policy plays an important role in controlling the consequences of agency problems in tax avoidance practices (Desai & Dharmapala, 2009; Armstrong et al., 2013). Government policies have been identified as important variables that explain variations in tax avoidance (Armstrong et al., 2013; James & Igbeng, 2014)). Among the government's policies to control tax avoidance are through tax amnesty (Bayer, Oberhofer, & Winner, 2014). The results of this research are in line with the research conducted by Rinaldi (2017) and Jackson (2017) found that the tax amnesty positively has a significant effect on tax avoidance. Rusmadi's research results (2017) and Rahayu (2017) suggest that the effect of tax amnesty on taxpayer compliance is significantly positive. The results of research by Kartika, Nangoi, & Lambey (2017) state that the effectiveness of receiving tax amnesty on average is classified as "Very Effective". The research results of Bayer, Oberhofer, & Winner (2014) applied significant positive effect of tax amnesty on American corporate tax compliance.

Tax avoidance in this study shows significant positive results on firm value. The value of t count = 2.551264 > 1.97 with a significance value of 0.0100 < 0.05. This study accepted H2 Hypothesis which proved that tax avoidance had a significant positive effect on firm value. The results of this research reinforce the theory used to hypothesize that tax avoidance has a significant positive effect on firm value. According to Desai & Dharmapala (2009) that corporate tax avoidance in the traditional viewpoint shows that if shareholder value increases, corporate tax avoidance measures also increase. This is different from the view of managers about tax avoidance activities. The manager's view that tax avoidance is at the expense of future costs includes tax planning and compliance so that shareholders do not always want tax avoidance (Wang, 2010). According to Chasbiandani & Martani (2012), shareholders as supervisors agreed that management would avoid tax evasion and the cost of receiving benefits was higher than the lower cost of spending on these activities. The practice of tax avoidance is still considered a benefit not a risk, namely as a way of management to minimize the amount of tax in a way that is still allowed, and to increase the value of the company. Wang (2010) and Masri & Martani (2012) that tax planning has positive effect on firm value. The existence of positive influence indicates that managerial plans for taxes for a greater increase in company value and benefits (benefits) than the risk. The results of this research are in line with previous research conducted by Chasbiandani & Martani (2012) that there is positive effect of long run tax avoidance on firm value. Dyreng, Hanlon, & Maydew (2010), Wang (2010), Karimah & Taufiq (2014), Jonathan & Tendean (2016), Nugroho & Agustia (2018) that tax avoidance has positive and significant effect on firm value. Chen & Chu (2010), Cai & Liu (2009), and Kim, Li, & Li (2010) that tax avoidance can increase company value. Alstadsæter, et al., (2018) found that tax avoidance has positive and significant effect on firm value in Norway.

The tax amnesty in this study has a negative significant effect on firm value. The value of t count = -2,381000 > 1.97 with a significance value of 0.0179 < 0.05. This study accepted the H3 Hypothesis which proved that tax amnesty had a significant positive effect on firm value. The results of this research reinforce the theory used to hypothesize that tax amnesty has a significant negative effect on firm value. The emphasis of the tax amnesty is to give taxpayers the opportunity

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to pay off their tax debt arrears without penalty. Rinaldi [30] stated that the tax amnesty is valid once and for a limited time before the firmness of law enforcement is taken. The purpose of providing tax amnesty program is to accelerate state revenues and inclusion of foreign assets. The government's tax amnesty policy can influence corporate funding decisions. In accordance with the objectives of implementing the tax amnesty, companies that participate in tax amnesty will increase compliance in paying taxes. The tax amnesty will result in the company's value being low (Jackson, 2017). The results of research Bayer, Oberhofer, & Winner (2014) have the effect of implementing increased compliance after the tax amnesty against firm firm value of American companies and the increase in state revenues. Rinaldi (2017) research results show that firm value after the tax amnesty decreases compared to before the tax amnesty. Palmi (2017) research results and Parluhutan (2018) show that tax amnesty has negative effect on firm value.

That tax avoidance is not a intervening variable on the effect of tax amnesty on firm value. The result of t table is 1.98 so that t count = 1.517366 < 1.98. The results of the study do not accept the H4 hypothesis which expects that tax avoidance mediates the effect of tax amnesty on firm value. This means that tax avoidance does not strengthen the effect of tax amnesty on firm value. Desai & Dharmapala (2006) put tax avoidance as an independent variable and not as intervening variable. Tax avoidance is not intervening variable because in this research short-term tax avoidance measurement uses ETR Cash (CETR). The weakness of the method of measuring short-term tax avoidance with the annual CETR according to Dyreng, Hanlon, & Maydew (2010) which is not a good predictor because it cannot describe and predict it for a long period of at least 10 years. The measurement of ETR long-run cash reflects ETR closer to long-term tax costs (Dyreng, Hanlon, & Maydew, 2010). The use of long periods of time can describe all corporate tax planning as an element of tax avoidance. Tax avoidance is used as an independent variable because previous research shows different views related to tax avoidance determinant factors. These inconsistencies tend to be caused by the still weak concept and measurement of tax avoidance and are irrelevant in practice (Desai & Dharmapala, 2006). Some research results that place tax avoidance as independent variable include Chasbiandani & Martani (2012) that there is positive effect of long run tax avoidance on firm value. Dyreng, Hanlon, & Maydew (2010), Wang (2010), Karimah & Taufiq (2014), Jonathan & Tendean (2016), Nugroho & Agustia (2018) that tax avoidance has positive and significant effect on firm value. Chen & Chu (2010), Cai & Liu (2009), and Kim, Li, & Li (2010) that tax avoidance can increase company value. Alstadsæter, et al. (2018) found that tax avoidance has an effect on firm value in Norway. The results of this research are in line with Jackson's research (2017) that tax avoidance is not a intervening variable on the effect of tax amnesty on firm value. The effect of tax avoidance measures on firm value is not significant because only companies with high institutional ownership can positively influence (Desai & Dharmapala, 2006).

CONCLUSIONS

The conclusion that can be taken based on research data analysis and discussion that has been done is that the tax amnesty variable has a positive effect on tax avoidance so that companies participating in the tax amnesty program tend to do tax avoidance compared to companies that do not participate in the tax amnesty program. Tax avoidance variables have a positive effect on firm value so that companies that carry out tax avoidance, the value of the company will increase compared to companies that do not do tax avoidance. The tax amnesty variable has a negative effect on firm value so that companies participating in the tax amnesty program will risk reducing the value of the company compared to companies that do not participate in the tax amnesty program. Tax avoidance variables are not intervening variable tax amnesty effect on firm values so that companies that take part in the tax amnesty program will reduce company value both company managers carry out tax avoidance and do not do tax avoidance.

Limitations

The limitations of the study include the first, the validity period of the tax amnesty for only 2 years from 1 July 2016 to 31 March 2017, which is not sufficient to examine the effect of asset repatriation on company value policies. Second, lack of time is only 2 years.

Suggestions

Suggestions for the research are first, to increase asset repatriation, the tax amnesty period can be added more than 2 years to better effect the effect of asset repatriation on company value policies. Second, increasing the observation time for rational tax avoidance decision making in order to become intervening variable. Emotional tax avoidance decisions, namely policy makers or company managers, are better off doing tax avoidance than being exposed to a tax delay of 0.5% of total assets. The company manager has not compared the profit before tax with the normal tax rate and the risk of late fees for paying taxes at 0.5% of total assets because the total assets of the company are more than the amount of company's profits.

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