

**THE INFLUENCE OF TAX PLANNING AND EARNINGS  
MANAGEMENT TO THE INFORMATION CONTENT OF  
BOOK INCOME AND TAXABLE INCOME IN INDONESIA**

**SUBMITTED TO FULFILL A PART OF REQUIREMENTS  
TO OBTAIN ACCOUNTING BACHELOR TITLE  
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SURABAYA**

**2016**

**THESIS**

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INFORMATION CONTENT OF BOOK INCOME AND TAXABLE INCOME IN  
INDONESIA**

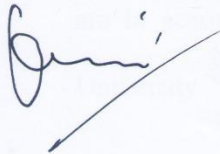
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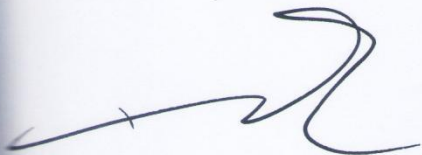
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### THESIS ORIGINALITY STATEMENT

I (Hermeidiansyah 041113191), state that:

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Surabaya, 16 February 2016



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## FOREWORDS

Biggest Thanks to Allah SWT for His Grace that the writer can finish this thesis which is called “The Influence of Tax Planning and Earnings Management to the Information Content of Book Income and Taxable Income in Indonesia”, as one of the prerequisite for obtaining the title of Bachelor of Accounting (S.A) in the Accounting Department, Economic and Business Faculty of Airlangga University.

The writer realizes that this thesis is far from perfect, and the writer hopes for the critiques and suggestions for this thesis from all parties, so this thesis can be improved to be better and closer to perfection.

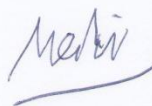
There are many helps that the writer obtain from many parties, so in this occasion, the writer would like to thank many parties for their help in conducting the writing for this thesis, either materially, or morally, and directly, or indirectly, in highest regards:

1. Prof. Dr. Dian Agustia SE., M.Si., Ak as the Dean of Economic and Business Faculty, Airlangga University, and First Vice Dean, Second Vice Dean, and Third Vice Dean of the Economic and Business Faculty, Airlangga University.
2. Ade Palupi, SE., MPPM., Ph.D., Ak. as Head of Accounting Study Program of Economic and Business Faculty, Airlangga University.

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As a foreword, the writer hopes that the writing that have been expressed in this thesis can be beneficial for all people.

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## ABSTRACT

This research analyzes the comparison between information content of book income and taxable income between the companies which exhibit high tax planning, with other companies, and between the companies which exhibit high earnings management, with other companies, and the joint influence of tax planning and earnings management, using current effective tax rate for the tax planning variable, Modified Jones model for the earnings management variable, and buy-and-hold market-adjusted return for the information content of earnings variable.

The population of this research are the manufacturing companies that are registered in Indonesian Stock Exchange and publicly traded their stocks, and the sample of this research are 157 samples which are gathered from 59 public companies that are registered in the year 2012 to 2014 and publicly traded their stocks at that period.

The result of this research is that companies with high tax planning maintain lower information content of book income and higher information content of taxable income compared to other companies, companies with high earnings management maintain higher information content of book income and lower information content of taxable income compared to other companies, and that tax planning and earnings management are jointly affecting the information content of earnings.

Keyword : Tax Planning, Earnings Management, Information Content of Earnings, Book Income, Tax Income.

**TABLE OF CONTENTS**

	<b>Page</b>
TITLE PAGE .....	i
APPROVAL PAGE .....	ii
THESIS ORIGINALITY STATEMENT .....	iii
FOREWORDS .....	iv
ABSTRACT .....	vi
TABLE OF CONTENTS .....	vii
TABLE LIST .....	xi
GRAPH AND PICTURE LIST .....	xii
ATTACHMENT LIST .....	xiii
<b>CHAPTER I INTRODUCTION.....</b>	<b>1</b>
1.1 Problem Background.....	1
1.2 Problem Statement .....	9
1.3 Research Goals.....	9
1.4 Research Benefits.....	10
1.5 Research Systematics .....	10
<b>CHAPTER II LITERATURE REVIEW.....</b>	<b>13</b>
2.1 Theoretical Basis .....	13
2.1.1 Agency Theory.....	13
2.1.2 Positive Accounting .....	15

2.1.3	Income Tax.....	17
2.1.4	Tax Planning.....	21
2.1.5	Earnings Management.....	25
2.1.6	Book Income & Taxable Income.....	28
2.1.7	Information Content.....	31
2.2	Previous Researches.....	32
2.3	Hypothesis Development.....	37
2.3.1	The Influence of Tax Planning to the Informational Content of Book Income and Taxable Income.....	37
2.3.2	The Influence of Earnings Management to the Informational Content of Book Income and Taxable Income.....	38
2.3.3	The Joint Relationship between Tax Planning and Earnings Management to the Information Content of Earnings.....	39
2.4	Conceptual Framework.....	40
<b>CHAPTER III RESEARCH METHOD.....</b>		<b>42</b>
3.1	Research Approach.....	42
3.2	Variable Identification.....	42
3.3	Operational Definition of Variables.....	43
3.3.1	Tax Planning.....	43
3.3.2	Earnings Management.....	44
3.3.3	Information Content of Earnings.....	45
3.4.	Data Source and Type.....	46
3.5	Population and Sample.....	47



3.6	Data Collecting Procedure .....	48
3.7	Data Analysis .....	49
<b>CHAPTER IV RESULTS AND DISCUSSIONS .....</b>		<b>53</b>
4.1	Description of Research Subject and Object.....	53
4.2	Descriptive Statistics.....	55
4.2.1	Tax Planning .....	55
4.2.2	Earnings Management.....	56
4.2.3	Information Content of Earnings.....	57
4.3	Result of Model Analysis.....	58
4.3.1	Classical Assumption Test.....	58
4.3.2	Multiple Linear Regression Analysis.....	62
4.4	Hypothesis Development .....	65
4.4.1	The Influence of Tax Planning to the Informational Content of Book Income and Taxable Income .....	65
4.4.2	The Influence of Earnings Management to the Informational Content of Book Income and Taxable Income .....	66
4.4.3	The Joint Relationship between Tax Planning and Earnings Management to the Information Content of Earnings.....	67
<b>CHAPTER V CONCLUSIONS AND SUGGESTIONS.....</b>		<b>68</b>
5.1	Conclusions.....	68
5.2	Suggestions.....	69
<b>BIBILOGRAPHY .....</b>		<b>71</b>
<b>ATTACHMENTS.....</b>		<b>74</b>

## TABLE LIST

Table 1.1	Total Realization of National Income Year 2010-2014.....	2
Table 2.1.	Previous Researches.....	35
Table 4.1	Sample Choice Procedures.....	53
Table 4.2	Descriptive Analysis of the Tax Planning Independent Variable.....	54
Table 4.3	Descriptive Analysis of the Earnings Management Independent Variable.....	55
Table 4.4	Descriptive Analysis of the Information Content Dependent Variable..	56
Table 4.5	First Kolmogorov-Smirnov Test.....	58
Table 4.6	Second Kolmogorov-Smirnov Test.....	59
Table 4.7	Autocorrelation Test.....	60
Table 4.8	Variance Inflation Factor Test.....	60
Table 4.9	Heteroscedasticity Test.....	61
Table 4.10	Multiple Linear Regression Analysis.....	62
Table 4.11	ANOVA Test.....	67

**GRAPH AND PICTURE LIST**

Picture 2.1 Conceptual Framework.....41



**ATTACHMENT LIST**

Attachment 1 List of Observed Companies .....

Attachment 2 List of Data Gathered .....

Attachment 3 Result of Data Analysis .....

