Director
Corporate Tax Policy
Unit Treasury
Langton Cres
Parkes ACT 2600

By email: 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. 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.

I am a self funded retiree and have planned my retirement based on the current legislation.
The proposed legislation will have a significant impact on my retirement income and will increase the likelihood that I need to rely on government support in the future, placing stress on me and on the Australian pension system. The dividend imputation system has not fundamentally changed for over 20 years and implementing change now, and retrospectively, on people who are already retired and, in many cases, cannot return to work, will burden individuals, their families and in turn the economy, all of which will face economic uncertainty.

Furthermore the retrospective application to 19 December 2016 will unfairly leave me with an unexpected tax bill for dividends I have since received, to be paid at a time of economic uncertainty. This is particularly concerning as I rely on fully franked dividends as income. Tax laws should not be allowed to change retrospectively when I have budgeted for and paid my lawful tax assessment based on existing tax laws.

Yours sincerely, Lesley Hirst