

Director

Corporate Tax Policy

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 changed.

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 recognize 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 cos 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 also unfairly burden Australian investors with retrospective tax debts, to be paid at a time of economic uncertainty.

If passed it would halve my income which I rely on as at self funded retiree. Before the election the Labor Party confirmed it would not interfere with franking credits legislation.

Yours sincerely

Jill Heriot