

## ABSTRACT

*This study aims to determine the effect of tax planning with effective tax rate (ETR) and corporate governance mechanisms to proxy institutional ownership, managerial ownership, independent board (independent board) and board size (board size) against the value of the company. Objects in this study is a manufacturing company that is listed on the Indonesia Stock Exchange during the years 2010 to 2012. Based on purposive sampling method, acquired 83 companies in the sample, resulting in 249 observations during 3 years of observation. The analytical tool used was the Statistical Package for the Social Sciences (SPSS) version 16.0 .*

*Based on the analysis that had been done, the result that tax planning with effective tax rate (ETR) did not significantly affect the firm value. The mechanism of corporate governance and institutional ownership to proxy independent board (independent board) and a significant positive effect on firm value, the size of the board of commissioners (board size) and a significant negative effect on firm value, while managerial ownership does not significantly affect the firm value. Control variable is return on equity (ROE) and firm size (size) and a significant positive effect on firm value, while negative and significant leverage effect on firm value.*

*Keywords : Firm Value (Tobins'Q), Tax Planning (Effective Tax Rate, Corporate Governance Mechanisms*