

5 October 2022

Corporate Tax Policy Unit Treasury
Langton Cres
Parkes ACT 2600

By [email: frankeddistconsult@treasury.gov.au](mailto:frankeddistconsult@treasury.gov.au)

Dear Director,

Thank you for the opportunity to submit a response to the consultation on the proposed legislation relating to Franked Distributions and Capital Raising. I **object** to the proposed legislation changes.

I believe the draft legislation is inequitable to Australian companies and shareholders and it could inadvertently impact situations of legitimate company operations.

The draft legislation fails to recognise the fundamental principle underlying the franking regime and the reason for its creation, the avoidance of double taxation on company earnings.

If passed, its application would also unfairly burden Australian investors with **retrospective tax debts**, to be paid at a time of economic uncertainty.

This is of great concern to me as a small investor in shares to supplement my superannuation pension stream. It would be an unfair burden to have to pay a retrospective tax debt when these incomes have already been used for expenses or saved for meeting rising costs. It also completely undermines any confidence in investing when rules are introduced retrospectively incurring a previously non-existent tax on earnings lawfully received in keeping with existing legislation.

Regards

Lois Buckeridge