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The Effect of Tax Planning, Income Smoothing, And Capital Structure on Company Value with Good Corporate Governance as Moderating Variables (Empirical Study on Infrastructure, Utilities and Transportation Sector Companies Listed in IDX Period 2016 – 2019)

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Abstract

This study explains the effect tax planning, income smoothing, and capital structure on firm value with moderating variable good corporate governance. The research sample uses companies listed on the IDX for the years 2016–2019 period sector Infrastructure, Utilities and Transportation. An example of 39 companies was obtained using purposive sampling. The information used in the study looks at secondary information amassed through documentation techniques. In this research, the analysis method statistics used is the SPSS 24 application. The results of the hypothesis test illustrate that partially, tax planning does not affect firm value, income smoothing has no effect on firm value, capital structure affects firm value, and Good Corporate Governance cannot moderate the effect of planning profit and income smoothing on firm value, Good Corporate Governance can moderate the effect of capital structure on firm value.

Keywords
tax planning; income smoothing; capital structure; firm value; good corporate governance

I. Introduction

The establishment of a company cannot be separated from the initial goal to earn as much profit as possible. Every company needs working capital to carry out its business activities and to overcome intense business competition to continue to grow. The good or bad of the company has an impact on the market value of the company and may affect the desire of investors to invest or withdraw their capital in a company, (Akbari, 2015). Firm value describes the state of a company. With the excellent firm value, potential investors will have a good perception of the company, so the value of its shares will increase. Fluctuations in high and low share prices reflect a widely discussed phenomenon related to fluctuation in the company's value, either increase of decrease. The company's management sometimes does many things contrary to business law to increase the value company, such as manipulating the company's financial statements to increase the firm value happened at PT. Garuda Indonesia Persero, Tbk, in 2018, managed revenue records to increase the company's profit value and caused investors losses due to decision-making errors. Human Resources (HR) is the most important component in a company or organization to run the business it does. Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Development is a change towards improvement. Changes towards improvement require the mobilization of all human resources and reason to realize what is aspired (Shah et al, 2020). The development of human resources is a process of changing the human resources who belong to an

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organization, from one situation to another, which is better to prepare a future responsibility in achieving organizational goals (Werdhiastutie et al, 2020).

Various ways are taken by management so that the increase in company value is at the maximum number. one of them is by trying to minimize the tax burden, to maximize profits with tax planning actions, namely taking structured activities so that the tax burden is as low as possible by harness existing tax rule to increase in after-tax profits which increasing on firm value, regardless of the level of company compliance (Khaoula, 2019). With a small tax burden, the reduction in the company's gross profit will be more minor, and this will undoubtedly have an impact on increasing net income in the company's financial report statements. A stable increase in company net income will directly increase investor confidence and increase company value (Razali,2018).

According to financial accounting standards, earnings management is a deliberate process carried out by management to direct the reporting of reported earnings in accordance with investors' expectations, but sometimes not by the facts. Akbari (2019) says that one pattern of earnings management is income smoothing. Income smoothing is considered a rational action by management within the company. Therefore management often performs income smoothing to create stable profits, reduce reported fluctuations and increase investor assumptions to predict future cash flows. Of course, This will make the value of the company have a better reputation in the investor's preception, and indirectly the company's stock price will increase. Management focuses on stabilizing the company's profit over time and maintaining a significant decline in profit so that investors can see that the company's future cash flows are good even though they have to put aside conceptual matters in making an income statement (Hangtuah, 2020).

Capital structure is the percentage of company funding through debt financing (leverage ratio) in its contribution to the company's overall capital (Musa, 2021). Debt is one element of the company's capital structure. Of course, it cannot be separated from funding in the business world. Companies must be careful in determining the capital structure company', which is expected to increase the company's value and be superior in facing competitors. Tax payable and growing managerial discipline with the obligation to pay the company's debts leads to improved management caution (Conroy, 2021). However, the decision to use debt is related to the emergence of agency costs and bankruptcy costs because the potential for bankruptcy if it cannot pay off its debts, causes a decrease in the company's value.

Good Corporate Governance as a moderating variable is needed in this study because tax planning, income smoothing and capital structure are activities that can be opportunistic actions for managers. Not only to increase the value of the company in the eyes of stakeholders but also to provide its own benefits for its managers. Minimizing excessive actions by corporate managers requires a more complex corporate management segment, which has implications for the increasing need for good corporate governance practices to ensure that management runs appropriately and is transparent. According to Noviani (2019), GCG is a very useful system that controls and regulates the firm to create advantage value and trust for each stakeholder in business decisions.

II. Research Method

2.1 Agency Theory

In agency theory, Jensen and Meckling (1976), shareholders act as agents, where management is a party contracted by shareholders to work in the interests of shareholders with the principle of providing facilities and funds for company operations. Meanwhile, the agent must manage the company's resources and assist the principal. Hangtuah (2020).

2.2 Firm Value

Company value can describe a company's condition. With the company's value, the company will be seen as good by potential investors. With companies that are seen as good by investors, the value of their shares will increase (Dang, 2020).

2.3 Tax Planning

Tax planning activities are structured actions so that taxes are as low as possible by utilizing existing regulations to obtain increased after-tax profits, which will increase firm value by improving compliance (Fadjarenie, 2022)

With a small tax burden, the reduction in the company's gross profit will also be smaller, and this will undoubtedly have an impact on increasing net income in the company's financial statements, increasing stable company net income, directly growing investor confidence and increasing company value (Razali, 2018).

2.4 Income Smoothing

The Accounting Principal Board (APB) explains that profit (loss) is a surplus or deficit in income from costs incurred during an accounting period. The initial understanding of profit is the reduction of significant fluctuations in profit from year to year by allocating income from year to year with high gain to less profitable and low-profit years (Akbari, 2019).

2.5 Capital Structure

Capital structure is the percentage of company funding through debt financing (leverage ratio) in its contribution to the company's overall capital. (Hirdinis, 2019). Debt is an element of a company's capital structure. Of course, it cannot be separated from funding in the business world. Companies must be careful in determining the company has capital structure, which expects to increase company's value and be superior in facing competitors (Salehi, 2011).

2.6 Good Corporate Governance

Sarafina (2017) The understanding of GCG practices continues to evolve. Berle and Means started the study of corporate governance in 1932. The Bank of England 1992 formed Cadbury. This committee kept compiling the CG code, which would become the primary reference for countries in the world. According to the Cadbury Committee (Fauver, 2017), "GCG become a system that controls and oversees a company, GCG is a pillar that oversees, controls and provides reports to stakeholders.

III. Research Method

This kind of research uses the quantitative research method. consistent with (Ghozali, 2018) quantitative facts is data inside the form of numbers which can be usually received third-party data.

This research uses descriptive quantitative to explain the relationship between variables. Purposive sampling uses as a sampling method in this research with criteria for sampling were companies in the Infrastructure Utility and Transportation sector listed on the IDX in 2016 to 2019 financial year 76 company. The number of companies that did not submit financial statements complete and on time during 2016-2019 was 37. The value of firm that met the criteria.

Table 1. Table of Company Sample

No.	Code	Company Name	No.	Code	Company Name
1	ASSA	Adi Sarana Armada Tbk.	21	MBSS	Mitrabahtera Segara Sejati Tbk
2	APOL	Arpeni Pratama Ocean Line Tbk.	22	META	Nusantara Infrastructure Tbk.
3	BALI	Bali Towerindo Sentra Tbk.	23	BBRM	Pelayaran Nasional Bina Buana
4	BLTA	Berlian Laju Tanker Tbk	24	NELY	Pelayaran Nelly Dwi Putri Tbk.
5	BIRD	Blue Bird Tbk.	25	PGAS	Perusahaan Gas Negara Tbk.
6	BUKK	Bukaka Teknik Utama Tbk.	26	RIGS	Rig Tenders Indonesia Tbk.
7	CASS	Cardig Aero Services Tbk.	27	RAJA	Rukun Raharja Tbk.
8	CENT	Centratama Telekomunikasi Indo	28	SMDR	Samudera Indonesia Tbk.
9	CMNP	Citra Marga Nusaphala Persada	29	SDMU	Sidomulyo Selaras Tbk.
10	LRNA	Eka Sari Lorena Transport Tbk.	30	FREN	Smartfren Telecom Tbk.
11	TAXI	Express Transindo Utama Tbk.	31	SOCI	Soechi Lines Tbk.
12	GIAA	Garuda Indonesia (Persero) Tbk	32	SUPR	Solusi Tunas Pratama Tbk.
13	HITS	Humpuss Intermoda Transportasi	33	SAFE	Steady Safe Tbk
14	PTIS	Indo Straits Tbk.	34	TLKM	Telekomunikasi Indonesia (Pers
15	ISAT	Indosat Tbk.	35	TBIG	Tower Bersama Infrastructure T
16	IBST	Inti Bangun Sejahtera Tbk.	36	TPMA	Trans Power Marine Tbk.
17	LAPD	Leyand International Tbk.	37	WEHA	WEHA Transportasi Indonesia Tb
18	AKSI	Majapahit Inti Corpora Tbk.	38	WINS	Wintermar Offshore Marine Tbk.
19	KOPI	Mitra Energi Persada Tbk.	39	EXCL	XL Axiata Tbk.
20	MIRA	Mitra International Resources			

In this research, the data analysis method use the SPSS 24 program for estimate the model parameters with regression data. The researchers used secondary data collection techniques.

Table 2. Operational Definition

No	Variabel	Indikator	Scale
1	Firm Value	Tobin's Q = $\text{Tobin's Q} = \frac{MVE+D}{BVE+D}$ (Akbari, 2018)	Rasio
2	Tax Planning	$ETR = \frac{Total\ Tax\ Expense}{Pre\ Tax\ Income}$ (Tarihoran, 2017)	Rasio
3	Income Smoothing	$\text{Indeks Eckel} = \frac{CV\ \Delta I}{CV\ \Delta S}$ (Akbari, 2018)	Rasio
4	Capital Structure	$DER = \frac{Total\ Debt}{Total\ Equity}\ x\ 100\%$ (Noviani, 2019)	Rasio
5	Asean Cg Scorecard	$Score = \frac{No\ of\ items\ scored}{total\ no\ of\ question}$ *x Maximum attainable score of part (in point)* (Asian Development Bank (2019)	Rasio

IV. Result and Discussion

4.1 Descriptive Statistics

Table 3. Descriptive Statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Perencanaan Pajak	156	-15,156	1,577	2,15377	1,259842
Perataan Laba	156	-2,205	13,543	1,82419	1,719623
Struktur Modal	156	,000	95,770	1,48506	7,736704
Nilai Perusahaan	156	-2279,236	27970,181	602,78209	314,231419
Good Corporate Governance	156	93,650	97,950	96,27929	,980134
Valid N (listwise)	156				

Based on table 3 above, the firm value variable has the lowest value, -2279.236 owned by PT. Bukaka Teknik 2017, while the highest score is 27970.18, which is owned by PT. Mitra Energi in 2018. The average value (mean) is 602,871 with an std. deviation of 314.23 greater than the mean value.

Based on table 3 above, the tax planning variable (X1) displays a minimum value of -15,15595 which is owned by PT. Berlian Laju Tanker in 2019 Maximum value of 1,577 owned by PT. Tower Bersama Infrastructure in 2019 and with an average value (mean) of 2.153 and an std. deviation of 1.26.

Based on table 3 above, the income smoothing variable (X2) displays a minimum value of -12.38 which is owned by PT. Smartfren Telecon 2018. The maximum value of 95.77 which is owned by PT. XL Axiata in 2017 with an average value (mean) of 1.824 and an std. deviation of 1.72.

Based on table 3 above, the statistical results for the capital structure variable (X3) show a minimum value of -2.204710 which is owned by PT. Steady Safe 2017. The maximum value is 13.54 owned by PT. Tower Bersama Infrastructure in 2016 and with an average value (mean) of 1.249 and an std. deviation of 7.74.

Based on table 3 above, the statistical results for the good corporate governance (Z) variable show a minimum value of 93.650 which is owned by PT. Mitra Energi in 2016 and a maximum value of 97,950 which is owned by PT. Smartfren Telecom. Tbk is 2016, and the average value (mean) was 96.27 with an std. deviation of 0.98 smaller than the mean value.

4.2 Classic Assumption Test

a. Normality test

Table 4. Kolmogorov - Smirnov

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		156
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	3132,168986
Most Extreme Differences	Absolute	,410
	Positive	,410
	Negative	-,346
Kolmogorov-Smirnov Z		5,124
Asymp. Sig. (2-tailed)		,721

a. Test distribution is Normal.
b. Calculated from data.

Based on table 4 that the Kolmogorov-Smirnov test above shows that the significance value (asymp Sig. 2-tailed) is 0.0721 > 0.05. Thus, can conclude that the regression model can be used because it meets the assumption of normality, or can say that the distribution of research data is normally distributed.

b. Multicollinearity Test

Table 5. Multicollinearity Test

Model	*Colonierity Statistic*		Kesimpulan
	Tolerance	***VIF***	
Tax Planning	0,996	1,004	There is no multicollinearity
Income Smoothing	0,973	1,028	There is no multicollinearity
Capital Structure	0,990	1,010	There is no multicollinearity

The results of table 4.3 the multicollinearity test above, show that all independent variables have a tolerance value > 0.10, namely tax planning (0.996) and income smoothing (0.973) and capital structure (0.990). The value of VIF <10 is tax planning (1.004) and income smoothing (1.028) and capital structure (1.010). Thus, Correlation among variables can not found, so this regression model does not have multicollinearity problems.

c. Autocorrelation Test

The autocorrelation test use to test whether in the regression model used, there is a residuals error in the observation period and the error in the t-l period observation previously (Ghozali, 2018:111). In this study, the Durbin-Watson test was used with a significance of 5%. The data can be said to be free from positive or negative autocorrelation if D<DL or D>4-DL, but if the result is DU<D<4-DU, it means that there is no autocorrelation. DL and DU values are taken through the Durbin-Watson table concerning K-3 and n / observation of 39

.

Table 6. Autocorrelation Test

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,091[a]	,008	-,018	3173,383508	2,034

a. Predictors: (Constant), Good Corporate Governance, Perencanaan Pajak, Struktur Modal, Perataan Laba

b. Dependent Variable: Nilai Perusahaan

Based on table 4.4, the results of the autocorrelation test on firm value show the DW value of 2.034. This value is in comparison with the DL and DU values on the significant value 5% with the wide variety of samples n = 156 and the number independent variables K=3. Using this standard, the dL value is 1.6992 and the dU is 1.7776. Thus, because the DW value of 2.034 is between dU (1.7776) and 4-dU (= 2.2224), it can be concluded that there is no autocorrelation symptom in the regression model. Result = DU<D<4-DU = 1.7776 > 2.034 < 2.2244.

d. Heteroscedasticity Test

The heteroscedasticity test is used to see inequalities of variance in the regression model between observations. If there is the same residual variance between the time of observation, it is called homoscedasticity, and if it is not the same it is called heteroscedasticity

Table 7. Heteroscedasticity Test

Coefficients

Model		Sig.	Keterangan
1	(Constant)	,134	There is no Heteroscedasticity
	Tax Planning	,650	There is no Heteroscedasticity
	Income Smoothing	,426	There is no Heteroscedasticity
	Capital Structure	,693	There is no Heteroscedasticity

a. Dependent Variable: Nilai Perusahaan

Based on the table above, the Glejser test shows that no single independent variable is statistically significant in affecting the dependent variable Absolute Ut (AbsUt) value. This can be seen from the value of the tax planning sig (0.650), income smoothing (0.426) and capital structure (0.693) which are not significant (significance level > 0.05), so can conclude that the regression model does not contain heteroscedasticity.

4.3 Model Feasibility Test

a. Coefficient of Determination Test (R^2)

The coefficient of determination (R Square) measures how far the model can apply multiple regression models to explains how far the independent variable can affect the dependent variable. The results of testing the coefficient of determination are as follows.

Table 8. Coefficient of Determination Test

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,091[a]	,118	,318	3173,383508

a. Predictors: (Constant), Struktur Modal, Perencanaan Pajak, Perataan Laba

The coefficient of determination from the SPSS output in table 4.6 shows the value of the correlation coefficient (R) of 0.091 while the value of the coefficient of determination (Adjust R Square) is 0.318. This means that the effect of the independent variables (tax planning, income smoothing & capital structure) on the dependent (firm value) is 31.8%. While the remaining 100% - 31.8% = 68.2% is explained by other variables that are not included in this study.

b. F-Statistical Test (Simultaneous)

The F test determines the independent variable's effect on the dependent variable simultaneously and the accuracy of the model regression to determine whether the formulation of the model right or fit.

Table 9. Simultaneous Significance Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12709709,54	4	3177427,385	1,316	,019[b]
	Residual	1520624796	151	10070362,89		
	Total	1533334505	155			

a. Dependent Variable: Nilai Perusahaan

b. Predictors: (Constant), Perencanaan Pajak, Struktur Modal, Perataan Laba

Table 9 of the F test has 156 samples of n or called degrees of freedom df (N2), and the number of independent variables is 3 or also called degrees of freedom df (N1) with a probability of 0.05 so that the F table value is 2.66. The results of the F test, the F-count has 1.316 < F-table is 2.66 with a significance value of 0.019 > 0.05, can conclude that the selected regression model is feasible to test the data and the regression model can be used to predict that tax planning, income smoothing And the Capital Structure simultaneously (together) affects the firm value so that Ho or the first hypothesis (H1) is accepted.

c. T-Statistical Test (Partial)

T-test aims to determine the effect and significance of each independent variable (variables of tax planning, income smoothing and capital structure) on firm value. The criteria in this test if the p-value <0.05, then Ho is accepted, and Ha is rejected. If the p-value > 0.05, then Ho is rejected, and Ha is accepted

Table 10. Partial Significance Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	7745,640	9040,940		,857	,393
	Perataan Laba	-90,325	150,275	-,049	,601	,549
	Perencanaan Pajak	60,815	202,712	,024	,300	,765
	Struktur Modal	-7,196	33,109	-,018	2,173	,028

a. Dependent Variable: Nilai Perusahaan

Table 10 with 39 samples shows that the results of tests obtained a regression coefficient of 3.533. With the value of t table = (a/2 : n – k – 1) = (0,050/2 : 156 – 3 - 1) = (1,975).

The tax planning variable produces a t-count of 0.601 < t-table, which is 1.975 with a significance value of 0.549 > 0.05, indicating that the tax planning variable does not affect firm value, so Ho or the second hypothesis (H2) is rejected.

The income smoothing variable produces a t-count of 0.300 < t-table which is 1.975, with a significance value of 0.765 > 0.05, indicating that the income smoothing variable does not affect the company's value. So Ho or the third hypothesis (H3) is rejected.

The capital structure variable produces a t-count value of 2.173 > t-table, which is 1.975, with a significance value of 0.028 <0.05, indicating that the capital structure variable affects the company's value. So Ho or the third hypothesis (H4) is accepted.

d. Moderated Regression Analysis (MRA)

This study also uses Moderate Regression Analysis. Moderation regression analysis is used to decide whether the moderating variable will increase or decrease the level of relationship between the independent and dependent variables

Table 11. Moderated Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	7642,429	9068,520		,843	,401
	Good Corporate Governance	-75,257	99,050	-,063	-,760	,449
	ZX1	,672	2,243	,024	,299	,765
	ZX2	-,944	1,600	-,049	-,590	,556
	ZX3	-,077	,355	,048	,585	,046

a. Dependent Variable: Nilai Perusahaan

$$NP = a + \beta1X1 + \beta2X2 + \beta3X3 + \beta4\ M1 + \beta5X1{*}M1 + \beta5X2{*}M1 + \beta5X3{*}M1 + e$$
$$NP = Y = 7642{,}429 - 75{,}257Z + 0{,}672\ X1{*}Z - 0{,}944X2{*}Z - 0{,}077X3{*}Z + e$$

Good Corporate Governance has a moderating value with a significance value of 0.765, which is greater than alpha of 0.05. means that the moderating variable of Good Corporate Governance does not strengthen the relationship between tax planning and firm value. Likewise, can conclude that the Good Corporate Governance variable is a Pure Moderator variable where the Good Corporate Governance variable cannot moderate the relationship between the independent variable and the dependent variable.

Good Corporate Governance has a moderating value with a significance value of 0.556, greater than the alpha of 0.05. means that the moderating variable of Good Corporate Governance does not strengthen the relationship between income smoothing and firm value. Likewise, can conclude that the Good Corporate Governance variable is a Pure Moderator variable where the Good Corporate Governance variable cannot moderate the relationship between the independent variable and the dependent variable.

Good Corporate Governance has a moderating value with a significance value of 0.046, which is smaller than alpha 0.05, meaning that the moderating variable of Good Corporate Governance strengthens the relationship between Capital Structure and firm value.

4.4 Discussion

a. Effecttof TaxxPlanninggon Firm Value

The results of multiple linear regression (Table 10) show that tax planning does not affect firm value. The line of the positive regression coefficient show that the greater the Tax Planning, the greater the firm value.

This study's results align with research conducted by Lestari (2018), Hangtuah (2020) which found that tax planning has no effect on firm value. However, the results of this research consistent with research by Akbari (2018) and Apsari (2018) which prove that tax planning affects firm value.

Tax planning is an attempt to minimize tax debt through clear schemes regulated by tax regulations in Indonesia. Tax planning that occurs in the sample companies in this study does not affect the value of the company, and this is because investors assume that as long as the company is still doing tax planning within reasonable limits and provide benefits for investors, but without leading to tax evasion, investors consider tax planning to be reasonable and has no effect on Company Value

b. Effect of Income Smoothing on Firm Value

Table 10 results, multiple regression analysis show that income smoothing does not affect firm value. The line of the negative regression coefficient shows that the greater the income smoothing, the smaller the company's value.

This study's results align with Sustainable Akbari (2019) and Huang (2009) research, which found that Income Smoothing had no effect on firm value. However, the results of this research are consistent with Hangtuah (2020) research which proves that Income Smoothing affects firm value

Income smoothing aims to reduce fluctuations in the company's reported accounting profit. Stable profit fluctuations are expected to make firm value increase. However, the results of this study explain that stable profits are not the main focus for investors to see the company's value. Investors are not only fixated on steady profits but also look at the company's image. For example, whether the company has violated the law during its operational activities or has experienced financial distress and almost went bankrupt but managed to get back up.

c. EffectloflCapital Structure on Firm Value

Table 10 results, multiple regression analysis show that Capital Structure affects firm value. The line of the negative regression coefficient shows that the greater the capital structure, the lower the firm value.

This study's results align with research conducted by Yuniati (2016) and Prastuti (2016), which found that capital structure affects firm value. However, the results of this research are not consistent in line with Bintara (2018) research, which proves that the Capital Structure affects firm value.

Capital structure is a constituent component of a company's capital, based on trade-offs. If the capital structure is at a value above the optimal value of the capital structure, any increase in liabilities will reduce the company's value. A capital structure with a high level of debt is considered unfavourable by investors because the company will have a burden to pay high debts also sourced from profits, meaning that each company's profit is mostly used to pay debts so that the returns received by investors are getting lower and lower. Will reduce the Firm Value.

d. Good Corporate Governance Moderates the Effect of Tax Planning on Firm Value

The results of multiple regression analysis (Table 11) indicate that Good Corporate Governance cannot moderate the relationship between Tax Planning and firm value. The results is conducted by Mahaetri (2020), which found that Good Corporate Governance research could not moderate the relationship between Tax Planning and firm value.

There is no significant effect, according to the researcher. It has something to do with the time of testing tax planning with the company's value, which also has no effect, according to the researcher, because the sample used is a company engaged in infrastructure, utilities and transportation. This is a company with large financial resources and strong, so management will think again when taking tax planning actions because with substantial resources, the company will be able to pay taxes well without taking risks to do tax planning. In the end, the role of Good Corporate Governance as a company control mechanism is no longer visible in its performance in controlling or controlling tax planning activities carried out by management which will have an impact on company value. Or can also say that the role of Good Corporate Governance in the sample companies cannot influence management decisions in determining tax planning actions because the GCG element is only a formality to fulfilling the regulations that the Financial Services Authority has set.

e. Good Corporate Governance Moderates the Effect of Income Smoothing on Firm Value

Governance cannot moderate the relationship between income smoothing and firm value. These results support the research conducted by Saifaddin (2020), which found that Good Corporate Governance research could not moderate the relationship between income smoothing and firm value.

According to the researcher, the condition that should be with the practice of Good Corporate Governance in the company will limit income smoothing actions because with the control mechanism in the company, with the existence of effective good corporate governance in the company will be able to provide control over the company. Management performance in carrying out operational processes for the company so that opportunistic activities such as income smoothing carried out by management will also minimize so that users of financial statements will be able to use quality financial reports and in accordance with the actual conditions of the company.

However, in the sample companies in this study, good corporate governance cannot control or supervise income smoothing actions taken by management. Good Corporate Governance in this research sample is present only as a formality for the needs of investors and the OJK which cannot enter into the system or internal control process. the company's daily books and cannot take action on decisions made by management that have the potential to present financial statements that are not in accordance with actual conditions which have a negative impact on investors and users of financial statements so that even Good Corporate Governance has the potential to not understand whether the reported earnings are in accordance with the actual situation. or there is manipulation.

f. Good Corporate Governance Moderates the Effect of Capital Structure on Firm Value

The results of multiple regression analysis (Model 2) indicate that Good Corporate Governance can moderate the relationship between Capital Structure and firm value. In this case, there is a quasi-moderation model or pseudo-moderation, which means a variable that moderates the relationship between the independent variable and the dependent variable, where the pseudo-moderation variable interacts with the independent variable and becomes the independent variable. This study's results support research by Noviani (2019) and Bintara (2018), which found that Good Corporate Governance research can moderate the relationship between Capital Structure and Firm Value.

GCG implementation in the company shows the company's ability to manage the company. Managing the company well can be seen through the management of the company's capital structure. If the amount of debt of the company is small, each level of debt will increase the value of the company. Companies with poor governance have the potential to fail to manage their capital structure so that it can cause the company to go bankrupt because the amount of debt means an increase in the obligation to pay debt and interest so that they must spend most of the profits earned by the company to pay debts so that the company does not have a source of funds to finance it. carry out its CSR business operations

V. Conclusion

1. Tax Planning Does Not Affect Company Value, investors assume that if the company is still carrying out tax planning within limits that do not harm investors, it will not affect the investor's decision to invest.
2. Income Smoothing Does Not Affect Company Value, sample company investors do not make a profit as the primary measure of investment but from other sides such as company image and expansion projects.
3. Capital Structure Affects Firm Value. The sample company investors assume that companies with working capital which are mostly financed by debt, have many risks, such as failure to pay debts and interest which causes the company to be in financial distress.
4. Good Corporate Governance does not affect the relationship between tax planning and firm value, the sample company is a company with strong funds, so it is less likely to take tax planning actions, and the role of good corporate governance is no longer visible in its performance in controlling tax planning activities.
5. Good Corporate Governance does not affect the relationship between income smoothing and firm value. In the company sample, good corporate governance, such as being present with only a formality for administrative needs and not being able to control income smoothing actions or enter into the accounting process carried out by management.
6. Good Corporate Governance Affects the Relationship between Capital Structure and Company Value. The role of governance in the sample companies can essentially control and manage decision-making regarding the addition of company debt so that the capital structure ratio can be well controlled.

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