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# The Effect of *Tax Avoidance* on Company Value With Managerial Ownership as a Moderation Variable in Manufacturing Companies

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**Abstract:** This study aims to determine and analyze the effect of tax avoidance on company value, as well as analyze whether managerial ownership can be a moderation variable in the relationship of tax avoidance to company value in manufacturing companies on the Indonesia Stock Exchange (IDX). This research is a comparative casual research with a quantitative approach. The sample in this study is manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. The population in this study amounted to 228 companies. Sample selection using purposive sampling techniques and obtained samples from 32 companies with 5 years of observation so that 160 research data were obtained. The method of testing the hypothesis in this study uses a panel data regression model with a Fixed Effect Model approach and for testing moderation variables using a Moderated Regression Analysis (MRA) model. Data analysis of both models used version 12 of the Eviews program. The results showed that 1) tax avoidance has a positive and significant effect on company value, 2) managerial ownership is unable to moderate (weaken) the effect of tax avoidance on company value.

**Keyword:** Tax, Value, Managerial

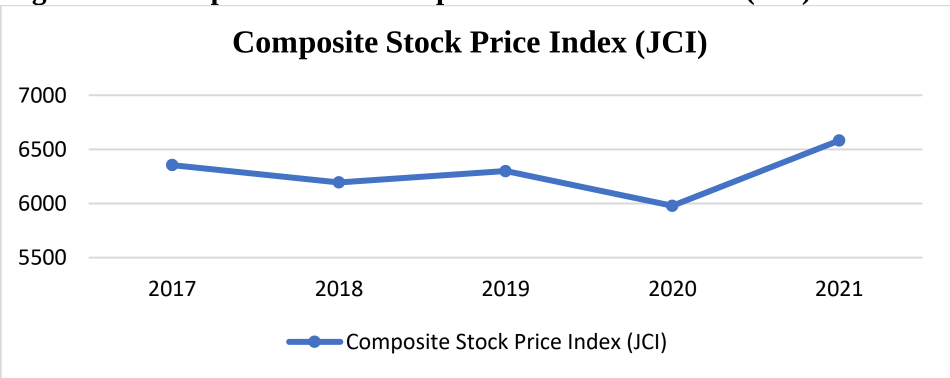
## INTRODUCTION

In this era of globalization, every company experiences fierce competition which causes Indonesia's economy to grow rapidly. This encourages companies to be able to compete with other companies by developing, for example by expanding the market so that the company can maintain the survival of the company and increase the value of its company (Nuradawiyah &; Susilawati, 2020).

According to Law No. 40 of 2007, a limited liability company (the Company) is a legal entity that is a capital partnership, established based on an agreement, conducting business activities with authorized capital which is entirely divided into shares and meets the requirements stipulated in this law and its implementing regulations (Elisa &; Rahmadany, 2022). The company has both short-term and long-term goals. In the short term, the company's goal is to maximize profit income and in the long term, to prosper company owners or shareholders by maximizing the company's value which is reflected in its share price (Yudistira et al., 2021).

The value of the company provides an overview of the prospects of the future well-being of owners and shareholders. Company value is also an investor's perception of a company's success rate as measured through stock price. A high stock price will make the company's value increase and increase investor confidence in the company's performance and future prospects. Investors buy shares in the capital market, namely the Indonesia Stock Exchange (IDX).

**Figure 1. Development of the Composite Stock Price Index (JCI) 2017-2018**




Source: www.bps.go.id (data processed, 2024)

From the picture above, it can be seen that there are fluctuations in the Composite Stock Price Index (JCI). This share price will reflect the value of the company, where the higher the share price of a company, the higher the prosperity of owners and shareholders. Aprillando and Mujiyati (2022) said that the stock price that is in great demand by investors will indicate that the company's stock price will continue to increase followed by an increase in company value. This causes corporate value to become the main focus of corporate financial management.

Company management does various ways to maximize company profits and increase company value. In increasing the value of the company, management adjusts the tax costs paid by the company. The company will try to get a reduction in the tax burden that will be paid both legally and illegally (Yuliandana et al., 2021). Law No. 28 of 2007 states that tax is wajb contribution to the state owed by taxpayers, both business entities and individuals who are coercive based on laws and regulations, where taxpayers do not benefit from taxes directly because the state uses taxes for public interest.

For companies, tax is a burden because it will reduce the net profit obtained, so the company will make efforts to minimize tax payments, namely by tax management. One of the tax management that can be done is tax avoidance (Yuniarti et al., 2020).

In the research, Yuliandana et al revealed a case of tax avoidance, namely at PT Garuda Metalindo. PT Garuda Metalindo company which in its corporate balance sheet shows that total debt (banks and financial institutions) has increased. In the financial statements as of June 2016, the value of short-term bank debt reached Rp200 billion, an increase from the end of December 2015 which only amounted to Rp48 billion. This issuer, which is designated as BOLT shares, uses the capital obtained from loans or debts to avoid paying taxes that must be incurred by the company. Companies that use debt financing will bear the burden of interest to be paid, the greater the debt, the greater the interest costs that will be borne by the company. High interest expense will reduce the tax burden.

The Directorate General of Taxes (2022) noted that in 2022, corporate taxpayers who have filed their tax reporting amounted to 887,762 or 7%, an increase from the previous year of 0.49%. Based on this data, it can be seen that the formal compliance ratio for corporate taxpayers in 2022 is still 53.72%. This result is not in line with the target of the Directorate

General of Taxes on a formal compliance ratio of 80% for both corporate taxpayers and individual taxpayers.

Tax avoidance is allowed if it is done by utilizing loopholes. With this melakukan_tindakan penghindaran_pajak (tax avoidance), meaning that the company transfers wealth from the government to shareholders, this will attract investors to invest in the company so that the company's stock price will increase and have an impact on the company's increased value (Mahaetri &; Muliati, 2020).

However, management and shareholders often only put their own interests first or put forward opportunistic behavior. This causes agency conflicts in the relationship between management (agent) and shareholders (Principal) (Warno, 2020). Tax avoidance actions taken by the company will result in high net profits that can increase company value, but if investors know about tax avoidance actions or are known to the public through news, the opposite situation can occur, namely a decrease in company value (Saputra Prasetyo, 2023).

This is in line with research conducted by Andre & Ruslim (2023) stating that tax avoidance has a positive effect on financial value, Prasetyo (2023) that tax avoidance has a positive and significant effect on company value. In contrast to research conducted by Yasmin (2020) which shows tax avoidance has no significant effect on company value.

The case of PT Garuda Metalindo can be concluded that every step taken by management aims to show the "achievement" of the company to potential investors. In minimizing fraud, good corporate governance is needed called corporate governance (Olimsar et al., 2022).

Good corporate governance is a mechanism that protects investors from various conflicts of interest of shareholders-management. Managerial ownership is one of the indicators in the implementation of corporate governance that is expected to influence managers to develop the company's financial performance and solve problems that arise, such as agency problems. With the existence of a good corporate governance mechanism, it will encourage management to manage its assets and capital well, so as to obtain maximum profits (Azhari &; Prajawati, 2022).

Departing from the presentation and research conducted by previous researchers with the same theme, where there are different results. So that researchers are interested and motivated to conduct research entitled "*The Effect of Tax Avoidance on Company Value with Managerial Ownership as a Moderation Variable in Manufacturing Companies*".

## LITERATURE REVIEW

### Agency Theory

According to Jensen and Meckling (1976), agency theory is a theory that describes the relationship between agency and principal. Agency theory describes agency linkage as an agreement between the owner (principal) and another person (agent) to work on behalf of the principal and in making decisions the principal delegates power to the agent. The assumption of this agency theory states that humans are selfish creatures and are more selfish (Lumbanraja, 2023). The emergence of this theory is based on a conflict of interest between the owner and the agent because there is an opportunity for the agent to act not in accordance with the interests of the owner, which then arises agency costs. Problems in the relationship between *principals* and agents include different desires between owners and management, where principals often act inappropriately to what agents should do.

### Company Value

Good corporate values can illustrate that the company is able to ensure welfare and can provide prosperity for shareholders. According to Rahmawati &; Dini in their research explained that company value is a reflection of the level of success of a company in managing its resources both economically, efficiently and effectively so as to gain public trust. Basically, company value is an important thing because high company value will be followed by high shareholder prosperity (Yudi Sungkono, 2019). Company value is the value that must be issued by shareholders if they want to own shares of a company. The value of the company can be said to be in the form of investors' assessment of the prospects of a company which can be seen from the company's stock price. And also investors always make the value of the company as an indicator of the valuation of the shares of each company. Because it is believed that if the company has a large value, the company is developing (Dwi Purnomo et al., 2021).

**Managerial Ownership**

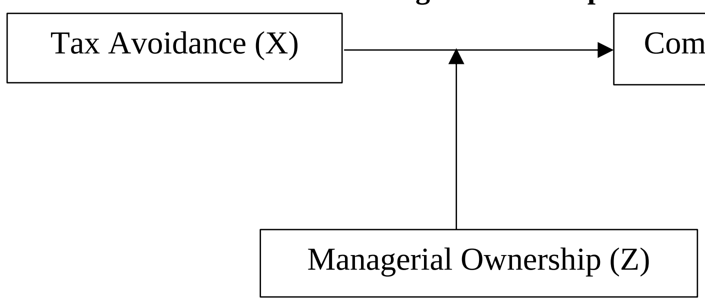
Managerial ownership is ownership belonging to the board of commissioners and directors who actively participate in decision making to solve agency problems between shareholders and managers by equalizing the interests of both parties. According to the theory of Jensen and Meckling (1976), the greater the managerial ownership, the use of debt will decrease. Managerial ownership can be known from the percentage of company share ownership in the financial statements (Zalogo &; Duho, 2022). Managerial ownership is a comparison between managerial share ownership and the number of shares outstanding. Shareholders and managers each have an interest in maximizing their goal of obtaining the maximum possible profit. Managerial ownership in a company will lead to an opinion that the value of the company increases as a result of increased managerial ownership (Sarwindah Esti Pratiwi, 2023).

**Tax Avoidance**

Tax avoidance is a tax avoidance effort that is carried out legally and safely for taxpayers because it does not conflict with tax provisions, where the methods and techniques used tend to take advantage of weaknesses (gray areas) contained in tax laws and regulations in order to minimize the amount of tax (Jamaludin, 2020). Tax avoidance is all activities that aim to minimize corporate tax relative to pre-tax income. In companies, tax avoidance is often done, but in some companies choose reluctant to do tax avoidance. Tax avoidance is carried out by companies as a means of saving taxes by transferring wealth to company shareholders from the government (Aprillando &; Mujiyati, 2022).

The following conceptual framework illustrates the relationship between the independent variable and the dependent variable contained in this study.

**Figure 2. Conceptual Framework**




**The Effect of Tax Avoidance on Company Value**

The company conducts tax avoidance so that the company can reduce the tax debt to be paid. Tax avoidance practices carried out by companies can increase value in the company. Kurniawan & Syafruddin's research found that tax avoidance behavior has a positive influence on company value because it can improve corporate governance. Tax avoidance is not a violation in tax legislation to reduce the tax burden. Tax avoidance can manage the company well because of the gains in the transfer of wealth given to shareholders. The value and loyalty of the company will increase due to the receipt of profits from the transfer of wealth.

Tax avoidance has an influence on company value, this statement is supported by research by Prasetyo (2023), Warno & Ulul (2020), Oky (2022) which found that tax avoidance has a positive influence on company value.

Based on this explanation, the hypotheses developed are:

H1: Tax avoidance has a positive effect on company value

**The Effect of Managerial Ownership in Moderating the Tax Avoidance Relationship to Company Value**

Research conducted by Triana et al (2022) shows that managerial ownership is able to moderate the effect of tax avoidance on company value. These results show that the increase in managerial ownership has succeeded in aligning the interests between management and shareholders. The value of the company can increase with good managerial ownership.

Buyung (2023) which shows that good corporate governance proxied by Managerial Ownership cannot strengthen or weaken the effect of Tax Avoidance on company value. Companies that have managerial ownership will encourage management to run the company well and comply with government regulations, one of which is by carrying out obligations in paying taxes. Based on this explanation, the hypotheses developed are:

H4: Managerial Ownership strengthens the effect of Tax Avoidance on Company Value

## METHOD

This research is a comparative casual research with quantitative methods. Comparative causal is a type of research with problem characteristics in the form of cause-and-effect relationships between two or more variables. This comparative causal aims to test the comparison or test the influence of one variable on another. Researchers use moderation variables to see whether the relationship between independent and dependent variables is influenced by these variables, this is because the conclusion of causal relationships between independent and dependent variables results differ from one researcher to another Research to test panel data regression methods using Eviews 12.

The population used in this study is all manufacturing companies in the 2018-2022 period, using purposive sampling sample techniques obtained by the Indonesia Stock Exchange website, namely www.idx.co.id and the company site concerned with the criteria set out in this study as shown in table 1:

**Table 1. Research Sample Criteria**

| Information | Sum |
|---|---|
| Manufacturing Company listed on IDX | 228 |
| Companies not listed on IDX consecutively from 2018-2022 | -63 |
| Companies that do not report financial statements for the period 2020-2022 | -10 |
| The company has no managerial ownership | -88 |
| Companies that do not use USD currency in financial statements | -9 |
| Companies that did not make a profit in the period | -26 |
| Research Sample | 32 |
| Total Sample (n x study period) (32 x 5 years) | 160 |

Source: Processed Secondary Data (2024)

Data Analysis Techniques

Data analysis methods that will be used to test the model in this study are descriptive analysis, verifiative analysis, hypothesis test, coefficient of determination test ($R^2$) and moderation test. The verifiative analysis in this study used panel data regression analysis (pooled data). This study used data from manufacturing companies listed on the IDX for 5 years. To determine the most appropriate model to use in panel regression, model selection must be carried out with the chow test, hausman test and lagrange multiplier test. The data processing tools in this study used Microsoft excel and Eviews 12 software.

## RESULTS AND DISCUSSION

### Descriptive Analysis Test

Descriptive statistical analysis is carried out to determine the picture and pattern of the general distribution of data on all variables in the study. The results of the descriptive analysis will be presented in the form of a table showing the average value, standard deviation, maximum value and minimum value for numerical data. Here are the test results of descriptive statistical analysis:

**Table 2. Results of Descriptive Analysis of Research Variables**

| | X | Y | Z |
|---|---|---|---|
| **Mean** | 0.874450 | 1.735625 | 0.201294 |
| **Median** | 0.273500 | 1.085000 | 0.063000 |
| **Maximum** | 6.860000 | 7.810000 | 0.959000 |
| **Minimum** | 0.009000 | 0.140000 | 0.000000 |
| **Std. Dev.** | 1.211943 | 1.636507 | 0.260651 |
| **Skewness** | 2.303755 | 1.685532 | 1.391453 |
| **Kurtosis** | 8.238003 | 5.633282 | 3.877612 |
| **Jarque-Bera** | 324.4389 | 121.9883 | 56.76513 |
| **Probability** | 0.000000 | 0.000000 | 0.000000 |
| **Sum** | 139.9120 | 277.7000 | 32.20700 |
| **Sum Sq. Dev.** | 233.5403 | 425.8265 | 10.80233 |
| **Observations** | 160 | 160 | 160 |

(Source: Eviews 12 Data Processing)

The results of the descriptive analysis show observations that are in accordance with population criteria and research samples, namely as many as 32 manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2018-2022 period. The data obtained as many as 160 data observations, the following description related to the results of descriptive analysis of research variables in the table is as follows:

1. The dependent variable in this study is the company value (PBV) has the highest value of 7.810000 at PT Impack Pratama Industri Tbk and the lowest value of 0.140000 at PT Kedawung Setia Industrial Tbk. Has a mean value of 1.735625, a median value of 1.085000 and a standard deviation value of 1.636507.
2. The first independent variable in this study is tax avoidance with the highest value of 6.860000 at PT Mayora Indah Tbk and the lowest value of 0.009000 at PT Trias Sentosa Tbk. Has a mean value of 0.874450, a median value of 0.273500 and a standard deviation of 1.211943.
3. The moderation variable in this study is managerial ownership has the highest value of 0.959000 at PT Bentonjaya Manunggal Tbk and the lowest value of 0.000000 at PT Wijaya Karya Beton Tbk. Has a mean value of 0.201294, a median value of 0.063000 and a standard deviation value of 0.260651.

### Panel Data Regression Model Analysis Test

The regression model of panel data (pool) is data that is a combination of time series data (time series) with cross section data (cross section). In order for panel data to obtain appropriate results and produce the best, several methods can be used to estimate regression models using panel data. Panel data regression model estimation techniques discuss three methods that can be used, namely: choosing between Common Effect Model, Fixed Effect Model and Random Effect Model.

1. Common Effect Model (CEM), according to the results of the test can be seen in the beikut table:

**Table 3. Panel Data Regression Results with Common Effect Model (CEM) Approach**

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 0.833948 | 0.187700 | 4.442975 | 0.0000 |
| X | 0.582335 | 0.092804 | 6.274880 | 0.0000 |
| Z | 0.134726 | 0.429284 | 0.313839 | 0.7541 |

(Source: Eviews 12 Data Processing)

2. Fixed Effect Model (FEM), according to the results of the test can be seen in the beikut table:

**Table 4. Panel Data Regression Results with Fixed Effect Model (FEM) Approach**

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 1.904870 | 0.470107 | 4.051995 | 0.0001 |
| X | 0.900414 | 0.171040 | 5.264342 | 0.0000 |
| Z | -4.933617 | 2.185958 | -2.256959 | 0.0257 |

(Source: Eviews 12 Data Processing)

3. Random Effect Model (REM), according to the results of the test can be seen in the beikut table:

**Table 5. Panel Data Regression Results with Random Effect Model (REM) Approach**

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 1.077230 | 0.280006 | 3.847175 | 0.0002 |
| X | 0.733040 | 0.122300 | 5.993787 | 0.0000 |
| Z | -0.332100 | 0.730069 | -0.454888 | 0.6498 |

(Source: Eviews 12 Data Processing)

**Model Selection Test**

After the raw data is processed into financial ratios and the variables have been determined, the next step is to choose the most suitable research model among the common effect model (CEM), fixed effect model (FEM) and random effect model (REM).

**Test Chow**

The chow test is the selection of models between the Common Effect Model (CEM) and the Fixed Effect Model (FEM). It is known that the decision making is as follows:

$H_0$ rejected CEM model selected (prob > 0.05)
$H_0$ accepted FEM model selected (prob < 0.05)

The following results obtained in testing the estimation of the selection of panel data regression approaches can be seen in the following table:

**Table 6. Results of the Chow Test Estimation Model**

| Effects Test | Statistics | Df. | Prob. |
|---|---|---|---|
| **Cross-section F** | 10.944095 | (31.125) | 0.0000 |
| **Cross-section Chi-square** | 209.943354 | 31 | 0.0000 |

(Source: Eviews Data Processing 12)

Based on the results of the chow test, the Probability Cross-section F value is 0.0000. From the results it can be decided that the value of Probability Cross-section F is 0.0000 < 0.05. Then$_{H0}$ is accepted, so the right approach to use is Fixed Effect Model (FEM).

### Hausman Test

The Hausman test is the selection of models between the Random Effect Model (REM) and the Fixed Effect Model (FEM). It is known that the decision making is as follows:

| | |
|---|---|
| Accepted | Selected REM model (prob > 0.05) |
| $H_0$ rejected | FEM model selected (prob < 0.05) |

The following results obtained in testing the estimation of the selection of panel data regression approaches can be seen in the following table:

**Table 7. Results of the Hausman Test Estimation Model**

| Test Summary | Chi-sq. Statistics | Chi-sq. d.f. | Prob. |
|---|---|---|---|
| **Cross-section random** | 16.299811 | 3 | 0.0010 |

(Source: Eviews Data Processing 12)

Based on the results of the hausman test, a random Probability Cross-section value of 0.0010 was obtained. From the results it can be decided that the value of Probability Cross-section F is 0.0010 < 0.05. Then$_{H0}$ is accepted, so the right approach to use is Fixed Effect Model (FEM).

So it can be concluded that the model chosen in panel data regression is the Fixed Effect Model. And for the lagrange multiplier test there is no need to do it anymore. This is because the lagrange multiplier test is a test used to select panel data regression, the selection of the model is the common effect model (CEM) and random effect model (REM). Both models have been eliminated in previous tests.

### Test the hypothesis

### Partial test (t test)

A partial test (t-test) is the use of testing the influence of each partially independent variable. The decision criteria are as follows:

1. If *the probability* value < 0.05, then Ho is rejected and Ha is accepted, meaning that there is a significant effect of the independent variable on the dependent variable.
2. If *the probability* value > 0.05, then Ha is rejected and Ho is accepted, meaning that there is no significant effect of the independent variable on the dependent variable.

**Table 8. Partial Test Results (Test t)**

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| **C** | 1.904521 | 0.469753 | 4.054306 | 0.0001 |
| **X** | 0.900507 | 0.170940 | 5.267959 | 0.0000 |
| **Z** | -4.932724 | 2.184242 | -2.258324 | 0.0257 |

(Source: Eviews 12 Data Processing)

Based on the table above, the results of the partial test (t test) can be known as follows: The Tax Avoidance (X1) variable has 0.0000 < 0.05, then $H_0$ is rejected and means that Tax Avoidance is partially proven to have a positive and significant effect on company value.

**Coefficient of Determination Test**

The coefficient of determination test (R2 test) is used to assess how much the dependent variable is described by the independent variable. The value of the determination efficiency lies between zero and one or as follows: $0 \leq R2 \geq 1$. The closer the number is to one, the better the regression line is because it is able to explain the actual data. The closer to zero, the less good regression line it has.

**Table 10. Determination Test Results**

| Effects Specification | | | |
|---|---|---|---|
| Cross-section fixed (dummy variables) | | | |
| R-squared | 0.805198 | Mean dependent var | 1.735625 |
| Adjusted R-squared | 0.752212 | S.D. dependent var | 1.636507 |
| S.E. of regression | 0.814625 | Akaike info criterion | 2.618462 |
| Sum squared resid | 82.95170 | Schwarz criterion | 3.291156 |
| Log likehood | -174.4769 | Hannan-Quinn criter | 2.891620 |
| F-statistic | 15.19643 | Durbin-Watson stat | 1.351087 |
| Prob(F-statistic) | 0.000000 | | |

(Source: Eviews 12 Data Processing)

Based on the table above, the results of the coefficient of determination test ($R^2$ test) can be known the R-squared value of 0.8051 or 80.51%. From the results of the coefficient of determination test (test $R^2$) it can be interpreted that the independent variable, namely tax avoidance, is able to explain or be able to describe the dependent variable, namely the value of the company by 80.51%. And 19.49% were explained or illustrated by other variables that were not included in this study.

**Moderated Regression Analysis (MRA)**

Moderated Regression Analysis (MRA) is used as an equation for panel data regression models on moderation variables, where the regression equation has a multiplication interaction between two or more with independent variables.

1. If the Probability value > $\alpha$ 0.05 then $H_0$ is rejected and means that the moderation variable weakens the influence of the independent variable on the dependent variable.
2. If the Probability value < $\alpha$ 0.05 then $H_0$ is accepted and means that the moderation variable strengthens the independent variable against the dependent variable.

**Table 9. Moderated Regression Analysis Test Results**

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| **C** | 1.913274 | 0.486699 | 3.931120 | 0.0001 |
| **X** | 0.892465 | 0.206784 | 4.315928 | 0.0000 |
| **Z** | -4.997038 | 2.352018 | -2.124575 | 0.0356 |
| **XZ** | 0.070016 | 0.997530 | 0.070189 | 0.9442 |

(Source: Eviews 12 Data Processing)

Based on the table above, the results of the Moderated Regression Analysis (MRA) test can be known as follows: In the interaction between managerial ownership and tax avoidance has a probability value of 0.9442 > 0.05, $H_0$ is rejected and means that managerial ownership is unable to moderate (weaken) the effect of tax avoidance on company value.

Then the equation of the form of panel data moderation is as follows:

**Yit = α + Xit + βXit + βXitZ + βXitZ + Ɛit**

**Y= 1.91327389024 + 0.892464990472*X + 4.99703782087*Z + 0.0700156687145*XZ + [CX=F]**

**The Effect of Tax Avoidance on Company Value**

The partial test results (t) show that the tax avoidance variable (X1) has a significant positive effect on the value of the company. Where the coefficient value is 0.900507 and the probability value is greater than the significance level value (0.0000 > 0.05). This means that the higher the value of tax avoidance, the higher the value of the company.

This result is in line with the research of Prasetyo Saputra (2023), Marpaung & Manalu (2020) and Ningrum et al. (2021). In agency theory, company management as an agent will be as much as possible to maximize company profits because it is given authority from company owners or investors. The smaller the costs incurred by the company, the greater the profit, so the company will save expenses by avoiding taxes (Saputra Prasetyo, 2023). Companies that have large profits indicate good company value.

In contrast to research conducted by Yasmin Ester &; Francis Hutabarat (2020), Reeza Aldila Rajab et al (2022), Tatap Maduma &; Eduard Ary Binsar Naibaho (2022) which shows that tax avoidance does not have a significant effect on company value. According to Tarihoran, most investors tend not to observe the amount of tax paid by agencies or companies, so the amount of tax avoidance action is not too considered (Maryanti &; Ayem, 2022).

**The Effect of Managerial Ownership in Moderating the Tax Avoidance Relationship to Company Value**

The results of Moderated Regression Analysis (MRA) testing in this study show that managerial ownership is unable to moderate (weaken) the effect of tax avoidance on company value, where the probability value is greater than the significance level value of 0.9442 > 0.05. This means that managerial ownership has no role in strengthening the effect of tax avoidance on company value.

The results of this study contradict research conducted by Verena and Herlin (2024), that good corporate governance is able to moderate the relationship between Tax Avoidance and Corporate Value. In this study, taking managerial ownership as moderation is part of good corporate governance. With the implementation of GCG principles, companies are expected to be able to manage their tax policies wisely and on target, reduce the risk of conflicts of interest and increase fairness in tax management. This can increase the trust of stakeholders and investors, which has an impact on increasing the business value of the company (Herlin, 2024).

## CONCLUSION AND SUGGESTION

**Conclusion**

Based on the results of research conducted in analyzing the effect of tax avoidance and financial performance on company value with managerial ownership as a moderation variable in manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. Then it can give a conclusion is as follows:

1. Partially, it shows that the tax avoidance variable affects the value of the company with a value of 0.0000 < 0.05
2. In the Moderated Regression Analysis (MRA) test, it shows that the variable of managerial ownership is unable to moderate (weaken) the effect of tax avoidance on company value, indicated by a value of 0.9442 > 0.05

**Suggestion**

In this study, there are still limitations among them, where this study only takes manufacturing companies listed on the Indonesia Stock Exchange (IDX) and the period of research only covers five years, namely in the 2018-2022 period. Further research is expected for researchers to expand research objects that are not limited to mining companies, but can also reach other sectors listed on the Indonesia Stock Exchange. So that it can provide an overview of the results of broader research on the value of the company. And can also add the research period or add other variables.

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