

THE EFFECT OF TAX AVOIDANCE ON FIRM VALUE WITH CORPORATE RISK AS AN INTERVENING VARIABLE

Dewi Kusuma Wardani^{*1}, Arisya Yaya Dwi Lestari²

d3wikusuma@gmail.com*

Universitas Sarjanawiyata Tamansiswa, Indonesia^{1,2}

Accepted: March 9, 2026	Reviewed: March 15, 2026	Published: April 30, 2026
----------------------------	-----------------------------	------------------------------

Abstract

This study aims to analyze the effect of tax avoidance on firm value, with corporate risk as an intervening variable, among manufacturing companies in the food and beverage subsector listed on the Indonesia Stock Exchange during the 2015–2024 period. This study employs a quantitative approach using annual financial statements, yielding 171 observations through purposive sampling. Data analysis was conducted using the Partial Least Squares (PLS) method with the assistance of SmartPLS 3. The results indicate that tax avoidance has a positive effect on corporate risk and a negative effect on firm value. On the other hand, corporate risk does not affect firm value and fails to mediate the relationship between tax avoidance and firm value. These findings suggest that the effect of tax avoidance on firm value tends to occur directly, while investors appear to place greater emphasis on profit prospects than on the level of corporate risk when making investment decisions.

Keywords: Tax Avoidance, Firm Value, Corporate Risk

*Correspondence Author



By Authors

This work is licensed under a [Creative Commons Attribution-ShareAlike 4.0 International License](https://creativecommons.org/licenses/by-sa/4.0/).

1. Introduction

Fundamentally, the primary purpose of establishing a company is to maximize profits by optimizing firm value (Wijaya et al., 2020). This has become increasingly important because, in recent decades, business competition has intensified as the number of new companies has grown. Increasingly fierce business competition and the growing discernment of investors are driving companies, especially those that have gone public, to compete to increase firm value (Mahaetri & Muliati, 2020).

A firm value reflects the market's perception of its performance and future prospects, making it a primary consideration for investors in their investment decisions (Rahayu & Saifi, 2020). A high firm value indicates the level of investor confidence in the company's ability to generate strong performance and prospects. This is evident from the company's stock market price, which can be observed on the stock exchange. A company's sound condition is reflected in a stable stock price that tends to rise. To enhance firm value, one strategy companies employ is to optimize the tax burden they will eventually pay (Saragih & Rusdi, 2022).

Tax avoidance is one of the key determinants of a firm value (Wardani & Herawati, 2022). Tax avoidance is practiced by companies to minimize the amount of taxes they must pay while simultaneously maximizing profits (Pramukty et al., 2021). Taxes are viewed as a mandatory burden that can reduce the net profits that should be received by company owners, so managers strive to find ways to optimize this tax burden. According to Manafe et al.(2025), tax avoidance itself is carried out by exploiting legal loopholes or ambiguities in tax regulations without explicitly violating the rules. However, aggressive tax avoidance practices can reduce a firm value because they lead to financial reporting that does not reflect actual conditions. If this aggressive tax avoidance continues over time and is eventually uncovered, investors will feel aggrieved and perceive the company as uncooperative regarding information transparency, leading to a loss of investor confidence that can subsequently reduce the firm value (Wardani et al., 2020).

The phenomenon of a mismatch between earnings and firm value is evident in PT Indofood Sukses Makmur Tbk, which reported a 4% increase in earnings, yet its stock price fell by 6.67%, followed by a 6.98% decline in the stock price of its subsidiary, PT Indofood CBP Sukses Makmur Tbk, due to the market's negative reaction to indications of transfer pricing (Apridinata & Zulvia, 2023). This situation indicates that tax practices deemed too aggressive by investors can significantly reduce a firm value even as reported profits increase.

Previous research conducted by Arfiansyah (2020) and Wulandari et al. (2023) indicates the positive effect of tax avoidance on firm value. However, research conducted by Ismanto & Zulfiara (2020), Yuliandana et al (2021), Lim & Vonyka, (2023) and Mangoting et al.(2023) showed a negative effect. The discrepancy in previous research results created a research gap, leading to the inclusion of corporate risk as an intervening variable. According to Ampriyanti

& Merkusiwati (2016), long-term tax avoidance practices can have a negative impact on firm value because they create risks for the firm. These risks include tangible consequences such as interest and fines, as well as reputational damage that threatens business continuity, so the emergence of these risks acts as a mediator explaining how tax avoidance practices can reduce firm value.

Although previous studies have extensively examined the relationship between tax avoidance and firm value, the findings remain inconsistent. Several studies found that tax avoidance increases firm value because it improves after-tax earnings and cash flow efficiency (Arfiansyah, 2020; Wulandari et al., 2023). In contrast, other studies reported that aggressive tax avoidance negatively affects firm value due to increased agency conflicts, reputational concerns, and reduced transparency perceived by investors (Ismanto & Zulfiara, 2020; Lim & Vonyka, 2023; Mangoting et al., 2023). These inconsistent findings indicate that the mechanism explaining how tax avoidance influences firm value has not yet been fully clarified.

Most prior studies primarily focused on the direct relationship between tax avoidance and firm value, while limited attention has been given to the potential mediating role of corporate risk. In practice, aggressive tax avoidance strategies may expose firms to legal uncertainty, reputational damage, tax sanctions, and financial reporting risks, all of which may influence investors' perceptions and ultimately affect firm value. Therefore, corporate risk is considered an important intervening variable because it can explain the indirect mechanism through which tax avoidance affects firm value.

Furthermore, empirical evidence regarding this relationship in the Indonesian food and beverage manufacturing sector remains limited. This sector is characterized by relatively stable consumer demand, significant contributions to national tax revenue, and increasing public scrutiny regarding corporate tax practices. The unique characteristics of the food and beverage industry may produce different market responses to tax avoidance behavior compared to other sectors. Therefore, this study contributes to the literature by examining the mediating role of corporate risk in the relationship between tax avoidance and firm value specifically in Indonesian food and beverage manufacturing companies during the 2015–2024 period.

Agency theory

Agency theory describes the contractual relationship between shareholders (principals) and another party (agents), in which the agent represents the shareholders' interests in decision-making (Jensen & Meckling, 1976). This relationship often has the potential to cause problems, one of which is a conflict of interest triggered by information asymmetry. This conflict arises when managers do not always act in accordance with the interests of shareholders (Ismanto & Zulfiara, 2020). Managers may act based on personal interests, such as pursuing bonuses for their own benefit, which conflicts with the interests of the owners. In an effort to achieve these goals, managers may engage in tax avoidance to reduce the company's tax burden. However, this action carries the potential to create risks that could lower the firm value, ultimately harming owners/shareholders.

Tax Avoidance on Corporate Risk

Tax avoidance involves minimizing the amount of tax owed by exploiting loopholes in tax regulations (Firmansyah & Muliana, 2018). In agency theory, there is a conflict of interest between owners and managers. Managers engage in tax avoidance to reduce tax liabilities so that the company's profits appear high without considering long-term impacts or investor perceptions (Carolina et al., 2019). Such practices can create uncertainty regarding tax liabilities, which directly increases corporate risk, particularly in the form of legal risk and reputational risk that can damage the company's image in the eyes of investors. This aligns with findings that the higher the level of tax avoidance, the greater the corporate risk (Yuwono & Mustikasari, 2022; Cao et al., 2021; Yuwono & Mustikasari, 2022; dan Hutchens et al., 2024).

H1: Tax avoidance has a positive effect on corporate risk

Tax Avoidance on Firm Value

According to Dinah & Darsono (2017), tax avoidance is practiced by minimizing reported profits through the deferral of revenue recognition from the current period to future periods in order to reduce the company's tax liability. Based on agency theory, managers who possess more information have the potential to exploit tax policies for opportunistic gain. Such practices may be viewed negatively by investors as the company is perceived as lacking transparency. If tax avoidance practices are exposed to the public, this has the potential to reduce investor confidence in the company (Wardani et al., 2020). This situation leads to a decline in the attractiveness of the stock, which in turn

results in a decrease in the firm value. This aligns with findings that the higher the level of tax avoidance, the lower the firm value (Ismanto & Zulfiara, 2020; Yuliandana et al., 2021; Lim & Vonyka, 2023; dan Nebie & Cheng, 2023).

H2: Tax avoidance has a negative effect on firm value

Corporate Risk on Firm Value

Corporate risk indicates the potential for a decline in a company's performance as a result of future uncertainty (Sembiring & Sidabutar, 2022). From an agency theory perspective, managers may make high-risk decisions that do not always align with shareholders' interests, ultimately creating uncertainty regarding the company's future. If a company is perceived as high-risk, it will raise investor concerns about the potential for losses. This situation can reduce investor interest in investing capital, thereby leading to a decline in the firm value. This aligns with findings that corporate risk has a negative impact on firm value Sagara et al. (2018).

H3: Corporate risk has a negative impact on firm value

Tax avoidance on firm value through corporate risk as an intervening variable

According to Agency Theory, tax avoidance arises from a conflict of interest between managers and shareholders, whereby managers may make decisions in their own self-interest even if such decisions could potentially harm the company. This opportunistic behavior on the part of managers creates uncertainty, as the implementation of corporate tax avoidance strategies has the potential to increase the risks the company must bear (Harianti & Hapsari, 2024). According to Yuwono & Mustikasari (2022), tax avoidance practices lead to future corporate risks, such as reputational risk, financial reporting transparency risk, and the risk of a decline in firm value. High corporate risk reduces investor confidence, thereby leading to a decline in firm value. This is because companies with high corporate risk are perceived by investors as having diminished value (Puspitasari & Harori, 2024). Thus, the higher the level of tax avoidance a company engages in, the greater the corporate risks it faces, which can reduce firm value.

H4: Tax avoidance has a negative effect on firm value through corporate risk as an intervening variable.

2. Research Method

This study uses a quantitative method to examine the influence of the variables under investigation. The data used consists of secondary data from the annual reports of manufacturing companies in the food and beverage subsector listed on the Indonesia Stock Exchange (IDX) for the period 2015–2024. The population was limited to this subsector because it is one of the manufacturing sectors that contributes significantly to economic growth and tax revenue. The sampling technique employed was purposive sampling with the following criteria:

Table 1. Sample Criteria

No.	Criteria	Total
1.	Manufacturing companies in the food and beverage subsector listed on the IDX from 2015 to 2024	43
2.	Companies that did not publish complete financial statements during the 2015–2024 period	(1)
3.	Companies that do not have complete research variable data	(2)
4.	Companies that present financial statements in foreign currencies	(1)
5.	Companies with negative earnings before tax	(19)
6.	Companies with negative net income	(1)
7.	Companies that meet the criteria	19
8.	Research data for 10 years (19 × 10)	190
9.	Outlier data	(19)
Total sample		171

Source: Research data (2026)

The variables used in this study include tax avoidance as the independent variable, firm value as the dependent variable, and corporate risk as the intervening variable. In addition, this study also uses control variables, namely leverage, profitability, and capital intensity. The operational definitions of the research variables are presented in the following table:

Table 2. Variables Measurement

Variable	Formula	Reference
Tax Avoidance	$CETR = \frac{\text{Cash Tax Paid}}{\text{Earnings Before Tax}}$	(Wardani et al., 2020)
Firm Value	$\text{Torbin's } Q = \frac{\text{MVE} + \text{Debt}}{\text{Total asset}}$	(Arfiansyah, 2020)
Corporate Risk	$\text{Risk} = \frac{\text{EBITDA Standard Deviation}}{\text{Total Company Assets}}$	(Paligorova, 2010)
Leverage	$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}}$	(Wijaya et al., 2020)

Profitability	$ROA = \frac{\text{Net Income}}{\text{Total Assets}}$	(Wijaya et al., 2020)
Capital Intensity	$IM = \frac{\text{Net Fixed Assets}}{\text{Total Assets}}$	(Awaliyah et al., 2021)

Source: Research data (2026)

For the tax avoidance variable, the measurement is based on the Cash Effective Tax Rate (CETR) proxy. The CETR reflects the ratio of cash tax payments to pre-tax profit. A higher CETR value indicates that a company pays a relatively larger amount of taxes, suggesting a lower level of tax avoidance. Conversely, a lower CETR value indicates a higher level of tax avoidance (Harjito et al., 2022).

This study employed Structural Equation Modeling–Partial Least Squares (SEM-PLS) using SmartPLS 3 software to analyze the relationships among variables. The selection of SEM-PLS was based on several methodological considerations. First, this study aims to examine both direct and indirect effects through the mediating role of corporate risk, making SEM-PLS suitable for simultaneously testing complex structural relationships. Second, the sample size used in this study is relatively limited, consisting of 171 observations, whereas SEM-PLS is considered more robust for small to medium sample sizes compared to covariance-based SEM approaches. Third, SEM-PLS does not require strict assumptions regarding multivariate normality, making it appropriate for financial data that potentially exhibit non-normal distribution characteristics. In addition, SEM-PLS is prediction-oriented and capable of maximizing the explained variance (R^2) of endogenous variables, which aligns with the objective of this study to predict the influence of tax avoidance on firm value through corporate risk

3. Result and Discussion

Descriptive Statistics

Tabel 3. Descriptive Statistics

Variabel	Minimum	Maximum	Mean	Std. Deviation
Tax Avoidance (X)	0.066	0.662	0.247	0.107
Firm Value (Y)	0.573	7.404	1.977	1.175
Corporate Risk (Z)	0.000	0.117	0.023	0.021
Leverage (control)	0.100	3.069	0.950	0.642
Profitability (control)	0.006	0.332	0.090	0.054
Capital Intensity (control)	0.022	0.673	0.357	0.148

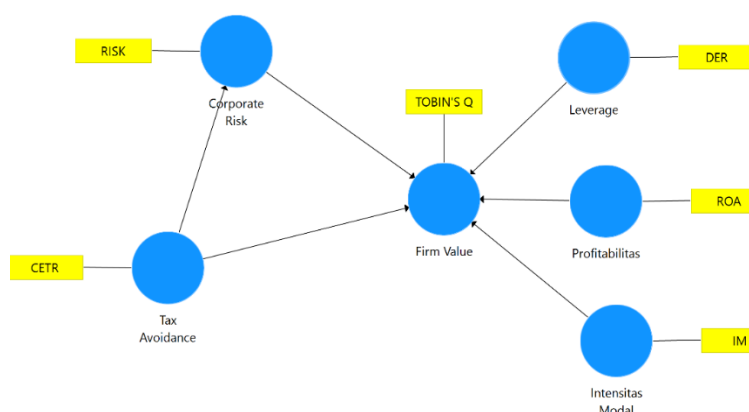
Source: SEM-PLS ver 3, processed, 2026

According to Table 3, the tax avoidance variable has a mean of 0.247 with a standard deviation of 0.107, indicating an average tax avoidance rate of 24.7%. The firm value variable has a mean of 1.977 with a standard deviation of 1.175, while corporate risk has a mean of 0.023 with a standard deviation of 0.021. Among the control variables, leverage shows a mean of 0.950 with a standard deviation of 0.642, profitability of 0.090 with a standard deviation of 0.054, and capital intensity of 0.357 with a standard deviation of 0.148. Overall, since the mean values of all variables are greater than their standard deviations, the data in the sample of manufacturing companies in the food and beverage subsector indicates a low level of variability and a distribution that tends to be even.

SEM-PLS Analysis

This analysis consists of two research models, Outer Model and Inner Model. The initial research model is shown in Figure 2 below:

Figure 1. Structural Research Model



Source: SEM-PLS ver 3, processed, 2026

Outer Model Measurement

Tabel 4. Results of the Reliability and Validity Test (Outer Model)

Variabel	Loading Factor	AVE	Composite Reliability	Cronbach's Alpha
Tax Avoidance (X)	> 0,70	1,000	1,000	1,000
Firm Value (Y)	> 0,70	1,000	1,000	1,000
Corporate Risk (Z)	> 0,70	1,000	1,000	1,000
Leverage (control)	> 0,70	1,000	1,000	1,000
Profitability (control)	> 0,70	1,000	1,000	1,000
Capital Intensity (control)	> 0,70	1,000	1,000	1,000

Source: SEM-PLS ver 3, processed, 2026

Based on the test results in Table 4, it can be seen that all variables in the

study were deemed valid because their outer loadings exceeded the threshold of 0.70. The Average Variance Extracted (AVE) values also indicate that all values are above 0.50, thus meeting the criteria for convergent validity. Meanwhile, the reliability test results show that all variables have Cronbach's Alpha and Composite Reliability values above 0.70. This indicates that all tested variables possess adequate validity and reliability, making them suitable for further analysis.

Inner Model Measurement

Tabel 5. R-Square Test

Variabel Endogen	R-Square
Corporate Risk	0.047
Firm Value	0.493

Source: SEM-PLS ver 3, processed, 2026

The test results presented in Table 5 show that the R-Square value for the corporate risk variable is 0.047, meaning that tax avoidance accounts for only 4.7% of the variation in corporate risk, while the remaining 95.3% is influenced by other factors outside the research model. For the firm value variable, an R-Square value of 0.493 was obtained, indicating that tax avoidance, firm risk, and control variables such as leverage, profitability, and capital intensity account for 49.3% of the variation in firm value, while the remaining 50.7% is influenced by other factors outside the research model.

Tabel 6. Q-Square Test

Variabel Endogen	Q-Square
Corporate Risk	0.059
Firm Value	0.383

Source: SEM-PLS ver 3, processed, 2026

Based on the test results in Table 6, it can be seen that the corporate risk value of 0.059 indicates that the corporate risk variable, which is influenced by tax avoidance, can predict the model well, as it has a Q^2 value > 0 . Furthermore, the firm value of 0.383 indicates that the firm value variable influenced by tax avoidance, corporate risk, as well as the control variables of leverage, profitability, and capital intensity can effectively predict the model, as it yields a Q^2 value > 0 .

Hypothesis testing and discussion

The testing was conducted using the Partial Least Squares (PLS) approach

with bootstrapping to assess direct and indirect effects. Hypotheses were accepted based on a t-statistic > 1.98 and a p-value < 0.05 .

Results of the Direct Effect

Tabel 7. Results of the hypothesis test for the direct effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Tax Avoidance -> Corporate Risk	-0.216	-0.218	0.061	3.515	0.000
Tax Avoidance -> Firm Value	0.198	0.194	0.083	2.392	0.017
Corporate Risk -> Firm Value	-0.061	-0.078	0.090	0.670	0.503
Controllable Variables					
Leverage -> Firm Value	0.086	0.085	0.062	1.382	0.168
Profitability -> Firm Value	0.771	0.779	0.069	11.219	0.000
Capital Intensity -> Firm Value	0.241	0.242	0.050	4.824	0.000

Source: SEM-PLS ver 3, processed, 2026

The Effect of Tax Avoidance on Corporate Risk

Based on the results of the hypothesis testing, tax avoidance has a significant effect on corporate risk. This is indicated by a path coefficient of -0.216, with a T-statistic of 3.722 and a p-value of 0.000. The negative value of the path coefficient actually indicates a positive relationship because the use of CETR as a proxy for tax avoidance follows a reverse measurement logic, where a decrease in the CETR value reflects an increase in tax avoidance activity, which ultimately leads to an increase in corporate risk. Thus, H1 in this study is accepted.

These findings indicate that when companies engage in aggressive tax avoidance practices, they face increased corporate risk, such as legal and reputational risk. Complex strategies and the exploitation of legal loopholes to reduce tax liabilities create uncertainty in tax policy, thereby putting companies at risk of becoming the target of investigations or sanctions. The impact of these risks can not only disrupt operational stability but also damage the company's image and public trust. Managers may utilize policies and specific accounting methods to reduce taxable income and profits by optimizing deductible expenses, thereby lowering the company's tax burden (Firmansyah & Muliana, 2018). This situation aligns with agency theory, where there is a conflict of interest

between managers and shareholders. Managers have the authority to determine tax policies, while shareholders only receive information from the reports presented by the company. When aggressive tax avoidance practices are employed, it results in reduced transparency of information, making it difficult for shareholders to assess the company's actual condition. This situation can increase uncertainty regarding future performance and cash flows, and if detected by tax authorities, it may lead to potential legal risk in the future.

These findings are supported by Cao et al.(2021), who state that exploiting regulatory loopholes in tax strategies can lead to erratic corporate cash flows, thereby triggering uncertainty regarding future returns and increasing corporate risk. This study is also consistent with Hutchens et al.(2024), who state that tax avoidance can provide benefits to a company's cash flow. However, such actions still have the potential to create uncertainty regarding future financial conditions due to the risk associated with these practices.

The Effect of Tax Avoidance on Firm Value

Based on the results of the hypothesis testing, it was found that tax avoidance has a significant effect on firm value. This is indicated by a path coefficient of 0.198, with a T-statistic of 2.402 and a p-value of 0.017. The positive value of the path coefficient actually indicates a negative relationship because the use of CETR as a proxy for tax avoidance follows a reverse measurement logic, where a decrease in the CETR value reflects an increase in tax avoidance activities, which ultimately impacts a decrease in firm value. Thus, H2 in this study is accepted.

These findings indicate that investors tend to respond negatively to companies that engage in aggressive tax avoidance. Such practices are not viewed as cost-efficiency measures, but rather as actions reflecting management interests that are not fully aligned with those of shareholders. This is consistent with agency theory, which explains the existence of a conflict of interest between managers and shareholders, where managers have the opportunity to act opportunistically through corporate policies within their authority. Information asymmetry between the two parties can also influence how investors evaluate the company.

These findings are supported by Yuliandana et al. (2021), who state that tax avoidance has a negative impact on firm value. These results indicate that tax avoidance practices can lead to opportunistic management behavior and increase information asymmetry due to financial statements that do not fully reflect the

company's actual condition. This situation leads to a decline in investor confidence in investing their capital and subsequently impacts the firm value, as reflected in the company's stock price. Additionally, studies by Yee et al. (2018) and Mahaetri & Muliati (2020) found that tax avoidance practices can generate agency costs that result in a decline in firm value. The emergence of agency costs means that shareholders do not fully benefit from tax savings, so tax avoidance practices actually contribute to a decline in firm value. These findings are reinforced by the research of Nebie & Cheng (2023), which states that the greater a company's efforts at tax avoidance, the lower the value the company obtains.

The Effect of Corporate Risk on Firm Value

Based on the results of the hypothesis testing, it appears that corporate risk does not have a significant effect on firm value. This is indicated by a path coefficient of -0.061 with a T-statistic of 0.670 and a p-value of 0.503. Although the path coefficient indicates a negative direction as expected, corporate risk does not influence firm value, thus hypothesis H3 is rejected.

This finding suggests that the level of corporate risk is not a major consideration for investors when making investment decisions. Investors view risk as a normal part of business operations as long as the company remains capable of generating stable profits. Agency theory does not support these research findings. Although it was initially predicted that a conflict of interest would arise, where managers tend to adopt risky policies for personal gain, while shareholders prioritize long-term security and avoid risks that could lead to uncertainty. However, the research findings demonstrate that such conflicts of interest do not trigger a negative response from investors. This indicates that investors do not view the risks created by managers as a threat that harms the company as a whole.

This finding is supported by the research of Pebrianti et al. (2022), which explains that the level of a corporation's risk does not have a direct impact on investor decisions in the market. Stock performance is not influenced by changes in systematic risk or economic conditions, so managers' policies in managing risk do not become a determining factor in investors' investment interest. These research results align with Atmaja (2020), who showed that an increase or decrease in risk does not have a tangible impact on fluctuations in a firm value. This is because investors tend to continue purchasing stocks even when facing varying levels of systematic risk in the market.

Results of the Indirect Effect

Tabel 8. Results of the hypothesis test for the indirect effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Tax Avoidance -> Corporate Risk -> Firm Value	0.013	0.017	0.021	0.629	0.529

Source: Data processed using SEM-PLS (2026)

Tax avoidance affects firm value through corporate risk as an intervening variable

Based on the results of the hypothesis testing, it appears that tax avoidance does not have a significant effect on firm value with corporate risk as an intervening variable. This is indicated by a path coefficient of 0.013 with a T-statistic of 0.629 and a p-value of 0.529, thus the H4 hypothesis in this study is rejected.

This finding indicates that tax avoidance by companies does not create a perception of risk that could influence investors' decisions in valuing the company's stock price. The results of this study indicate a discrepancy with agency theory, which governs the relationship between managers and shareholders. Tax avoidance practices carried out by managers are perceived as risky by shareholders. However, in this study, shareholders do not view such managerial actions as a threat. This is because shareholders perceive the managers' policies as operating within safe parameters, so corporate risk has no impact on market valuation or firm value.

Tax avoidance practices are viewed as legally permissible actions (Harianti & Hapsari, 2024). As long as managers merely exploit existing regulatory loopholes, shareholders do not perceive any risk worth worrying about. Furthermore, this practice is viewed as still within reasonable limits, so investors do not alter their assessments of the company's stock price (Martina et al., 2022). Consequently, corporate risk fails to serve as a mediator between tax avoidance and firm value. This is because investors focus more on the benefits of tax savings rather than worrying about their impact.

4. Conclusion

Based on the results of the analysis and discussion, it can be concluded that tax avoidance practices have a positive effect on corporate risk and a negative effect on firm value. Specifically, aggressive tax avoidance tends to

increase corporate risk because it creates uncertainty regarding future cash flows and information asymmetry between managers and shareholders. On the other hand, investors tend to respond negatively to aggressive tax avoidance activities because they are perceived as a form of managerial behavior that prioritizes personal interests over cost savings, thereby leading to a decline in firm value. Unfortunately, this study also found that corporate risk has no effect on firm value and cannot serve as a mediating variable in the relationship between tax avoidance and firm value. This indicates that investors currently tend to be neutral toward operational risk as long as the firm remains capable of generating stable profits, and prioritize the direct benefits of tax efficiency over concerns about its risk impact.

A limitation of this study lies in the measurement of corporate risk, which relies on a single proxy measure, namely risk calculated using the formula of EBITDA standard deviation divided by total company assets. The use of this single proxy is suspected to be one of the reasons why no effect of corporate risk on firm value was found, as it has not been able to fully represent corporate risk. Therefore, future research is advised to use a more diverse range of corporate risk proxies, such as tax risk or other risk measures. The use of these alternative proxies is expected to provide a more comprehensive picture of risk and allow for different research results regarding the effect of corporate risk on firm value.

5. References

- Ampriyanti, N. M., & Merkusiwati, N. K. L. A. (2016). Pengaruh Tax Avoidance Jangka Panjang Terhadap Nilai Perusahaan Dengan Karakter Eksekutif Sebagai Variabel Pemoderasi. *E-Jurnal Akuntansi Universitas Udayan*, 16(3), 2231-2259.
- Apridinata, E., & Zulvia, D. (2023). Pengaruh Profitabilitas dan Ukuran Perusahaan Terhadap Penghindaran. *Profit: Jurnal Manajemen, Bisnis Dan Akuntansi*, 2(2), 313-328. <https://doi.org/10.58192/profit.v2i2.755>
- Arfiansyah, Z. (2020). Pengaruh Penghindaran Pajak Dan Risiko Pajak Terhadap Nilai Perusahaan Dengan Komisaris Independen Sebagai Pemoderasi. *Jurnal Pajak Indonesia*, 4(1), 67-76.
- Atmaja, S. (2020). Faktor-Faktor Yang Mempengaruhi Nilai Perusahaan Di Sektor Pertanian Pada Bursa Efek Indonesia Tahun 2015-2019. *Jurnal Manajemen Dan Bisnis*, 2(01), 51-67.
- Awaliyah, M., Nugraha, G. A., & Danuta, K. S. (2021). Pengaruh Intensitas Modal, Leverage, Likuiditas dan Profitabilitas terhadap Agresivitas Pajak. *Jurnal Ilmiah Universitas Batanghari Jambi*, 21(3), 1222-1227.

<https://doi.org/10.33087/jiubj.v21i3.1664>

- Cao, Y., Feng, Z., Lu, M., & Shan, Y. (2021). Tax avoidance and firm risk: evidence from China. *Accounting and Finance*, 61(3), 4967–5000. <https://doi.org/10.1111/acfi.12769>
- Carolina, V., Oktavianti, & Handayani, R. (2019). Tax Avoidance & Corporate Risk: An Empirical Study in Manufacturing Company. *Jurnal Ilmiah Akuntansi*, 4(2), 291–300.
- Dinah, A. F., & Darsono. (2017). Pengaruh Tata Kelola Perusahaan, Profitabilitas, Dan Penghindaran Pajak Terhadap Nilai Perusahaan. *Diponegoro Journal of Accounting*, 6(3), 1–15.
- Firmansyah, A., & Muliana, R. (2018). The Effect of Tax Avoidance and Tax Risk on Corporate Risk Article. *Jurnal Keuangan Dan Perbankan*, 22(4), 643–656. <https://doi.org/10.26905/jkdp.v22i4.2237>
- Harianti, T., & Hapsari, R. P. D. (2024). Good Corporate Governance sebagai Moderasi Pengaruh Tax Avoidance dan Risiko Pajak terhadap Risiko Perusahaan. *Journal of Business and Information System*, 6(1), 32–46.
- Harjito, Y., Kurniawan, N. D., & Siddiq, F. R. (2022). Tax Avoidance In Review By Business Strategy, Company Characteristics, And Good Corporate. *Accounting Research Journal of Sutaatmadja*, 06(02), 1–17.
- Hutchens, M., Rego, S. O., & Williams, B. (2024). Tax Avoidance and Firm Risk: New Insights from a Latent Class Mixture Model. *The Accounting Review*, 99(1), 285–313. <https://doi.org/10.2308/TAR-2020-0343>
- Ismanto, J., & Zulfiara, P. (2020). Pengaruh Konservatisme Akuntansi Dan Penghindaran Pajak Terhadap Nilai Perusahaan. *Jurnal Profita*, 13(1), 1. <https://doi.org/10.22441/profita.2020.v13i1.001>
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the Firm : Managerial Behavior , Agency Costs and Ownership Structure. *Journal of Financial Economics*, 3(4), 1671–1696.
- Lim, K. J., & Vonyka, V. (2023). Does Tax Avoidance Affect Company Values in Indonesia in 2020 – 2022 ? *Jurnal Ilmiah Akuntansi Kesatuan*, 11(3), 461–470.
- Mahaetri, K. K., & Muliati, N. K. (2020). Pengaruh Tax avoidance Terhadap Nilai Perusahaan Dengan Good Corporate Governance Sebagai Variabel Moderasi. *Hita Akuntansi Dan Keuangan*, 1(1), 436–464. <https://doi.org/10.32795/hak.v1i1.786>
- Manafe, J., & Widyastuti, T. (2025). Pengaruh Tax Planning Dan Tax Avoidance Terhadap Nilai Perusahaan Pada Perusahaan Keuangan Sektor Asuransi. *Jurnal Ekonomi Dan Bisnis*, 11(02), 231–244.
- Mangoting, Y., Yuliana, O. Y., Yulianto, A., Yuli, O. Y., & Yulianto, A. (2023).

- Apakah Praktik Penghindaran Pajak Meningkatkan Nilai Perusahaan? *Jurnal Akuntansi Multiparadigma*, 14(121), 287-297.
- Martina, R., Warastri, G., & Suryaningrum, D. H. (2022). Pengaruh tax avoidance , tax reporting aggressiveness , dan tax risk terhadap risiko perusahaan. *Jurnal Ilmiah Akuntansi Dan Keuangan*, 5(2), 895-908.
- Nebie, M., & Cheng, M. (2023). Corporate tax avoidance and firm value : Evidence from Taiwan. *Cogent Business & Management*, 10(3). <https://doi.org/10.1080/23311975.2023.2282218>
- Paligorova, T. (2010). Corporate Risk Taking and Ownership Structure. *Bank of Canada Working Paper*, 1-41.
- Pebrianti, N. P. A., Putra, I. G. C., & Santosa, M. E. S. (2022). Pengaruh risiko perusahaan, profitabilitas terhadap harga saham dan nilai perusahaan perbankan yang terdaftar di bei. *Jurnal Kharisma*, 4(2), 312-326.
- Pramukty, R., Hidayat, W. W., Arigawati, D., & Meutia, K. I. (2021). Pengaruh Tax Avoidance Terhadap Cost Of Debt Pada Perusahaan Sektor Barang Konsumsi. *Jurnal Ilmiah Akuntansi Dan Manajemen*, 17(1), 31-35. <https://doi.org/10.31599/jiam.v17i1.551>
- Puspitasari, A., & Harori, M. I. (2024). Effect Of Company Risk On Company Value (Study On Consumer Goods Industry Subsector Companies Listed On The Indonesia Stock Exchange 2014-2018). *Jurnal Kompetitif Bisnis*, 2(1), 26-38.
- Rahayu, S. M., & Saifi, M. (2020). The reciprocal relationship between profitability and capital structure and its impacts on the corporate values of manufacturing companies in Indonesia. *International Journal of Productivity and Performance Management*, 69(2), 236-251. <https://doi.org/https://doi.org/10.1108/IJPPM-05-2018-0196>
- Sagara, Y., Zarkasyi, W., Soemantri, R., Sukmadilaga, C., & Sugiarti, R. (2018). Firm Risk, Financial Performance, And Firm Value: Evidence From Islamic Countries. *2nd ICIBEB 2018*.
- Saragih, M. R., & Rusdi, R. (2022). Pengaruh Tax Avoidance Dan Kebijakan Dividen Terhadap Nilai Perusahaan Dengan Leverage Sebagai Variabel Moderasi (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode Tahun 2016-2018). *Scientific Journal Of Reflection: Economic, Accounting, Management And Business*, 5(4), 1111-1120. <https://doi.org/10.37481/sjr.v5i4.587>
- Sembiring, Y. C. B., & Sidabutar, P. P. (2022). Pengaruh Corporate Risk, Leverage, Dan Liquidity Terhadap Agresivitas Pajak Pada Perusahaan Sub Sektor Kimia Yang Terdaftar Di Bursa Efek Indonesia Tahun 2016-2020. *Jurnal Riset Akuntansi Dan Keuangan*, 8(2), 320-330.

<https://doi.org/10.54367/jrak.v8i2.1630>

- Wardani, D. K., & Herawati, R. (2022). Pengaruh Tax Avoidance Terhadap Nilai Perusahaan Dengan Institutional Ownership Sebagai Variabel Moderasi. *Jurnal Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 1(5), 851–860.
- Wardani, D. K., Primastiwi, A., & Meganingrum, A. S. (2020). Pengaruh Rasio Profitabilitas Dan Rasio Aktivitas Terhadap Financial Distress Dengan Tax Avoidance Sebagai Variabel Moderasi (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Tahun 2015-2019). *Media Akuntansi Perpajakan*, 5(2), 48–61.
- Wardani, D. K., Putriane, S. W., Puspitaningsi, E., Astuti, A. Y., & Mutorikoh, N. (2020). Dampak Riil Penghindaran Pajak Pada Perusahaan Manufaktur di Bursa Efek Indonesia. *Jurnal Akuntansi & Manajemen Akmenika*, 17(1). <https://doi.org/10.31316/akmenika.v17i1.678>
- Wijaya, R. A., Hanna, P., Sari, D. P., & Suciati, D. (2020). Pengaruh Penghindaran Pajak Dan Profitabilitas Terhadap Nilai Perusahaan Dengan Leverage Sebagai Variabel Kontrol Pada Perusahaan Yang Listing Di Bursa Efek Indonesia. *Jurnal Ekobistek*, 9(1), 29–40. <https://doi.org/10.35134/ekobistek.v9i1.63>
- Wulandari, S., Oktaviani, R. M., & Sunarto, S. (2023). Manajemen Laba, Transfer Pricing, Dan Penghindaran Pajak Sebelum Dan Pada Masa Pandemi Covid-19. *Owner*, 7(2), 1424–1433. <https://doi.org/10.33395/owner.v7i2.1329>
- Yee, C. S., Sapiei, N. S., & Abdullah, M. (2018). Tax Avoidance , Corporate Governance and Firm Value in The Digital Era. *Journal of Accounting and Investment*, 19(2), 160–175. <https://doi.org/10.18196/jai.190299>
- Yuliandana, S., Junaidi, J., & Ramadhan, A. (2021). Pengaruh Tax Avoidance Terhadap Nilai Perusahaan. *Jurnal Ilmiah Akuntansi Kesatuan*, 9(1), 31–42. <https://doi.org/10.37641/jiakes.v9i1.436>
- Yuwono, A., & Mustikasari, E. (2022). The effect of tax avoidance and tax risk on firm risk. *The Indonesian Accounting Review*, 12(2), 223–230. <https://doi.org/10.14414/tiar.v12i2.2875>