

5<sup>th</sup> October 2022

Director  
Corporate Tax Policy Unit  
Treasury  
Langton Cres  
Parkes ACT 2600

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, as they will be detrimental to both me and Australian companies.

I am a low to moderate income earner and obtain a considerable portion of my income from Australian company shares. Taking away the franking credits and putting in place a retrospective tax bill for dividends received since December 2016 is completely unfair for all shareholders like me. In fact, I consider such legislation to be meaner than the “Robo-debt” fiasco.

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.

The Franked Distribution and Capital Raising draft legislation, if widely applied, will lead to the demise of the franking system. It will stop Australian companies who issue new shares under a Dividend Reinvestment Plan (DRP) from paying franked dividends and significantly increase the cost of capital for all franked dividend paying Australian companies. It will also risk the stability and integrity of the Australian banking system by inhibiting effective capital raising during challenging economic periods such as the start of the coronavirus pandemic.

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

Yours sincerely,

Doris Geier.