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The Effect of Tax Planning, Tax Avoidance, Tax Aggressiveness, and Deferred Tax Expense on Firm Value (Empirical Study on LQ45 Companies Listed on the Indonesia Stock Exchange in 2019-2023)

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Abstract: This research aims to empirically examine the influence of tax planning, tax avoidance, tax aggressiveness, and deferred tax expense on firm value. The population used in this study comprises LQ-45 companies listed on the Indonesia Stock Exchange from 2019 to 2023. Using purposive sampling method, a sample of 18 companies was selected, with 90 company observations derived from financial reports. Data analysis was conducted using multiple linear regression analysis with SPSS 30 as the analytical tool. The research findings indicate that partially, tax planning, tax aggressiveness, and deferred tax expense have an impact on firm value. Meanwhile, tax avoidance does not have a significant influence on firm value. Furthermore, based on the F statistical test, tax planning, tax avoidance, tax aggressiveness, and deferred tax expense simultaneously have an influence on firm value.

Keywords: Tax Planning, Tax Avoidance, Tax Aggressiveness, Deferred Tax Expense, Firm Value.

INTRODUCTION

Economic data from the Central Statistics Agency indicates a promising trajectory, with economic growth recorded at 5.11% in the first quarter and 5.05% in the second quarter of 2024, approaching the government's annual target of 5.2% (Badan Pusat Statistik, 2024). This economic progression is intrinsically linked to corporate performance, with firm value emerging as a critical indicator for investors assessing investment potential (Bursa Efek Indonesia, 2023).

Firm value represents the reputation of a business entity obtained through its operational activities over a specific period. The primary objective of companies is to maximize profits, which is reflected in stock prices in the capital market. Firm value acts as an indicator influencing investor perceptions of a company, making it a critical focus for various stakeholders as it provides a factual overview of the company's condition (Intan et al., 2021).

Empirical observations reveal notable fluctuations in stock prices for prominent companies. For instance, PT Indika Energy Tbk (INDY) and PT Media Nusantara Citra Tbk (MNCN) experienced significant stock price declines throughout 2023. PT Indika Energy witnessed a revenue decrease of 26.64% in Q3/2023, dropping from US$3.13 billion to US$2.29 billion. Similarly, PT Media Nusantara Citra reported a 37.96% reduction in profits during the first half of 2023, primarily attributed to weakening conventional advertising revenues (CNBC, 2023).

These stock price fluctuations highlight a critical phenomenon in the capital market. Despite being listed in the LQ-45 index, which comprises 45 top-performing stocks with strong financial conditions, these companies experienced significant challenges. The LQ45 index itself showed a decline of 4.65% in 2023, contrasting with the Indonesia Composite Stock Price Index (IHSG) which recorded a 1.15% increase during the same period. This divergence underscores the complexity of corporate performance and investor perceptions (Bursa Efek Indonesia, 2023).

Despite being known for high liquidity and substantial market capitalization, companies in the LQ-45 index continue to face challenges, including stock value fluctuations and taxation aspects. One of the primary issues is transfer pricing practices implemented to reduce tax burdens, although most companies in the index have adopted good corporate governance principles (Direktorat Jenderal Pajak, 2024).

The first factor that can affect firm value is tax planning. Tax planning refers to the efforts made by taxpayers to minimize their tax liabilities while complying with tax regulations (Harahap and Prasetya, 2023). The Tax Retention Rate (TRR) is used to measure tax planning, assessing the effectiveness of tax strategies reflected in companies' annual financial statements (Panggabean and Ritonga, 2024). Research findings on the impact of tax planning on firm value present mixed results. Some studies, including those by Yulianti et al. (2023), Putri et al. (2022), Saila & Agustina (2023) and Vianna & Yusnaini (2022) indicate that tax planning significantly affects firm value. In contrast, research by Ariyadni & Irawati (2023), Harahap & Prasetya (2023), Lukmana & Widiyati (2024), Panggabean & Ritonga (2024), Rajab et al. (2022) and Safitri & Safii (2022) suggest that tax planning does not significantly affect firm value.

The second factor that can affect the firm value is the tax avoidance. Tax avoidance is a strategy employed by companies to reduce their tax burden by exploiting loopholes in a country's tax regulations (Panggabean and Ritonga, 2024). This study employs the Cash Effective Tax Rate (CETR) as a measure of tax avoidance. Findings from Panggabean & Ritonga (2024) and Ferry (2020) reveal that tax avoidance has significant affects firm value. In contrast, research by Rajab et al. (2022), Irwana and Sutrisno (2023), Gurusinga & Michelle (2023), Ishlah & Natsir (2023), Juliana et.al (2023) and Yulianti et al. (2023) indicates that tax avoidance does not significantly affects firm value.

The third factor that can affect firm value is tax aggressiveness. Tax aggressiveness is defined as systematic actions taken by companies to minimize taxable income through strategic tax planning (Fuadah & Kalsum, 2021). The Effective Tax Rate (ETR) is used as an instrument to measure tax aggressiveness. Research findings on tax aggressiveness present varied results. Studies by Fuadah & Kalsum (2021), Puspitaningrum & Soetardjo (2022), Prastiwi & Walidah (2020) and Sari & Sulastri (2021) demonstrate that tax aggressiveness has a significant affects firm value. However, research by Oktavianna (2021) suggests that tax aggressiveness does not significantly affect firm value.

Another factor that can affect the firm value is deffered tax expense. Deferred tax expense refers to the amount of income tax payable in the future due to temporary tax differences (Safitri and Safii, 2022). Some research, including studies by Safitri & Safii (2022) and Putri et al. (2022). Harahap & Prasetya (2023), Lukmana & Widiyati (2024) and Vianna & Yusnaini (2022) indicates that deferred tax expense significantly impacts firm

value. Meanwhile, studies by Harahap & Prasetya (2023), Lukmana & Widiyati (2024) and Vianna & Yusnaini (2022) suggest that deferred tax expense does not significantly affect firm value.

This study is a development of research by Panggabean & Ritonga (2024) titled "The Influence of Tax Planning, Tax Avoidance, and Deferred Tax Burden on Firm Value in Manufacturing Companies Listed on the Indonesian Stock Exchange". This study differs in several significant ways from previous research. First, there is a difference in the research objects. The previous study focused on manufacturing companies listed on the IDX, whereas this study focuses on LQ45 companies listed on the IDX. Second, there is a difference in the research period. The previous study covered the period 2019-2022, while this study focuses on the period 2019-2023. The third difference lies in the selection of independent variables. The previous study used tax planning and tax avoidance as variables, while the current study adds tax aggressiveness and deferred tax expense as additional variables. The selection of these variables is based on their potential to provide deeper insights into corporate tax strategies and their impact on firm value.

The grand theories adopted in this study are agency theory and signaling theory. Agency theory emphasizes the conflicts of interest between managers (agents) and shareholders (principals), which can lead to information asymmetry that affects company valuation (Jensen and Meckling, 1976). Managers, possessing superior knowledge about the company's condition, may implement strategic policies that optimize the company's value in alignment with their interests, potentially at the expense of shareholders. This situation necessitates oversight mechanisms to mitigate conflicts and enhance transparency in decision-making.

On the other hand, signaling theory explains that management's strategic policies can be interpreted as signals to investors regarding the company's future prospects. These policies not only aim to enhance company value but also act as a medium for conveying information to stakeholders. Effective communication through these signals is essential for reducing information asymmetry and fostering trust among investors, thereby reinforcing the company's credibility and market position (Brigham & Houston, 2019).

METHOD

Tax Planning is a strategic approach that companies use to optimize tax payments while adhering to applicable regulations, ultimately allowing for greater reinvestment in business development (Rajab et al., 2022). From the agency theory perspective, effective tax planning can enhance firm value by improving cash flow through optimized tax burdens (Ariyadni dan Irawati, 2023). However, signaling theory suggests that aggressive tax planning may be viewed negatively by investors, potentially leading to lower valuations due to concerns over transparency and governance (Caitlin & Kezia, 2022). Research by Yulianti et al. (2023) supports the notion that tax planning positively impacts firm value. Therefore, the research hypothesis is formulated as follows: H_1: Tax Planning has a positive and significant effect on Firm Value.

Tax Avoidance is a systematic approach to minimize tax liabilities while complying with legal provisions (Panggabean & Ritonga, 2024). According to agency theory, management's efforts to legally manage tax burdens can enhance cash flow and, consequently, firm value for shareholders (Rajab et al., 2022). However, signaling theory suggests that tax avoidance can send both positive and negative signals to investors; while legal tax avoidance can indicate efficient management, overly aggressive practices may reflect poor governance and reduce firm value (Ishlah & Natsir, 2023). Previous studies by Irwana and Sutrisno (2023) dan Panggabean & Ritonga (2024) show that tax avoidance negatively impacts firm value, with higher levels of tax avoidance correlating with a decline

in firm value, albeit not statistically significant. Thus, the research hypothesis is formulated as follows: H_2: Tax Avoidance has a negative and significant effect on Firm Value.

Tax aggressiveness refers to tax planning strategies aimed at significantly minimizing tax liabilities, including efforts to reduce or avoid legally owed taxes (Siregar & Azzahra, 2022). Fuadah & Kalsum (2021) highlight that such strategies may involve approaches that could violate regulations. From the agency theory perspective, managers may pursue tax aggressiveness to boost net income and enhance firm value. However, this can negatively impact the company's public image and expose it to legal risks (Prastiwi & Walidah, 2020). According to signaling theory, companies that manipulate financial statements through tax aggressiveness may mislead investors, resulting in negative signals and a decrease in firm value (Puspitaningrum & Soetardjo, 2022). Previous research by oleh Fuadah & Kalsum (2021), Prastiwi & Walidah (2020), Puspitaningrum & Soetardjo (2022) and Sari & Sulastri (2021) indicates that tax aggressiveness negatively affects firm value. Therefore, the research hypothesis is formulated as follows: H_3: Tax Aggressiveness has a negative and significant effect on Firm Value.

Deferred tax expense, recorded as an expense, represents tax obligations not yet paid due to temporary differences between accounting and fiscal profit calculations (Handayani et.al, 2020). High deferred tax expenses can lower perceptions of firm value, while low expenses may enhance market perceptions, prompting management to engage in earnings management to maintain firm value. Agency theory posits that increased deferred tax expenses lead management to manage earnings to satisfy shareholder demands for transparency in financial reporting, which influences firm value (Safitri & Safii, 2022). Signaling theory highlights the importance of financial statements in conveying information to investors; clear reporting of deferred tax expenses signals earnings quality and financial prospects, thereby boosting investor confidence and firm value (Harahap & Prasetya, 2023). Previous studies by Putri et.al (2022), Safitri & Safii (2022) and Vianna & Yusnaini (2022) indicate that deferred tax expense negatively affects firm value. Thus, the research hypothesis is formulated as follows: H_4: Deferred Tax Expense has a negative and significant effect on Firm Value.

This study examines the simultaneous impact of tax planning, tax avoidance, tax aggressiveness, and deferred tax expense on firm value. These strategic tax management approaches aim to optimize tax obligations, enhance shareholder value, and improve financial performance. By analyzing the complex interrelationships between various tax strategies, the research seeks to understand their collective influence on corporate valuation. The study investigates how legal and strategic tax management techniques can potentially affect a company's market perception and overall value. Consequently, the research hypothesis is formulated as follows:H_5: Tax Planning, Tax Avoidance, Tax Aggressiveness, and Deferred Tax Expense simultaneously influence Firm Value.

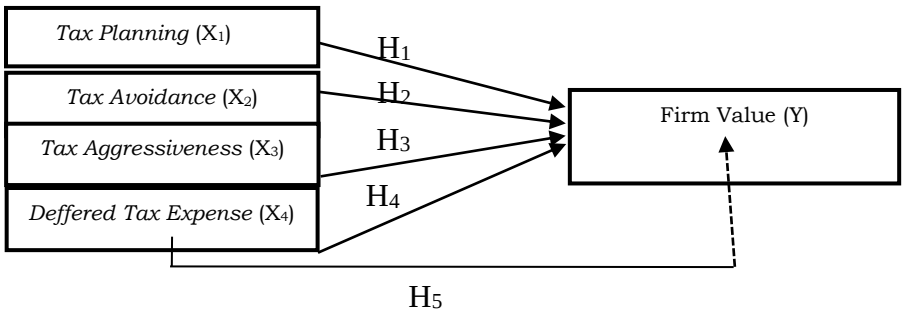

Figure 1. Research Model
Source: Research Data, 2024

According to the explanation of the research model outlined earlier, this study uses a According to the explanation of the research model outlined earlier, this study employs a quantitative method with scientific characteristics, including clarity, objectivity, reliable measurements, rationality, and a systematically organized methodology. The research focuses on tax planning, tax avoidance, tax aggressiveness, deferred tax expense, and firm value among companies listed on the LQ45 index. The study investigates one dependent variable (firm value) and four independent variables: tax planning, tax avoidance, tax aggressiveness, and deferred tax expense. Using purposive sampling techniques, 18 companies were selected from the total population of 67 LQ45 companies. Research data were collected through secondary sources, specifically utilizing literature reviews and documentation methods.

Table 1. Variable Measurement

Variable	Proxy	Scale
Tax Planning	$TRR = \frac{\text{Net Income}_{it}}{\text{Pretax Income (EBIT)}it}$	Ratio
Tax Avoidance	$CETR = \frac{\text{Cash Tax Paid}}{\text{Total Earning Before Tax}}$	Ratio
Tax Aggressiveness	$ETR = \frac{\text{Total Tax Expense}}{\text{Pretax Income}}$	Ratio
Deffered Tax Expense	$BPT = \frac{\text{Deffered Tax Expense for the Current Year}}{\text{Total Assets from the Previous Year}}$	Ratio
Firm Value	$PBV = \frac{\text{Market Value per Share}}{\text{Book Value per Share}}$	Ratio

Source: Some Research, 2024

The process of data analysis and hypothesis testing includes classical assumption tests, The process of data analysis and hypothesis testing involves classical assumption tests, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests. Hypothesis testing was conducted using multiple linear regression analysis, with t-tests for partial analysis, F-tests for simultaneous analysis, and the coefficient of determination (R^2) test. All analyses were performed using SPSS version 30 software.

The following represents the research model applied for multiple linear regression in this study:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Information :

Y = *Firm Value*
α = Constant
β1 to β4 = Regression Coefficients
X1 = *Tax Planning*
X2 = *Tax Avoidance*
X3 = *Tax Aggressiveness*
X4 = *Deffered Tax Expense*
ε = Error Term

The study employed the Cochrane-Orcutt LAG transformation to address non-normal data distribution with moderate positive skewness, effectively reducing statistical bias and autocorrelation in time series data. By introducing a lagged dependent variable, the methodology enhances parameter estimation precision and regression model reliability. The

transformation ensures key regression assumptions like homoscedasticity are met, ultimately improving the overall analytical validity and research methodology rigor.

The following represents the research regression model applied for multiple linear regression in this study:

$$Y = LAG\ a + LAG\ \beta_1 X_1 + LAG\ \beta_2 X_2 + LAG\ \beta_3 X_3 + LAG\ \beta_4 X_4 + e$$

Information :

Y = Firm Value (Lagged Dependent Variable)
LAG α = Lagged Constant LAG
β1 to β6 = Regression Coefficients
X1 = Tax Planning
X2 = Tax Avoidance
X3 = Tax Aggressiveness
X4 = Deffered Tax Expense
e = Error Term

RESULTS AND DISCUSSIONS

During the study, data were collected from all LQ45 companies during the 2019-2023 period. However, only 18 companies met the criteria to be used as the sample, resulting in a total of 90 observational data points.

Table 2. Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
Tax Planning	76	.28	2.54	.7799	.22048
Tax Avoidance	76	.03	1.44	.2761	.20984
Tax Aggressiveness	76	.13	1.54	.2600	.17031
Deffered Tax Expense	76	.00	.01	.0021	.00203
Firm Value	76	.56	4.78	1.9349	1.10734

Source : Research Data, 2024

Based on the explanation in Table 1 above, the data presented is the result of processing after the outlier removal process. Initially consisting of 90 data points, it was reduced to 76 data points, meaning that 14 observations were systematically removed through casewise diagnostics outlier elimination method, reducing the total sample from 90 to 76 observations. Following Ghozali (2021) methodology, outliers represent data points with unique characteristics and extreme values that potentially distort statistical analysis. This strategic data cleaning approach ensures more robust and representative statistical modeling by removing anomalous data points that could significantly influence regression outcomes, thereby enhancing the overall research methodology's reliability and statistical inference precision.

Based on the information provided in Table 1, it can be seen that the minimum, maximum, mean, and standard deviation values show variations across each variable. The tax planning variable (X_1) ranges from 0,28 to 2,54, with an average of 0,7804 and a standard deviation of 0,22271. The tax avoidance variable (X_2) spans from 0,03 to 1,44, with a mean of 0,2761 and a standard deviation of 0,21265. The tax aggressiveness variable (X_3) ranges from 0,15 to 1,54, with an average of 0,2605 and a standard deviation of 0,17163. The deffered tax expense variable (X_4) varies from 0,00 to 0,01, with a mean of 0,0021 and a standard deviation of 0,00206. Finally, the firm value variable (Y) ranges from 0,56 to 4,78, with a mean of 1,9600 and a standard deviation of 1,11152.

Table 3. Normality Test

		Unstandardized Residual
N		76
Normal Parameters[a,b]	Mean	Normal Parameters[a,b]
	Std. Deviation	.46687685
Most Extreme Differences	Absolute	Most Extreme Differences
	Positive	.068
	Negative	-.039
Test Statistic		.072
Asymp. Sig. (2-tailed)		.200[c,d]

Source : Research Data, 2024

The data presented above result from processing after applying the casewise diagnostics outlier elimination and Cochrane-Orcutt LAG transformation, reduced the initial sample from 90 to 76 observations. Normality testing using the Kolmogorov-Smirnov (K-S) method yielded a significance level of 0.200, which exceeds the 0.05 threshold, indicating that the data are normally distributed and passed the normality test. Data are considered normal if the significance level is above 0,05 or if the Asymp. Sig > 0,05. This statistical transformation successfully converted the initially non-normal data into a normally distributed dataset, ensuring methodological rigor and statistical reliability. The strategic data preprocessing approach effectively improved data dispersion, rendering the company sample dataset statistically valid and suitable for comprehensive research analysis.

Table 4. Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Tax Planning	.368	2.714
Tax Avoidance	.468	2.134
Tax Aggressiveness	.237	4.217
Deffered Tax Expense	.938	1.067

Source : Research Data, 2024

As presented in Table 3, which includes data that has been outlier-processed and transformed using the Cochrane-Orcutt LAG method, the tax planning variable shows a tolerance value of 0.368 and a VIF value of 2.714. The tax avoidance variable has a tolerance value of 0.468 and a VIF value of 2.134. The tax aggressiveness variable indicates a tolerance value of 0.237 and a VIF value of 4.217. Lastly, the deferred tax expense variable has a tolerance value of 0.938 and a VIF value of 1.067. The multicollinearity test criteria require a tolerance value > 0.10 and VIF < 10.

This means that the independent variables in the regression model are not significantly correlated with each other. The absence of multicollinearity ensures that the regression results will not be biased or distorted due to overlapping information between the independent variables. The analysis results show that all independent variables used in this study, namely tax planning, tax avoidance, tax aggressiveness, and deferred tax expense, have tolerance values greater than 0.10 and VIF values less than 10. Therefore, it can be concluded that there is no multicollinearity among the independent variables in this model, making the regression model feasible for further testing.

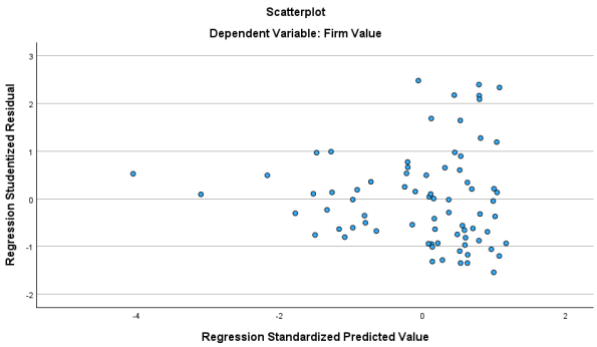

Figure 2. Results of Heteroscedasticity Test
Source : Research Data, 2024

As shown in Figure 2, the points or data are well-distributed above and below zero (the Y-axis) without clustering on one side. The distribution of the points does not form a clear or regular pattern but is rather random. Therefore, it can be concluded that there is no heteroscedasticity in the regression model used in this study, making the model suitable for further analysis..

Table 5. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.410	.165	.127	.47588	1.794

Based on the test results, the Durbin-Watson value obtained was 1,794. Comparing this value with the Durbin-Watson table, the obtained value of 1,794 falls between DU and 4 - DU, specifically 1,7399 < 1,794 < 2,2601. Therefore, it can be concluded that there is no autocorrelation in this regression model, making it suitable for use in linear regression analysis.

Table 6. Results Multiple Linear Regression Analysis and T-Test

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.166	.066		2.525	.014
Tax Planning	.684	.314	.389	2.183	.032
Tax Avoidance	-.422	.289	-.231	-1.459	.149
Tax Aggressiveness	-.862	.563	-.340	-1.531	.130
Deffered Tax Expense	-26.632	25.685	-.116	-1.037	.303

Source : Research Data, 2024

According to the multiple linear regression analysis results displayed in Table 5 above, the relationship between the research variables can be explained in the following equation :

$$Y = LAG\ a + LAG\ \beta_1 X_1 + LAG\ \beta_2 X_2 + LAG\ \beta_3 X_3 + LAG\ \beta_4 X_4 + e$$

Table 6 above presents the significance values for each variable. The t-test results show that the significance value for the tax planning variable is 0.032, which is less than 0.05, and the calculated t-value is 2.183, while the t-table value is 1.99444. Therefore, the calculated t-value is greater than the t-table value (2.183 > 1.99444). This indicates a significant effect of tax planning on firm value, leading to the acceptance of the first hypothesis in this study.

Additionally, as shown in Table 5 above. The t-test results show that the significance value for the tax avoidance variable is 0.149, which is greater than 0.05, and the calculated t-value is -1.459, while the t-table value is 1.99444. Therefore, the calculated t-value is smaller than the t-table value (-1.459 < 1.99444). This indicates no significant effect of tax avoidance on firm value, leading to the rejection of the second hypothesis in this study.

The third hypothesis proposes that the significance value for the tax aggressiveness variable is 0.130, which is greater than 0.05, and the calculated t-value is -1.531, while the t-table value is 1.99444. Therefore, the calculated t-value is smaller than the t-table value (-1.531 < 1.99444). This indicates no significant effect of tax aggressiveness on firm value, leading to the rejection of the third hypothesis in this study.

The fourth hypothesis suggests to show that the significance value for the deferred tax expense variable is 0.303, which is greater than 0.05, and the calculated t-value is -1.037, while the t-table value is 1.99444. Therefore, the calculated t-value is smaller than the t-table value (-1.037 < 1.99444). This indicates no significant effect of deferred tax expense on firm value, leading to the rejection of the fourth hypothesis in this study.

Table 7. Results of Simultaneous F Test

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3.240	4	.810	3.577	.010[b]
	Residual	16.079	71	.226		
	Total	19.319	75			

Source : Research Data, 2024

Based on the F-test results in Table 7 above, it is found that the calculated F-value is 3,577. In comparison, the F-table value at a 5% significance level, with degrees of freedom df1 (k - 1 = 5 - 1) equal to 4 and df2 (n - k - 1 = 76 - 5 - 1) equal to 70, is 2,50. Thus, the calculated F-value is greater than the F-table value (3,577 > 2,50). Furthermore, the probability value is 0,010, which is smaller than the significance level of 0,05. Therefore it can be concluded that the independent variables, such as tax planning, tax avoidance, tax aggressiveness, and deferred tax expense, have a significant impact on the dependent variable, which is firm value.

Table 8. Results of Determination Coefficient (R^2) Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.410	.165	.127	.47588

Source : Research Data, 2024

Based on the results of the determination test (R^2) presented in Table 8, which have undergone outlier and data transformation processing, the obtained value is 0.410. This value indicates that the ability of the variables tax planning, tax avoidance, tax aggressiveness, and deferred tax expense to explain the variation in the dependent variable (firm value) is 41%. The remaining 59% of the variation is explained by other variables outside the used model. The R^2 coefficient value of only 0.410 suggests that the independent variables have a relatively low ability to explain the variation in the dependent variable. An R^2 value close to 1 is considered to indicate a good ability of the independent variables to explain the dependent variable's variation.

Tax planning has a positive and significantly effect on firm value. This is reflected in the significance value in Table 5 of the T-test, where the significance value of tax planning is less than 0.05, specifically 0.032 < 0.05. The statistical analysis results prove that the first hypothesis (H_1), which states that tax planning has a positive and significant effect on firm value, is accepted. This finding aligns with previous research. Yulianti et al. (2023) found that tax planning positively and significantly affects firm value, indicating that increases in tax planning correspond to increases in firm value. Similarly, studies by Putri et al. (2022), Saila and Agustina (2023) and Vianna & Yusnaini (2022) also found a significant effect of tax planning on firm value.

However, this study differs from those conducted by Ariyadni & Irawati (2023), Harahap & Prasetya (2023), Lukmana & Widiyati (2024), Panggabean & Ritonga (2024), Rajab et al. (2022) and Safitri & Safii (2022), which stated that tax planning does not significantly affect firm value.

Tax planning plays a strategic role in managing tax obligations in line with agency theory, where managers are responsible for complying with regulations and optimizing tax burdens. Tax savings can increase cash flow and shareholder value. According to signalling theory, less transparent tax planning practices can create negative perceptions among investors and weaken corporate governance, thus, aggressive approaches risk harming investor perceptions and company value (Caitlin & Kezia, 2022).

Tax avoidance does not affect firm value. This is reflected in the significance value in Table 5 of the T-test, where the significance value of tax avoidance is greater than 0.05, specifically 0.149 > 0.05. The statistical analysis results prove that the second hypothesis (H_2), which states that tax avoidance has a negative and significant effect on firm value, is rejected. This finding aligns with studies conducted by Rajab et al. (2022), Irwana and Sutrisno (2023), Gurusinga and Michelle (2023), Ishlah and Natsir (2023), Juliana et.al (2023) and Yulianti et al. (2023), showing that the level of tax avoidance by companies does not affect firm value (Rajab et al., 2022). However, this study differs from those by Panggabean & Ritonga (2024) and Ferry (2020), which stated that tax avoidance significantly affects firm value.

According to agency theory, even though legal tax avoidance does not inherently increase firm value as shareholders expect, tax avoidance is not always an effective strategy to optimize tax burdens and enhance firm value. Based on signalling theory, measured tax avoidance practices do not provide a positive signal to investors. Aggressive tax avoidance can create negative perceptions, reduce investor confidence, and ultimately harm company value. Therefore, tax avoidance does not significantly influence firm value, indicating that its short-term benefits may not outweigh its long-term impacts (Ishlah and Natsir, 2023).

Tax aggressiveness does not affect firm value. This is reflected in the significance value in Table 5 of the T-test, where the significance value of tax aggressiveness is greater than 0.05, specifically 0.130 > 0.05. The statistical analysis results prove that the third hypothesis (H_3), which states that tax aggressiveness has a negative and significant effect on firm value, is rejected. This finding aligns with the study conducted by Oktavianna (2021), showing that the level of tax aggressiveness by companies does not affect firm value. Society views tax aggressiveness as non-compliance that increases company risk, potentially lowering stock prices, damaging reputation, and leading to sanctions (Oktavianna, 2021).

However, this study differs from those by Fuadah & Kalsum (2021), Puspitaningrum and Soetardjo (2022), Prastiwi & Walidah (2020) and Sari & Sulastri (2021), which stated that tax aggressiveness negatively and significantly affects firm value.

According to agency theory, tax aggressiveness by managers aims to increase net profit, contributing to higher firm value. However, the results of this study show that reducing tax aggressiveness does not significantly influence firm value, even though it can provide more cash, as it also risks damaging the company's image and reputation and facing legal sanctions. Signalling theory explains that information disclosed by companies to external parties should act as positive signals to investors, but tax aggressiveness accompanied by financial statement manipulation can result in inaccurate information for investors, lowering firm value in the capital market (Puspitaningrum and Soetardjo, 2022).

Deferred tax expense does not affect firm value, as evidenced by the significance value in Table 5 of the T-test, where the significance value of deferred tax expense is greater than 0.05, specifically 0.303 > 0.05. The statistical analysis results confirm that the fourth hypothesis (H_4), which states that deferred tax expense has a negative and significant effect on firm value, is rejected. This finding is consistent with the studies by Harahap & Prasetya (2023), Lukmana & Widiyati (2024) and Vianna & Yusnaini (2022) indicating that the total future tax payments, whether large or small, do not affect firm value. However, this study differs from research by Safitri and Safii (2022) and Putri et al. (2022), which found that deferred tax expense negatively and significantly affects firm value.

According to agency theory, company management needs to manage deferred tax expenses transparently to maintain firm value in the eyes of investors. Shareholders demand transparency in financial conditions and future tax obligations, influencing their valuation; however, this does not always translate into market value changes. Signalling theory emphasizes that clear financial reporting on deferred tax expenses should act as signals of earnings quality and the company's financial prospects to investors, but this study shows that deferred tax expense does not significantly affect firm value, indicating that this information does not always influence investor perceptions and market value (Harahap & Prasetya, 2023).

Tax planning, tax avoidance, tax aggressiveness, and deferred tax expense have a significant simultaneous effect on firm value. Based on the F-test results in Table 6, the calculated F value is 3.577, while the F-table value at a 5% significance level is 2.50. This comparison shows that the calculated F value is significantly greater than the F-table value. The probability analysis (p-value) yields a value of 0.010, which is less than the significance level of 0.05. The statistical analysis results confirm that the fifth hypothesis (H_5), which states that the variables of tax planning, tax avoidance, tax aggressiveness, and deferred tax expense have a significant simultaneous effect on firm value, is accepted.

The magnitude of the independent variables' influence on the dependent variable is shown by the Adjusted R Square value of 0.410 or 41%. This statistical interpretation shows that the four independent variables can explain 41% of the variation in firm value, while the remaining 59% is influenced by other factors outside the research model.

CONCLUSION

Based on the results of hypothesis testing, this study concludes that tax planning positively and significantly affects firm value, while tax avoidance, tax aggressiveness, and deferred tax expense do not significantly influence firm value for LQ45 companies listed on the Indonesia Stock Exchange during 2019-2023. Additionally, tax planning, tax avoidance, tax aggressiveness, and deferred tax expense collectively have a significant simultaneous effect on firm value. These findings support agency theory, emphasizing the strategic role of tax planning in managing tax obligations to optimize shareholder value and the importance of transparency in financial reporting. Signalling theory also suggests that while tax planning provides a positive signal to investors, aggressive tax strategies and deferred tax expenses do not significantly impact investor perceptions or firm value.

One limitation of this study is the relatively small sample size, which includes only LQ45 companies. This may not be sufficient to represent all companies listed on the Indonesia Stock Exchange, making the findings more relevant to companies with specific characteristics of the LQ45 index. Additionally, this study relies solely on secondary data from publicly available financial reports, without considering other factors that may not be directly reflected in those reports. Future research is recommended to expand the sample size by including more companies from different sectors and beyond the LQ45 index to generate more generalizable findings. The use of primary data, such as interviews or surveys with company management, could also provide additional insights into the factors influencing firm value. Furthermore, the integration of other theories, such as positive accounting theory, could deepen the analysis and broaden the understanding of aspects related to corporate transparency and accountability.

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