IJAMESC, Vol. 3 No. 01, February 2025
DOI: https://doi.org/10.61990/ijamesc.v3i1.430 e-ISSN 2986-8645

THE EFFECT OF TAX AVOIDANCE, CAPITAL STRUCTURE AND LIQUIDITY ON COMPANY VALUE WITH COMPANY SIZE AS A MODERATION VARIABLE IN INFRASTRUCTURE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE (IDX) FOR THE 2021-2023 PERIOD

Alin Riani[1], Anggi Tias Amanti[2], Siti Uliyah[3], Mohamad Zulman Hakim[4]*, Hamdani[5], Hustna Dara Sarra[6]
[1.2.3.4.5.6] Bachelor of Accounting Program Study, Faculty of Economics and Business, Muhammadiyah University Tangerang, Indonesia
*Corresponding Author:
mohamadzulmanhakim@ymail.com

Abstract
This study aims to examine Tax Avoidance, Capital Structure, and Liquidity on Company Value, by considering Company Size as a Moderation variable, in infrastructure companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period. The research population includes 69 companies, and through the purposive sampling technique, 24 companies were obtained as samples, Data analysis was carried out using E-views software 12. The result of F test show that F-value of 7.58699>2.51 of the f value of the r table and the Prob(F-statistic) value of 0.000000<0.05, it can be concluded that this model is feasible to use. The results of the study revealed that tax avoidance did not have a significant influence on the value of the company, the capital structure had a positive impact on the value of the company, while liquidity did not affect the value of the company. In addition, company size is not able to moderate the relationship between tax avoidance and company value, but it can moderate the relationship between capital structure and company value. However, company size cannot moderate the relationship between liquidity and company value.

Keywords: Company Value, Tax Avoidance, Capital Structure, Liquidity, Company Size

1. Introduction

The effect of tax avoidance, capital structure, and liquidity on company value, with company size as a moderation variable, especially in the context of infrastructure companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period. Infrastructure companies have a very important role in supporting economic development in Indonesia, especially in the face of rapid growth challenges. In this context, the company's value is a crucial performance indicator for shareholders and investors, as it reflects the company's financial health as well as future growth prospects. One of the factors that affects a company's value is the practice of tax avoidance, which refers to a company's efforts to legally reduce its tax liability. This practice can have a positive impact on the company's net profit and cash flow, which in turn increases the company's value. However, excessive tax avoidance practices can also pose reputational risks and concerns from tax authorities, so it is important to assess their impact in the context of infrastructure companies facing strict regulation and high expectations from stakeholders.

DOI: https://doi.org/10.61990/ijamesc.v3i1.430 e-ISSN 2986-8645

The phenomenon of corporate value in Indonesia in the infrastructure sector can be seen in the graph below:

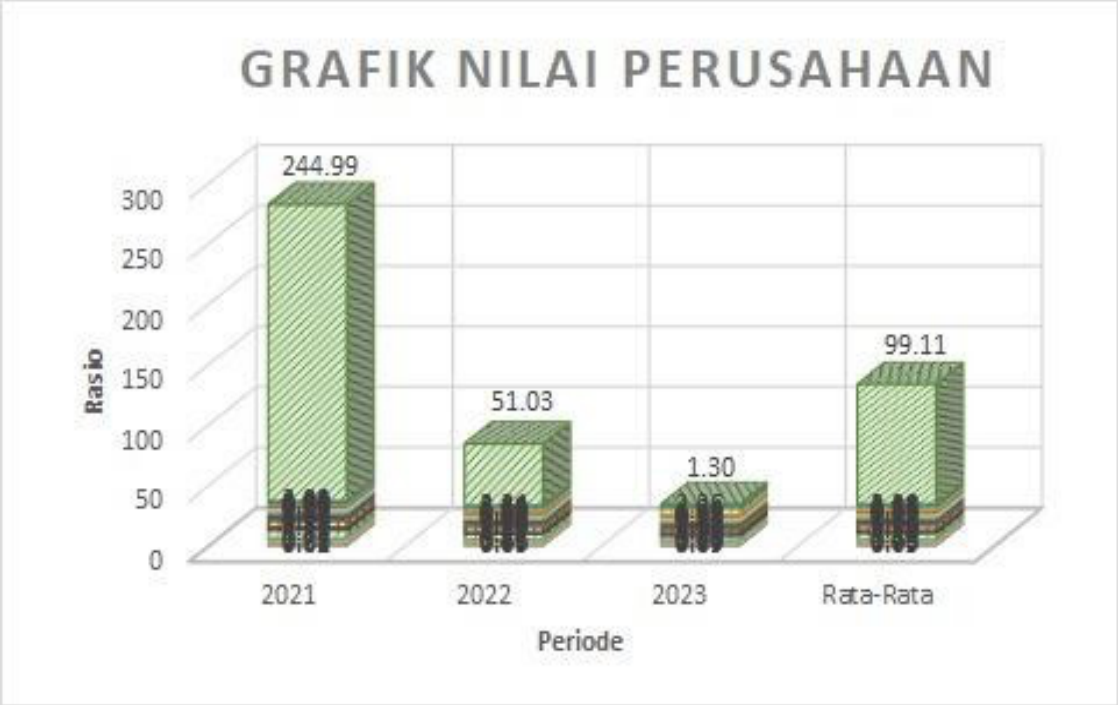

Figure 1. Average development of company value in the infrastructure sector in the IDX for the 2021-2023 period
Source: Data processing, 2024

The graph above shows that companies in the infrastructure sector in 2021-2023 on the Indonesian stock exchange have increased and decreased or experienced fluctuations in the calculation of company value. The high value of the company reflects the success of the company's operations. The value of a company is formed through stock market indicators that are influenced by available investment opportunities. Investors' perception of a company is usually measured through its share price, the higher the share price, the greater the value of the company in the eyes of investors (Murti, 2022).

According to Pancarani (2024:30), investors can use the share price to be paid when the company sells its shares to assess the company's value. When the stock price increases, this can optimize the welfare of shareholders. The welfare of shareholders will increase along with the increase in the company's share price. The value of a company is usually depicted through its stock market price. To increase the value of a company, companies usually try to improve their performance while minimizing the tax burden. (Rajagukguk et al., 2020). When buying stocks, investors will definitely look at the company's future prospects first. Thus, investors reduce the possibility of experiencing losses due to the purchase of shares with poor prospects (Fahri et al., 2022).

Tax avoidance or tax avoidance is one of the strategies that are widely applied by companies to minimize the tax burden they bear. Judging from effective tax avoidance, it can increase the company's profitability and in turn, increase the company's value. Tax avoidance is a strategy carried out by taxpayers to minimize or even eliminate tax liabilities. This action is a legitimate way for taxpayers to reduce their tax burden without violating applicable rules. (Alfiana, 2021) However, this practice often raises ethical debates and can potentially harm the company's image in the eyes of the public. In the context of infrastructure companies, where projects often involve public budgeting and

public interest, tax avoidance can affect the perception of investors and stakeholders towards the company. According to Syah et al (2024), according to research, tax avoidance has an impact on company values. However, Rajagukguk et al. (2020) argue that tax avoidance does not affect the value of a company.

The composition of a company's financing plays a very important role in determining the value of a company, as it describes how the company obtains funds to support its assets and operational activities, both through loans and equity. With an ideal capital structure, companies can maximize the value they have, reduce capital costs, and increase profits received by shareholders. Conversely, overreliance on debt can increase the potential for bankruptcy and create high-interest liabilities, which in turn can adversely affect the company's value. In the infrastructure industry, which often requires large investments and has high risks, a prudent capital structure management strategy is necessary. Therefore, it is crucial to study the relationship between capital composition and company value, as well as how this factor relates to the application of tax avoidance practices and the company's liquidity situation. This research is expected to provide a deeper understanding of the importance of determining the right capital structure in increasing company value, especially in the infrastructure sector that continues to grow. Saputri et al. (2024) revealed that capital composition affects the value of a company. In contrast, Amelia et al. (2023) argue that capital composition has no effect on the value of a company.

A company's ability to manage its assets in the short term, known as liquidity, is one of the crucial elements in determining the value of a company, especially in the infrastructure sector which is often faced with difficulties in meeting short-term obligations. When a company's liquidity is high enough, it allows it to face difficult financial situations and take advantage of emerging investment opportunities, which in turn can increase value for shareholders. When companies have good liquidity, they may be more likely to engage in tax avoidance practices to maximize the allocation of funds to investments that can increase the company's value. However, if liquidity is low, companies may be forced to postpone important investments and face difficulties in meeting their debt obligations, which can adversely impact the market's perception of the company's value. Therefore, a deep understanding of how liquidity interacts with tax avoidance and capital structure is crucial in determining the performance and value of infrastructure companies. This study aims to further explore the influence of liquidity on the company's strategic decision-making in certain contexts and its impact on the company's value. Dewi et al. (2021) revealed that liquidity has a significant impact on the value of companies. On the other hand, Saputri et al. (2024) stated that liquidity does not affect the value of a company.

According to Ferdila et al (2023), a company with a large number of assets is estimated to have a higher potential to survive and grow in the long term. This is due to the company's ability to generate stable cash flow. Investors are usually more interested in buying shares of large companies because the size of the company is considered to affect the value of the company. (Sari et al., 2020). Companies can easily find sources of funding, attract investors, and of course, increase value and impact the company's growth. The company's capacity to effectively manage its set is a good indicator of the small size of the company. Investors are more likely to put their capital into company stocks if their overall assets are large (Dayanty & Setyowati, 2020).

Company size as a moderation variable also plays an important role in this study, because it can affect the relationship between tax avoidance, capital structure, and

liquidity on company value. Large companies generally have better access to financial, technological, and information resources, which allows them to manage risk more effectively and implement tax avoidance strategies more efficiently. In addition, large companies tend to have more experience in dealing with market challenges and understanding regulations, so they can make better strategic decisions regarding capital structure and liquidity. In the context of small companies, financial and operational risks are often higher, and they may find it more difficult to implement tax avoidance practices or manage their capital structure properly. This study aims to further understand the role of company size as a moderating factor in the relationship between tax avoidance, capital structure, and liquidity to company value. In addition, the study also seeks to provide an in-depth perspective on the dynamics occurring in Indonesia's infrastructure sector, with the hope that the findings can guide managers and stakeholders to make more strategic and information-based decisions.

An example of a case that is relevant to this is PT Waskita Karya Tbk (WSKT) which faces challenges in managing finances, including in the aspects of tax avoidance, capital structure, and liquidity, which affect the company's value. In recent years, WSKT's share value has experienced high volatility due to a combination of large debt burdens, liquidity pressures, and implemented financial policies. Investors are increasingly paying attention to management strategies in managing these risks, so that the influence of tax avoidance, capital structure, and liquidity are key factors in determining the valuation of companies in the capital market.

2. Theoretical Background

2.1 Signaling Theory

Signal theory was first introduced by Michael Spence in 1973 and then developed by Ross in 1977. This theory arose because of an information imbalance between the company's management and shareholders. That is, management has more information about the company's condition than outsiders. To overcome this, managers need to provide financial statements to provide the information needed by interested parties (Ahmad, 2020). In simple terms, signal theory explains why companies feel the need to share information, especially financial statements, with outside parties. This is done because the company knows more about itself and its future prospects compared to investors or creditors.

According to Brigham & Houston (2019), the company's management collectively made the decision to convey information to potential investors regarding their views on the company's business prospects. The disclosure of information related to accounting is generally related to financial performance statements and provides an overview of the company's future direction.

The relationship between signaling theory and company value is when a company shows good performance, while a poor company value gives a negative signal. This is because the main goal of investors is to make a profit, so Companies with poor performance will usually be avoided. Investors are less likely to invest their money in companies that have low value. A capital structure involving debt can be a signal that the company has favorable prospects in the future. Investors will be more likely to choose companies with good prospects, by avoiding selling shares and preferring to attract new capital through debt. The relationship between signal theory and liquidity ratio or current ratio shows that the higher the company's ability to pay its short-term obligations, the more positive the signal is given to investors. As for the size of the company, the larger

the size, the greater the opportunity to get a source of funding, and this gives a positive signal to external parties that affect the value of the company.

2.2 Trade-off Theory

The Trade-off Theory is the result of the development of the MM theory introduced by Modigliani and Miller in 1963. This theory explains that companies must balance the tax benefits (Tax Shield) obtained from debt financing with the risks that arise due to the possibility of bankruptcy. This happens because debt interest payments reduce Earnings Before Interest and Taxes (EBIT), which is income before taxes are withheld. These interest payments are not taxable, which makes financing through debt more profitable than using common or preferred shares, as they require the sharing of the company's ownership with other parties. Therefore, the larger the proportion of debt used, the greater the income stream that can be distributed to investors, which in turn can increase the stock price (Brigham & Houston, 2019).

The relationship of this theory is related to liquidity, as companies with high liquidity tend to rely more on internal funds than on external sources of funding.

2.3 Company Values

Often, the measure of a company's value is seen in terms of market capitalization, which is the total value of all shares outstanding in the market. For investors, this is the main benchmark in assessing the company's performance and future potential. A higher value indicates that the market has a large level of trust in the company. Especially for companies engaged in the infrastructure sector, the value of a company does not only depend on financial performance, but is also influenced by external factors such as the economic situation, government policies, and the company's reputation in the community. Therefore, it is important to understand the various factors that affect a company's value, such as tax avoidance, debt use, as well as the company's liquidity conditions.

The company's value is also influenced by management decisions related to dividend policies. Companies that pay dividends consistently can attract investors' attention and create a positive perception in the market. Conversely, companies that do not pay dividends or reduce dividend payments may experience a decline in market value. In this study, it will be analyzed how dividend policies can affect company value and function as a mediator between various factors that affect the value of infrastructure companies. Understanding these dynamics is very it is important to provide better insight for management in formulating policies that can increase company value (Ferdila et al., 2023).

In addition to external factors such as economic conditions and government regulations, the value of infrastructure companies is also greatly influenced by the reputation of management and corporate governance (good corporate governance). Companies with a good and transparent management reputation tend to be more trusted by investors, so they have a higher value in the market. Good governance includes transparency in decision-making, regulatory compliance, and commitment to corporate social responsibility. In the infrastructure industry, where projects often involve the public and government, effective governance is key to building a positive image and increasing the overall value of the company.

2.4 Tax Avoidance

Tax avoidance, or tax avoidance, refers to the steps taken by a company to minimize its tax liability by utilizing legal channels in accordance with applicable regulations. In

the case of infrastructure companies listed on the Indonesia Stock Exchange (IDX), this strategy can provide a great advantage in competition. By lowering the tax burden, companies can improve their cash flow and net profit, which ultimately has the potential to increase the company's value in the eyes of investors. Investors are usually more interested in companies that can manage taxes efficiently, as this reflects good managerial abilities as well as brighter profit prospects in the future

However, it is important to note that tax evasion should be done with caution, as if detected as unauthorized evasion, it can damage the company's reputation and incur significant legal sanctions. As a result, a company needs to find a common ground between a legitimate tax avoidance strategy and the obligation to comply with applicable tax regulations. This study aims to investigate how the proper application of tax avoidance can affect investors' views of the company's value, as well as to identify other elements that can play a role in the impact (Saputra, 2023). Based on the results of research by Arfiansyah, Z. (2020), Krisyadi, R., & Angery, E. Y. (2021), and Danardhito, A., et al. (2023) emphasized that tax avoidance has a positive impact on the value of companies. Based on the description above, the following hypothesis can be formulated, *H1: Tax Avoidance has a positive effect on company value*

2.5 Capital Structure

The capital structure is a combination of debt and own capital that a company uses to finance its operational activities, with the main goal of increasing the company's value. A high capital structure usually gives a positive signal about the company's good prospects, which can attract investors to buy more shares, thus increasing the company's value. Large capital can also help companies avoid losses from unprofitable operations (Ayem and Ina, 2023).

This hypothesis argues that a high capital structure, especially if it consists of a large proportion of debt, can have a negative effect on the value of the company. When the company relies on debt to finance its operations, the risk of bankruptcy increases, especially when cash flow is declining. The high debt burden not only increases financial risk but can also reduce the company's flexibility in making strategic decisions, such as investing in new projects or business expansion. Investors are usually more likely to underestimate companies with high debt capital structures due to the potential for greater risk. Thus, if the capital structure is dominated by debt, this can create a negative perception among stakeholders, which in turn can lower the market value of the company.

On the other hand, the payment of debt interest that must be borne by the company is one of the factors that reduces net profit, which in turn will reduce the company's ability to distribute dividends to shareholders. In addition, if a company fails to meet its debt obligations, this can cause huge losses for investors, which can lead to a decline in stock prices. This indicates that imbalances in the capital structure, especially those related to excessive debt, can damage a company's reputation in the eyes of investors and lower the company's overall value. Therefore, it is very important for the management to ensure the right balance between debt and its own capital so that market confidence is maintained and the company's value remains stable in the long term. Research conducted by Manurung, T. M. S., & Wildan, M. (2021), Santosa, P. W., & Wedari, L. K. (2021), and Nurhidayah, W. (2021) show that capital structure has a positive impact on the value of companies. *H2: Capital Structure has a Positive Effect on Company Value*

2.6 Liquidity

Liquidity refers to a company's ability to meet its short-term obligations without having to sell important assets. In the context of infrastructure companies, good liquidity reflects the company's solid financial health and ability to manage its day-to-day operations as well as deal with possible uncertainties in the market. Companies with high liquidity tend to be better able to respond to investment opportunities and minimize the risk of bankruptcy, which can make investors feel more secure and believe in the company's long-term growth potential. As such, good liquidity is usually associated with higher company values, as investors tend to value the company's stability and ability to manage its cash flow well.

However, there are limitations when it comes to excessively high liquidity, where a company may have too many unproductive assets, such as uninvested cash. In this study, this hypothesis will be further explored by analyzing how liquidity affects the company's value and how investors respond to the company's liquidity information. Thus, this hypothesis plays an important role in understanding the factors that can influence investor perceptions and investment decisions in Indonesia's infrastructure sector (Ferdila et al., 2023). Based on research conducted by Mahanani, H. T., & Kartika, A. (2022), it was found that liquidity does not have a significant influence on the value of companies, with a negative influence. This is due to the nature of liquidity which tends to focus more on short-term aspects, so it is not proven to have a significant impact on the company's value. *H3: Liquidity has a negative effect on the Company's Value*

2.7 Company Size

This hypothesis indicates that firm size can function as a moderating variable in the relationship between tax avoidance practices and the factors that influence them. Large companies often have more resources and access to experienced tax advisors compared to smaller companies, which allows them to utilize tax avoidance strategies more effectively. With a greater capacity to conduct careful tax planning, large corporations can reduce their tax burden without breaking the law, thereby maximizing profits. On the other hand, small companies may not have enough resources to implement complex tax avoidance strategies, making them more vulnerable to higher tax imposition.

Further, the size of a company can also affects how regulators and stakeholders view tax avoidance. Large companies are often in the public spotlight and more regulated, so they need to be more careful in their chosen tax avoidance strategies. Meanwhile, small companies may find it easier to ignore tax compliance, but they also can't take advantage of more aggressive tax avoidance schemes. Therefore, company size serves as a moderation that determines the extent to which companies can operate within the boundaries of tax-related laws and how effectively they can avoid taxes. This shows the importance of considering the size of the company in the analysis of the tax avoidance strategy applied (Ferdila et al., 2023). Research conducted by Aulia and Mahpudin (2020) shows that company size has an impact on tax avoidance. In this study, researchers sought to test whether company size can strengthen or actually weaken the relationship between tax avoidance and company value. Based on this description, it can be concluded that company size plays a role as a variable that moderates the influence of tax avoidance on the company's value. *H4: Company Size Moderates Tax Avoidance on Company Value*

This hypothesis highlights that the size of the company can moderate the impact of the capital structure on the company's performance. Large companies usually have better access to the capital markets and can more easily obtain debt on more favorable terms. In

this context, the size of the company can serve as a barrier to the risks associated with debt, as large companies tend to have more stable cash flow and more assets to collateralize. This can allow them to manage debt better than smaller companies, thereby minimizing the negative impact of a debt-dominated capital structure. In contrast, small companies with high capital structures tend to be more vulnerable to market fluctuations and financial risks, which can hinder their growth and performance.

Furthermore, the size of the company can also influence managerial decisions related to the use of debt. Management of large companies may be more likely to use debt as a tool to accelerate growth, while smaller companies may avoid debt due to more uncertainty tall. Thus, the size of the company not only moderates the impact of the capital structure but also affects the way management plans and executes financial strategies. In this case, large companies can utilize their capital structure more effectively to improve performance and growth, while small companies must be more careful in managing debt so as not to add to the risks faced. In other words, the relationship between capital structure and company performance is greatly influenced by the size of the company (Komalasari & Yulazri, 2023). According to the results of research conducted by Pattiasina, V., et al. (2022), company size plays a role as a factor that moderates the relationship between capital structure and company value. Similar findings were also obtained in the research of Manurung, T. M. S., & Wildan, M. (2023), which stated that company size has a moderating influence on the relationship between capital structure and company value. From this explanation, it can be concluded that the size of the company can play a role in moderating the relationship between the capital structure and the value of the company. *H5: Company Size Moderates Capital Structure to Company Value*

According to this hypothesis, larger companies typically have easier access to funding, such as lucrative loans and capital markets. This allows them to maintain more stable liquidity than smaller companies. Good liquidity indicates that the company is meeting short-term obligations. This can strengthen investor and stakeholder confidence in the company.

Usually, large companies have a better chance of utilizing excess liquidity for the company's growth and development. In addition, they are seen as more reliable in managing cash and assets which strengthens the positive relationship between liquidity and company value. According to the research of Anjani et al., (2023), the company dimension has a role in influencing the relationship between liquidity and company value. From this description, it can be concluded that the company dimension plays a moderating factor in influencing the relationship between liquidity and company value. *H6: Company Size Moderates Liquidity to Company Value*

3. Methods

The value of a company is measured by the Price to Book Value (PBV) ratio. Company Size as a bound variable is measured by the total asset log ratio, Tax Avoidance is measured by the cash effective tax rate (CETR) ratio, Capital Structure is measured by the debt to equity ratio (DER), and Liquidity is measured by the current ratio (CR)

This study uses a quantitative method. The methods applied in data analysis in this study include descriptive statistics, panel data regression analysis, and moderation regression analysis (MRA) to see the influence of company size in moderating the relationship between independent variables and company value. Ghozali and Ratmono (2020), explained that panel data regression analysis refers to a combination of data that

DOI: https://doi.org/10.61990/ijamesc.v3i1.430 e-ISSN 2986-8645

describes the behavior of cross-section units (e.g., individuals, companies, or countries) monitored over a certain period of time. This type of research is quantitative, with measurements using devices such as Microsoft Office Excel and E-Views 12. This study examines all infrastructure sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2021 to 2023, whose data is accessed through www.idx.co.id.

3.1 Dependent Variables

3.1.1 Company Values

According to Holly (2018), the value of a company is reflected in the increase in stock prices carried out by investors. The higher the stock price, the greater the market's confidence in the company's performance and its positive prospects in the future.

$$PBV = \frac{\text{Market Price Per Share}}{\text{Book Value Per Share (NBVS)}}$$

$$NBVS = \frac{\text{Total Equity}}{\text{Number of Shares Outstanding}}$$

3.2 Independent Variables

3.2.1 Tax Avoidance

According to Tarida and Prasetyo (2018), the purpose of tax avoidance in companies is to reduce the tax burden that must be paid, so that the net profit obtained by the company can be higher. This tax avoidance process involves the transfer of a company's assets to another country. Mathematically, the capital structure associated with the CETR ratio can be formulated as follows.

$$CETR = \frac{\text{Tax Payment}}{\text{Profit Before Tax}}$$

3.2.2 Capital Structure

The capital structure is the long-term financing of a company, which includes a balance between debt and own capital. Policies regarding capital structure are basically related to decisions in choosing sources of funds for investment, the goal of which is to be in line with the company's efforts in maximizing profits for shareholders, which is ultimately reflected in the company's value (Inayah, 2022). Dan explained that the Debt to Equity Ratio (DER) is a ratio used to measure the ratio between debt and own capital in financing a company's assets.

$$DER = \frac{\text{Total Debt}}{\text{Profit Before Tax}}$$

3.2.3 Liquidity

According to Sartono (2010:225), a company can be said to have good liquidity if the company is able to complete its short-term obligations in accordance with the specified time, because it has a sufficient amount of funds to support operational and investment activities. Companies with high levels of liquidity tend to utilize internal funds to finance their business activities

$$\text{CR} = \frac{\text{Current Assets}}{\text{Current Debt}}$$

3.3 Moderation

3.3.1 Company Size

According to Junuardi (2019), the magnitude of a company's success can be seen from the total number of assets it owns. Larger companies tend to have more assets, which in turn also requires a larger amount of capital to support their operations and meet all their needs.

$$\text{Size} = \text{Ln}(\text{Total Assets})$$

3.4 Population and Sample

This study focuses on the population of companies engaged in the infrastructure sector and listed on the Indonesia Stock Exchange (IDX) for the period 2021 to 2023, consisting of 69 companies. Through the purposive sampling technique applied, 11 companies from the infrastructure sector were selected that met the criteria as a sample in this study.

Table 1. Sample Criteria

Sample Criteria	Sum
Population: Infrastructure Companies listed on the IDX	69
Companies not listed on the IDX in the Infrastructure sector in 2021-2023	(13)
Companies that have experienced losses (profit before tax) in the infrastructure sector in 2021-2023	(30)
Companies that do not pay taxes	(2)
Total	24

3.4 Data Analysis Techniques

The research uses a quantitative method, this project measures samples to produce an analysis. The methods used included descriptive statistics, selection of data panels (chow, hausman and lagrange Multiplier), coefficient of determination (R2), simultaneous analysis and hypothesis testing.

DOI: https://doi.org/10.61990/ijamesc.v3i1.430 e-ISSN 2986-8645

4. Result and Discussion

4.1 Descriptive Analysis

	PBV	CETR	DER	CR	CETR_SIZE	DER_SIZE	CR_SIZE
Mean	1.668611	1.298194	1.645833	2.305833	36.47292	48.92347	64.49194
Median	1.100000	0.270000	1.130000	1.150000	7.885000	32.97000	34.45000
Maximum	13.84000	40.71000	9.210000	25.40000	1043.090	226.4600	650.7400
Minimum	0.070000	0.000000	0.040000	0.140000	0.060000	0.990000	3.290000
Std. Dev.	1.926968	4.945819	1.580135	3.932200	129.0433	45.66603	104.4623
Skewness	4.000239	7.286911	2.086864	3.765344	6.930331	1.567181	3.480248
Kurtosis	23.89918	57.82042	9.222301	19.40632	53.36532	5.663380	16.72742
Jarque-Bera	1502.350	9653.024	168.4111	977.6363	8186.349	50.75347	710.6715
Probability	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	120.1400	93.47000	118.5000	166.0200	2626.050	3522.490	4643.420
Sum Sq. Dev.	263.6377	1736.740	177.2748	1097.816	1182304.	148062.4	774778.4
Observations	72	72	72	72	72	72	72

Figure 2. Descriptive Analysis
Source: Processed data from e-views 12, 2023

According to the table above, the study collected 72 observations from 24 companies from 2021 to 2023.

1) The Y variable (Company Value) has the lowest value of 0.070000 and the highest value of 13.84000. The Y variable (Company Value) mean is 1.668611 with a standard deviation of 1.926968.
2) The X1 (Tax Avoidance) variable has the lowest value of 0.00000000 and the highest value of 40.71000 the average X1 (Tax Avoidance), the mean is 1.298194 with a standard deviation of 4.945819.
3) Variable X2 (Capital Structure) has the lowest value of 0.040000 and the highest value of 9.210000. Variable X2 (Capital Structure) mean value 1.645833 with a standard deviation of 1.580135 during observation.
4) Liquidity (X3) has a low value of 0.140000 and a high value of 25.40000. Variation X3 (Liquidity) mean value 2.305833 with a standard deviation of 3.932200.

4.2 Model Conclusion

Table 2. Model Conclusion

Method	Testing	Result
Chow Test	CEM > 0.05 FEM < 0.05	FEM
Hausman Test	REM > 0.05 FEM < 0.05	REM
LM Test	CEM > 0.05 REM < 0.05	REM

Because the REM model was chosen, there was no need to conduct multicollinearity and heteroscedasticity tests.

DOI: https://doi.org/10.61990/ijamesc.v3i1.430 e-ISSN 2986-8645

4.3 Test Result F

Table 3. Simultaneous Test Results (F)

Weighted Statistics			
R-squared	0.889928	Mean dependent var	0.370245
Adjusted R-squared	0.879767	S.D. dependent var	1.340043
S.E. of regression	0.464654	Sum squared resid	14.03372
F-statistic	87.58699	Durbin-Watson stat	1.290217
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.583880	Mean dependent var	1.668611
Sum squared resid	109.7048	Durbin-Watson stat	0.165048

Source: Data obtained from e-views 12, 2024

By considering the statistical F value of 87.58699 > 2.51, the table f value and the Prob (F-statistic) value of 0.000000 < 0.05, it can be concluded that this model is suitable for use and the independent variable has the same effect on the independent variable.

4.4 Determination Coefficient Test Results (R2)

Table 4. Determination Coefficient Test Results (R2)

Weighted Statistics			
R-squared	0.889928	Mean dependent var	0.370245
Adjusted R-squared	0.879767	S.D. dependent var	1.340043
S.E. of regression	0.464654	Sum squared resid	14.03372
F-statistic	87.58699	Durbin-Watson stat	1.290217
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.583880	Mean dependent var	1.668611
Sum squared resid	109.7048	Durbin-Watson stat	0.165048

Source: Data obtained from e-views 12, 2024

R-Squared is 0.683880 or 73% so it can be concluded that if the independent variable accounts for 73% of the variation in the size of the company with 27% because other variables are not covered in this study.

DOI: https://doi.org/10.61990/ijamesc.v3i1.430 e-ISSN 2986-8645

4.5 Hypothesis Test Results (T)

Figure 5. Hypothesis Test Results (T)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.065724	0.330062	0.199125	0.8428
CETR	0.337614	0.373698	0.903440	0.3696
DER	4.806372	0.559074	8.597017	0.0000
CR	0.733096	0.663688	1.104579	0.2734
CETR_SIZE	-0.014957	0.014122	-1.059161	0.2934
DER_SIZE	-0.131618	0.021120	-6.231862	0.0000
CR_SIZE	-0.022507	0.024217	-0.929391	0.3561
Effects Specification			S.D.	Rho
Cross-section random			1.166113	0.8655
Idiosyncratic random			0.459620	0.1345

Source: Data obtained from e-views 12, 2024

The hypothesis test can be understood from the following table:

1) Result of the 1st Hypothesis Test (H1)
   The evaluation of Tax avoidance (X1) variable yielded (0.903440) < (1,667) and a value of 0.3696 > 0.05, indicating that H1 was rejected, meaning that tax avoidance had no effect on the company's value. This is in accordance with the results of previous research according to Arfiansyah, Z. (2020), Krisyadi, R., & Angery, E. Y. (2021), and Danardhito, A., et al. (2023) stated that tax avoidance does not affect the company's value and weakens the positive correlation between tax avoidance and company value. The value of companies declined along with the increase in tax avoidance. This means that tax evasion or tax evasion carried out by the company causes investors to give a negative assessment of the company.
2) Result of the 2nd Hypothesis (H2)
   The T test for the modal structure variable (X2) yielded t count (8.597017) > (1.667) and sig. A value of 0.0000 < 0.05 indicates that H2 is accepted, meaning that the capital structure variable has a positive effect on the value of the Company. The capital structure shows that it prefers to use debt over equity. According to Trade-Off Theory, companies must consider risks and benefits in order to create optimal value for the company. This finding is in line with the results of a previous study conducted by Listiani & Ni'am (2023), which stated that the composition of financing has a positive and significant impact on the value of a company.
3) Result of the 3rd Hypothesis (H3)
   The T test against the liquidity variable (X3) yielded t (1.104579) < (1.667) and a sig. 0.2734 > 0.05 indicate that H3 is rejected, meaning that the liquidity variable has no effect on the company's value. This research is in line with the previous findings expressed by Nurhayati (2010), which stated that liquidity does not have a significant impact on the value of companies.
4) Result of the 4th Hypothesis Test (H4)
   The T test against the Z variable moderates X2, or Size moderates the capital structure against the value of the company resulting in t (-6.231862) > (1.667) and a sig value. 0.0000 < 0.05 indicates that H5 is accepted, meaning that the variable size is able to moderate the capital structure. This research is in line with the findings expressed by

Pattiasina, V., et al. (2022), which stated that company size can play a role as a moderating factor between capital structure and value company. However, this result is contrary to research conducted by Manurung, T. M. S., & Wildan, M. (2023), which states that company size has no influence as a moderating variable in the relationship between capital structure and company value.

5) Result of the 5 th Hypothesis Test (H5)
The T test against the Z variable moderates X2, or Size moderates the capital structure against the value of the company resulting in t (-6.231862) > (1.667) and a sig value. 0.0000 < 0.05 indicates that H5 is accepted, meaning that the variable size is able to moderate the capital structure. This research is in line with the findings revealed by Santos & Susilowatio (2019), which states that company However, the results of this tudy contradict research conducted by Astari et al, (2019), which states that company size has no effect as a moderating variable in the relationship between capital structure and firm value. Large firms may have better access to capital markets and can take on debt at a lower cost than smaller firms. This may increase the value of the company
6) Result Of the HypothesisTest (H6)
The T test against the Z variable moderates X3, or Size moderates' liquidity against the value of the company resulting in (-0.929391) < (1.667) and a sig value. 0.3561 > 0.05, indicating that H6 is rejected, meaning that variable size is not able to moderate liquidity. This is in accordance with the research D.N. Sari & Suwitho (2023) Concluding that company size does not play a role as a moderating variable in influencing the relationship between liquidity and company value. This is different from the findings of Mahanani, H. T., & Kartika, A. (2022), which states that the size of the company can actually act as a factor that moderates the relationship between liquidity and company value.

4.6 Panel data regression equation

$$PBV = 0.0657237161366 + 0.3376137749*CETR + 4.80637242273*DER + 0.733095873613*CR - 0.0149570461694*CETR\_SIZE - 0.131618286654*DER\_SIZE -0.0225072309817*CR\_SIZE + [CX=R]$$

The following is an explanation of the regression equation of panel data:

1) The constant value of 0.0657237161366 means that if the independent variable goes up by one, the dependent variable also goes up by 0.0657237161366.
2) The Regression Coefficient of the X1 Tax Avoidance Variable is (+) 0.3376137749, meaning that if X1 increases, the value of the company Y also increases by 0.3376137749.
3) Variable Regression Coefficient X2 Capital structure is (+) 4.80637242273, meaning that if X2 increases, the company's value Y also increases by 4.80637242273.
4) The X3 variable Company Size has a value of (+) 0.733095873613, which means that if variable X3 increases, the Y variable company value will increase by 0.733095873613, and vice versa.
5) The Z variable moderating X1 Size moderates the tax avoidance value (-) 0.0149570461694, which means that if the Z variable moderating X1 increases, the Y variable the company value will decrease by 0.0149570461694, and vice versa.
6) The Z variable moderates X2 Size moderates the modal structure with a value of (-) 0.131618286654, which means that if the Z variable moderates X2 increments, variable Y of the company will decrease by 0.131618286654, and vice versa.

7) The Z variable moderating X3 Size moderates the liquidity value (-) 0.0225072309817, which means that if the Z variable moderating X3 increases, the Y variable the company value will decrease by 0.022507230981, and vice versa.

5. Conclusion

From the research conducted, it can be concluded that:

1) The tax avoidance variable has no effect on the value of companies in the infrastructure sector listed on the Indonesia Stock Exchange 2021-2023. This indicates that investors and stakeholders do not make tax avoidance practices the main factor in assessing the company's performance. Most likely, the market focuses more on other fundamental factors such as profitability, company growth, and corporate governance in determining the company's valuation.
2) The capital structure variable has a positive effect on the value of companies in the infrastructure sector listed on the Indonesia Stock Exchange 2021-2023. This means that the more optimal the capital structure owned by the company—both in terms of the ratio between debt and equity—the higher the company's value in the eyes of investors. This shows that the wise use of debt can increase the value of the company, as long as the company is able to manage financial risks well and generate greater profits from the cost of capital.
3) The liquidity variable has no effect on the value of companies in the infrastructure sector listed on the Indonesia Stock Exchange 2021-2023. This suggests that while liquidity reflects a company's ability to meet its short-term obligations, investors do not seem to make liquidity a major factor in assessing a company's long-term growth potential and performance. This may be due to the characteristics of the infrastructure industry which tends to have long-term assets and large investments, so the liquidity factor is not the main indicator for investors.
4) The variable size of the company cannot moderate the variable tax avoidance of the value of companies in the infrastructure sector listed on the Indonesia Stock Exchange 2021-2023. This indicates that the scale of the company's operations is not a factor that strengthens or weakens the influence of tax avoidance on investor perception or market valuation.
5) The variable size of the company can moderate the variable of capital structure against the value of the company in the infrastructure sector listed on the Indonesia Stock Exchange 2021-2023. This means that the influence of capital structure on company value will be stronger in companies of larger size. This can be explained by the fact that large companies tend to have wider access to funding sources, a better reputation in the market, and greater ability to manage financial risks, so that the effectiveness of capital structure management becomes more significant in increasing the value of the company.
6) The variable of company size cannot moderate the liquidity variable on the value of companies in the infrastructure sector listed on the Indonesia Stock Exchange 2021-2023. This means that in both large and small companies, fixed liquidity does not have a significant influence on the company's value. This confirms that the liquidity factor is undertaken by investors in the infrastructure sector, regardless of the size of the company.
7) Overall, the study highlights that in the infrastructure industry, capital structure is the most influential factor in increasing the value of companies, while other variables such as tax avoidance and liquidity do not have a significant impact. In addition, the

role of company size as a moderator is only relevant in the context of capital structure, but does not apply to tax avoidance or liquidity. This finding has implications for company management in developing a more optimal financial strategy and for investors in evaluating companies in this sector.

Reference

Alfiana, N. (2021). Tax Avoidance, Sustainability Reporting, Corporate Governance and Company Value: Moderated by Company Size. Journal of Accounting Literacy, 1(1), 14-27.

Arisudhana, D., & Priyanto, S. (2023). The size of the company moderates the influence of several financial ratio factors on the value of the company. Journal of Accounting, Finance, Taxation and Corporate Governance, 1(2), 232-246.

Aryadita, P. H., Hariyanto, E., Wahyuni, S., & Fitriati, A. (2024). Analysis of factors that affect the value of the company with dividend policy as a moderation variable. Owner: Accounting Research and Journal, 8(2), 1632-1647.

Amelia R., Iqbal M., & Aisyah S. (2023). Analysis of the Influence of Profitability, Company Size, and Liquidity on Company Value with Capital Structure as a Moderation Variable. Journal of Economics & Business, 26(1), 17-26.

Fahri, Z., Sumarlin, S., & Jannah, R. (2022). The influence of capital structure, debt policy, and company age on company value with company size as a moderation variable. ISAFIR: Islamic Accounting and Finance Review, 3(1), 116-132.

Ferdila, F., Mustika, I., & Martina, S. (2023). The effect of firm size, liquidity, leverage and profitability on company value in consumer goods sub-sector manufacturing companies listed on the Indonesia Stock Exchange. Owner: Research and Journal of Accounting, 7(4), 3274-3284.

Harianja, H., Sitompul, J., & Surbakti, S. R. (2023). The Effect of Profitability, Liquidity and Leverage on Company Value with Dividend Policy as a Moderating Variable in Manufacturing Companies in the Mining Sub-sector Listed on the Indonesia Stock Exchange. Journal of Darma Agung, 31(6), 379-392.

Kanta, A. G. A., Hermanto, H., & Surasni, N. K. (2021). The Effect of Leverage and Profitability on Firm Value with Dividend Policy as Moderation Variable (Studies in Manufacturing Companies for the 2014-2018 Period). International Journal of Multicultural and Multireligious Understanding, 8(1), 245-255.

Komalasari, D. N., & Yulazri, Y. (2023). The effect of disclosure of liquidity, solvency, company size and profitability on the value of the company. Scientific Journal of Reflection: Economic, Accounting, Management and Business, 6(2), 470-479.

Maduma, T., & Naibaho, E. A. B. (2022). The effect of tax avoidance, leverage and profitability on the value of the company with dividend policy as a moderation variable. Journal of Accounting and Tax, 23(1), 372-378.

Mahaetri, K. K., & Muliati, N. K. (2020). The Effect of Tax Avoidance on Company Value with Good Corporate Governance as a Moderation Variable. Hita Accounting and Finance, 1(1), 436-464.

Murti, A. U.., & Purwaningsih, E. . (2022). The effect of profitability, liquidity, leverage, and company size on company value. Fair Value: Scientific Journal of Accounting and Finance, 5(2), 1012–1019.

Nurhayati, I., Kartika, A., & Agustin, I. (2020). The Effect of Capital Structure and Profitability on Company Value with Dividend Policy as a Moderating Variable in Manufacturing Companies in 2016-2018. Dynamics of Financial Accounting and

Banking, 9(2), 133-144.
Pancarani, N., Athori, A., & Kusumaningarti, M. (2023). The Effect of Tax Avoidance on the Value of Companies with Institutional Ownership as a Moderation Variable. Journal of Economics, Business and Management, 3(1), 30–41.
Saputra, P. (2023). The Effect of Dividend Policy Moderation on the Effect of Tax Avoidance on Company Value. Journal of Accounting Literacy, 3(1), 22-36.
Shah, A. A., & Aris, M. A. (2024). Leverage, Profitability, and Liquidity: Its Effect on Company Value with Dividend Policy Variable Moderating. Management Studies and Entrepreneurship Journal (MSEJ), 5(2), 5476– 5490.
Wardani, D. K., & Kaleka, W. W. (2022). The Effect of Company Size on Company Value with Good Corporate Governance as a Moderation Variable. Journal of Basic Education and Social Humanities, 1(10), 2019-2026.
Wardani, D. K., & Kaleka, W. W. (2022). The Effect of Company Size on Company Value with Good Corporate Governance as a Moderation Variable. Journal of Basic Education and Social Humanities, 1(10), 2019-2026.
Wicaksono, B. W. (2021). The Effect of Current Ratio, Return on Asset on Company Size with Debt to Equity Ratio as a Moderating Variable in Manufacturing Companies in the Consumer Goods Industry Sector Listed on the Indonesia Stock Exchange for the 2017-2019 Period. Journal of Business Management, 24(1), 93-110.
Yanti, N. R., Komalasari, A., & Andi, K. (2022). Effect of Profitability, Leverage, and Capital Structure on Firm Value with Dividend Policy as Moderating Variable. Goodwood Accounting and Auditing Review, 1(1), 49-65.
Zurmawati, A.R., & Muazaroh, M. (2023). "The Influence of Financial Performance on Company Value with Dividend Policy as a Moderating Variable in Manufacturing Company on the Indonesia Stock Exchange (IDX)." Journal of Economic, Business and Accounting (COSTING), 7(1), 80–93.