

# Comparison of Trading Volume and Share Price Changes Prior to and Following the Announcement of Dividend Tax Policy the Omnibus Job Creation Act

Sri Setia Ningsih\* & Lestari Adhi Widyowati

*Institut Teknologi dan Bisnis Ahmad Dahlan, Jl.Ir.H.Juanda No.77.Kota Tangerang Selatan, Banten 15419, Indonesia*

## Abstract

The study goal is to examine changes in trading activity and stock prices both before and after omnibus law on job creation Law dividend tax policy went into effect. The approach adopted in this study is an event study with matched samples from various tests. The consumer goods industry sector companies in the JII index listed on the IDX before and after announcement of the dividend tax policy are the research population. According to the research, there is a substantial difference between the periods before and after the introduction of the dividend tax policy on omnibus law in the variable stock trading volume, but not for variable share price. In order to provide investors with a guide when making investments in the nation, this study looks at and analyzes both long- and short-term changes in trading volume and stock prices before and after introduction of the dividend tax policy.

*Keywords:* trading volume; share price; dividend tax policy; omnibus law on job creation

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## 1. Introduction

Based on Presidential Decree No. 12 of 2020 Corona Virus Disease (Covid-19) is considered a national disaster. The Covid-19 pandemic has resulted in a slowdown in economic growth, both globally and nationally. One of them is the decline in the investment sector, which was previously a driving force for economic growth (Damayanti & Ambarwati, 2021).

Lack of driving reasons, including a lack of long-term investment in the real sector, contributed to the drop in investment in Indonesia. The continued high tax rates on dividends and the inadequate protection of investor capital are two factors that contribute to the lack of long-term investment. When investing money in a particular company, investors must exercise extreme caution. To avoid making a mistaken judgment, investors must have faith that the information they are receiving is true and pertinent to the state of the company (Rahayu & Irawati, 2022).

Long-term investors who have large funds tend to make dividends their main goal, and do not seek capital gains from fluctuations in stock prices, but seek a consistent level of dividend distribution each year.

Investors around the world tend to choose to invest in countries with low dividend tax rates in order to avoid the large tax burden on income from their capital, as a result many countries in the world with high dividend tax rates cannot compete in obtaining significant additional capital, including Indonesia.

Through Law Number 11 of 2020 concerning Job Creation or the Omnibus Law, the Government of Indonesia issued a tax exemption policy on dividends as a tax incentive for domestic investment in response to competition for capital from investors from around the world in an effort to trigger national economic growth through increased investment. The government provides relaxation, among others, against the rules regarding Income Tax (PPh) on dividends. In this arrangement, there are income tax exemptions with certain conditions for dividends received by individual taxpayers and domestic corporate taxpayers. The dividends received can come from within the country (DN) or abroad (LN).

\* Corresponding author.

*E-mail address:* srisetia1647@gmail.com

Prior to the Job Creation Law, the tax treatment of dividends adhered to a classical system. This concept states that income originating from a company is subject to tax twice, namely at the company level and at the shareholder level in the form of dividends. State revenue will increase, on the other hand, from the shareholder perspective, it will create a burdensome tax burden (Wijaya, 2010).

According to (Darussalam & Septriadi, 2017), economic double taxation occurs when there is a situation where the same income is taxed more than once in two or more different tax subjects.

Several neighboring countries such as Malaysia and Singapore have implemented a one-tier tax system. This system excludes dividends as a tax object, so that the tax is only imposed at the corporate level. Malaysia has implemented it since 2008 and Singapore since 2003. The Indonesian government's decision to follow this one-tier tax system needs to be supported in an effort to realize fair and simple tax provisions and create a better investment climate (Fitriandi, 2021).

The results of the historicity tracing show that the idea of dividend taxation has changed significantly from the traditional system to a one-tier structure. The shift in dividend taxation policy has not been accompanied by a comprehensive academic paper. The concept of taxing dividends in the work copyright law does not necessarily eliminate creative accounting practices (Sudarma et al., 2021).

The urgency of conducting this research is dividend taxation, Indonesia adheres to a classical system/separate entity/two tier tax. In this system, taxes are first assessed on profits made at the corporate level and then again on net profits made at the shareholder level. Double taxation, or the imposition of tax twice on the same income, is a possibility under this system.

The emergence of the Omnibus Law on Job Creation had a positive impact on the capital market, even before the announcement and promulgation of the Job Creation Law on November 2 2020, there was an increase in the Composite Stock Price Index (IHSG) which exceeded 1% the day after it was passed by the DPR, namely on October 5 2020 and the following trading closing days. The JCI closing position strengthened by up to 5% in trading until October 14, 2020 (Utami, 2020). The adoption of the Job Creation Law was well received by the Indonesian capital market, indicating that investors in the market believe the Omnibus Law will benefit foreign investment in Indonesia (Sugianto, 2020). The JCI strengthened as a result of changes in stock prices on the trading floor. The demand and supply of the shares in question on the stock market at a certain time affect the price of shares on the exchange (Hartono, 2019). The stock price will strengthen when the demand for market participants for a particular stock increases and will weaken when there is a decrease in demand for that stock. There are many factors that affect the price of this stock, for example, company performance, industry performance, macroeconomic environmental factors and market sentiment towards certain conditions. One very important factor is the macroeconomic environmental factor related to government regulations (Prihastini & Suprasto, 2017), one of which is the existence of a law related to the Job Creation Law which regulates tax-free dividends through a dividend policy.

Macro events in the Job Creation Law can affect capital market activities. Investors can use this information as a positive signal for the development of the manufacturing sector in the future (Kristiastuti & Sari, 2021).

Through changes in dividend tax policy, it is estimated that it will affect the volume of stock trading and stock prices both in the short and long term which is an indicator of stock transactions as a tool that is quite reliable for investors in making investment decisions. Therefore, to explain how much benefit the state and investors get, the authors examine it through this research.

## **2. Literature Review and Hypothesis Development**

### *2.1. Tax*

According to Law No. 28 of 2007 concerning General Provisions and Tax Procedures (KUP), taxes are required payments to the state that are owed by individuals or entities under coercion based on the law, without receiving direct payment and used for the state's needs for the greatest prosperity of the people.

From the foregoing view, it follows that tax is a contribution that the taxpayer is required to make. An individual or company that has tax rights and obligations in accordance with the terms of the tax laws and regulations is referred to as a taxpayer. This includes taxpayers, tax collectors, and tax collectors.(Mardiasmo, 2016) cites the following statement as fact: " Taxes are persons's direct, demonstrable payments to the state treasury that are based on the law (which can be enforced) and that are used to cover public expenses".

## 2.2. Signal Theory

According to (Gumanti, 2017) signal theory is a way that internal parties do to give the same sign to outsiders, where the information and Instructions are meant to give a general assessment of a company's state and its prospects for the future. The assumption of signal theory is when the company's internal parties (employees and directors) have more important information and instructions that cannot be known by external parties of the company (investors, creditors, or the government) resulting in an imbalance or information asymmetry (Happ & Schiereck, 2017).

With the implementation of the Job Creation Law, particularly in the taxation cluster, signaling theory is a theory that offers information, whether it good or bad information, for investors and potential investors, specifically a signal to boost investor confidence through dividend policy. Information asymmetry between management of the company and other parties with an interest in specific information is evident, according to signaling theory. This hypothesis explains why businesses take the initiative and are encouraged to share information with third parties.

## 2.3. Stock price

According to (Zubir, 2013), stock prices are a reflection of good company management by management to create and take advantage of business prospects, so as to gain profits and be able to fulfill their responsibilities to owners, employees, society and government (stakeholders) .

The share price is an indicator of a person's or an entity's ownership in a business and is a result of decisions made about funding, investments, and asset management (Widoatmojo, 2017).

Stock prices, or market demand and supply, are the prices that materialize on the stock market at a specific moment (Sartono, 2014).

From the foregoing information, it can be inferred that the share price is the cost of a share that is established during active stock market trading based on supply and demand for the relevant shares.

## 2.4. Stock Trading Volume

Stock trading volume is the total transaction value of buying and selling shares by investors in that currency. This trading volume is often used as a benchmark to study the information and impact of various events.

Trading volume is the number of shares traded in a certain period of time. A high volume of shares indicates that the shares are highly liquid or liquid easily. The volume of this stock transaction shows how much investors are interested in doing stock transactions. The value of this transaction volume can change due to events that occur both within the company itself and other events that occur outside the company. And the average stock with high trading volume is large companies, where many investors are interested in investing in these companies. Therefore, many people make transactions on these shares (Sulastri, 2022).

## 2.5. Dividend Policy

According to (Senata, 2016) a dividend is a distribution of a company's net profit made with the approval of the General Meeting of Shareholders (GMS) and made to shareholders. In light of the foregoing, it can be said that dividends are the distribution of net profits made by the company (return) on funds invested by investors, approved by the General Meeting of Shareholders (GMS). Dividends also serve as a signal to investors that the company is profitable and has promising future prospects.

(Horne & Wachowicz, 2013) in their book say, dividend policy is an inseparable part of decisions in corporate funding.

Dividend is one of the most anticipated returns by investors as well as a signal that the company is at a high level of profitability (Nofrita, 2013). (Wiyono & Kusuma, 2017) assert that the dividend policy is the outcome of management's business activities, which strive to generate profits through the efficiency of their financing as well as the efficacy of their activities. Investors anticipate dividends in addition to capital gains as a type of return. The calculation of the dividend payout ratio can indicate dividend policy (Andes et al., 2017).

## 2.6. Classical System

Referring to the IBFD International Tax Glossary (2015) in DDTC News 2020, the classical system (separate entity system; two tier tax) is a tax system, in which tax is imposed on profits generated at the company level. Then, tax is imposed again on net profit (income after tax) at the level of individual shareholders. This system does not contain double taxation mitigation.

Meanwhile, according to Cnossen (1996) in DDTC News 2020, the classical system is a system that imposes tax twice on income originating from the company, namely at the company level and at the shareholder level when it is distributed as dividends. Thus, the classical system views the company as a separate entity from its owners.

This system creates economic double taxation because the same profit or income is taxed twice, namely at the corporate level and at the shareholder level. As a consequence, this system can encourage the formation of tax avoidance behavior. This is because there are times when shareholders want to avoid taxes on dividends.

It is this avoidance that triggers the practice of disguised dividends, concealment of beneficial owners, and the existence of a re-routing investment scheme as a tax plan.

Seeing the negative consequences that have arisen, it is commonplace that the government wants to switch to a one-tier system (Galuh Candra Asmarani, 2020).

### 2.7. One-Tier System

A one-tier system, also known as a dividend-exclusion system, is a taxation system where taxes are only levied on profits made at the corporate level, according to the IBFD International Tax Glossary (2015) in DDTC News 2020. company income is only taxed once in this arrangement at the company level.

As a result, the income of the company that is dispersed as dividends to specific shareholders is no longer taxable to the recipient. The individual pays no more taxes because there is an exception to dividends as the shareholder's taxable income. This is different from the classical system.

In simple terms, in this system, any dividends originating from within the country that are received or obtained by individual domestic shareholders will be exempted from the imposition of income tax in Indonesia. The requirements are, according to the plan in the omnibus law, as long as the dividend is invested in Indonesia within a certain period of time (Galuh Candra Asmarani, 2020).

### 2.8. Hypothesis Development

#### a. Variations in trading volume before and after the Job Creation Law dividend policy announcement

According to (Hafidz & Isbanah, 2020), trading volume refers to the activity of stock exchange trading transactions and is a reflection of investors' choices when it comes to making investments. The higher the trading volume, the more informative news investors receive, making it possible to use it to track how events affect stock trading. (Aditha & Adiputra, 2020) claim that the presence of news signals contained in these events can cause a market reaction, which can be detected from the volume of stock trading, to determine whether there is a capital market reaction to information from an announcement. As a result, depending on the information in the announcement or event, the volume of stock trading may rise or fall. According to the findings of a study done in 2012 by (Islami & Sarwoko, 2012) there was a difference in the average trading volume between the t-5 and t+5 periods following the news of Sri Mulyani's departure as Indonesia's minister of finance. The decrease in trading activity following the incident demonstrates that investors are now using Sri Mulyani's departure as Indonesia's Minister of Finance as information when making trading choices on the capital market. The researcher developed the first and third hypotheses as follows in light of this description:

#### *Hypothesis 1:*

$H_{01} = 0$  : There was no change in the trading volume of shares before and after the announcement of the dividend tax policy on the Job Creation Law

$H_{a1} \neq 0$  : There were changes in the trading volume of shares before and after the announcement of the dividend tax policy on the Job Creation Law

#### *Hypothesis 3:*

$H_{03} = 0$  : There is no change in the volume of stock trading before and after the announcement of the Job Creation Law dividend tax policy in the long term

$H_{a3} \neq 0$  : There are changes in the volume of stock trading before and after the announcement of the dividend tax policy on the Job Creation Law in the long term

#### b. Share price changes before and after the Job Creation Law dividend policy announcement

The market will react to specific occurrences by changing prices. The market will react to fresh information from management as a signal for specific occurrences that can effect firm value as represented in price fluctuations since management often has more full and accurate knowledge than outsiders (investors). demonstrates that the events did not have a strong informational component that would have caused the financial market to react. The government's attempts to give legal stability to Indonesia's investment climate, especially the real sector, are demonstrated by the ratification of this law. Of course, this has an impact on the capital market's investing environment. The researcher developed the following second and fourth hypotheses in light of this explanation:

*Hypothesis 2:*

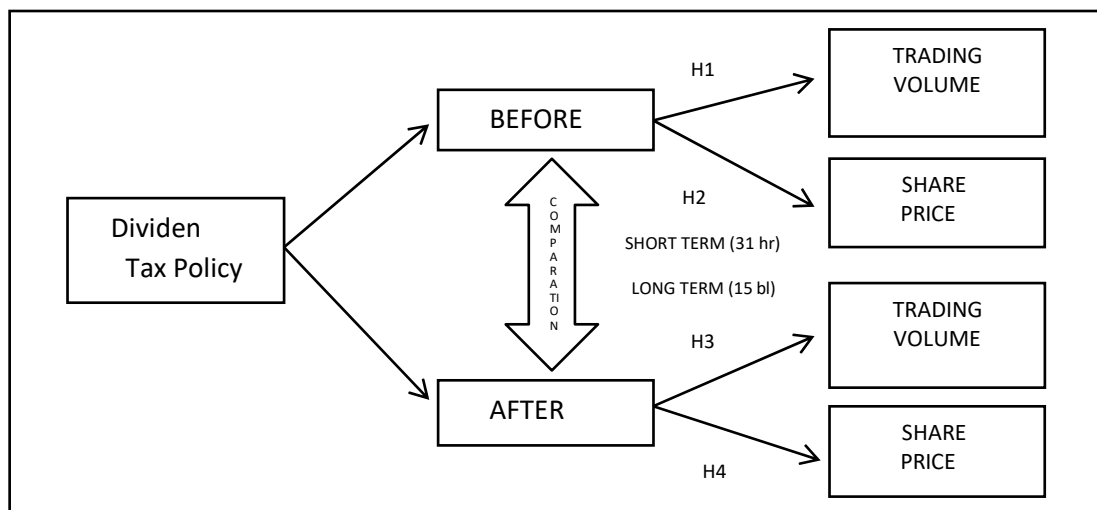
$H_{02} = 0$  : There is no change in stock prices before and after the announcement of the Job Creation Law dividend tax policy in the short term

$H_{a2} \neq 0$  : There are changes in stock prices before and after the announcement of the Job Creation Law dividend tax policy in the short term

*Hypothesis 4:*

$H_{04} = 0$  : There is no change in stock prices before and after the announcement of the Job Creation Law dividend tax policy in the long term

$H_{a4} \neq 0$  : There are changes in stock prices before and after the announcement of the job creation law dividend tax policy in the long term



**Figure 1.** Thinking Framework

**3. Research Method and Materials**

Descriptive study with a quantitative approach and paired test methodology is the research methodology used. According to the descriptive research approach, research is done to ascertain the value of independent variables, whether one or more, without comparisons or connections to other variables (Sugiyono, 2012).

This study uses secondary data, namely data on trading volume and share prices of shares in the Islamic consumption sector in the JII index (Jakarta Islamic Index) for the period 19 August 2019 – 22 January 2022 on the IDX accessed on the yahoo finance page and members of the IDX exchange Mirae Asset Sekuritas. The data taken for short-term analysis is 31 days before and after the announcement of the dividend tax policy on the Job Creation Law. And for the long term, it is 15 months before and after the announcement of the dividend tax policy on the Job Creation Law.

Trading volume data is taken from the stock transaction volume at the end of the period. Likewise, the stock price data used is the price at closing or commonly called the closing price per period.

Manufacturing firms in the consumer goods sector of the consumer goods industrial sector for sharia equities in the JII index (Jakarta Islamic Index) listed on the Indonesia Stock Exchange (IDX) for the 2019–2022 timeframe were the

population used in this study. Based on a letter from IDX No. Peng-00379/BEI.POP/11-2021 dated 30 November 2021, the Jakarta Islamic Index (JII) for the months of December 2021 through May 2022, comprising 30 sharia shares, was the list of indices utilized. Four of the 30 sharia shares—UNVR, INDF, ICBP, and KLBF—came from businesses in the consumer products sector. The purposive sampling methodology, or the strategy of selecting a sample while taking specific factors into account in order to achieve the desired aims,.

#### 4. Results and Discussion

##### Short Term Descriptive Statistics

Descriptive statistics are those that use sample or population data in their raw form to describe or give an overview of the subject under study, without performing analysis or drawing broad conclusions (Sugiyono, 2017).

Descriptive analysis for trading volume and stock prices in the short term can be seen in table 1.

**Table 1.** Short Term Statistics Paired Samples Test Results

Paired Samples Statistics		Mean	N	Std.Deviation	Std. Error Mean
Pair 1	V1_Cons Pre Test	107090,00	31	29081,494	5223,191
	V2_Cons Pre Test	227379,52	31	98156,201	17629,374
Pair 2	H1_Cons Pre Test	6680,84	31	92,870	16,680
	H2_Cons Pre Test	6571,52	31	98,067	17,613

Source: Data processed 2023

According to table 1's descriptive analysis findings, the number of samples (N) consisted of 31 (thirty one) days before and after the announcement of the Job Creation Law dividend policy.

The average value of the Pre Test of Stock Trading Volume (V1\_Conc Pre Test) is 107,090.00 which is smaller than the Post Test of Share Trading Volume (V2\_Cons Post Test) of 227,379.52, meaning that there is a difference in the trading volume of shares before and after the announcement of the dividend policy. . Furthermore, the average value of the Pre Test of Stock Prices (H1\_Conc Pre Test) of 6,680.84 is greater than the Post Test of Share Prices (H2\_Cons Post Test) of 6,571.52, this indicates that for stock prices before and after the announcement of the dividend policy, there is no there is a difference.

The Stock Trading Volume Pre Test (V1\_Conc Pre Test) has a standard deviation of 29,081.494 and an average error value of 5,223.191. The average error value for the Post Test of Stock Trading Volume (V2\_Cons Post Test) is 17,629.374, and the standard deviation is 98,156.201. The stock price pre test (H1\_Conc Pre Test) has a standard deviation of 92.870 and an average error of 16.680. The post-test of stock prices' standard deviation (H2\_Cons Post Test) value is 98.067, with an average error value of 17.613.

##### Short Term Normality Test

To determine if the data being used is regularly distributed or not, the normality test is employed. Because there are more than 30 samples of data, the Kolmogorov-Smirnov method was used to perform the normality test. If the significant value is larger than 0.05, the data are considered to be regularly distributed and to have the same variance.

As demonstrated in table 2, the short-term period's varied trading volume and stock prices passed the normalcy test.

**Table 2.** Short Term Normality Test Results

	Test of Normality		
	Statistic	df	Sig
V1_Cons Pre Test	,068	31	,200
V2_Cons Pre Test	,140	31	,126
H1_Cons Pre Test	,089	31	,200
H2_Cons Pre Test	,116	31	,200

Source: Data processed in 2023

Considering the outcomes of the table 2 normalcy test, it can be seen that the Sig. in the Kolmogorov-Sminov column it shows a value of  $> 0.05$ , namely the V1\_Cons Pre Test of 0.200; V2\_Cons Post Test of 0.126; H1\_Cons Pre Test of 0.200; The H2\_Cons Post Test is 0.200 so that it can be concluded that the data on trading volume and share prices of the consumer sector before and after the announcement of the dividend policy have been normally distributed and further paired sample t-tests can be performed.

### Short Term Hypothesis Test

This test was conducted to find out whether or not there were significant differences between trading volume and share prices before and after the announcement of the Job Creation Law dividend policy. The Paired-Sample T-test was chosen for the hypothesis test in this study because all of the data were evenly distributed. The following are the findings of the Paired Sample T-test on stock trading volume:

**Table 3:** Short Term Paired Test Result

		Paired Samples Test Paired Differences							
		Mean	Std.Deviation	Std.Error Mean	95% Confidence Interval of the Difference		t	df	Sig (2- tailed)
					Lower	Upper			
Pair 1	V1_Cons Pre Test V2_Cons Pre Test	-120289,516	981130,580	12624,773	12624,773	-84294,929	-6,825	31	,000
Pair 2	H1_Cons Pre Test H2_Cons Pre Test	109,323	112,402	20,188	20,188	150,552	5,415	31	,000

Source: Data processed in 2023

### First hypothesis

$H_0 = 0$  : There is no change in stock trading volume before and after the announcement of the Job Creation Law dividend tax policy in the short term

$H_1 \neq 0$  : There is a change in stock trading volume before and after the announcement of the Job Creation Law dividend tax policy in the short term

Table 3 demonstrates that the t-count value is the value of Sig. (2-tailed) on V or stock trading volume of  $0.000 < 0.05$  with a t- count value of  $-6.825 < t\text{-table } 2.04227$  so that it can be concluded that there is a significant difference and there is an effect by the announcement of the dividend tax policy in increasing the volume of stock trading ( $H_0$  is rejected and  $H_1$  is accepted) so that the first hypothesis is accepted.

### Second hypothesis

$H_0 = 0$ : There is no change in the consumption sector's sharia stock price before and after the announcement dividend tax policy on the Job Creation Law

$H_1 \neq 0$  : There is a change in the consumption sector's Islamic stock price before and after the announcement dividend tax policy on the Job Creation Law

The second hypothesis is rejected because, as can be seen from table 3 above, the value of Sig. (2-tailed) on H or a stock price of  $0.000 < 0.05$  with a t-value of  $5.415 > t\text{-table } 2.04227$  indicates that there is no statistically significant difference between the stock price before and after the announcement of the dividend policy.

### Long Term Descriptive Statistics

Descriptive analysis for trading volume and stock prices in the long term can be seen in table 4. Based on the results of the descriptive analysis in table 4, the sample size (N) consists of 15 (fifteen) months before and after the announcement of the Job Creation Law dividend policy.

The average value of the Pre Test Stock Trading Volume (V1\_Conc Pre Test) of 329,808.87 is smaller than the Post Test of Stock Trading Volume (V2\_Cons Post Test) of 417,144.87, meaning that there is a difference in the volume of stock trading before and after the announcement of the dividend policy. . Furthermore, the average value of the Pre Test of Stock Prices (H1\_Conc Pre Test) of 6,817.40 is greater than the Post Test of Share Prices (H2\_Cons Post Test) of 5,508.20, this shows that for stock prices before and after the announcement of the dividend policy, there is no There is a difference.

**Table 4.** Short Term Paired Test Results

		Paired Samples Statistics			
		Mean	N	Std.Deviation	Std. Error Mean
Pair 1	V1_Conc Pre Test	329808,87	15	109333,362	28229,753
	V2_Cons Pre Test	417144,87	15	129034,535	33316,574
Pair 2	H1_Conc Pre Test	6817,40	15	606,267	156,537
	H2_Cons Pre Test	5508,20	15	501,754	129,552

Source: Data processed in 2023

The standard deviation value of the Stock Trading Volume Pre Test (V1\_Conc Pre Test) is 109,333.362 with a mean error value of 28,229.753. The standard deviation value of the Post Test of Stock Trading Volume (V2\_Cons Post Test) is 129,034.535 with a mean error value of 33,316.574. The standard deviation value of the Stock Price Pre Test (H1\_Conc Pre Test) is 606.267 with a mean error value of 156.537. The standard deviation value of the Post Test of Stock Prices (H2\_Cons Post Test) is 501.754 with an error value of 129.552.

**Long-Term Normality Test Normality**

test is a test conducted to find out whether the data used is normally distributed or not. The normality test in the long-term test was carried out using the Shapiro-Wilk method because the amount of data is less than 30 samples. The data is said to be normally distributed and have the same variance if the significant value is greater than 0.05. Table 5 below shows the outcomes of the long-term stock prices and variable trading volume normalcy test:

**Table 5.** Results of the Long-Term Normality Test of

	Test of Normality		
	Statistic	df	Sig
V1_Conc Pre Test	,891	15	,069
V2_Cons Pre Test	,957	15	,648
H1_Conc Pre Test	,965	15	,785
H2_Cons Pre Test	,906	15	,119

Source: Data processed in 2023

Based on the results of the normality test in table 5, it can be seen that the Sig. in the Shapiro-Wilk column it shows a value of > 0.05, namely the V1\_Conc Pre Test of 0.069; V2\_Cons Post Test of 0.648; H1\_Conc Pre Test of 0.785; The H2\_Cons Post Test is 0.119 so that it can be concluded that data on trading volume and share prices on consumer sector sharia stocks before and after the announcement of the dividend tax policy have been normally distributed and a further paired sample t-test can be performed.

**Long-Term Hypothesis Test**

After testing the normality of the data, then testing the hypothesis. This test was conducted to find out whether or not there were significant differences between trading volume and share prices before and after the announcement of the dividend tax policy on the Job Creation Law. In this study, the hypothesis test used the Paired-Sample T-test because all data were normally distributed.

**Table 6.** Long-Term Paired Sample Test Results

Paired Samples Test	
Paired Differences	
95% Confidence	

		Mean	Std.Deviation	Std.Error Mean	Interval of the Difference		t	Df	Sig (2- tailed)
					Lower	Upper			
Pair	V1_Cons								
1	Pre Test	-87336,000	139429,324	-	-	-	-	15	,029
	V2_Cons			164549,392	16454,392	84294,929	2,426		
	Pre Test								
Pair	H1_Cons								
2	Pre Test	1309,200	283,523	73,205	1152,190	150,552	12,884	15	,000
	H2_Cons								
	Pre Test								

Source: Data processed in 2023

### Third hypothesis

$H_0 = 0$  : There is no change in stock trading volume before and after the announcement of the dividend tax policy on the Job Creation Law in the long term

$H_1 \neq 0$  : There are changes in the volume of stock trading before and after the announcement of the dividend tax policy on the Job Creation Law in the long term.

Based on Table 6, it can be concluded that there is a significant difference and that the announcement of the dividend tax policy has an impact on increasing volume stock trading ( $H_0$  is rejected and  $H_1$  is accepted), leading to the acceptance of the third hypothesis. The t-count value is the value of Sig. (2-tailed) on V or stock trading volume of 0.029 0.05 with a t-count value of -10,122.609 t-table 2.14479.

### Fourth hypothesis:

$H_0 = 0$ : There is no change in the consumption sector's Islamic stock price before and after the announcement dividend tax policy on the Job Creation Law

$H_1 \neq 0$  : There is a change in the consumption sector's Islamic stock price before and after the announcement dividend tax policy on the Job Creation Law

The value of Sig. (2-tailed) on H or a stock price of  $0.000 < 0.05$  with a t-value of  $1,466.210 > t\text{-table } 2.04227$  can be seen in the table 6 above, and it can be deduced that there is no discernible difference between stock prices before and after the announcement of the dividend tax policy ( $H_0$  accepted and  $H_1$  rejected), meaning that the fourth hypothesis is rejected

### The first and third hypotheses

Based on the results of hypothesis testing for both short-term and long-term changes, the t-count value is -6.825 and -10,122.609 respectively which are smaller than the t table, and each has a significance value  $< 0.05$ , namely 0.000 and 0.029. Thus it can be concluded that  $H_0$  is rejected and  $H_1$  is accepted this means that there were changes in the volume of stock trading before and after the announcement of the dividend tax policy on the Job Creation Law.

This proves that investors in the short term and long term provide a positive response to information that enters the market resulting in an increase in stock trading volume. In addition, investors are also confident in the growth of sharia stocks in the consumer goods industry sector which can improve the economic situation in Indonesia and can increase employment so as to reduce unemployment.

There are many uses for stock trading volume. One of them is the volume can be used to see whether a stock is liquid or not. If the volume of shares is greater, it means that the shares are more liquid. Conversely, a little volume shows the stock is getting less liquid.

This result is also in line with signal theory. Signal theory is a theory that provides information, be it good or bad information for investors and potential investors along with the enactment of the Job Creation Law, especially in the taxation cluster, namely a signal to increase investor confidence through a dividend tax policy.

The Job Creation Law as a macro event can affect capital market activities. Investors can use the information as a positive signal of progress in the consumer goods industry sector in the future.

The results of this study are in line with research conducted by (Kristiastuti & Sari, 2021) and (Akhadiyah & Isbanah, 2021).

## **Second and Fourth Hypotheses**

Based on the results of hypothesis testing on stock prices both in short-term and long-term period changes, the t-count values are 5.415 and 1,466.210, respectively, values that are greater than t table, and each has a significant value  $< 0.05$ , namely 0.000 and 0.000. However, with  $t\_count > t\_table$ , then  $H_0$  is accepted and  $H_a$  is rejected, which means that there is no difference or change in share prices before and after the announcement of the dividend tax policy on the Job Creation Law.

This is due to the announcement of the dividend tax policy on the Job Creation Law which has not received a response from investors, both short and long term. Changes in share prices did not occur because investors did not respond to information on the determination of the Job Creation Law. The results of this study are in line with research conducted by (Kristiastuti & Sari, 2021) and (Prihastini & Suprasto, 2017).

However, falling stock prices can also be a sign of good things to come for investors and issuers alike. Investors benefit from lower share prices and a higher percentage of ownership thanks to these developments. The advantage for the issuer, meanwhile, is that it increases the frequency of transactions made by market participants and makes a stock more liquid or active.

Due to the simplicity of buying or selling these shares, certain market players choose liquid stocks.

## **5. Conclusion, Novelty, Limitation, and Suggestion**

### *5.1. Conclusion*

Statistics demonstrate that there were considerable disparities between the average volume of stock trading before and after the publication of the dividend tax policy on the Job Creation Law. The average stock trading volume after the event is higher than before, indicating a capital market response as measured by stock trading volume activity as a reaction from investors. Using this information as a positive signal, investors will use the average share price during both short-term and long-term events to improve the performance of Islamic stocks in the consumer goods industry sector in the future. Statistics show that the average volume of stock trading before and after the release of the dividend tax policy on the Job Creation Law differed significantly. The average stock trading volume increased after the occurrence compared to before, which shows that investors' reactions were reflected in the capital market. Investors will use the average share price throughout both short-term and long-term events, using this information as a positive indicator, to increase the performance of Islamic equities in the consumer goods industry sector in the future. The ability to purchase shares at reasonable costs and increasing ownership stakes are advantages for investors. While increasing a stock's liquidity or activity and the frequency of transactions made by market participants is advantageous to the issuer.

### *5.2. Novelty*

This research examines and analyzes long-term and short-term changes in trading volume and stock prices before and after the introduction of the dividend tax policy according to the Job Creation Law. In other words, this research looks at it from a macroeconomic perspective, namely those related to government regulations. This can be used as a reference as well as a positive signal for investors who want to invest their funds in the country

### *5.3. Limitation and suggestion*

A period of 31 days and 15 months before and after the announcement of the dividend income tax policy on the Job Creation Law is used in this study to measure changes in trading volume and share prices in sharia shares of companies in the consumer goods industry sector in the JII Index on the Indonesian stock exchange.

In order to more correctly reflect the impact of dividend tax policy, it is envisaged that more variables can be added for future research. A tax reporting system can be made from the standpoint of dividend payers and investors, for example, by adding abnormal return variables, increasing the number of samples studied, and proportionally representing each type of industry. The results of research on particular types of industries or sector indexes can also be compared with the results of research on the movement of the JCI. as a recipient of dividends on income from dividend tax exemption on non-taxable objects.

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