

**The Director  
Corporate Tax Policy Unit  
Treasury  
Langton Cres  
Parkes ACT 2600**

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

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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 strongly object to the proposed legislation changes on the following grounds:

1. It will provide a disincentive for Australian companies to conduct capital raisings for legitimate purposes, which will be to the detriment of the Australian economy.
2. Any savings budgeted for the proposed legislation will be offset by disinvestment as outlined in 1. Unintended consequences are inevitable.
3. It will provide a disincentive for investors, many being self-funded retirees, to invest in Australian companies for income, if expected income gross of franking credits is lowered because of the proposed legislation.
4. The retrospective element of the proposed legislation is extremely unfair to those who invested in good faith before now. To impose retrospective tax burdens at a time of immense economic uncertainty, rising interest rates, and cost of living pressures, would be a significant setback for any investor, let alone those trying to fund retirements. And accounting and ATO costs in enforcing retrospectivity, would not be insignificant.
5. The proposed legislation goes against the spirit of the imputation system, which was designed to ensure that investors were not double taxed on company profits distributed as dividends, and that spirit should be preserved.

Thank you for your time.

Yours sincerely,

Tony Dillon