From: [redacted]
Sent: [redacted]
To: OMSBB Public Consultation
Subject: SUBMISSION REGARDING THE TREASURY LAW AMENDMENT (OFF-MARKET SHARE BUY-BACKS) BILL, 2022.

Importance: High

FOR THE ATTENTION OF THE DIRECTOR, CORPORATE TAX POLICY UNIT.

Director
Corporate Tax Policy Unit
Corporate and International Tax Division
Treasury
Langton Cres
Parkes ACT 2600

By email: OMSBBpublicconsultation@treasury.gov.au

Dear Director,

Thank you for the opportunity to submit a response to the consultation of the Treasury Laws Amendment (Off-Market Share Buy-Backs) Bill 2022.

Both my wife and I object to the proposed changes and believe the draft legislation is unfair to Australian companies and to all shareholders such as my wife and I. We have written in early November to the Treasurer setting out our objections. Here is a copy of what we wrote to Dr. Chalmers:-

"Dear Dr. Chalmers, Treasurer of the Commonwealth of Australia.

We are writing to share with you our deepest concern and opposition to the proposal by the Albanese Government to prevent companies from paying out franked dividends funded by capital raisings, and to remove taxation franking credits from senior citizens such as my wife and I.

We are particularly concerned as to what effect the removal of franking credits will have on the small cash flow which dividends from our investments over the years provides us as a significant source and portion of our annual taxable income.

We have read your Budget Paper No. 2, especially page 13, where this subject is mentioned; it is unclear to us whether or not this means that we will or will not any longer be paid our franking credits as tax already paid for us on our behalf by the companies who pay us our dividends. These regular dividends, and their associated franking credits are the substantial portion of our income - franking credits until now represent a significant portion of that income.

Additionally, we want to make the following two points; they are:-

Firstly, we are self funded retirees, each 80 years of age, who place no demands at all on the taxpayer to support our recurrent income, nearly all of which arises from dividends on shares we have over the years invested to protect our retirement and standard of living. We note that the income we derive from these share investments enables us to be privately health insured, we own our own home, we pay our own way in the world of rates and taxes, and again, apart from the benefits we derive as concession card holders from the PBS, we place no burden on the Commonwealth whatsoever. **Removing the taxation benefits of the franking imputation credits will in one fell swoop reduce our recurrent income by 30+%. Yes, 30+%!!!** We will leave it to you to understand the impact this will have on our standard of living - utterly disastrous!

Secondly, we read that the Government is intending to make the legislation retrospective to the taxation year ended 2016. If this were to happen, we would be facing a very significant capital restructuring in order to meet any retrospective liability which might arise, and which could only reduce the capital base upon which we rely for our recurrent income. In any event, our view is that retrospective legislation is extremely unjust in any event.

As long-standing taxpaying members of the Australian community, and as senior citizens of this country who have so managed our affairs as to present a minimal impact on the Treasury of this country, we implore you to not remove this taxation benefit from us older citizens.

Should you require any further information, please do not hesitate to contact us.

Yours sincerely, John & Ronda Gault".

I/we ask you as Director to note our above comments. We are the archetypal "Mum and Dad Investors" in Australia, and we are sure we speak for many, many small investment, self-funded retirees across the Commonwealth who will be terribly adversely affected should this legislation come to pass.

Yours sincerely,

JOHN & RONDA GAULT.

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