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The Effect of Firm Size and Profitability on Firm Value with Tax Avoidance as Intervening Variable in Miscellaneous Industry Sector Companies Listed on the Indonesia Stock Exchange in the Period of 2015-2019

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Abstract:
Firm Value is one of the investor's perceptions of company success level that is reflected on stock prices. High stock prices make the value of companies higher. Several factors can affect firm value, including firm size, profitability, and tax avoidance. The sample used in this study is miscellaneous industry sector companies listed on the Indonesia Stock Exchange in the period of 2015 - 2019. This study used the Partial Least Square (PLS) method. The analysis technique used in this study is the inner model analysis and hypothesis testing. The result of this study showed that firm size and tax avoidance do not affect firm value, and profitability has a positive and significant effect on firm value while firm size does not affect tax avoidance and profitability has a negative and significant effect on tax avoidance. However, tax avoidance is unable to mediate the effect of firm size and profitability on firm value. The coefficient determination test results indicate that the firm value variable can be explained by the variation of variable firm size, profitability, and tax avoidance is 44,7%, and the remaining 55,3% is explained by other independent and intervening variables which are not examined in this study. While tax avoidance variable can be explained by the variation of variable firm size, profitability, and firm value is 20% and remaining 80% is explained by other independent and dependent variables which are not examined in this study.
Keywords: *Firm Value, Firm Size, Profitability, Tax Avoidance*

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I. Introduction

Every company was founded to maximize company profits so as it has a high rate of return on investment. What is considered by every investor in analyzing the company's financial performance is to look at the high and low value of the company. Company value reflects the current state of the company and describes the company's prospects in the future. (Herninta, 2019).

Firm Value is an investor's perception of company success level, which is often associated with stock prices (Sambora et al., 2014). High stock prices make the value of companies higher. This will certainly make the market not only believe in the company's current performance, but also believe in the company's prospects in the future.

The increase and decrease in a company's performance can affect the rise and fall of stock prices. This can affect the market's view of company value, which will have an impact on investors' interest in the company. The following is the calculation of Price to Book Value (PBV) which can describe company value based on sample data from miscellaneous industry sector companies in the period of 2015 – 2019.

Figure 1.1
Average Price to Book Value (PBV) Based on Miscellaneous Industry Sector Companies Sample in the Period of 2015-2019

Based on Figure 1.1 above, it can be seen that the average company value based on a sample of Miscellaneous Industry sector companies for the period 2015-2019 experienced fluctuating movements. If the company has a Price to Book Value > 1, then the company's share price is valued higher than its book value, which illustrates the company's performance is getting better in the eyes of investors. In 2015, the average value of the company was smaller than one, which was 0.99, which indicated that the company's stock price had decreased that year. From 2016 to 2018, the average company value increased by 1.12 to 1.27. It shows that investor interest increases which causes the company value to also increase. However, in 2019 the company experienced a decline of 1.22. This downturn is caused by the low interest of investors to invest as a result of the decrease investor faith in the company, causing a decrease in stock prices and an impact on company value.

Several factors can affect firm value, one of which is firm size. Firm size is a scale that measures the size of a company that can be calculated by the level of total assets and sales which shows the condition of the company where larger companies have advantages in the source of funds obtained to finance their investment in obtaining profits. The size of the company will affect the company in obtaining funds from the capital market. The larger the size of the company, the better of company value in the eyes of investors.

This study uses firm size variables because there are differences in the results of previous studies. Haryadi (2016) states that firm size does not affect firm value. The results of this study are also in line with Sintyana and Artini (2019) which state that firm size does not affect firm value. However, contradictory results appear in Priyanto's (2016) research which states that firm size influences firm value.

Besides the firm size factor, the company's profit sourced from profitability can also affect company value. Profitability is the ability of a company to generate profits for a certain period at a certain level of sales, assets, and share capital. The company's ability to generate profits can be interesting information for investors. Investors will have an interest in investing in companies that have a high level of profitability. Companies with high levels of profitability indicate the company's high ability to earn profits, this showed that the better the company's performance, the higher the profitability which will increase the value of the company (Riny, 2018).

This study uses profitability variables because there are differences in the results of previous studies. Robiyanto (2020) and Ukhriyawati (2018) state that profitability does not affect firm value. However, research conducted by Sutama and Lisa (2018) has contradictory results, where profitability influences firm value.

Besides the two factors above, tax avoidance can also affect company value. Tax is a rate imposed on the income of an individual or entity based on the provisions of the legislation. The imposition of this tax rate is considered an expense for the company which can reduce the company's profit. This makes companies do tax avoidance to minimize the tax expense by taking advantage of loopholes from tax provisions. Tax avoidance actions taken by the company can increase the value of the company because the profits obtained by the company will be even greater.

This study uses tax avoidance because of the differences in the results of previous studies. Winasis and Yuyetta (2017) state that tax avoidance does not affect firm value. The results of this study are also in line with the research of Wardani and Juliani (2018) state that tax avoidance does not affect firm value. However, research conducted by Nugroho and Agustia (2017) has contradictory results, where tax avoidance affects firm value.

Based on the background described above, the researcher is interested in conducting a study entitled "The Effect of Firm Size and Profitability on Firm Value with Tax Avoidance as Intervening Variable in Miscellaneous Industry Sector Companies Listed on the Indonesia Stock Exchange in the period of 2015-2019".

II. Literature Review

2.1. Agency Theory

Agency theory is a theory that explains the agency relationship that occurs when one party (principal) involves another party (agent) to perform a service and delegates the authority to make decisions to the agent. (Jensen and Meckling, 1976). In company management, conflicts often arise between principals (owners) and agents (managers) which are called agency conflicts. The agency conflict is a problem that usually occurs because of a conflict of interest between the principal and the agent. As the party who is given the authority to manage the company and is obliged to provide financial reports, the agent tends to report something that prioritizes his interests and sacrifices the interests of the principal. This conflict is also caused by the lack of internal information received by the principal about the company's performance. Agents have more internal information overall, thus triggering an information imbalance called information asymmetry.

The use of agency theory is related to this study because the company has a different utility from external parties so that the company will strive to achieve its goals. When the company has large assets and earns high profits, the company will try to do tax avoidance by taking advantage of loopholes in the tax provisions to reduce the tax expense paid.

2.2. Firm Value

Firm value is the value that is reflected and can be measured based on the stock price in the market, where the higher the market value or share price, the more prosperity and welfare for shareholders. According to Brealey and Myers (2007:46) in Rachmawati and Pinem (2015) revealed that the value of the company summarizes the collective assessment of investors about how well the state of a company, both its current performance and prospects.

In this study, the measurement of firm value is proxied by Price to Book Value (PBV). Price to Book Value (PBV) is a ratio that measures the comparison between the market price of a stock and its book value. Price to Book Value (PBV) shows how far a company can create company value relative to the amount of capital invested. The higher the Price to Book Value (PBV) means the market believes in the company's prospects so that the company is successful in creating value for shareholders.

2.3. Firm Size

Firm size is a scale that clarifies the size of a company that can be observed by measuring the value of the total capital, total assets, and income of the company. According to Eka (2010) in Novari and Lestari (2016), firm size is an enhancement from the fact that large companies will have high profits, large book values, and large market capitalization.

In this study, firm size is proxied using the natural logarithm (Ln) of total assets. The use of the natural logarithm (Ln) in calculating total assets is because generally total assets amount to billions or even trillions of rupiah, while other variables are in percentage, so total assets must be in Ln for interpretation. (Putra and Lestari, 2016). Companies with large total assets indicate that the company has reached the stage of maturity or is well established so that companies that have relatively large total assets can operate their companies with a higher level of efficiency than companies with lower total assets.

2.4. Profitability

Profitability is the company's ability to obtain profit from income related to sales, assets, and equity-based on certain measurement bases. According to Fahmi (2016: 80), Profitability is a ratio that measures the effectiveness of overall management which is indicated by the size of the level of profit obtained in relation to sales and investment

In this study, the measurement of profitability is proxied by Return on Assets (ROA). Return on Assets (ROA) is a ratio that measures a company's ability to generate profits from the use of its resources or assets. The higher Return on Assets (ROA) indicates that the company has a better performance in generating profits so that it can increase the value of the company.

2.5. Tax Avoidance

Tax avoidance is a tax planning scheme by taking advantage of loopholes in the tax provisions to minimize the tax expense that is still in the realm of tax law and legislation. Kimsen et al (2018) define tax avoidance as an effort to avoid taxes legally so as not to violate tax provisions carried out by taxpayers by trying to reduce the amount of taxes by looking for weaknesses in regulations (gaps).

In this study, the measurement of tax avoidance is proxied by the Effective Tax Rate (ETR). Effective Tax Rate (ETR) is a mechanism that is often used in the business world related to corporate tax management because of the use of this ratio to measure the effectiveness of tax payments made by companies.

2.6. Hypothesis Development

2.6.1. The Effect of Firm Size on Firm Value

The size of a company indicates a stable company condition so that the company value will be higher. This condition can certainly increase the company's share price in the capital market (Novari and Lestari, 2016). The increase in the company's stock price is due to a positive signal from the market so that the rising stock price will affect the company value (Septriana and Mahaeswari, 2019).
H1: Firm Size has a positive effect on Firm Value.

2.6.2. The Effect of Profitability on Firm Value

According to Febriana (2016), high profitability indicates high firm value. This is because the higher the company's ability to generate profits, the company's stock price will also increase, thus increasing the value of the company in the view of investors.
H2: Profitability has a positive effect on Firm Value

2.6.3. The Effect of Tax Avoidance on Firm Value

Tax avoidance legally or still within the scope of tax law is carried out by the company to reduce the tax expense so that maximum profits can be obtained which will have an impact on rising stock prices. When the company can reduce the expense for tax purposes, it shows that the company has good tax management so that investors will respond positively to the signal and the value of the company increases (Valensia and Khairani, 2019).
H3: Tax Avoidance has a positive effect on Firm Value

2.6.4. The Effect of Firm Size on Tax Avoidance

In general, large companies tend to have better assets and quality resources than small companies, especially expert resources in the field of taxation. This is used by companies to avoid tax by using depreciation and amortization of assets owned by the company as a taxable profit reduction strategy to minimize the company's tax expense (Sari, 2016).
H4: Firm Size has a positive effect on Tax Avoidance

2.6.5. The Effect of Profitability on Tax Avoidance

According to Putri and Hudiwinarsih (2018) profitability has an influence on tax avoidance, where tax avoidance decreases when the average profitability decreases. This shows that the size of tax avoidance depends on the profits generated by the company.
H5: Profitability has a positive effect on Tax Avoidance

2.6.6. The Effect of Firm Size on Firm Value With Tax Avoidance as Intervening Variable

The larger the size of a company triggers companies to increase expert resources, especially in the field of taxation. In doing tax avoidance, the company management needs to consider the assets owned because the utilization of asset management can be one strategy in reducing the tax expense which will also have an impact on the company value (Azka, 2019).
H6: Firm size has a positive effect on Firm Value with Tax Avoidance as Intervening Variable

2.6.7. The Effect of Profitability on Firm Value With Tax Avoidance as Intervening Variable

Companies with high profits trigger tax avoidance actions where company management will try to reduce the tax expense to increase profits so that the company's performance will be seen as good by investors. Companies with good performance in the eyes of investors will certainly increase the company value because the company is considered to have good financial performance (Arinda and Suhartono, 2018)
H7: Profitability has a positive effect on Firm Value with Tax Avoidance as Intervening Variable

III. Methodology

3.1. Research Approach

This research uses a quantitative approach with an associative research type. The nature of the research used in this study is explanatory.

3.2. Population and Sample

The population in this study are Miscellaneous Industry Sector Companies listed on the Indonesia Stock Exchange (IDX) from 2015 to 2019 as many as 48 companies.
Sample selection using purposive sampling method with the following criteria:

1. Companies in Miscellaneous Industry Sectors listed on the Indonesia Stock Exchange for the period 2015 - 2019.
2. Companies in the Miscellaneous Industry Sectors that publish their complete financial reports on the Indonesia Stock Exchange for the period 2015 - 2019.
3. Companies in the Miscellaneous industry sectors that do not experience losses for the 2015 - 2019 period.

Based on these criteria, obtained a sample of 16 companies multiplied by the year of observation for 5 years to produce 80 research data which will be processed.

3.3. Data Types and Sources

The types and sources of data used in this study are secondary data, where this data is obtained from existing sources. The secondary data needed in this study were taken from the financial statements of companies in the Miscellaneous Industry Sectors for the 2015-2019 period which were obtained from the websites www.idx.co.id, finance.yahoo.com, and id.investing.com.

3.4. Identification and Operational Definition of Research Variables

3.4.1. Research variable

This study uses three research variables, namely the dependent variable, the independent variable, and the intervening variable. The three variables in this study were identified as follows:

1. Dependent variable: firm value
2. Independent variables: firm size and profitability
3. Intervening variable: tax avoidance

3.4.2. Operational Definition of Research Variables

Firm Value

Company value is a value that is reflected and can be measured based on the stock price in the market. In this study, firm value is proxied by Price to Book Value (PBV). The formula for measuring Price to Book Value (PBV) according to Fahmi (2016:84) is as follows:

$$PBV = \frac{Market\ Price\ per\ Share}{Book\ Value\ per\ Share}$$

Firm Size

Firrm Size is a scale that clarifies the size of a company that is observed by measuring the value of the total capital, total assets, and income of the company. Firm size can be measured by the following equation (Nabilah, 2020):

$$\text{Firm Size} = \text{Ln (Total Asset)}$$

Profitability

Profitability is the company's ability to obtain profit from income related to sales, assets, and equity-based on certain measurement bases. In this study, profitability is proxied by Return on Assets (ROA). The formula for measuring Return on Assets (ROA) according to Cahyono (2016) is as follows:

$$\text{ROA} = \frac{\text{Net Profit}}{\text{Total Asset}}$$

Tax Avoidance

Tax avoidance is an effort to avoid taxes that are carried out legally or do not violate tax provisions. In this study, tax avoidance can be proxied by the Effective Tax Rate (ETR). The formula for measuring the Effective Tax Rate (ETR) according to Wijayanti (2017) is as follows:

$$\text{ETR} = \frac{\text{Tax Expense}}{\text{Profit before Tax}}$$

3.5. Data analysis method

The data analysis method used in this study is Partial Least Square (PLS). The test was carried out using the SmartPLS statistical data processing software. The analysis technique used in this research is the inner model analysis and hypothesis testing.

IV. Results

4.1. Descriptive Statistics Test Results

Descriptive statistics provide an overview of the minimum value, maximum value, total score, average value, and standard deviation of the data used in the study. Based on statistical data from all variable data used in this study, the following data were obtained:

Table 4.1
Desscriptive Statiistics

	N	Min	Max	Mean	Std. Deviation
Firm Size	80	26,016	33,495	28,673	1,662
Profitabilitas	80	0,000	0,227	0,059	0,055
Tax Avoidance	80	0,024	1,918	0,349	0,274
Nilai Perusahaan	80	0,055	3,953	1,162	0,948

Source: Data processed with SmartPLS, 2021

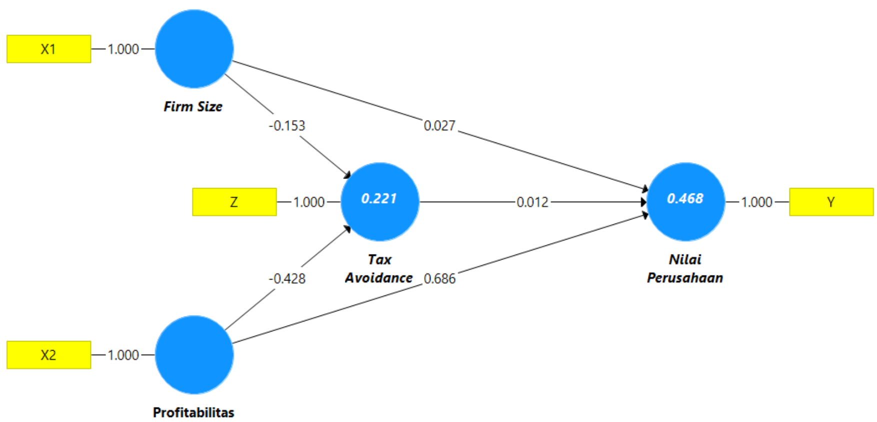
Table 4.1 above shows that the amount of data on each valid variable is 80 data samples during the 2015-2019 period. From 80 samples of firm size data, the average value (mean) firm size is 28.673 with a standard deviation of 1.662. The minimum firm size value of 26,016 is found in PT Ateliers Mecaniques D'Indonesia Tbk (AMIN) in 2015 which means that PT Ateliers Mecaniques D'Indonesia Tbk (AMIN) is a small-scale company when viewed from total assets during the 2015-2019 period. The maximum firm size value of 33,495 is found at PT Astra International Tbk (ASII) in 2019, which means that during the 2015-2019 period, PT Astra International Tbk (ASII) is a large-scale company when viewed from the number of total assets owned.

From 80 samples of profitability data, the average value (mean) of profitability is 0.059 with a standard deviation of 0.055. The minimum profitability value of 0.000 is found in PT Voksel Elektrik Tbk (VOKS) in 2015 and PT Star Petrochem Tbk (STAR) in 2015 and 2018 which means that for every Rp 1,- the company assets of PT Voksel Elektrik Tbk (VOKS) and PT Star Petrochem Tbk (STAR) can generate net profit after tax of Rp 0,-. The maximum profitability value of 0.227 is found in PT Selamat Sempurna Tbk (SMSM) in 2017 which means that every Rp. 1, - of company assets owned by PT Selamat Sempurna Tbk (SMSM) can generate net profit after tax of Rp. 0.227, -.

From 80 samples of tax avoidance data, the average value (mean) of tax avoidance is 0.349 with a standard deviation of 0.274. The minimum tax avoidance value of 0.024 is found at PT Indo-Rama Synthetics Tbk (INDR) in 2019, which means that every Rp 1,- profit before tax PT Indo-Rama Synthetics Tbk (INDR) can generate a tax expense of Rp 0.024,-. The maximum tax avoidance value of 1.918 is also found at PT Indo-Rama Synthetics Tbk (INDR) in 2015 which means that every Rp. 1,- profit before tax PT Indo-Rama Synthetics Tbk (INDR) can generate a tax expense of Rp. 1.918,-.

From 80 samples of firm value data, the average value (mean) company value is 1.162 with a standard deviation of 0.948. The minimum value of company value of 0.055 is found in PT Nusantara Inti Corpora Tbk (UNIT) in 2019 which means that every Rp 1,- book value per share of the company PT Nusantara Inti Corpora Tbk (UNIT) can produce a market price per share of Rp 0.055,-. The maximum value of company value of 3.953 is found in PT Selamat Sempurna Tbk (SMSM) in 2017 which means that every Rp. 1,- book value per share of PT Selamat Sempurna Tbk (SMSM) can produce a market price per share of Rp. 3.953,-.

4.2. Inner Model Test Results



Source: Data processed with SmartPLS, 2021

Figure 4.1
PLS Algorithm Calculation Model

Based on figure 4.1 above, shows that all indicators have a loading factor of 1,000, which means that all indicators are valid because the loading factor value meets the criteria where the construct loading factor value must be above 0.70. These results indicate that the research indicators have a good relationship with each construct.

4.3. Data Analysis Results

Coefficient Determination

The adjusted R2 value is used to measure how much influence firm size and profitability variables have on firm value in miscellaneous industry sector companies listed on the Indonesia Stock Exchange for the period 2015-2019 with the following calculation results:

Table 4.2
Coefficient Determination

	R Square	Adjusted R Square
Nilai Perusahaan (Y)	0,468	0,447
Tax Avoidance (Z)	0,221	0,200

Source: Data processed with SmartPLS, 2021

Based on table 3.2 above, it can be described as follows:

1. Firm Value
   The firm value variable has an Adjusted R Square value of 0.447 or equal to 44.7% which means that 44.7% of the firm value variable can be explained by variations in firm size, profitability, and tax avoidance variables while the remaining 55.3% is a variable from other independent variables and other intervening variables not examined in this study.
2. Tax Avoidance
   The tax avoidance variable has an Adjusted R Square value of 0.200 or equal to 20.0% which means that 20.0% of the tax avoidance variable can be explained by variations in firm size, profitability, and firm value variables while the remaining 80.0% is a variable from other independent variables and other dependent variables not examined in this study.

Hypothesis test

The results of the path coefficients through the PLS bootstrapping process can be seen in the following table:

Table 4.3
Hypothesis Test Results (*Patf Coefficients*)

	Original Sample	Sample Mean	Standard Deviation	T-Statistics	P-Values
Firm Size → Firm Value	0,027	0,033	0,089	0,303	**0,762**
Firm Size → Tax Avoidance	-0,153	-0,169	0,115	1,334	**0,183**
Profitability → Firm Value	0,686	0,686	0,103	6,677	**0,000**
Profitability → Tax Avoidance	-0,428	-0,444	0,054	7,994	**0,000**
Tax Avoidance → Firrm Value	0,012	0,027	0,080	0,155	**0,877**

Source: Data processed with SmartPLS, 2021

Based on the table of hypothesis test results above, it can be seen that:

1. Firm Size Variable on Firm Value
   The firm size variable has a T-statistics value of 0.303 < 1.96 with a P-value of 0.762 > 0.05. This shows that the research hypothesis H_1 is rejected, so it can be concluded that firm size does not affect firm value.
2. Profitability Variable on Firm Value
   The profitability variable has a T-statistics value of 6.677 > 1.96 with a P-value of 0.000 < 0.05. This shows that the results of the research hypothesis H_2 are accepted, so it can be concluded that profitability has a positive and significant influence on firm value.
3. Tax Avoidance Variable on Firm Value
   The tax avoidance variable has a T-statistics value of 0.155 < 1.96 with a P-value of 0.877 > 0.05. This shows that the research hypothesis H_3 is rejected, so it can be concluded that tax avoidance does not affect firm value.
4. Firm Size Variable on Tax Avoidance
   The firm size variable has a T-statistics value of 1.334 < 1.96 with a P-value of 0.183 > 0.05. This shows that the results of the research hypothesis H_4 are rejected, so it can be concluded that firm size does not affect tax avoidance.
5. Profitability Variables on Tax Avoidance

The profitability variable has a T-statistics value of 7.994 > 1.96 with a P-value of 0.000 <0.05. This shows that the results of the research hypothesis H_5 are accepted, so it can be concluded that profitability has a significant influence on tax avoidance but in a negative direction.

To find out the existence of the intervening variable that can mediate the independent variable on the dependent variable, it can be seen in the following table:

Table 4.4
Hypothesis Test Results (*Specific Indirect Effects)*

	Original Sample	Sample Mean	Standard Deviation	T-Statistics	P-Values
Firm Size → Tax Avoidance → Firm Value	-0,002	-0,010	0,021	0,092	**0,927**
Profitability → Tax Avoidance → Firm Value	-0,005	-0,010	0,037	0,144	**0,885**

Source: Data processed with SmartPLS, 2021

Based on the table of hypothesis test results above, it can be seen that:

1. Firm Size Variable on Firm Value through Tax Avoidance
   The firm size variable has a T-statistics value of 0.092 < 1.96 with a P-value of 0.927 > 0.05. This shows that the research hypothesis H_6 is rejected, so it can be concluded that tax avoidance cannot mediate firm size on firm value.
2. Profitability Variables on Firm Value through Tax Avoidance
   The profitability variable has a T-statistics value of 0.144 < 1.96 with a P-value of 0.885 > 0.05. This shows that the results of the research hypothesis H_7 are rejected, so it can be concluded that tax avoidance cannot mediate profitability on firm value.

4.4. Discussion of Research Results

The Effect of Firm Size on Firm Value

The results of this study showed that firm size does not affect firm value. Companies with large or small scale cannot affect company value in the view of investors. It is because companies with large assets are unable to attract investors to invest in the company so that it does not affect company value. The results of this study are in line with the research of Suwardika and Mustanda (2017) which states that firm size does not affect firm value. An assessment of a company is not seen in terms of company size which is reflected in the total assets owned by the company but can be viewed from other aspects, such as paying attention to the company's performance as seen in the company's financial statements, the company's reputation, and dividend policy. The results of this study are also in line with Indriyani's research (2017) which states that firm size does not affect firm value. The results of this study are not in line with the research of Pratama and Wiksuana (2016) and Rudangga (2016) which state that firm size has a positive and significant effect on firm value.

The Effect of Profitability on Firm Value

The results of this study showed that profitability has a positive and significant effect on firm value. The high and low levels of profitability will reflect the company's ability to generate profits. It gives a positive signal for investors because the increase in profits shows the company is utilizing its assets effectively and efficiently to generate profits, so the company is considered to have good prospects which can increase the company's share price. The results of this study are in line with research by Hauteas and Muslichah (2019) and Sunaryo (2020) which state that profitability has a positive and significant effect on firm value. The results of this study are not in line with research by Robiyanto (2020) and Ukhriyawati (2018) which states that profitability does not affect firm value.

The Effect of Tax Avoidance on Firm Value

The results of this study showed that tax avoidance does not affect firm value. The high or low level of tax avoidance of a company does not affect investors' views on company value. It is because the practice of tax avoidance is considered to still meet the provisions of taxation (legal), so the presence or absence of tax avoidance has no impact on company value. The results of this study are in line with Tarihoran's (2016) research which states that tax avoidance does not affect firm value. The results of this study are also in line with research by Ester and Hutabarat (2020) and Nurhanimah (2019) which states that tax avoidance does not affect firm value. The results of this study are not in line with research by Nugroho and Agustia (2017) and Fadhila and Handayani (2019) which state that tax avoidance has a positive and significant effect on firm value.

The Effect of Firm Size on Tax Avoidance

The results of this study showed that firm size does not affect tax avoidance. The results of this study are in line with Agustina's research (2017) which states that firm size does not affect tax avoidance. Although large companies have quality resources to make a good tax plan, this cannot guarantee that companies can always use their power in tax planning because of limitations in the form of the possibility of being in the spotlight and targets of regulator decisions. It shows that the size of the company does not affect the practice of tax avoidance by the company. The results of this study are not in line with research by Dewinta and Setiawan (2016) which states that company size has a positive effect on tax avoidance.

The Effect of Profitability on Tax Avoidance

The results of this study showed that profitability has a significant effect on tax avoidance but in a negative direction. It shows that the high amount of profit earned by the company causes the amount of income tax to increase following the increase in company profits. For companies that have a high level of profitability, the level of corporate tax avoidance will decrease. It is because companies with high profits have been able to make tax payments, so that the more profit a company makes, the lower the level of tax avoidance. The results of this study are in line with research by Budianti and Curry (2018) and Valensia and Khairani (2019) which state that profitability has a negative and significant effect on tax avoidance. The results of this study are not in line with the research of Sulistiono (2018) and Nabilah (2020) which state that profitability does not affect tax avoidance.

The Effect of Firm Size on Firm Value through Tax Avoidance

The results of this study showed that tax avoidance is unable to mediate firm size on firm value. It shows that the size of a company does not guarantee that the company will do tax avoidance. It is because large companies do not necessarily practice tax avoidance and the presence or absence of tax avoidance does not affect investors' views on the company value. The results of this study are in line with the research of Sari(2020) which states that tax avoidance cannot mediate the effect of firm size on firm value. The results of this study are not in line with the research of Pratama (2021) which states that tax avoidance can mediate the relationship between firm size and firm value.

The Effect of Profitability on Firm Value through Tax Avoidance

The results of this study showed that tax avoidance is unable to mediate profitability on firm value. Investors do not see high or low tax avoidance, but rather the stability of the company in generating profits. So how the company does tax planning to minimize the tax expense, does not affect the firm value in the eyes of investors. If the company has increased profits, the company's share price will also increase, which can have an impact on the firm value. The results of this study are in line with research by Putra et al (2020) which states that tax avoidance is unable to mediate the effect of profitability on firm value.

V. Conclusion and Suggestion

Conclusion

Based on empirical data, the results of the analysis and discussion of problem formulation using SmartPLS (Partial Least Square) analysis, it can be concluded that:

1. Firm Size does not affect Firm Value.
2. Profitability has a positive and significant impact on Firm Value.
3. Tax Avoidance does not affect Firm Value.
4. Firm Size does not affect Tax Avoidance.
5. Profitability has a negative and significant effect on Tax Avoidance.
6. Tax Avoidance is unable to mediate the effect of Firm Size on Firm Value.
7. Tax Avoidance is unable to mediate the effect of Profitability on Firm Value.

Suggestion

Based on these conclusions, the suggestions that can be given are as follows:

1. For further researchers, it is recommended to add independent variables considering that there are still many independent variables that can affect firm value. And the object of research can be expanded and not only centered on miscellaneous industry sector companies but can use other research objects with a larger population.
2. For investors, should not only rely on firm size, profitability, and tax avoidance factors in determining investment decisions but also consider other factors that can affect company value.
3. For companies, should consider all factors, both internal and external factors of the company in problem formulation and decision-making, to increase company value and profitability as optimally as possible, because high profitability can encourage company value to increase. And good tax management is needed and is still in

the context of tax provisions by establishing tax planning as a complete, correct, and timely fulfillment of tax obligations so that it can optimally avoid wasting resources.

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