Tax Planning, Conservatism Accounting and Business Risks to Company Value

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ABSTRACT

This study aims to examine the effect of tax planning, accounting conservatism, and business risk on company value. This study used 124 samples from 31 property companies listed on the Indonesia Stock Exchange in 2020-2023. The data analysis technique used multiple linear regression. The results of the study showed that tax planning had no significant effect on firm value. This is because aggressive tax planning can cause investors to lose confidence, thus reducing investment interest. Accounting conservatism has a significant positive effect on firm value because the principle of conservatism can reduce agency conflicts, allowing investors to make decisions based on the resulting financial statements, thus providing high value to the company. Business risk has a significant positive effect on firm value. This is because companies that are able to manage risk well demonstrate their resilience to market changes and flexibility, as well as the ability to overcome problems, thereby increasing confidence in the company's future.

Keywords: Tax Planning, Conservatism Accounting, Business Risk, Company Value.

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Perencanaan Pajak, Konservatisme Akuntansi dan Risiko Bisnis terhadap Nilai Perusahaan

ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh perencanaan pajak, konservatisme akuntansi, dan risiko bisnis terhadap nilai perusahaan. Penelitian ini menggunakan 124 sampel dari 31 perusahaan properti yang terdaftar di Bursa Efek Indonesia pada tahun 2020-2023. Teknik analisis data menggunakan regresi linier berganda. Hasil penelitian menunjukkan bahwa perencanaan pajak tidak berpengaruh signifikan terhadap nilai perusahaan. Hal ini dikarenakan perencanaan pajak yang agresif dapat menyebabkan investor kehilangan kepercayaan sehingga mengurangi minat investasi. Konservatisme akuntansi berpengaruh positif signifikan terhadap nilai perusahaan karena prinsip konservatisme dapat mengurangi konflik keagenan, sehingga memungkinkan investor untuk mengambil keputusan berdasarkan laporan keuangan yang dihasilkan, sehingga memberikan nilai yang tinggi bagi perusahaan. Risiko bisnis berpengaruh positif signifikan terhadap nilai perusahaan. Hal ini dikarenakan perusahaan yang mampu mengelola risiko dengan baik menunjukkan ketahanannya terhadap perubahan pasar dan fleksibilitas, serta kemampuan dalam mengatasi masalah sehingga meningkatkan keyakinan terhadap masa depan perusahaan.

Kata Kunci: Tax Planning, Conservatism Accounting, Business Risk, Company Value.

Articles are accessible:https://ojs.unud.ac.id/index.php/Akuntansi/index

INTRODUCTION

In an era of global economic growth, companies are competing to demonstrate the best performance to maintain their sustainability. The primary goal of companies is to increase their value. Meilany and Hidayati (2020), company value shows the company's performance which can influence perceptions *stakeholders*which causes stock price movements in the capital market. The higher a company's stock price, the higher its value. High company value is the primary goal of company owners because it reflects shareholder well-being through substantial investment returns. Increased investor well-being can attract other investors, which ultimately increases the company's value (Apriantini et al., 2022). High company profits can enhance a company's reputation, reflected in high stock prices. However, declining profits will result in a decline in the company's value, and investors will seek to divert their shares from those deemed to be more valuable.

Corporate value is an important indicator in assessing a company's performance and long-term prospects. In the context of capital markets, corporate value reflects investors' perceptions of a company's financial condition, profitability, governance, and business strategy (Astuti and Fitria, 2019). Therefore, measuring company value is a primary reference for investors in making investment decisions, whether in the form of purchasing shares, bonds, or direct investment. Investors not only look at current profits but also consider how management manages resources, responds to risks, and plans appropriate tax and accounting strategies. Therefore, company value is often used as a projection of potential future returns and investment risks (Risna and Haryono, 2023). The higher the company's value, the greater investor confidence in its stability and growth. Company value is typically measured using indicators such as Tobin's Q, which reflects the efficiency of asset utilization and expectations for future growth. However, this value is not formed automatically; it is influenced by many internal and external factors, such as tax planning, accounting conservatism, capital structure, and management's ability to manage business risks. Therefore, it is important to examine the factors that influence company value in more depth so that investors have an objective basis for making investment decisions. According to Warno and Fahmi (2020) one effective strategy is optimizing tax planning to reduce the tax burden. Therefore, management needs to implement strategic tax planning and avoidance measures, as well as carefully prepare financial reports to support the company's long-term goals.

One way for companies to reduce their tax liabilities without breaking the law is through tax planning. Tax planning is a significant factor influencing a company's value. Pohan (2013) defines tax planning as a series of accounting and financial management strategies for companies to legally minimize their tax burden. Tax planning is an effective effort to reduce the tax burden and is permitted by Indonesian tax regulations (Yuono and Widyawati, 2016). The main objective of tax planning is to minimize the amount of tax payable, so that the company can increase its net profit (Meilany and Hidayati, 2020). Companies that implement optimal tax planning can manage their tax obligations efficiently and increase after-tax profits. This has a positive impact on shareholder welfare, which is reflected in positive company value. Empirical evidence from Bhagiawan and Mukhlasin (2020) shows that firm value is significantly influenced by tax planning.

Similar findings were also reported by Astuti and Fitria (2019); Lestari (2014); Meilany and Hidayati (2020). However, there are other studies that do not find a relationship between tax planning and company value, such as that conducted by Anggraeni and Mulyani (2020); Devi Silvia and Paul (2022); Fadilah and Afriyenti (2020); Romadhina and Andhitiyara (2021).

In addition to tax planning strategies, the practice of conservatism in accounting also influences a company's value. Conservatism in accounting is an approach taken to anticipate uncertainty in the decision-making process by considering worst-case scenarios. This practice results in more reliable earnings reports because it prevents companies from reporting excessive profits and can provide more accurate information to stakeholders, such as investors, who require financial reports to provide information on profits and assets that are not exaggerated. Investors who present financial reports conservatively are less likely to overreact to crises, thereby reducing the risk of panic selling of shares. This helps minimize the decline in company value during times of crisis. Therefore, accounting conservatism is a practice that ensures that financial statements are presented prudently. Previous research on the impact of accounting conservatism on company value, such as that conducted by Rizkiadi and Herawaty (2020); Rosharlianti (2018); Warseno et al. (2022); Zulfiara and Ismanto (2019), shows that accounting conservatism has a positive influence on firm value. However, different results were found in other studies. Ariyantia (2022); Basuki and Siregar (2019); Habibah and Aisyah (2021), which shows that the accounting conservatism variable does not have a significant effect on company value.

In addition, other factors that are also important determinants of a company's value are business risks. Research conducted by Ratri and Christianti (2017) studies show that business risk significantly impacts a company's value. This is because the decisions a company makes are heavily influenced by the level of business risk it faces, which ultimately impacts the company's overall valuation. When establishing and operating a business, it's crucial to be bold and plan your business strategy carefully. Despite careful preparation, unforeseen business risks can sometimes arise. According to Ginting et al. (2020) business risk has a significant impact on various aspects of a company, including its operational activities, its ability to fulfill its responsibilities, investor confidence, and its ability to obtain funding. Every business faces risks as a consequence of its operational activities. Risks include the possibility of negative impacts, reflecting uncertainty and potentially increasing other risks. Identifying risks is crucial for companies to manage them effectively. High levels of risk can limit a company's ability to obtain loans, as companies with high business risk tend to limit their debt to maintain operational continuity and avoid excessive fixed debt burdens (Makmur et al., 2022). Susilo et al. (2018) found that business risk has a negative impact on firm value.

This study aims to uncover how tax management strategies that face numerous business risks while still implementing accounting conservatism will impact company value. The sample of this study is property sector companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2023 period. This study uses property companies because in early January 2022, there was a significant decline in shares in the property sector listed on the IDX, as reported by CNBC Indonesia (2022) table 1 shows that PT Bekasi Asri Pemula Tbk experienced the largest share decline, at -6.45%.

Table 1. Property Stocks in the Red Zone

Issuer	Code	Decline	Price
PT. Pollux Properti Indonesia Tbk	POLL	-5.17%	825
PT. Agung Podomoro Land Tbk	APLN	-4.17%	115
PT. Modern Realty Tbk	MDLN	-1.28%	77
PT. Bekasi Asri Pemula Tbk.	FATHER	-6.45%	87
PT. Alam Sutera Realty Tbk.	ASRI	-1.27%	155

Source: CNBC Indonesia (2022)

Companies that have offered their shares to the public (going public) often focus on increasing company value as their long-term goal. Management plays a crucial role in achieving this goal through strategic decisions that impact the overall value of the business (Risna and Haryono, 2023). According to Warno and Fahmi (2020) one policy that can be implemented is efficiency in tax planning, which helps companies calculate their tax burden. Therefore, it is crucial for management to implement tax planning and tax avoidance to support the achievement of the company's long-term goals.

This study investigates the relationship between tax planning practices and the potential for increased reputational risk and legal uncertainty, as well as how the application of accounting conservatism affects investor confidence in reading financial reports. This study contributes to filling a gap in the existing literature by providing a more specific analysis of the impact of reputation and financial reporting reliability in the property sector. The uniqueness of this study lies in its ability to combine the variables of tax planning, accounting conservatism, and business risk in a comprehensive analytical model that has not been examined in previous studies, thus offering new insights into the interaction between these variables in simultaneously influencing firm value. This study not only enriches the analytical dimension by integrating the three independent variables in explaining the dependent variable, but also helps in understanding the complex dynamics that can affect firm value in a broader context. Based on the background of the phenomena that have been described, this study was conducted because the study year was the period when the COVID-19 pandemic first occurred. Therefore, during the COVID-19 outbreak, property companies will strive to survive by considering factors such as tax planning, accounting conservatism, and business risk to maintain company performance as measured by firm value.

Agency theory discusses the relationship between owners (principals) and managers (agents). In the corporate context, shareholders want management to maximize the value of the company, but there is a potential conflict of interest because managers may make decisions that benefit themselves, not the owners (agents). Jensen and Meckling (1976) based on this assumption, both agents and principals have the potential to act opportunistically, prioritizing their own interests. Shareholders seek maximum profits, in the form of high returns on investment and optimal financial performance, while agents seek compensation, bonuses, and other benefits.

Signaling theory explains that signaling theory considers financial reports as a means of conveying information about company performance (Suryati and

Setyawati, 2024). Financial reports aim to reduce information asymmetry between agents and principals, which investors perceive as a signal, ultimately impacting the company's value. Management communicates and signals through financial reports, applying conservative accounting principles. One way a company sends a positive signal to external parties is through financial reports. The information contained in financial reports serves as a promotional tool to convince investors that the company is superior to its competitors. Signaling theory can also be applied through information on stock prices or the level of profitability of owned assets. A good annual report can present relevant and important information for both internal and external report users. Essentially, a company's value is considered positive if its stock price increases. Signaling theory is designed to help investors make the best decisions to maximize the company's value.

*Tax Planning*aims to reduce the income tax burden that must be paid, thereby increasing after-tax income (Chukwudi et al., 2020). Angelina and Darmawan (2021) defines tax planning as a strategy used by taxpayers, both companies and individuals, to minimize their tax liabilities in accordance with applicable regulations. Tax planning is the act of managing a company's taxation, which involves gathering information, data, tax regulations, and research findings on current tax regulations (Wiharno et al., 2023). Agency theory explains the relationship between company owners and managers who manage the company. This can potentially lead to conflicts of interest because managers do not always act in the best interests of the owners. Tax planning is a management strategy to legally reduce the tax burden, which can increase company profits. If implemented efficiently, tax planning can be a tool to align the interests of agents and principals, as higher profits can increase company value, which is the primary goal of the owners. Research conducted by Astuti and Fitria (2019); Bhagiawan and Mukhlasin (2020); Lestari (2014); Meilany and Hidayati (2020) this indicates that tax planning has a significant positive impact on company value. Therefore, effective tax planning can impact company value by strengthening the company's position in the eyes of investors:

H_1: Tax Planning has a positive effect on Company Value

Signaling theory explains that company management will send signals to external parties (investors, creditors, and the market) through financial information to indicate the company's condition and prospects. The goal is to reduce information asymmetry between managers and external parties.When a company implements accounting conservatism, it is seen as a positive signal that management is careful, honest, and non-manipulative in presenting financial reports. Investors and creditors will perceive the company as more reliable and trustworthy, thus reducing information risk. Research conducted by Rizkiadi and Herawaty (2020); Zulfiara and Ismanto (2019) shows that accounting conservatism has a positive influence on company value because it produces financial reports with more integrity (Ajiza and Mar'ah, 2018; Mufida et al., 2020; Yuwono et al., 2024). With reliable information and greater transparency, the market tends to respond positively. This increases investor confidence, potentially increasing stock prices and company value.

H_2: Accounting Conservatism has a positive effect on Company Value

Signaling theory states that internal parties in a company (management) have more complete information about the company's condition than external parties (Alamsyah and Malanua, 2021). Therefore, management provides signals through specific policies or actions so that investors can more accurately assess the company's prospects and risks. Business risk is the potential uncertainty regarding a company's operating profit caused by fluctuations in sales, costs, or the business environment. High business risk can reduce a company's value by increasing uncertainty for investors. According to the opinion ofArfan et al. (2017); Wiksuana (2016) there is a relationship between business risk and returns. The greater the desire for high returns, the greater the risk faced. Business risk has a positive and significant impact on company value. Similarly, Alamsyah and Malanua (2021) also found that business risk has a positive impact on firm value. Increasing business risk leads to increased firm value. Higher rates of return can offset higher interest costs resulting from the use of company funds. Shareholders and potential investors expect high returns, which encourages them to compete to purchase company shares.
H_3: Business Risk has a positive effect on Firm Value

RESEARCH METHODS

This study uses secondary data as its data type and source. Secondary data, in the form of records, documents, and historical reports contained in annual financial reports, were selected because they can expedite and simplify the research process. This study used a population of all companies listed on the Indonesia Stock Exchange (IDX) that have published annual financial reports for the years 2020-2023. The sampling method used was purposive sampling. 1) Companies listed on the Indonesia Stock Exchange (IDX) until December 31, 2023. 2) Companies operating in the property sector that have published audited annual financial statements until December 31, 2023. 3) Companies that published annual reports consecutively during the 2020-2023 period. 4) Companies that did not experience losses.

Tobin's Q is used to measure company value. Tobin's Q is an indicator that reflects a company's value, measured by dividing the sum of equity market capitalization plus the book value of debt (short-term and long-term debt) by the company's total assets. The formula for calculating Tobin's Q is as follows (Mediyanti et al., 2021):

$$\text{Tobin's Q} = \frac{\text{Market Value of Equity + Total Debt}}{\text{Total Assets}} \quad \text{......(1)}$$

Tax planning variables are measured using the Tax Retention Rate (TRR). TRR is a measure of the effectiveness of tax management in a company's financial statements. A higher TRR indicates a more effective company's tax planning. Conversely, a lower TRR indicates less effective company tax planning. Widiyati and Lukmana (2024) explains the TRR measurement as follows:

$$\text{TRR} = \frac{\text{Net Income}}{\text{Pretax Income (EBIT}} \quad \text{......(2)}$$

Watts (2003) accounting conservatism is defined as the application of the principle of prudence in preparing financial statements. This principle requires companies to be slow in recognizing or valuing assets and profits, but to promptly record losses and liabilities.

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CONACC = $\frac{\text{NIO+Dep}-\text{CFO x }(-1)}{\text{Total Asset}}$..(3)

According to Wirjawan (2022), business risk occurs when a company has difficulty covering its operational costs due to uncertainty in the cost of goods sold or earnings before interest and taxes (EBIT). The measurement of the "business risk" variable in this study refers to the method used by Suadnyana and Wiagustini (2017).

Business Risk = $\frac{\text{Earnings Before Tax}}{\text{Total Asset}}$..(4)

In this study there are control variables of company size and *Debt to Equity Ratio* (DER). This study uses control variables because these control variables significantly influence company value. Company size reflects the scale of the business based on total assets calculated using the formula (Bagaskara et al., 2021):

Size = Log (Total Assets)………………………………………………………(5)

A company's debt-to-equity ratio, or leverage, can be measured using the Debt to Equity Ratio (DER). DER indicates how much of a company's capital comes from debt. Harahap (2010), the formula for calculating DER is:

DER = $\frac{\text{Total Debt}}{\text{Total Equity}}$...(6)

Data analysis in this study was conducted using descriptive statistics, classical assumption testing, and hypothesis testing. The entire analysis process was computer-assisted using Stata software version 16.0. The formula used to test the effect of the independent variables on the dependent variable is:

NP = $\alpha + \beta_1$ TP + β_2 CA + β_3 RB + β_4 SIZE + β_5 DER + e ....(7)

Information :

NP = Firm Values
TP = *Tax Planning*
CA = *Conservatism Accounting*
RB = Business Risk
SIZE = Company Size
DER = *Debt Equity Ratio*
α = *Constant*
β_1-β_5 = Regression coefficient
e = *error terms*

RESULTS AND DISCUSSION

The sample determination in this study used a purposive sampling method. The sample selection method was based on the following established criteria:

Table 2. Sample Selection Criteria

No	Criteria	Amount
1	Companies listed on the Indonesia Stock Exchange (IDX) until December 31, 2023.	945
2	Companies operating in the non-property sector	(902)
3	Companies that publish annual reports consecutively during the period 2020-2023.	(4)
4	Companies that experience losses	(8)
Number of samples		31
Year of research		4
Total data		124

Source: Research Data, 2025

The descriptive statistical results of the variables company value, tax planning, accounting conservatism, business risk, company size, debt equity ratio are as follows:

Table 3. Descriptive Statistical Analysis

Variables	Sample	Mean	Std Dev	Min	Max
Company Values	124	0.437	0.389	0.043	2,264
Tax Planning	124	0.997	0.142	0.516	2,162
Conservatism Accounting	124	0.084	0.164	-0.073	0.927
Business Risk	124	0.009	0.064	-0.370	0.201
Company Size	124	9,784	0.684	8,129	10,824
Debt Equity Ratio	124	0.875	0.914	0.019	4,991

Source: Research Data, 2025

The company's value shows*mean*of 0.437. This indicates that the average company value is 43.70%, so property companies are considered undervalued.*Tax Planning*As measured by TRR, the average was 99.70%. A high TRR indicates high tax planning, which means that a company's tax planning is increasingly effective. Conservatism Accounting showed an average of 8.4%, indicating that many companies have a prudent principle in preparing financial reports. Business risk showed an average of 0.9%.

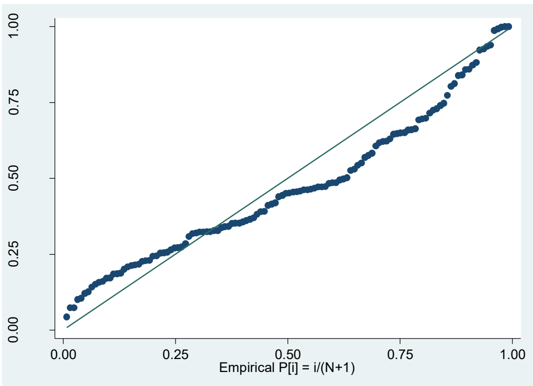

Figure 1. Normality Test

Source: Research Data, 2025

The results of this study show that the normality is normal.

Table 4. Multicollinearity Test Results

Variable	VIF	*Tolerance*
Tax Planning	1.02	0.982
Conservatism Accounting	1.18	0.848
Business Risk	1.24	0.807
Company Size	1.47	0.681
Debt Equity Ratio	1.44	0.694

Source: Research Data, 2025

The results of the multicollinearity test produced VIF values for the three variables <10 so that the variables of company value, tax planning, accounting conservatism, and business risk did not experience multicollinearity.

Table 5. Heteroscedasticity Test Results

Variable	Coef	Std. Error	P>|t|
Tax Planning	-0.202	0.142	0.158
Conservatism Accounting	0.408	0.132	0.103
Business Risk	0.161	0.351	0.647
Company Size	-0.054	0.035	0.129
Debt Equity Ratio	-0.013	0.026	0.621

Source: Research Data, 2025

The results of the heteroscedasticity test show that the significance value of the three variables is > 0.05, so that the variables of company value, tax planning, accounting conservatism, and business risk are free from heteroscedasticity.

Table 6. Results of Multiple Linear Regression Analysis

Variables	Coefficient	Sig.	Information
Constant	1,148		
Tax Planning	-0.098	0.640	Rejected
Conservatism Accounting	0.930	0,000	Accepted
Business Risk	1,992	0,000	Accepted
Company Size	-0.064	0.025	
Debt Equity Ratio	-0.097	0.014	
F Count	3,4000	0,000	
R Square	0.316		
Adjusted R Square	0.287		
Std Error	0.054		
Dependent variable	Company Values		

Source: Research Data, 2025

The multiple linear regression equation is as follows:

$$NP = 1.148 - 0.098\ TP + 0.930\ CA + 1.992\ RB - 0.064\ SIZE - 0.097\ DER + 0.054$$

The regression coefficient for tax planning is -0.098, meaning that if tax planning increases, the company's value will decrease by 9.8%. The regression coefficient for accounting conservatism is 0.930, meaning that if accounting conservatism increases, the company's value will increase by 93%. The regression coefficient for business risk is 1.992, meaning that if business risk increases, the company's value will increase by 199.2%.

The coefficient of determination (R Square) of 0.316 indicates the variability of tax planning, accounting conservatism, business risk, company size, debt equity ratio to company value of 31.6%, meaning that there are other factors not included in the model of 68.4%. The Adjusted R Square value of 0.287 indicates that the variables of tax planning, accounting conservatism, business risk, company size, debt equity ratio can explain the company value variable of 28.7% while the remaining 71.3% is influenced by other factors.

The first hypothesis showsThe study found that tax planning had no effect on company value, with a significance level of 0.640. This is because tax savings can lead to dangerous risks such as tax audits, penalties, or a bad company reputation. Meanwhile, an excessive focus on tax planning neglects other important elements that increase company value, such as business innovation, operational efficiency, and customer loyalty. Furthermore, investors are more motivated by anticipating long-term sustainability than by short-term profits, such as tax savings. Agency theory posits a conflict of interest between company owners (principals) and managers (agents). Managers are tasked with managing the company and are expected to make decisions to maximize company value, including through strategies such as tax planning. However, in reality, tax planning does not always impact company value. This is because management has more information than investors, and if investors do not understand the tax planning strategies being implemented, or if the planning is not communicated transparently, the benefits are not perceived as added value by the market. The results of this study align with those conducted by Anggraeni and Mulyani (2020); Devi Silvia and Paul (2022); Fadilah and Afriyenti (2020); Romadhina and Andhitiyara (2021).

The second hypothesis states Accounting conservatism has a significant effect on company value with a significance value of 0.000, meaning that accounting conservatism has a significant positive effect on company value. This is because the principle of conservatism or prudence can reduce agency conflicts between shareholders and management because management or agents have taken prudent steps to prevent actions that could increase the company's assets and income. Thus, opportunistic steps taken by managers for personal gain can be avoided. Implementing a high level of verification in providing good information to investors and other users of financial statements is known as accounting conservatism. Conservative accounting principles used in financial statements are considered good by investors because they reflect that management or agents have acted prudently to prevent the waste of company assets and income. A good signal from investors can increase company value, as seen in its stock price in the capital market. According to signaling theory, accounting conservatism is a form of signal that management is careful and honest in conveying financial information. This creates market trust and has a positive effect on company value, because investors are more confident in the quality of information and the company's long-term prospects. According to Zulfiara and Ismanto (2019), accounting conservatism produces better and less overstated financial reports, which leads investors to place a high value on the company. The results of this study, as conducted by Rizkiadi and Herawaty (2020); Rosharlianti (2018); Warseno et al. (2022); Zulfiara and Ismanto (2019), shows that accounting conservatism has a positive influence on firm value.

The third hypothesis states The results show that business risk has a significant positive effect on firm value, as the coefficient and significance values are 1.992 and 0.000, respectively. A significance value of 0.000 indicates that H1 is supported, meaning that business risk has a significant positive effect on firm value. This is because companies that can manage risk effectively demonstrate resilience to market changes and are adaptive. Investors consider this an indicator of resilient management and the ability to face challenges. This increases their confidence in the company's future. Measurable risk is also often associated with higher growth potential, which can increase profit potential and attract investor interest. According to signaling theory, management that is able to disclose and manage business risks transparently will send a positive signal to investors. This signal reduces uncertainty and improves market perception, which ultimately has a positive effect on firm value. The results of this study are consistent with research conducted by Ginting et al. (2020); Irawati & Komariyah, (2019) which reports that business risk has a positive influence on firm value

CONCLUSION

The results of the study show that*tax planning*does not significantly impact company value. This could imply that the company's tax planning strategy tends to be aggressive, thus creating high tax risks. This strategy creates uncertainty and negative perceptions among investors, as it is perceived as being non-transparent or potentially facing legal issues in the future. As a result, investors may lose confidence in management, leading to a decline in investment interest and the company's stock value. Conversely, accounting conservatism has been shown to have a significant positive effect on company value. The application of the principle of conservatism indicates that management has taken prudent and realistic steps in presenting financial statements, thereby mitigating agency conflicts. Investors tend to give higher ratings to companies that implement conservatism because the financial information presented is perceived as more reliable and less subject to manipulation. Furthermore, business risk also has a significant positive effect on company value. This suggests that companies that are able to manage risk well are perceived as having resilience to market changes, operational flexibility, and the ability to resolve problems effectively. Investors perceive this as a positive signal, which increases confidence in the company's future prospects and ultimately contributes to increased company value..

This study has several major limitations, primarily due to its focus on companies in the property subsector listed on the Indonesia Stock Exchange. Businesses in the property subsector have their own unique characteristics, such as significant year-to-year fluctuations in financial reports, which can impact the consistency of measurement of variables such as tax planning, accounting conservatism, and business risk. Furthermore, it is recommended to add other relevant variables, such as profitability, audit quality, institutional ownership, or Corporate Social Responsibility (CSR), to enrich the research model and increase the robustness of the findings. Future research could also consider using a mixed methods approach by incorporating interviews or qualitative analysis to gain a deeper understanding of management strategies in responding to risk, developing tax planning, and implementing conservative principles in financial reports.

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