

**“The Linkage between Taxes, Capital Structure  
and Firm Value in Thailand”**

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**ABSTRACT**

Generally, it is known that the capital structure is related to firm value by several factors, such as agency costs, bankruptcy costs, and especially tax effects. To be more specific, taxes from financing decisions possibly have an effect on firm value either in positive or negative ways. This study will examine how taxes affect firm value by estimating four core regressions applying panel regression models and comparing with GLS method. Interest expenses and dividends are used as the proxies of taxation on debts and taxation on dividends, respectively. Although the regressions seem not to successfully segregate tax effects from the dividend variables, the overall results show that tax advantages of debts appear to exist in this study.