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The Influence Of Tax Planning And Company Size On Company Value With Earnings Management As A Moderating Variable (Empirical Study On The Primary Consumer Goods Sector Listed On The Indonesia Stock Exchange For The 2022-2024 Period)

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Abstract

This research is motivated by the importance of firm value in reflecting market valuation and the inconsistency of research findings regarding the influence of tax planning and firm size on firm value. This study aims to analyze the influence of tax planning and firm size on firm value and examine the role of earnings management as a moderating variable. The study uses a causal quantitative method with secondary data. The population consists of 53 primary consumer goods companies listed on the Indonesia Stock Exchange for the 2022-2024 period, with 45 companies as samples selected through purposive sampling, resulting in 135 observations. Documentary data in the form of financial statements were analyzed using EViews 12 through descriptive statistics, panel data regression, model selection, and moderated regression analysis. The results show that tax planning has no significant effect on firm value, while firm size has a positive and significant effect. Earnings management does not moderate the effect of tax planning on firm value, but it does moderate the effect of firm size on firm value. In conclusion, firm size is a factor that influences firm value, while tax planning has not shown a significant direct effect, and the moderating role of earnings management differs in each relationship.

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Keywords: Earnings Management, Firm Size, Firm Value, Tax Planning, Tobin's Q

INTRODUCTION

Financial reports are a crucial source of information used by both internal and external parties to understand the company's economic and financial condition over a given period. Profit information plays a crucial role as it informs decision-making, including those related to manager compensation and bonuses, management performance assessments, tax determinations, investment decisions, and lending decisions. A company's value, as reflected in its share price, is also a key concern for investors. A decline in share price leads to a decline in the company's value, while an increase in the share price reflects an increase in the company's value and shareholder prosperity (Indra Kusuma & Mertha, 2021; Fiana et al., 2022). This demonstrates that the quality of information in financial reports, particularly profit information, plays a crucial role in shaping a company's assessment.

This phenomenon is becoming increasingly relevant for primary consumer goods companies listed on the Indonesia Stock Exchange. This sector includes companies that produce products that remain in demand, such as basic necessities, processed foods, beauty products, cigarettes, and animal feed. Although the primary consumer goods sector tends to have relatively stable stock prices because its products remain in demand during economic downturns, this sector still faces risks stemming from rising raw material prices, labor costs, and weakening economic conditions. In 2024, the consumer non-cyclicals sector index recorded a 15.63% year-to-date decline. Several issuers also experienced share price declines, including PT Indofood CBP Sukses Makmur Tbk (13.05%), PT Indofood Sukses Makmur Tbk (8.76%), and PT Mayora Indah Tbk (12.92%). This situation indicates that stable demand for primary consumer products does not always translate into stable company values in the capital market.

The research problem also relates to the practice of earnings management in the financial reporting process. Earnings management is a management effort to influence information in financial reports through specific interventions in the financial reporting process with the aim of directing reported profit levels (Ardyanti, 2023). This practice can be carried out due to management's interest in obtaining awards or rewards or to achieve certain goals that have the potential to harm owners and the company. The phenomenon of financial statement manipulation at PT Tiga Pilar Sejahtera Food Tbk demonstrates this problem. The restated 2017 financial report showed a net loss of IDR 5.23 trillion, significantly higher than the previous report, which recorded a loss of IDR 551.9 billion.

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This practice was carried out by increasing reported profits or decreasing reported losses to make the company's condition appear better. However, ultimately, the company experienced a significant decline in company value, and AISA shares were temporarily suspended by the IDX (Indra Kusuma & Mertha, 2021).

In addition to earnings management, tax planning and company size are important factors to consider in relation to company value. Tax planning is a company's action to control transactions that have tax consequences with the aim of streamlining the amount of tax paid (Rajab et al., 2022). Tax planning can impact profits because the lower the tax burden paid, the greater the profit earned, potentially increasing company value (Muzaqi et al., 2023). Furthermore, company size indicates the size of a company and can influence its ability to obtain funding. Larger companies also have better valuations in the capital market and have easier access to funding (Sari & Purbowati, 2023). However, previous research has shown inconsistencies. Tax planning was found to impact company value in Disria et al.'s (2023) study, while studies by Reeza et al. (2022), Sasmita et al. (2021), and RIA & Yuli Prastyatini (2021) showed different results. Inconsistencies were also found in the relationship between company size and company value and the relationship between earnings management and these two variables.

Based on these conditions, this study aims to examine the effect of tax planning and firm size on firm value and to determine whether earnings management can moderate the effect of tax planning and firm size on firm value. This research is important because the differences in previous research findings indicate that the relationship between tax planning, firm size, and firm value still requires further testing. This study is also expected to provide an overview and broaden insight into earnings management and its relationship to firm value and can serve as a reference for developing literature related to firm value. The novelty of this study lies in testing earnings management as a moderating variable to determine whether earnings management can strengthen or weaken the effect of tax planning and firm size on firm value in primary consumer goods companies listed on the Indonesia Stock Exchange for the 2022-2024 period.

RESEARCH METHODS

This research uses a causal quantitative method with quantitative secondary data. Quantitative research is a scientific method that uses data in the form of numbers or figures that can be processed and analyzed through mathematical or statistical calculations (Zai & Mastiyah, 2023). Meanwhile, causal research is used to examine the influence of one or more variables on other variables. This study examines the effect of

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tax planning and company size on firm value, with earnings management as a moderating variable. The research objects consist of tax planning, company size, firm value, and earnings management. While the research subjects are primary consumer goods companies listed on the Indonesia Stock Exchange for the 2022-2024 period.

The research instrument consisted of documentary data sourced from the financial reports of primary consumer sector companies obtained through the Indonesia Stock Exchange website. Tax planning was measured using the Tax Retention Rate (TRR), with low values indicating high tax planning activity (Disria et al., 2023). Company size was proxied using total assets, measured by the natural logarithm of total assets for the current year (Suryadi, 2022). Firm value was measured using Tobin's Q, while earnings management served as a moderating variable and was measured using the profit distribution approach as used in the study by Zai & Mastiyah (2023). Earnings management was also associated with Discretionary Accrual (DA) values, with positive values indicating a form of earnings management through profit increases and negative values indicating profit decreases. The data obtained were then analyzed using panel data with the help of EViews 12 software. The analysis included descriptive statistics, panel data regression, model selection using the Chow test, the Hausman test, and the Lagrange Multiplier test, as well as a moderation test to determine the interaction effect of tax planning and firm size with earnings management on firm value.

The study population consisted of 53 companies in the primary consumer goods industry listed on the Indonesia Stock Exchange for the 2022-2024 period. Sampling was conducted using a purposive sampling method, which selects samples based on specific criteria. Of the 53 companies in the population, eight companies had incomplete financial statements published for the past five years and therefore did not meet the study criteria. This process resulted in 45 companies as the study sample. With a three-year observation period, the total number of observational data used was 135 companies.

The research procedure begins with determining the research object, namely primary consumer goods companies listed on the Indonesia Stock Exchange for the 2022-2024 period, and determining the variables of tax planning, company size, company value, and earnings management. Secondary data collection was then conducted in the form of company financial reports from the Indonesia Stock Exchange website and theoretical data collection from books, journals, and literature related to the research. Data that met the sample criteria were then processed and analyzed using EViews 12. The analysis stage began with descriptive statistics, followed by estimation

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and selection of panel data regression models using the Common Effect Model, Fixed Effect Model, and Random Effect Model. After determining the appropriate model, regression testing was conducted before moderation and regression testing with earnings management moderation to examine the effect of tax planning and company size on company value and the role of earnings management in strengthening or weakening this relationship.

RESULTS AND DISCUSSION

Descriptive Analysis

Table 1. Descriptive Analysis

	TP	UK	NP	ML
Mean	0.267	2,462	1,216	0.507
Maximum	1,120	2,990	9,790	5,360
Minimum	0.020	1,110	0.010	0,000
Std. Dev	0.154	0.154	1,502	0.860
Observations	135	135	135	135

Source: Results of Eviews 12 Software Processing

Based on Table 1, it can be seen that each research variable has different data characteristics. The following is a description of the descriptive statistics for each variable.

1. Tax Planning (TP)has an average value of 0.267, with a minimum value of 0.020 recorded at PT Duta Intidaya Tbk. (DAYA) and a maximum of 1.120 recorded at PT Duta Intidaya Tbk (DAYA). The reason isEach manufacturing company has a different tax efficiency strategy, some companies carry out aggressive tax planning by exploiting regulatory loopholes, while other companies tend to comply or have different deferred tax burdens depending on their profitability conditions.
2. Company Size (SIZE)measured by the total natural logarithm has an average value of 2.462, with a minimum value of 1.110 recorded at PT Nanotech Indonesia Global Tbk. (NANO) and a maximum of 2.990 at PT Indofood Sukses Makmur (ICBP). The difference in the minimum and maximum values indicates a difference in the size of the companies in the research sample.WhereICBP has a significantly larger company capacity than NANO, based on the proxy used. This is important because larger companies generally have broader resources, operational activities, and

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business management capabilities. The standard deviation of 0.378, which is smaller than the mean, indicates a relatively low dispersion in company size, so company size across observations tends to be relatively small.The companies sampled in this study are in the same cluster or industry (for example, among large-scale public companies), so that the total assets owned (measured using the Natural Logarithm of total assets) do not show extreme inequality or scale gaps between companies.

3. Company Value (PBV)measured by the total natural logarithm has an average value of 1.216, with a minimum value of 0.010 recorded at PT Duta Intidaya Tbk. (DAYA) and a maximum of 9.790. Recorded at PT Unilever Indonesia. (UNVR) The difference in the minimum and maximum values indicates a difference in company size in the research sample.inUNVR has a significantly larger company capacity than DAYA, based on the proxy used. This is important because larger companies generally have broader resources, operational activities, and business management capabilities. The standard deviation of 1.502, which is smaller than the mean, indicates a relatively low dispersion in company size, so company size between observations tends to be relatively small.The companies sampled in this study are in the same cluster or industry (for example, among large-scale public companies), so that the total assets owned (measured using the Natural Logarithm of total assets) do not show extreme inequality or scale gaps between companies.
4. Earnings Management (ML) has an average value of 0.507, with a minimum value of 0.000 recorded at PT Enseval Putera Megatrading Tbk (EPMT) and a maximum of 5.360 recorded at PT Central Proteina Tbk (CPRO). The very low EPMT value indicates that the measured earnings management value at the company is relatively small, while the CPRO value approaching twice the average indicates a much higher level of earnings management based on research proxies. This condition shows that the pattern of corporate earnings management is not completely uniform and can be influenced by differences in operational conditions and reporting policies of each company. However, the standard deviation of 0.860 which is smaller than the average indicates that the overall distribution of Earnings Management is still relatively low. Fluctuations in earnings management through both accruals and real activities are highly dependent on managerial motivations in each company. Some issuers may engage in income smoothing or inflate profits to attract investors such as at the maximum value, while stable companies choose to report profits as they are conservatively to maintain long-term transparency.

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Panel Model Selection

1. Chow Test

Table 2. Chow Test

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	19.772265	(44,85)	0.0000
Cross-section Chi-square	326.570234	44	0.0000

Source: Results of Eviews 12 Software Processing

Based on the results of the Chow test, the probability value is 0.0000, or less than 0.05. Therefore, the model selected from the Chow test process is the Fixed Effect Model (FEM) because the probability value is less than 0.05.

2. Hausman test

Table 3.Hausman test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.614316	5	0.8995

Source: Results of processing by Eviews 12 software

Based on the Hausman test results above, it is known that the probability value is 0.8995 > 0.05 in the Hausman test. Therefore, based on the Hausman test results above, the model selected from this process is the Random Effects Model (REM).

3. Lagrange Multiplier (LM) Test

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Table 4. Lagrange Multiplier Test

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	99.24040 (0.0000)	0.493023 (0.4826)	99.73342 (0.0000)

Source: Results of processing by Eviews 12 Software

Based on the results of the Lagrange multiplier, it can be seen that the Breusch-Pagan Cross-section value is 0.0000 > 0.05. Thus, based on the results of the Lagrange multiplier test above, the model selected from this process is the Random Effect Model (REM).

Classical Assumption Test

1. Normality Test

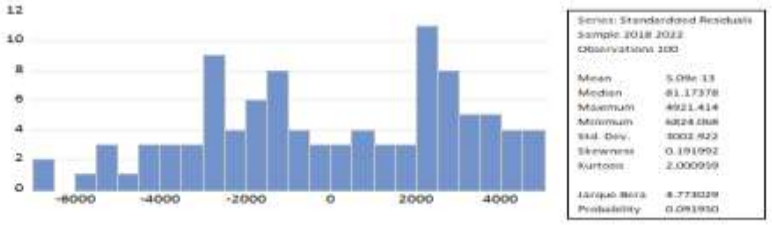


Figure 1. Normality Test

Source: Results of processing by Eviews 12 Software

Based on the results of the normality test using Jarque-Bera, the Jarque-Bera value was obtained at 4.773029 with a probability value of 0.091950. Since the probability value is greater than the 0.05 significance level (0.091950 > 0.05), it can be concluded that the residuals are normally distributed. Thus, the assumption of normality in the regression model has been met.

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2. Multicollinearity Test

Table 5. Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.018135	456.3847	NA
X1	0.000382	1.920953	1.000101
X2	2.01E-05	455.0521	1.000101

Source: Results of processing by Eviews 12 Software

Based on the results of the multicollinearity test using the Variance Inflation Factor (VIF), the Centered VIF value for the Tax Planning (X1) variable was 1.000101 and for Company Size (X2) was 1.000101. This value is less than 10, so it can be concluded that there are no symptoms of multicollinearity among the independent variables in the regression model. Thus, the classical assumption of multicollinearity has been met.

3. Heteroscedasticity Test

Table 6.Heteroscedasticity Test

Heteroskedasticity Test: White
Null hypothesis: Homoskedasticity

F-statistic	0.268483	Prob. F(5,94)	0.9293
Obs*R-squared	1.407993	Prob. Chi-Square(5)	0.9234

Source: Results of processing by Eviews 12 Software

Based on these results, the probability value (p-value) of both test statistics, both F-statistic and Obs*R-Squared are greater than the significance level of 0.05, namely 0.9293 and 0.9234, which means there is no sufficient statistical evidence to state the presence of heteroscedasticity in the residuals of the regression model so that it can be concluded that the data does not experience heteroscedasticity.

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4. Autocorrelation Test

Table 7. Autocorrelation Test

Model	Durbin-Watson	dL	dU	4-dU	Information
1	1.975996	1,552	1,675	2,325	No autocorrelation occurs
Source: Results of processing by Eviews 12 software					

Based on Table 7 of the Autocorrelation Test, the Durbin-Watson value is 1.975996. With 100 observations and 3 predictor variables, the dL value is 1.552 and the dU value is 1.675. Furthermore, the upper limit for the area where no autocorrelation occurs is 4 − dU = 2.325.

The Durbin-Watson value of 1.975996 is greater than the dU value of 1.675 and less than the 4-dU value of 2.325 (1.675 < 1.975996 < 2.325). Thus, it can be concluded that the regression model does not experience autocorrelation.

Hypothesis Testing

1. Model 1 – Without Moderating Variables

The hypothesis test in the first model, the unmoderated model, is intended to examine the direct influence of the TP & UK variables on NP. The testing process includes a simultaneous influence test (F test), a partial influence test (t test), and an analysis of the coefficient of determination (R^2). The test results are presented as follows:

A. Panel Data Regression Equation

Table 8. Panel Data Regression

	C	TP	SIZE
Coefficient	0.0294	0.1151	0.7279

Source: Results of processing by Eviews 12 Software

Based on table 8, the multiple linear regression equation is obtained as follows:

PBV = 0.0294 + 0.1151 TP + 0.7279 SIZE

Where:

a) Constant(C) =0.0294

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b) This means that if all independent variables (TP & SIZE) have a value of zero, then the PBV value is estimated at0.0294.

c) TP coefficient = 0.1151

This means that for every 1% point increase in TP, the PBV will increase by0.1151, assuming other variables remain constant. In other words, it has a positive effect on PBV. Tax planning increases company value because tax efficiency increases free cash flow, which is the primary basis for investors in assessing a company's stock price.

d) SIZE coefficient = 0.7279

This means that for every 1% point increase in Size, the PBV will increase by0.7279, assuming other variables remain constant. This means that company size also has a positive influence on company value because larger companies are considered more stable and have easier access to funding in the eyes of investors.

B. Significance Test of Simultaneous Effect (F Test)

Table 9.F test

Signification	Prob (F-statistic)
P-value F > α (0.05)	0.002673

Source: Results of processing by Eviews 12 Software

Based on Table 9, the Prob(F-Statistic) value is 0.002673 < 0.05, so it is concluded that all independent variables, namely Tax Planning (TP) and Company Size (SIZE) together (simultaneously) have a significant effect on Company Value.

C. Partial Effect Test (t-test)

Table 10.Test Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.029406	0.378181	0.077758	0.9381
X1	0.115128	0.143146	0.804270	0.4227
X2	0.727912	0.212830	3.420153	0.0008

Source: Results of processing eviews 12 software

From the partial test results, it can be seen that:

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a. Hypothesis 1: Tax Planning (TP) has no positive effect on firm value (PBV). The t-test results show that t-count TP = p-value = 0.4227 > 0.05. Thus, Hypothesis 1 is rejected.
b. Hypothesis 2: Company size (SIZE) has a significant positive effect on company value (PBV). The test results show a p-value of 0.0008 < 0.05. Thus, Hypothesis 2 is accepted.

D. Coefficient of Determination (R2)

Table 11.Results of the Coefficient of Determination

Statistics	Mark
R-squared	0.085857
Adjusted R-squared	0.072006

Source: Eviews 12 software processing

Based on the regression results in table 11, the R-squared value is0.085857and Adjusted R-squared is0.072006This indicates that the independent variables (TP and SIZE) can explain approximately 7.2% of the variation in PBV, or 92.8% after adjusting for the number of variables. The remainder is explained by other factors outside the model that were not examined in this study.

2. Model 2 - Moderated Regression Analysis (MRA)

Hypothesis testing in the second model was conducted using Moderated Regression Analysis (MRA). The MRA model includes not only the main effects of the independent and moderating variables but also the interaction effects between them. The results of the MRA model testing are presented as follows:

A. Panel Data Regression Equation

Table 12. Regression Results with Earnings Management (ML) Moderation

Variables	***Coefficient***
C	-0164369
TP	0.138266
SIZE	1.237088
ML	0.251362
ML X TP	-0.451289
ML X UK	-0.052154

Source: Results of processing by Eviews 12 Software

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Based on table 12, the following moderated regression equation is obtained:

PBV = -0164369 + 0.138266TP - 1.237088 SIZE - 0.251362ML - 0.451289 (MLXTP) + -0.052154 (MLXUK)

The equation shows that Earnings Management (ML) moderates the relationship between TP and SIZE on PBV, indicated by the interaction coefficient between Earnings Management and each independent variable.

B. Simultaneous Significance Test (F Test) on Moderated Regression Model

Table 13. F-Test Results on the Moderated Regression Model

Prob (F-statistic)	0.000840

Source: Results of processing by Eviews 12 Software

The F-test results show a Prob (F-statistic) of 0.000840 (>0.05), indicating that the regression model is simultaneously significant. Thus, tax planning, company size, earnings management, and their interactions simultaneously influence company value.

C. Partial Influence Test (t-test) on Moderated Regression Model

Table 14.Results of the t-test on the Moderated Regression Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.164369	0.509576	-0.322561	0.7476
X1	0.138266	0.187961	0.735613	0.4633
X2	1.237088	0.269110	4.596964	0.0000
Z	0.251362	0.435253	0.577507	0.5646
ZX1	-0.052154	0.154358	-0.337879	0.7360
ZX2	-0.451289	0.154012	-2.930217	0.0040

Source: Results of processing by Eviews 12 Software

Partial testing of the independent variables (TP and UK) was not reinterpreted in this model because they had been analyzed in the previous model 1. In the Moderated Regression Analysis (MRA) model, the analysis focused on interaction variables to test the moderating effect of Earnings Management on the relationship between each independent variable and Company Value.

Based on Table 15, the results of the t-test for the interaction variables show that:

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a. Hypothesis 3: Earnings Management (ML) moderates the effect of Tax Planning (TP) on Firm Value. The t-test results show a p-value of 0.7360 > 0.05. Therefore, Hypothesis 3 is rejected. This means that earnings management has not been proven to moderate the effect of Tax Planning on firm value.
b. Hypothesis 4: Earnings Management (ML) moderates the effect of Firm Size (TP) on Firm Value. The t-test results show a p-value of 0.0040 < 0.05. Thus, Hypothesis 3 is accepted. This means that Earnings Management (ML) moderates the effect of firm size on firm value. This indicates that changes in

D. Determination Coefficient in Moderated Regression Model

Table 15.Results of the Determination Coefficient in the Moderation Model

Statistics	Mark
R-squared	0.148121
Adjusted R-squared	0.115102

Source: Results of processing by Eviews 12 Software

Based on the results of the determination coefficient test, the R-squared value was obtained at 0.148121 and the Adjusted R-squared was 0.115102. The Adjusted R-squared value shows that the variables Tax Planning (X1), Company Size (X2), Company Value (Z), and the interaction between Tax Planning and Company Value (X1Z) and Company Size and Company Value (X2Z) are able to explain the variation in Earnings Management (Y) by 11.01%.

Meanwhile, 89.99% of the variation in earnings management is explained by factors other than those used in this research model. Therefore, the ability of the independent and moderating variables to explain earnings management can be said to be relatively limited. Therefore, there are still other factors that have the potential to influence earnings management and have not been included in the research model.

DISCUSSION

1. **The Influence of Tax Planning on Company Value**

Based on the test results, hypothesis 1 was rejected, meaning that tax planning (TP) was not proven to have a significant effect on company value (PBV). These results indicate that the company's tax planning strategy is not yet strong enough to be a factor considered by investors in determining company value. While tax planning can provide benefits in the form of tax savings and increased cash flow efficiency, these benefits do not necessarily translate into increased company value in the market.

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Tax planning can benefit companies by reducing their tax burden, allowing available resources to support operational activities and improve cash flow. However, this study indicates that these benefits are not sufficient to drive increased company value. This indicates that the tax savings achieved by companies are not directly perceived by investors as an increase in the company's economic value.

The insignificant effect of tax planning on company value may occur because investors, when assessing a company, consider not only its ability to achieve tax efficiency but also its financial performance, profitability, growth prospects, and future profitability. Therefore, tax savings will not significantly impact company value unless they are accompanied by improvements in performance and prospects.

Furthermore, a company's tax planning may not necessarily yield immediate benefits to shareholders. Funds generated from tax savings may be used for operational needs or to maintain the company's liquidity, thus not directly increasing profits or shareholder wealth. Therefore, the market does not automatically overvalue a company simply because it is able to reduce its tax burden.

The results of this study also indicate that tax planning is not yet a strong source of information for investors in making investment decisions. Investors tend to pay more attention to the end result of a company's strategy, as reflected in its performance and prospects, than to the tax savings strategy itself. Therefore, tax planning cannot be viewed as a factor that directly increases company value; rather, its benefits depend heavily on the company's ability to allocate tax savings to improve its performance and economic value.

In line with previous research, the results of this study provide empirical evidence that companies in Indonesia, especially those listed on the stock exchange, canIt was concluded that tax planning conducted by companies in the research sample was not able to significantly influence company value, as proxied by PBV. This finding strengthens the conclusions of several previous studies, such as(Sasmita et al., 2021),(Putri & Kadarusman, 2021)&(Budiantoro et al., 2022)which informs that there is no significant influence of Tax Planning on Company Value.

2. **The Influence of Company Size on Company Value**

Based on the test results, hypothesis 2 was accepted. This indicates that company size has a positive and significant effect on increasing company value in the primary consumer sub-sector listed on the Indonesia Stock Exchange (IDX) during the 2018-2022 observation period. These results indicate that the larger the company size, the

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higher the company value. Larger companies generally have greater resources, assets, and operational capacity, thus increasing investor confidence in the company's ability to conduct business activities and generate profits.

Furthermore, larger companies tend to have broader access to funding sources and greater market visibility. These conditions can create a positive perception among investors regarding the company's stability and prospects, thereby increasing demand for shares and ultimately driving increased company value.

This finding is in line with research(Nugraha, 2020)&(Suryadi, 2022)which confirms that company size is an important consideration for investors in assessing a company. The larger the company, the stronger the market's perception of its capabilities and prospects, which is reflected in an increase in the company's value, as measured by PBV.

3. **Earnings Management Can Moderate Tax Planning on Company Value**.

Based on the results of the moderation test, hypothesis 3, which states that earnings management (ML) moderates the effect of tax planning on firm value, is rejected. This indicates that statistically, management neither strengthens nor weakens the relationship between tax planning and firm value (PBV) in the 2018–2022 period in the primary consumer sub-sector.

These results indicate that changes in the level of earnings management do not alter the effect of tax planning on firm value. In other words, when a company engages in tax planning, the presence of earnings management practices does not make the benefits of tax planning stronger or weaker in influencing market valuation. In this study,(Dinarjito, 2020)This condition occurs because investors prioritize overall company performance and prospects over how the company manages earnings and tax planning. Furthermore, earnings management, which is internal and not always directly observable by investors, may not be strong enough to change market perceptions of the benefits of tax planning.

Thus, the research results indicate that the relationship between tax planning and firm value is independent of the level of earnings management. Neither tax planning nor earnings management were factors that collectively altered investor perceptions of firm value in primary consumer sub-sector companies during the research period.

4. **Earnings Management Can Moderate the Effect of Firm Size on Firm Value**

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Based on the results of the moderation test, hypothesis 3 which states that earnings management (ML) moderates the effect of Company Size on Company Value is accepted. This finding is significant because company size has previously been shown to have a positive and significant effect on firm value. This means that the larger the company size, the higher the firm value tends to be. However, the moderation results indicate that this effect is not independent, as the way a company manages earnings also influences how company size is translated into value by the market.

Large companies generally have more complex operational activities, a greater number of transactions, and more financial information. This makes earnings a crucial piece of information in assessing company performance. When earnings management occurs, the earnings information investors use to evaluate a company can change, thus altering perceptions of large companies.

Thus, company size does not necessarily mean that these advantages automatically result in an increase in company value at the same rate. The impact of company size on company value can be influenced by the quality of the earnings information presented. This suggests that the market looks not only at a company's size but also at how the company's financial performance is reflected in the earnings report.

This result is also in line with(Bansa, 2022)&(Suryadi, 2022)This study demonstrates that earnings management plays a significant role in determining how strongly a company's size translates into its value. In other words, company size provides the basis for forming positive market perceptions, while earnings management practices can influence how these perceptions are formed and ultimately reflected in the company's value.

CONCLUSION

Based on the research results, tax planning has no significant effect on firm value, while firm size has a positive and significant effect on firm value in primary consumer goods companies listed on the Indonesia Stock Exchange for the 2022-2024 period. The results of the moderation test indicate that earnings management is unable to moderate the effect of tax planning on firm value, but it is able to moderate the effect of firm size on firm value. These findings indicate that firm size is a stronger factor in shaping firm value, while tax planning is not yet a factor directly considered by the market in determining firm value. Earnings management also does not change the relationship between tax planning and firm value, but it plays a role in influencing the relationship between firm size and firm value.

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This study has limitations in the variables used. The adjusted R-squared value in the unmoderated model is only 7.2% and in the moderated model 11.51%. This suggests that other factors outside the model may explain variations in firm value. Furthermore, the study only used primary consumer goods companies with an observation period of 2022-2024, so the results cannot be generalized to a broader sector and period. Future research is recommended to add other relevant variables and expand the object and observation period to obtain more comprehensive results. Practically, the study results can be a consideration for management to focus not only on tax efficiency but also on managing company size and the quality of earnings reporting. Investors can consider company size and earnings information in assessing a company's prospects and value.

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