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The Effect of Transparency as a Moderator of The Effects of Tax Planning, Profitability, and Leverage on Firm Value

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Abstract. *This study aims to examine the effect of tax planning, profitability, and leverage on firm value, with transparency as a moderating variable, across 31 consumer non-cyclical companies (124 observations) listed on the IDX for the 2021-2024 period using Random Effect Model (REM) and Moderated Regression Analysis (MRA). The partial results demonstrate that tax planning has a significant negative effect because investors perceive aggressive tax efficiency as a future legal risk. Profitability has no significant effect as investors prioritize long-term stability over annual profit fluctuations. Conversely, leverage shows a significant positive effect because debt utilization is viewed as a signal of expansion commitment and an effective management discipline mechanism. Regarding moderation, transparency fails to moderate the effects of tax planning and profitability on firm value, but significantly acts as a strengthening moderator on the positive effect of leverage, as high corporate disclosure successfully mitigates financial risk concerns and bolsters market confidence.*

Keywords*: Tax Planning, Profitability, Leverage, Transparency, Firm Value*

INTRODUCTION

Across developing countries such as Indonesia, the consumer goods sector or known as Fast-Moving Consumer Goods (FMCG), continues to experience rapid growth in tandem with rising population and purchasing power. According to the Brand Footprint 2025 Report released by Worldpanel Indonesia, 62% of FMCG brands in Indonesia have experienced growth (Hartati, 2025). Growth in this sector has a positive impact on potential government revenue, as taxes play a crucial role as a source of funding for the government to fulfill its responsibilities. However, optimizing government revenue through taxes has the potential to increase the fiscal burden on businesses, as it can reduce a company's net profit. For public companies, net profit is a key indicator evaluated by investors and is directly reflected in the company's value (Ardianto, 2023). One of the managerial decisions made to reduce the tax burden is through tax planning. According to (Erasashanti et al., 2023), tax planning is a tax-related activity undertaken by businesses to minimize tax payments without violating regulations, while striving to pay taxes more efficiently. However, overly aggressive tax planning often raises market concerns about future compliance risks. Through (Agustinus, 2020), This phenomenon of a mismatch in market response was clearly evident in the case of PT Indofood Sukses Makmur Tbk and its subsidiary (PT Indofood CBP Sukses Makmur Tbk) in Q1 2020, where a 4% increase in net profit was actually accompanied by a decline in stock prices of 6.67% and 6.98%, respectively, due to investor concerns regarding acquisition strategies and tax

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transparency. This phenomenon has become increasingly relevant in the post-pandemic period. Following the COVID-19 pandemic, investors have placed greated emphasis not only on financial performance but also on corporate governance, transparency, and long-term sustainability. As a result, managerial actions aimed at improving efficiency, including tax planning may no longer be automatically interpreted as value-enhancing decisions by the market. Instead, investors may associate aggressive tax planning with higher compliance, regulatory, and reputational risks, particularly when transparency is perceived to be inadequate. This condition suggests that the traditional Agency Theory assumption, which posits that managerial decisions intended to maximize shareholder wealth will consistently increase firm value, may require further examination in the post-pandemic business environment.

According to (Dassad et al., 2025) in addition to tax factors, fluctuations in firm value can also be influenced by other factors, namely profitability levels and the optimization of capital structure policies (leverage). Furthermore, these issues are particularly important within the consumer non-cyclicals sector. As companies in this ector provide essential goods with relatively stable demand, they tend to attract considerable attention from investors, regulators, and consumers. The sector's resilience during the post-pandemic recovery period also creates a unique setting in which financial decisions and disclosure practices may be evaluated differently compared to more cyclical industries. Therefore, examining the interaction between corporate financial policies and transparency within this sector may provide insights that extend beyond the predictions of traditional agency theory.

Amid this complexity, transparency becomes crucial for mitigating information asymmetry between management and market participants. This study aims to analyze the simultaneous effects of tax planning, profitability, and leverage on firm value, as well as to test the role of transparency as a moderating variable in these relationships within the non-cyclical consumer sector on the Indonesia Stock Exchange (IDX) for the period 2021–2024. By focusing on the post-pandemic period, this study seeks to provide empirical evidence on whether financial reporting transparency strengthens or weakens the relationship between corporate financial decisions and firm value, thereby offering a more contextual understanding of Agency Theory in Indonesia's consumer non-cylicals sector.

LITERATURE REVIEW

Agency Theory

Agency theory explains the contractual relationship between one or more individuals (principals) and another party (agent) to provide a service on their behalf (Wagenhoder, 2015). Agency problems arise due to the separation between ownership and management of a company, which leads to information asymmetry. In this framework, increasing profitability or cost efficiency through aggressive tax planning risks being viewed negatively by the market as opportunistic behavior by managers in pursuit of short-term incentives (bonus plan hypothesis). This conflict of interest gives rise to agency costs, which consist of monitoring costs, bonding costs, and residual loss.

From an agency theory perspective, information asymmetry also influences how investors interpret a company's financial decisions. Although tax planning can increase after-tax earnings and profitability can serve as an indicator of operational efficiency, external stakeholders often lack sufficient information to assess whether these results were achieved through sustainable business practices or through actions that expose the company to future regulatory and reputational risks. Similarly, leverage may be viewed as a mechanism to finance growth, but excessive debt can also signal a higher risk of financial distress as well as potential conflicts between shareholders and creditors. Therefore, transparency is an important governance mechanism that helps reduce information asymmetry and allows investors to evaluate management decisions more accurately.

Tax Planning

According to (Pohan, 2018), Tax planning is the process of organizing a taxpayer's business in such a way that their tax liability is minimized, provided that this does not violate applicable tax laws. Tax planning is the first step in tax management (Erasashanti et al., 2023). Tax planning is often viewed as a managerial strategy to improve after-tax income and maximize shareholder wealth. Also, firm may engage in tax

planning by taking advantage of legally available tax incentives and concessions to minimize tax liabilities without violating tax laws (Le et al., 2022). From the perspective of Agency Theory, tax planning may create differing interests between managers and shareholders when managers pursue tax-saving strategies that prioritize short-term performance targets over long-term corporate sustainability. While effective tax planning can increase firm value through higher retained earnings, aggressive tax practices may also expose firms to regulatory scrutiny and reputational risks, potentially reducing investor confidence.

Profitabilitas

Profitability is a ratio that reflects the ultimate outcome of all financial policies and operational decisions made by company management (Brigham & Houston, 2017). Profitability reflects management's ability to generate earnings from the resources entrusted by shareholders. Profitability refers to a company's ability to generate earnings over a specific period and reflects the effectiveness of a management in utilizing available resources to produce profits (Appah et al., 2023). According to Agency Theory, profitability serves as an important performance indicator that allows principals to evaluate whether managers have utilized company resources efficiently. Higher profitability is generally associated with greater expected future cash flows and stronger investor confidence, thereby contributing positively to firm value.

Leverage

According to (Djajanti et al., 2021), leverage is a term used to refer to a company's use of loans or debt. The purpose of using these funds is to accelerate the desired growth targets, since relying solely on equity often takes longer for a company to grow. Furthermore (Nurcholis et al., 2021) state that, in theory, using debt to finance a company's operations can optimize profit generation without diminishing the rights of existing shareholders. From the perspective of Agency Theory, leverage can function as a monitoring mechanism that encourages managers to utilize company resources more efficiently. The use of debt enables firms to obtain additional funding for expansion, investment, and operational activities that may generate higher returns. When managed effectively, leverage can enhance company performance, increase expected future cash flows, and ultimately contribute to higher firm value (Intara et al., 2025). Therefore, debt is not only a source of financing but also a strategic tool that can support corporate growth and strengthen market valuation.

Firm Value

Firm Value is represents the market's collective perception of a business entity's performance, stability, and growth prospects, whether derived from domestic or foreign investors (Rasjid, 2022). From an Agency Theory perspective, firm value reflects investors' assessment of management's ability to maximize shareholder wealth while effectively managing corporate resources. A higher firm value indicates that the market has confidence in the company's future prospects, operational performance, and strategic decisions. Consequently, firm value is often used as an indicator of the success of managerial policies, including decisions related to tax planning, profitability enhancement, and financing strategies. As a market-based measure, firm value captures how investors respond to information disclosed by the company and evaluate its potential to generate sustainable returns in the future.

Transparency

According to Barth dan Schipper as cited in (Ulya et al., 2024), transparency is a state in which an entity discloses its financial condition clearly and in an easily understandable manner through financial statements to users of those statements. Transparency plays an important role in reducing information asymmetry between management and external stakeholders. Through clear and comprehensive disclosure, investors can better evaluate managerial decisions and assess the risks associated with corporate financial policies. Therefore, transparency is expected to influence how market participants interpret tax planning activities, profitability performance, and leverage policies when determining firm value.

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Hypothesis Development

- **H_1:** Tax Planning has an effect on Firm Value.
- **H_2:** Profitability has an effect on Firm Value.
- **H_3:** Leverage a has an effect on Firm Value.
- **H_4:** Transparency moderates the relationship between Tax Planning and Firm Value.
- **H_5** Transparency moderates the relationship between Profitability and Firm Value.
- **H_6:** Transparency moderates the relationship between Leverage and Firm Value.

METHODS

Research Design and Sample

This study is a quantitative associative study using secondary data as the unit of analysis, specifically annual financial reports from the Indonesia Stock Exchange (www.idx.co.id). The study population comprises 129 companies in the non-cyclical consumer sector. Using purposive sampling, 31 companies were selected that met the eligibility criteria of having available, consistent financial data without losses for the 2021–2024 period, resulting in a total of 124 panel data observations..

Companies that repored losses during the observation period were excluded because the Tax Planning measurement, which uses the Effective Tax Rate (ETR), requires positive pre-tax income to generate meaningful and comparable results. However, this criterion may limit the generalizability of the findings, as the resulting sample consists largely of companies with relatively stable financial performance.

Operationalization of Variables

The measurement of operational variables is formulated using the following financial ratio model:

- Firm Value (Y) is proxied by Tobin's Q ratio:

$$Tobin's\ Q = \frac{(EMV + Debt)}{Total\ Assets}$$

Sources: (Bui et al., 2023)

- Tax Planning (X1)is measured by the Effective Tax Rate (ETR):

$$ETR = \frac{Tax\ Expense}{Pretax\ Income}$$

Sources: (Knaisch, 2024)

- Profitability (X2) is measured by the Return on Assets (ROA):

$$ROA = \frac{Profit\ After\ Tax}{Total\ Assets}$$

Sources: (Chudy-Laskowska & Rokita, 2024)

- Leverage (X3) is measured by the Debt to Equity Ratio (DER):

$$DER = \frac{Total\ Liabilities}{Total\ Equity}$$

Sources: (Widianingsih et al., 2025)

- Transparency (DISC) is measured using the Disclosure Index (DISC):

$$DISC = \frac{n}{k}$$

Sources :(Baazaoui, 2020)

Data Analysis Model

Estimation of panel data regression parameters using Eviews 12 by formulating two main functional equations:

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A. Multiple Regression Analysis - Equation 1:

$$Y = \alpha + \beta_1(ETR) + \beta_2(ROA) + \beta_3(DER) + \varepsilon$$

Notes:
Y = Firm Value
α = Constant
β1 – β3 = Regression Coefficients
X1 = Tax Planning (ETR)
X2 = Profitability (ROA)
X3 = Leverage (DER)
e = Error

B. Moderated Regression Analysis (MRA) – Equation 2:

$$Y = \alpha + \beta_1(ETR) + \beta_2(ROA) + \beta_3(DER) + \beta_4(ETR*DISC) + \beta_5(ROA*DISC) + \beta_6(DER*DISC) + e$$

Notes:
Y = Firm Value
α = constant
β1 – β3 = regression coefficients of independent variables
β4 – β6 = regression coefficients of interaction effects (moderation)
ETR = Tax Planning
ROA = Profitability
DER = Leverage
DISC = Transparency (Disclosure Index)
e = error

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

The distribution characteristics of the variables from the 124 sample observations are summarized in Table 1 below:

TABLE 1. Statistik Deskriptif

	ETR (X1)	ROA (X2)	DER (X3)	DISC (Z)	Tobin's Q (Y)
Mean	0.223963	0.213329	0.860650	0.878231	2725121.
Median	0.220400	0.192650	0.655850	0.885700	2303134.
Maximum	0.400000	0.762500	2.699300	0.971400	6258954.
Minimum	0.020000	0.004900	0.127200	0.714300	58463.74
Std. Dev.	0.069954	0.137230	0.704402	0.062726	1659352.
Skewness	-0.291135	1.428572	1.199252	-0.603082	0.303864
Kurtosis	4.466426	5.897085	3.744144	2.393432	1.940170
Jarque-Bera	12.86213	85.54127	32.58396	9.417567	7.711624
Probability	0.001611	0.000000	0.000000	0.009016	0.021156
Sum	27.77140	26.45280	106.7206	108.9006	3.38E+08
Sum Sq. Dev.	0.601909	2.316353	61.03042	0.483943	3.39E+14

	ETR (X1)	ROA (X2)	DER (X3)	DISC (Z)	Tobin's Q (Y)
Observations	124	124	124	124	124

Sumber: Hasil Olah Data Eviews 12, 2026

Selection of Panel Data Regression Models

The selection of panel data regression models is summarized in the following tables:

TABLE 2. Chow Test

Redundant Fixed Effects Tests
Equation: EQ_1
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.072134	(30,89)	0.0000
Cross-section Chi-square	88.135045	30	0.0000

Sumber: Hasil Olah Data 12, 2026

TABLE 3. Hausman Test

Correlated Random Effects - Hausman Test
Equation: EQ_1
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	1.081650	4	0.8972

Sumber: Hasil Olah Data Eviews 12, 2026

TABLE 4. Lagrange Multiplier (LM) Test

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

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	21.00511 (0.0000)	0.315160 (0.5745)	21.32026 (0.0000)

Sumber: Hasil Olah Data Eviews 12, 2026

- **Chow Test:** A cross-sectional F-statistic of 3.072134 was obtained with a significance level of prob. (0.0000 < 0.05), indicating that the Fixed Effects Model (FEM) is more appropriate than the Common Effects Model (CEM).
- **Hausman Test:** A Chi-Square statistic of 1.081650 was obtained, with a p-value of 0.8972 > 0.05, leading to the conclusion that the Random Effects Model (REM) is more efficient than the Fixed Effects Model (FEM).
- **Uji Lagrange Multiplier (LM):** The Breusch-Pagan cross-section statistic was found to be 21.00511 with a significance level of p = 0.0000 < 0.05, confirming that the Random Effects Model (REM) was selected as the best final estimation model.

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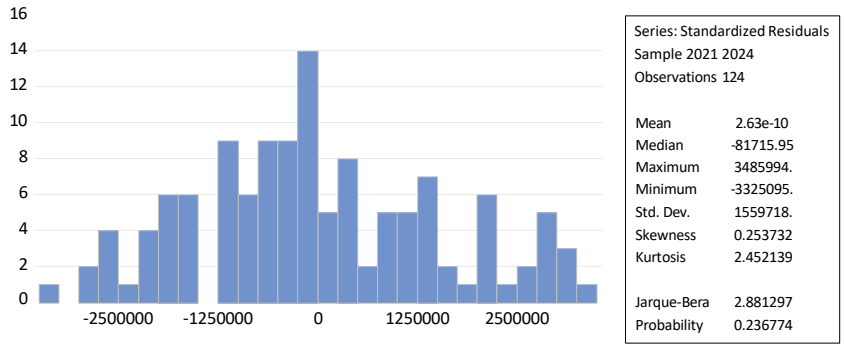
Testing Classical Assumptions

The testing of classical assumptions is summarized in the following tables:

TABLE 5. Normality Test



Source: Data analyzed using Eviews 12, 2026

TABLE 6. Multicollinearity Test

	ETR (X1)	ROA (X2)	DER (X3)	DISC (Z)	Tobin's Q (Y)
ETR (X1)	1	0.2872394922448413	0.06696890540037611	-0.07185910221895638	-0.16927285130012498
ROA (X2)	0.2872394922448413	1	0.17733601811353262	0.17400491260408353	0.047985630511174921
DER (X3)	0.06696890540037611	0.17733601811353262	1	-0.003367105253585475	0.26461779749909438
DISC (Z)	-0.07185910221895638	0.17400491260408353	-0.003367105253585475	1	0.12513697030148142
Tobin's Q (Y)	-0.16927285130012498	0.047985630511174921	0.26461779749909438	0.12513697030148142	1

Source: Data analyzed using Eviews 12, 2026

TABLE 7.Heteroscedasticity Test

Dependent Variable: ABS(RESID01)
Method: Panel Least Squares
Date: 05/16/26 Time: 18:29
Sample: 2021 2024
Periods included: 4
Cross-sections included: 31
Total panel (balanced) observations: 124

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1917664.	1275413.	1.503562	0.1353
ETR (X1)	-5205.929	1288326.	-0.004041	0.9968

Dependent Variable: ABS(RESID01)
Method: Panel Least Squares
Date: 05/16/26 Time: 18:29
Sample: 2021 2024
Periods included: 4
Cross-sections included: 31
Total panel (balanced) observations: 124

Variable	Coefficient	Std. Error	t-Statistic	Prob.
ROA (X2)	765279.0	674798.6	1.134085	0.2590
DER (X3)	32243.36	123559.3	0.260954	0.7946
DISC (Z)	-989247.1	1398236.	-0.707497	0.4806

Source: Data analyzed using Eviews 12, 2026

TABLE 8. Autocorrelation Test

R-squared	0.126024	Mean dependent var	1459543.
Adjusted R-squared	0.096647	S.D. dependent var	1333595.
S.E. of regression	1267514.	Sum squared resid	1.91E+14
F-statistic	4.289849	Durbin-Watson stat	2.022592
Prob(F-statistic)	0.002809		

Source: Data analyzed using Eviews 12, 2026

- **Normality Test:** The Jarque-Bera statistic of 2.881297 with a p-value of 0.236774 > 0.05 indicates that the model residuals are normally distributed.
- **Multicollinearity Test:** The highest correlation coefficient among the independent variables is only 0.287239 (between ETR and ROA), which is well below the critical threshold of 0.80, indicating the absence of multicollinearity.
- **Heteroscedasticity Test:** Using the Glejser test, the probabilities for all independent variables are above 0.05 (ETR: 0.9968; ROA: 0.2590; DER: 0.7946; DISC: 0.4806), demonstrating that the residual variances are homoscedastic.
- **Autocorrelation Test:** The Durbin-Watson statistic value of 2.022592 falls exactly within the autocorrelation-free range $d_u < d < 4 - d_u$ (1.788 < 2.022592 < 2.212)..

Regression Analysis and Hypothesis Testing

Results of the F-tes and Coefficient of Determination (R^2) test in table 9:

TABLE 9 Table of T-Test Results and Coefficient of Determination (R^2)

R-squared	0.126024	Mean dependent var	1459543.
Adjusted R-squared	0.096647	S.D. dependent var	1333595.
S.E. of regression	1267514.	Sum squared resid	1.91E+14
F-statistic	4.289849	Durbin-Watson stat	2.022592
Prob(F-statistic)	0.002809		

Source: Data analyzed using Eviews 12, 2026

The results of the partial and interaction hypothesis tests using the REM estimation method are summarized in Tables 10 and 11:

TABLE 10 Table of Multiple Linear Regression Test Results - Equation 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.	Hipotesis
C	3084825.	575958.3	5.355987	0.0000	-
ETR (X1)	-4850264	1986757.	-2.441296	0.0161	H_1: Accepted
ROA (X2)	443570.4	1112986.	0.398541	0.6909	H_2: Rejected
DER (X3)	734269.2	274606.6	2.673895	0.0085	H_3: Accepted

Source: Data analyzed using Eviews 12, 2026

TABLE 11 Table Result of MRA – Equation 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.	Hipotesis
C	-2959225.	6981075.	-0.423892	0.6724	-
ETR (X1)	22850471	29143162	0.784077	0.4346	-
ROA (X2)	16731844	12288123	1.361627	0.1760	-
DER (X3)	-5816893.	2891276.	-2.011877	0.0466	-
DISC (Z)	6685442.	7872592.	0.849205	0.3975	-
ETR*DISC	-30309795	33065326	-0.916664	0.3612	H_4: Rejected
ROA*DISC	-18351200	13574559	-1.351882	0.1790	H_5: Rejected
DER*DISC	7343953.	3215147.	2.284173	0.0242	H_6: Accepted

Source: Data analyzed using Eviews 12, 2026

Discussion of Research Findings

Panel data regression analysis, which integrates cross-sectional and time-series data, was conducted using the Random Effects Model (REM) and Moderated Regression Analysis (MRA) to test both direct hypotheses and moderated interaction effects. The results of the model fit test (F-test) showed an F-statistic value of 4.289849 with a significance level (Prob (F-statistic)) of 0.002809. Since this probability value is far smaller than the significance level of 0.05 (0.002809 < 0.05), this regression model is deemed to have good model fit and is valid for predicting the combined effect of independent variables on the dependent variable. Meanwhile, the model's explanatory power is indicated by the Adjusted R-squared value of 0.096647. This statistic implies that the combined influence of the variables Tax Planning, Profitability, Leverage, and Transparency on Firm Value accounts for only 9.66%. Meanwhile, the remaining dominant percentage, amounting to 90.34%, is explained or influenced by various external corporate fundamental factors as well as other macroeconomic variables not included in the research model equation. A comprehensive analysis and discussion of these findings are outlined separately below:

The Effect of Tax Planning on Firm Value

The results of the partial statistical tests indicate that the Tax Planning variable, proxied by the Effective Tax Rate (ETR), has a calculated t-value of -2.441296 with a significance level of 0.0161 ($p < 0.05$). These statistical figures prove that Tax Planning has a negative effect on Firm Value. Therefore, the first hypothesis (H_1), which states that Tax Planning affects Firm Value, is accepted. The direction of this negative relationship indicates that the more intensive the tax-saving measures implemented, the more it will lower investors' market assessment of the issuer's valuation. Market participants in the non-cyclical consumer sector tend to view aggressive tax strategies as a signal of legal risk, the threat of administrative fines, and the potential for strict future tax audits. Through the lens of agency theory, the complexity of these tax schemes is seen as reflecting opportunistic behavior by managers (agents) in pursuit of short-term incentives (the bonus plan hypothesis), which widens information asymmetry for shareholders. These

findings reinforce the research by (Caitlin & Josephine, 2022) and (Astuti & Herawati, 2022), but contradict with (Tambahani et al., 2021).

The Effect of Profitability on Firm Value

Based on the results of the second hypothesis test, the Profitability variable, proxied by Return on Assets (ROA), yielded a t-statistic of 0.398541 with a significance level of 0.6909 ($p > 0.05$). Since the probability value is far above the standard threshold of 0.05, it is evident that profitability does not have a significant partial effect on Firm Value; therefore, the second hypothesis (H_2) is rejected These results indicate that an issuer's ability to generate net profit based on assets is not a primary fundamental driver of stock prices in the market. Based on agency theory, investors (principals) tend to doubt the quality of reported profits due to the potential for accrual manipulation by management (agents). Furthermore, the unique characteristics of issuers in the primary consumer goods (fast-moving consumer goods/FMCG) sector in Indonesia—which possess a strong consumer loyalty base—lead market participants to prioritize long-term business stability (going concern) over annual profit fluctuations. These findings are consistent with the studies by (Silvia & Dewi, 2022) and (Rahayu et al., 2025), but are inconsistent with the research by (Ardianto, 2023).

The Effect of Leverage on Firm Value

The leverage variable, proxied by the debt-to-equity ratio (DER), recorded a t-statistic of 2.673895 with a significance level of 0.0085 ($p < 0.05$). These results demonstrate that leverage has a positive and statistically significant partial effect on firm value. Therefore, the third hypothesis (H_3), which proposes that leverage affects Firm Value, is accepted. Given that the consumer staples industry possesses very strong and predictable operating cash flows, an increase in the debt ratio is viewed positively by the market as access to cheap capital to finance productive investments such as distribution network expansion or the acquisition of new brands. From an agency theory perspective, debt acts as a disciplinary instrument for managers (the monitoring role of debt) because the obligation to pay interest periodically forces management to act professionally and limits opportunities for wasteful spending of free cash flow. This creditor oversight effectively reduces agency costs and enhances the issuer's reputation. These results (Jayanti & Candraningrat, 2024) and (Wijayanti et al., 2023), but contradict those of (Lamba & Atahau, 2022).

The Moderating Effect of Transparency on the Relationship Between Tax Planning and Firm Value

The results of the Moderated Regression Analysis (MRA) interaction model test for the interaction term between tax planning and transparency (ETR*DISC) yielded a negative regression coefficient of -30.309,795 with a significance level of 0.3612 ($p > 0.05$). Since the probability value is above 0.05, it is concluded that Transparency is unable to moderate the effect of Tax Planning on Firm Value, meaning that the fourth hypothesis (H_4) is rejected. The insignificance of this moderating effect proves that the level of financial statement disclosure is unable to compensate for or alter investors' negative sentiment toward tax planning strategies. For market participants, compliance with tax laws is absolute; therefore, the extent of additional voluntary disclosures cannot alleviate market concerns regarding the risk of legal penalties for tax fines when accounting indicators suggest excessive tax schemes. These findings are consistent with the results of studies by (Anisran, 2023), but contradict the results of the study by (Ika Pratiwi & Hari Stiawan, 2022).

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The Moderating Effect of Transparency on the Relationship Between Profitability and Firm Value

Based on the results of the MRA interaction model test, the interaction term between profitability and transparency (ROA*DISC) recorded a significance value of 0.1790 ($p > 0.05$). These results indicate that transparency is unable to moderate the effect of profitability on firm value; therefore, the fifth hypothesis (H_5) is rejected. This finding demonstrates that the extent of voluntary disclosures in annual reports is not a determining variable capable of altering the market's assessment of an entity's profits. Market participants in the basic consumer goods sector view pure profitability performance as an independent fundamental indicator. Consequently, the availability of additional explanatory information does not influence the market's risk assessment of an entity's actual operational capacity to generate net profits. This finding is supported by (Mahilun & Atikah, 2024) and (Berliany & Trisnawati, 2025), but contradicts the research results of (Suripto, 2020).

The Moderating Effect of Transparency on the Impact of Leverage on Firm Value

The interaction term between leverage and transparency (DER*DISC) yielded a t-statistic of 2.284173 with a significance level of 0.0242 ($p < 0.05$). These test results empirically prove that transparency significantly moderates the effect of leverage on firm value by strengthening its positive effect, thus the sixth hypothesis (H_6) is accepted. Nilai koefisien interaksi yang positif menegaskan peran transparansi sebagai *strengthening moderator*. It should be noted that the coefficient of the leverage variable in the moderated regression model reflects the effect of leverage only when the transparency variable (DISC) is zero. Such a condition is essentially hypothetical and unlikely to occur in publicly listed companies, which generally disclose at least a minimum level of information. Therefore, the negative leverage coefficient observed in the interaction model should not be interpreted as evidence that leverage reduces firm value. Instead, the overall effect of leverage on firm value is determined by the combined effect of the leverage coefficient and the positive interaction term (DER × DISC). These findings suggest that transparency reinforces the positive contribution of leverage to firm value. As transparency levels increase, investors become more confident that debt financing is managed responsibly and allocated to productive investments, thereby enhancing the market's valuation of the firm. However, the presence of a high commitment to transparent reporting by management successfully reduces information asymmetry and assures market participants that debt funds are allocated responsibly to support productive investment expansion. These findings are consistent with the results of (Ramadhiani & Dewi, 2021) and (Ika Pratiwi & Hari Stiawan, 2022), but contrary to (Berliany & Trisnawati, 2025).

CONCLUSIONS

Based on panel data analysis, it can be concluded that tax planning practices have been shown to reduce firm value because investors perceive them negatively as an exposure to future legal risks. Annual profitability (ROA) is not a primary benchmark for the capital market due to the already stable nature of the FMCG industry. Conversely, the use of debt (leverage) is viewed positively as a signal of commitment to expansion and an instrument for operational discipline. While the role of financial statement transparency fails to mitigate negative sentiment regarding tax risk and profitability, it proves crucial as a moderating factor in strengthening the positive impact of leverage by reducing information asymmetry regarding external financing in the public eye. The adjusted R-squared value of the regression model is 0.096647 (9.66%), indicating that 90.34% of the variation in firm value is influenced by external variables beyond the scope of observation. Future researchers are advised to expand the observed proxies by including firm size, audit quality, and institutional ownership governance, as well as extending the macroeconomic observation period.

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