



## ABNORMAL RETURN AND TRADING VOLUME OF ACTIVITY ANNOUNCEMENT IN PROPERTY TAX AMNESTY IN INDONESIAN

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### Abstract

This study aims to analyze the impact of the tax amnesty announcement for 3 periods in Indonesian, namely in period 1 (28 June 2016-30 September 2016), period 2 (1 October 2016-31 December 2016) and period 3 (1 January 2017-31 March 2017). This study included 46 property companies listed on the Indonesian Stock Exchange. The data analysis technique used were event study to calculate the abnormal return and trading volume activity which was paired sample t-test. The results showed that there was no significant difference in abnormal return and trading volume activity before and after the tax amnesty announcement. This indicates that investors as capital market players consider this announcement information does not contain meaningful information for investors, hence, investors in the capital market do not react.

**Keywords:** tax amnesty, abnormal return, trading volume activity, event study

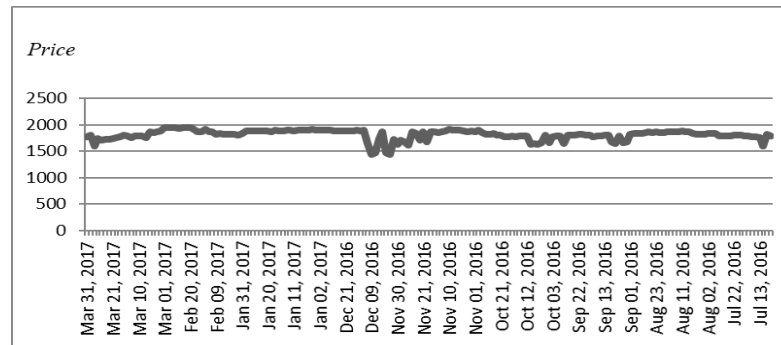
## 1.0 INTRODUCTION

The number of taxpayers in Indonesia which is registered in the system of tax administration directorate-general in 2015 reached 30,044,103 taxpayers. This amount consists of corporate taxpayers 2.472.632, 5.239.385 individual taxpayers, non-employees, and 22.332.086 individual taxpayer employees. This figure is quite alarming given according to data from the Central Statistics Agency (BPS) to the year 2013 the population of Indonesian who work reached 93,72 million people. That is only about 29,4% were enrolled or registered as a taxpayer.

The low awareness of the taxpayer makes the government to make efforts so that people are encouraged to report and pay taxes. The effort is to implement tax amnesty, which was carried out in three periods during nine months. The 1 period (28 June 2016 - 30 September 2016), the 2 period (1 October 2016 - 31 December 2016) and the 3 period (1 January 2017 - 31 March 2017). Tax Amnesty is the Indonesian government's decision which has been endorsed by President Joko Widodo and after obtaining the approval of the legislature. The goal is to improve tax compliance, encourage government tax revenue, and encourage the return of state assets are abroad to return to Indonesian.

This tax amnesty is considered to be able to repatriate Indonesian money with an estimated 400 trillion rupiah, equivalent to \$ 303 billion dollars, which are hidden in foreign tax heaven such as Singapore, London, Panama, Hong Kong and the Virgin Islands. Tax amnesty is a solution from the government in order to increase compliance, tax revenue and return of Indonesian assets stored abroad implementation of the tax amnesty have an impact on some sectors in Indonesian, one of the property sector in Indonesian.

The impact of the tax amnesty announcement to the stock index indicated by the change in the market price and trading volume when the ongoing tax amnesty as an indicator of the stock trading activities. The movement we can see in the image below:



Source: ([www.finance.yahoo.com](http://www.finance.yahoo.com), 2019)

**Figure 1. Composite Stock Price Index Property Sector**

From Figure 1 above can be seen a decrease in the price when newly enacted tax amnesty which in June to the month of July. In the next period occurred fluctuating stock prices in November-December. The average share price back to reveal the lines are not too volatile in the next period. The occurrence of fluctuating prices for their political policy which is one of the external factors affecting the capital markets in Indonesian (Hartono, 2016). One possibility which indicates the fluctuation is the implementation of the tax amnesty in Indonesian.

Tax amnesty is one of the first event organized by the state to assist countries in the process of tax collection by the people or companies that funds for the country in the future will increase. Therefore, to give depth to the business tax amnesty previously established without tax reports will be able to report the tax. However, this will have an impact on the level of consumerism in the society, which can decrease or increase the purchasing power of the community or company. One of these sub-sectors in the field of property and real estate, where we know the sub-sector property and real estate is a good investment and will continue to increase the price that will be comparable to the tax paid.

The market reaction indicated that the stock price changes can be measured by event study. The use of 5 days before and after the announcement tax amnesty meant to be able to describe the actual investor reaction. It is expected that by taking 5 days before and after do not contaminated by the effects of other events such as stock splits, dividend announcements and other events (Chandra, 2015). Market reaction can be known from the change in the stock price (closing price) listed on the exchange, with indicators of abnormal return and trading volume activity. Abnormal return is the difference between the expected profit rate with the actual rate of profit. An announcement can be said to contain provide information if the abnormal return on the market. Instead, announcement that do not contain that information is not giving abnormal return on the market (Hartono, 2016). While Trading Volume Activity is an instrument used to see the reaction of capital markets on the movement of information through parameter activity in the stock market trading volume (Suryawijaya & Setiawan, 1998). The trading volume is high on a securities would result in a high return stock (Chordia & Swaminathan, 2000).

Research conducted by (Pagano, Panetta, & Zingales, 1998; Peterson, 1989; Kuwornu, 2012; Kim, Kitsabunnarat, & Nofsinger, 2004) showed that there were differences of abnormal return and trading volume activity before and after the announcement was made. While the results of research conducted by (Chandra, 2015; Momani & Alsharari, 2011; Nelson, 1976) showed no difference in abnormal return and trading volume activity significantly before and after the announcement was made.

Based on the description above, the problem in this research is whether there is a difference of abnormal return and trading volume activity before and after the announcement tax amnesty periods 1, 2 and 3 on company property sector in Indonesian. While the purpose of this study was to analyze the difference of abnormal return and trading volume activity before and after the announcement tax amnesty periods 1, 2 and 3 on company property sector in Indonesian.

## Literature Review

### 1. Agency Theory

Agency problems was initially explored by (Ross, 1973), while the detailed theoretical exploration of agency theory was first expressed by (Jensen & Meckling, 1976) mentions a company manager as agent and principal shareholder. Shareholders, who are the principal delegate business decision-making to the manager who is a representative or agent of the shareholders. The problems that arise as a result of the ownership system of a company like this are that agents do not always make decisions that aim to fulfill the principal's best interests.

Between agent and principal problems arise in the context when the principal does not know exactly what was done by the agent, whether in accordance with the goals of the principal or not. In the sphere of microeconomics, this problem is generally associated with the world of business when the owners delegate authority to the manager to work effectively (Ebrahim, 2003). From this perspective of accountability can be defined as the right of the principal to obtain an explanation of the agent and the right to impose sanctions if the agency does not meet the wishes of the principal.

There are several alternatives when there is a problem the agency that caused the inequality of interest between principal and agent, which improves performance based compensation by giving reward to the agent in order to work optimally and to supervise the activity of the agent through monitoring reports and disclosures required (Eisenhardt, 1989; Jensen & Meckling, 1976).

## 2. Signaling Theory

Signaling theory was first introduced by (Spence, 1973). (Spence, 1973) suggested that in the market always the case of asymmetric information, so Spence made a signal to strengthen the criteria for decision-making in the employment in the company. The signal in the form of educational background, work experience, race, gender, and personality. The criteria are based on an uncertainty about the ability of employee productivity.

Spence signaling models developed by (Leland & Pyle, 1977). They say that the asymmetry of information between the two parties, namely the party inside the company and outside the company. Investors will invest when getting a signal related to information about the company, the signal could be the payment of dividends, earnings announcements, and so on. According to (Morris, 1987), signaling theory shows how the problem of asymmetric information in the market can be reduced by providing more information signals to the other party. Asymmetric information in the stock market occur because the company (management) has more information than the parties outside the company (investors).

The information published as an announcement will give a signal to investors in making investment decisions. If the announcement contains a positive value, it is expected that the market will react when the announcement was welcomed by the market. At the time the information was announced and all market participants have received such information, market participants must first analyze and interpret this information as a good signal (good news) or poor signal (bad news). If the announcement after the analysis of such information as a good signal for investors, then there is a change in the volume of stock trading. One type of information released by the company that can be a signal to parties outside the company, especially for investors is the annual report. The information disclosed in the annual report may include accounting information that is information relating to the financial statements and non-accounting information that is information relating to the financial statements. The annual report should contain relevant information and disclose information that is considered important to be known by both parties to report users or external parties.

The main benefit of this theory is the accuracy and timeliness of financial statements to the public is a signal of the company will be the information useful in decision-making needs of investors.

## 3. Theory of Market Efficiency

According to the concept of an efficient market, the market is said to be efficient when the prices formed on the market is a reflection of the existing information (Fama, 1970). Form of market efficiency can be seen from the availability of information or can be seen also from the sophistication of market participants in decision making. (Scott, 2010) suggests that the market efficiency from the point of information called the efficiency of market information, while market efficiency terms of the sophistication of market participants in making decisions based on the information available so-called market efficiency in the decision.

The main key to measure the efficient markets is the relationship between the security price information. (Scott, 2010; Fama, 1970) present three forms of market efficiency in information: first, a weak form of market efficiency. If prices of securities fully reflect the information past the market is said to be efficient in a weakened form. Second, market efficiency semi strong form. If the security prices fully reflect all the information published includes information that is in the financial statements of listed companies, the market is said to be in a semi-strong efficiency. Third, the strong form of market efficiency. If the security prices fully reflect all available information, including information that is private then the market is said to be efficient in strong shape.

## 4. Overreaction Theory

According to (Daniel, Hirshleifer, & Subrahmanyam, 1998) overreaction theory is the theory that describes the condition of a reactive investor in the face of an information. Investors will soon take action in order to benefit from the good news or perform the anticipation of bad news. But the tendency of investors will react to the good news and the bad news is exaggerated. This excessive reaction resulted in the stock price becomes too high or vice versa stock prices will be too low. In fact, if the market is experiencing overreaction, investors can take advantage of positive abnormal returns if investors can do two things: identifying extreme events is able to determine when the market price conditions will have experience overreaction and when to turn out to be normal again (Fabozzi, 1999).

Overreaction phenomenon usually occurs as investors weigh the price is too high on the good news and instead set the price too low on news that judged bad. In the end, stocks that perform well at a certain time can be a bad performance in the future (Fischer & Jordan, 1995). Strategic investors are buying shares immediately when an identified presence of extreme events that are positive. Then sell back before the market correction due to overreaction. Conversely, if identified any negative extreme events, investors can short sell and buy back before the correction overreaction (Chandra, 2015). In the development of (Howe, 1986; Brown, Harlow, & Tinic, 1988) found that excessive reactions occur much information as feedback occurs negative or bad news circulating. It is also supported by (Pinilih, 2012) which says that in general the market is shown exaggerated reaction when receiving bad news while the good news requires time for adjustment. Therefore, this study will explore the phenomenon of excessive reaction on different types of information.

## 5. Tax Amnesty

According to (Malherbe, 2011) tax amnesty is the ease of paying taxes in exchange for their forgiveness of tax liability, abandonment of criminal charges and taxes or restrictions for tax audit at a certain period. Meanwhile, according to the Law of the Republic of Indonesian Number 11 year of 2016, tax amnesty is the elimination of the tax owed should not be sanctioned tax administration and criminal sanctions in the field of taxation, by uncovering treasures and pay the ransom as stipulated in this law.

## 6. Return Shares

In investing in stocks, investors always expect their return or profit. Stock return is the rate advantage enjoyed by an investor on an investment does (Ang, 2010). Capital gains are profits earned due to the difference of the selling price and purchase price of an investment instrument. Capital gain or capital loss is highly dependent on stock trading that would lead to changes in the value of an investment.

Realized returns are returns that have occurred and calculated based on the historical stock price data. Return realization would be useful to measure the performance of the company and serve as the primary measure of expected return.

Return realization is the sum of capital gains yield and dividend yield (Brigham & Daves, 2004). Return can be a return realization has occurred or return expectations that have not occurred but that is expected to occur in the future (Hartono, 2016). Return realization is the return that has occurred and is calculated based on historical stock price data. Return realization would be useful to measure the performance of the company and serve as the primary measure of expected return. Return realization is the total return of the share price (capital gain yield) and the return of the dividend (dividend yield).

### 7. Abnormal Return

(Brown et al., 1988) estimate the expected return using a model of mean-adjusted model, market model, and market adjusted model. According to (Hartono, 2016) study analyzing the return of abnormal events of securities that may occur around the announcement of an event such as the uncertain political atmosphere. Abnormal return is the difference between actual returns that occurred with the return expectations.

### 8. Trading Volume Activity

According (Ghoniayah, Mutamimah, & Widayati, 2008) Trading Volume Activity an instrument that can be used to see the reaction of capital markets on a movement parameter information through the stock trading volume activity in the stock market. The information contained in the capital markets could affect investors in making decisions. (Kim et al., 2004) concluded that trading volume is a function of the increase of the absolute price changes, which reflect price changes in the level of information. The weight difference is public information, may result in changes in investor confidence, thus resulting in stock trading. The volume of stock trading is the trading activity that occurs at a certain time which is obtained by comparing or split between shares traded with shares circulating on the stock exchange. Changes in stock trading volume in the stock market shows trading activity on the exchange and reflects the investment decisions of investors. The trading volume of activity is used to see whether individual investors assess the announcement informative. So it can be said that information can affect an investment.

## 2.0 METHODOLOGY

### 1. Types and Sources of Data

Data used is secondary data. Data shares of companies listed on the Stock Exchange of Property Sector in Indonesian. Source of data derived from the record share price movement and realestate properties obtained from the site [www.idx.co.id](http://www.idx.co.id) that includes the highest price, the lowest price and the closing price.

### 2. Population and sample

The population in this study are all companies listed on IDX property sector that consists of 46 companies. While the sampling method using saturated sample. Saturated sample issampling technique when all members of the population used as a sample (Sugiyono, 2012). Thus, the number of samples used as many as 46 company property sector.

### 3. Event Study

According to (Peterson, 1989), the event study is an observation of the movement of shares in the capital markets to determine whether there is abnormal return obtained by shareholders as a result of a particular event. Event study can be used to measure the information content of an announcement. According to (Hartono, 2016) window period is the period of occurrence of events and their effects. While the estimated period is the period before the event period. (MacKinlay, 1997) mentions that the usefulness of event study is to provide rationality within the market, that the effect of an event will soon be quickly reflected in the price of a securities in the capital market. In general, event study is a method to measure the effect of a particular event on the value of a company which is reflected in the changes in prices and trading volume activity in the capital market. Good news will be responded positively by the market as reflected by the existence of positive abnormal returns, as well as the existence of negative abnormal returns (Tandelilin, 2010).

According (Hartono, 2016) window period or window events is the period of occurrence and impact. While the estimation period is the period before the event period.

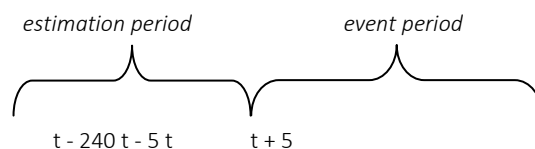


Figure 2. Estimation and Event Period

From the above figure can be seen that the estimation period starting from 5 days before and 5 days after the event, where the 240 day study stock / 1 year before the announced period of 1,2 and 3 on tax amnesty. The use of a 5-day period before and after the announcement of 1, 2 and 3 on the tax amnesty. Intended to be able to describe the actual investor reaction. If the time taken is too long, it is feared the influence of other events that would affect the study. It is expected that by taking a 5-day period before and after the announcement of 1,2 and 3 on the tax amnesty. Not contaminated by the effects of other events such as stock splits, dividend announcements and other events.

#### 4. Variable Operational Definition

##### a. Actual Return

That is the stock's closing price minus the t period's closing stock price of period t-1 and then divided by the closing share price of period t-1 (Chandra, 2015):

$$R_{it} = \frac{P_t - P_{t-1}}{P_{t-1}}$$

$R_{it}$  : Stock return i in period t

$P_t$  : Closing price in period t

$P_{t-1}$  : Closing price in period t-1

##### b. Market Return

There is the closing price of the stock price index period t minus the closing price of the stock price index period t-1 and then divided by the closing price of the stock price index period t-1 (Chandra, 2015):

$$R_{mt} = \frac{IHS G_t - IHS G_{t-1}}{IHS G_{t-1}}$$

$R_{mt}$  : Expected return for stock i on day t

$IHS G_t$  : Composite stock price index on day t

$IHS G_{t-1}$  : Stock price index on the previous day

##### c. Expected Return

There is an estimate expected to be received investor over a period of time in the future (Chandra, 2015):

$$E(R_{it}) = \alpha_i - \beta_i \cdot R_{mt}$$

$E(R_{it})$  : Expected return on stock i in period t

$R_{mt}$  : Market return in period t

Coefficients  $\alpha$  and  $\beta$  obtained from the regression equation calculation time series of stock returns to market returns.

##### d. Expected Return Approach Capital Asset Pricing Model (CAPM)

The return expectations is the expected income in the future. To get a specific return or profit an investor must also consider the risks to be borne. Approach Capital Asset Pricing Model (CAPM) is closely related to market risk that especially market risk ( $\beta$ ). The basic form of the CAPM approach is a linear relationship between returns from individual stocks and stock market returns. By using least square linear regression analysis, the following formula can be made (Brigham & Daves, 2004):

$$K_j = \alpha + \beta K_m + e$$

Where :

$K_j$ : Return on common stock of individual company.

$\alpha$  : Alpha, the intercept on the Y-axis.

$\beta$  : The beta coefficient.

$K_m$  : Return on stock markets.

$e$  : Error term of the regression equation,

The formula above uses historical data to calculate the beta coefficient ( $\beta$ ) that to measure of stock return performance compared with the performance of the market return. Given investors face greater risk, so they demand a larger return as the premium on the risks faced by the so-called market risk premium. From the basic formula is then developed a formula that can accommodate the market risk premium as follows (Brigham & Daves, 2004):

$$K_j = R_f + \beta (K_m - R_f)$$

Where :

$K_j$  : Return on common stock of individual company.

$R_f$  : Risk free rate of return.

$\beta$  : The beta coefficient.

$K_m$  : Return on stock markets.

$K_m - R_f$  : Premium or excess return of the market versus the risk free rate.

$\beta(Km-Rf)$  : Expected return above the risk free rate for the stock of company.

#### e. Abnormal Return

There is the level of excess profits earned by the investor by developing trading rules based on information obtained (Chandra, 2015):

$$AR_{it} = R_{it} - E(R_{it})$$

$AR_{it}$  : Abnormal return of stock i in period t

$R_{it}$  : Actual stock returns i in period t

$E(R_{it})$  : Expected return of stock i in period t

#### f. Average Abnormal Return

There is the average excess returns earned by investors (Chandra, 2015):

$$\overline{AR}_{nt} = \frac{\sum_{i=1}^n AR_{it}}{n}$$

$\overline{AR}_{nt}$  : Average abnormal return of stock i in period t

$AR_{it}$  : Abnormal return stock i in period t

n : number of samples

#### g. Cumulative Average Abnormal Return

There is the sum of all abnormal returns earned by investors (Chandra, 2015):

$$CARR = \sum AR_{it}$$

$caar$  : Cumulative average abnormal return

$\sum AR_{it}$  : Total average abnormal stock return i in period t

#### h. Standard Deviation Abnormal Return

Is a statistical value used to determine how the distribution of data in the sample and how close the individual data points to the average value of the sample (Chandra, 2015):

$$\sigma_{ie} = \sqrt{\frac{\sum (AR_{it} - \overline{AR}_{it})^2}{n - 1}}$$

$\sigma_{ie}$  : Standard deviation of security i

$AR_{it}$  : Abnormal return of stock i in period t

$\overline{AR}_{it}$  : Average abnormal return of stock i in period t

n : Number of samples

#### i. Standardized Abnormal Return

An abnormal return that is standardized data in a sample (Chandra, 2015):

$$SAR_{nt} = \frac{AR_{it}}{\sigma_{ie}}$$

$SAR_{nt}$  : Standardized abnormal return in period t

$AR_{it}$  : Abnormal return of stock i in period t

$\sigma_{ie}$  : Standard deviation of security i

#### j. One Sample t - Test Abnormal Return

An analysis technique to compare one independent variable to test certain values differ significantly or not (Chandra, 2015):

$$t = \frac{\sum SAR_{nt}}{\sqrt{n}}$$

$\sum SAR_{nt}$  : Total standardized abnormal return in period t  
 n : Number of samples

#### k. Average Abnormal Return

Before the announcement periods of 1, 2 and 3 on the tax amnesty.

$$\overline{AR}_{before} = \frac{\sum_{t=-5}^{t=-1} AR_{before}}{N}$$

After the announcement period 1, 2 and 3 on the tax amnesty.

$$\overline{AR}_{after} = \frac{\sum_{t=+5}^{t=+1} AR_{after}}{n}$$

#### l. Standard Deviation Abnormal Return

Before the announcement periods of 1, 2 and 3 on the tax amnesty.

$$\sigma_{before} = \sqrt{\frac{\sum_{t=-5}^{t=-1} (AR_{before} - \overline{AR}_{before})^2}{n-1}}$$

After the announcement period 1, 2 and 3 on the tax amnesty.

$$\sigma_{after} = \sqrt{\frac{\sum_{t=+5}^{t=+1} (AR_{after} - \overline{AR}_{after})^2}{n-1}}$$

Test statistics (at  $\alpha = 5\%$ )

$$t = \frac{\overline{AR}_{after} - \overline{AR}_{before}}{\sqrt{\frac{\sigma_{after}^2}{n} + \frac{\sigma_{before}^2}{n}}}$$

#### m. Trading Volume Activity (TVA)

A trading volume activity for each stock (Chandra, 2015).

$TVA = \frac{\text{the volume of stock trading period } t}{\text{the number of shares outstanding period } t}$

#### n. Average Trading Volume Activity

Represents the average trading volume activity for each stock (Chandra, 2015)

$$\overline{TVA} = \frac{\sum_{i=1}^n TVA}{n}$$

$TVA$  : Average stock trading volume activity in the period t

$TVA$  : Trading volume activity stock i in period t

n : Number of samples

#### o. Standard Deviation Trading Volume Activity

$$\sigma_{ie} = \sqrt{\frac{\sum (TVA - \overline{TVA})^2}{n-1}}$$

- $\sigma_{ie}$  : Standard deviation of security i  
 $\overline{TVA}$  : Average stock trading volume activity in period t  
 $TVA$  : Trading volume activity stock i in period t  
 $n$  : Period of time

**p. Standardized Trading Volume Activity**

Is a trading volume activity that is standardized data in the sample (Chandra, 2015)

$$STVA_{nt} = \frac{TVA}{\sigma_{ie}}$$

- $STVA_{nt}$  : Standardized stock trading volume activity in period t  
 $TVA$  : Stock trading volume activity i in period t  
 $\sigma_{ie}$  : Standard deviation of security i

**q. One Sample t - Test TVA**

$$t = \frac{\sum STVA_{nt}}{\sqrt{n}}$$

- $\sum STVA_{nt}$  : Total trading volume activity standardized stock in period t  
 $n$  : Number of samples

**r. Average Trading Volume Activity**

Before the announcement periods of 1, 2 and 3 on the tax amnesty.

$$\overline{TVA}_{before} = \frac{\sum_{t=-5}^{t=-1} TVA_{before}}{N}$$

After the announcement period 1, 2 and 3 on the tax amnesty.

$$\overline{TVA}_{after} = \frac{\sum_{t=+5}^{t=+1} TVA_{after}}{n}$$

**s. Standard Deviation Trading Volume Activity**

Before the announcement periods of 1, 2 and 3 on the tax amnesty.

$$\sigma_{before} = \sqrt{\frac{\sum_{t=-5}^{t=-1} (TVA_{before} - \overline{TVA}_{before})^2}{n-1}}$$

After the announcement period 1, 2 and 3 on the tax amnesty.

$$\sigma_{after} = \sqrt{\frac{\sum_{t=+5}^{t=+1} (TVA_{after} - \overline{TVA}_{after})^2}{n-1}}$$

Test statistics (at  $\alpha = 5\%$ )

$$t = \frac{\overline{TVA}_{after} - \overline{TVA}_{before}}{\sqrt{\frac{\sigma_{after}^2}{n} + \frac{\sigma_{before}^2}{n}}}$$



This study were using event study approach on tax amnesty events indicate that this event has information content, which causes the Indonesian capital market react to the event.

### 3.0 RESULTS AND DISCUSSION

The measurement of market impact reaction is measured by looking at the changes abnormal stock returns and changes in trading volume activity, which occurs around the announcement of the tax amnesty. Changes occurring abnormal return around the announcement of the tax amnesty is as follows:

**Table 1. The Average Abnormal Return 5 Days Before and 5 Days After the Announcement of Tax Amnesty**

Time	period 1	period 2	period 3
t-5	-0.00616808	-0.02573693	0.00733379
t-4	-0.007978989	-0.06578448	-0.008971319
t-3	-0.001478955	-0.03656742	0.016915506
t-2	-0.057693446	-0.05685158	-0.005720184
t-1	-0.077721325	-0.03015615	-0.006834759
t + 1	-0.029790715	-0.04113613	-0.007130123
t + 2	-0.000126872	-0.03153448	0.00769661
t + 3	-0.007935401	-0.00775422	0.000562556
t + 4	0.003183621	-0.01278069	-0.019673779
t + 5	-0.006342133	-0.00461026	-0.009025969

Source: Data processing (2019)

The above table shows the 10-day trading the stock is divided into 5 days prior to the announcement and 5 days after the announcement of the tax amnesty enacted. At the announcement the period 1, Only at t + 4 show positive abnormal return while t-5, t-4, t-3, t-2, t-1, t + 1, t + 2, t + 3 and t + 5 shows a negative abnormal return, it shows that there is a trend a little before the announcement of a positive reaction on the 4th day after announced tax amnesty.

At the announcement period to 2, no change of the fluctuating since the 5 days before and 5 days after the announcement showed negative abnormal return. This is possible because this happened because the taxpayers tax amnesty has not been followed properly. At the announcement period to 3, the reaction of the taxpayer fluctuated at 5 days before the announcement tax amnesty. At the t-5 and t-3, showed positive abnormal return while t-4, t-3 and t-1 shows a negative abnormal return. While in 5 days after the announcement tax amnesty, investors tend to fluctuate reaction where t + 2 and t + 3 occur abnormal return is positive then t + 1, t + 4 and t + 5 negative reactions from the taxpayer. This is possible because there will be a policy notification tax amnesty on previous days, so many taxpayers reporting tax amnesty in the last period.

The reaction indicated the taxpayer with value trading volume activity around the announcement of the tax amnesty as follows:

**Table 2. Average Share Trading Volume Activity 5 Days Before Until 5 Days After the Announcement of Tax Amnesty**

Time	period 1	period 2	period 3
t-5	0.084883452	0.047914676	0.145596849
t-4	0.09363416	0.094162773	0.14092994
t-3	0.109520733	0.090916783	0.069542009
t-2	0.0614322	0.066936784	0.020463181
t-1	0.018489625	0.053624219	0.097672968
t + 1	0.031482331	0.085481775	0.060047353
t + 2	0.045136348	0.116306421	0.096935213
t + 3	0.004258164	0.074554342	0.154088039
t + 4	0.059474529	0.047033828	0.036663757

<b>t + 5</b>	0.016736772	0.04900619	0.178936504
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Source: Data processing (2019)

From Table 2 it can be seen volatile share price during the third period amnesty tax announcement. At the announcement of the first period, the decline in stock prices occurred at t + 3, but rebound on t + 4. Later in the period to the second and third period, fluctuation occurred again but not significant.

**Table 3. Test Results Abnormal Return**

Period	T-Stat	Sig.	Conclusion
period 1	1.699	0.165	Not significant
period 2	2.291	0.084	Not significant
period 3	-1.066	0.347	Not significant

Source: Data processing (2019)

Abnormal return of the test results in Table 1 above, it appears that during the third period of implementation of the tax amnesty showed no difference before and after the abnormal return on the announcement tax amnesty. This is because people still do not understand the process of running a good tax amnesty for tax amnesty at least the explanation provided in the government and the presence of other factors that further influence the stock price changes in the appeal of tax amnesty event. And the information obtained is information fundamental. Fundamental information it self is information including the general condition of the industry, the state of the company as well as other factors in the future.

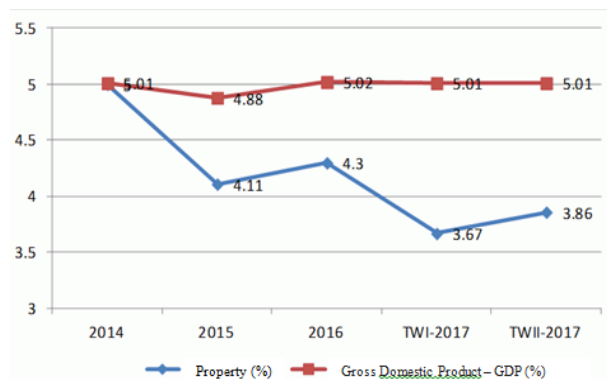
**Table 4. Results of Testing Trading Volume Activity**

Period	T-Stat	Sig.	Conclusion
period 1	-2.054	0.109	Not significant
period 2	0.22	0.837	Not significant
period 3	1,509	0.206	Not significant

Source: Data processing (2019)

From the testing trading volume activity in Table 2. It is apparent that during the third period of the implementation of the tax amnesty did not show differences in trading volume activity before and after the announcement tax amnesty. The result is the sale of shares but sales that occur are not significant. In terms of the level of sales volume stocks tend to fluctuate trade shows fast it is influenced by the information into the market and investor interest high against the shares, investors to buy and sell shares will be easily affected by high or low levels of profitability and price stock and other factors that influence investors in making investment.

One factor that indicates the absence of this distinction because people still do not understand the way tax amnesty that is good for at least an explanation tax amnesty provided in the government and the presence of other factors such as the issues outstanding, brokers while in the form of investors from abroad and policy - government policies that affect the purchasing power of the sheet-shares more influence change in the stock price even bandingkam tax amnesty. In addition, other causes may occur due to sluggish growth in property sales during the tax amnesty occurred.



Source: (www.bi.go.id, 2018)

**Figure 3. Comparison Chart of Indonesian Economic Growth by Sector Growth Property**

Based on the graph it can be seen that the growth of property has decreased from 2016 to the first quarter of 2017 from 4.3% to 3.67%. This suggests that the purchasing power of the property at the time of the announcement tax amnesty decline. So that one of the reasons there is no difference between before and after the announcement tax amnesty because of the occurrence of a significant decline in the growth of the property sector in Indonesian.

#### 4.0 CONCLUSION

The announcement tax amnesty that took place under President Joko Widodo in 2016 - 2017 during the third period did not cause the market reaction to the company's property. In this study, the time taken for observation only 10 days, 5 days before the announcement tax amnesty and 5 days after the announcement tax amnesty. This is to minimize the effects of contaminated abnormal return of other factors.

But by taking a short time is a limitation of this study. In this study only considers factors at the time of the announcement tax amnesty alone as a factor affecting the reaction of the taxpayer. Besides, the ratio used as a basis for predicting the tax amnesty is confined to the abnormal return and trading volume activity only. Limitations of this study did not measure how big the influence of changes in the tax amnesty announcement to the reaction of the taxpayer.

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