

Director
Corporate Tax Policy Unit
Treasury

Dear Director,

My husband and I wish to respond to the proposed legislation relating to Franked Distributions and Capital Raisings. We Object.

As my husband and I are retired, we depend on income from our shares, including franking credits, to live. This proposed legislation will ultimately affect the franking and thus our income. Please note we are not on the Old Age Pension and are therefore not adding to the Government burden in social security payments.

This is a retrospective tax debt to be introduced at a time when there is talk of recession world-wide, lower dividends and increased cost of living. Surely the Government should be trying to encourage people to support themselves in retirement not to push them to depend on government handouts.

There is a critical point where people who support themselves "give-up" and put their hand out for the government pension. Any effect on franking credits by reducing companies' ability to pass these on to individuals will increase the claims on government pensions. It is very easy to spend your savings on a better lifestyle and then "put out your hand."

This legislation will eventually lead to the demise of the franking system. Perhaps this was your plan? During the election you promised you would not touch the franking credit system. I call this legislation doing just that.

This will have an adverse effect on Australian companies by increasing the cost of capital. Surely you want Australian Companies to prosper!

Yours sincerely,

Kerrie and Stephen Bible