

Director,
Corporate Tax Policy Unit
Treasury
Langton Cres
Parkes ACT 2600

Email: frankeddistconsult@treasury.gov.au

Dear Director,

Thankyou 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 o company earnings.

The abovementioned 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 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 Covid 19.

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 retiree who has worked hard, invested wisely all my life and paid the taxes demanded of the ATO so that I would provide for myself in the later years and not be dependant on the Government. To apply this retrospectively is unjust and the consequences for my lifestyle is alarming.

If necessary, I can be contacted via email [REDACTED]

Yours sincerely,

[REDACTED]
GILLIAN LOADER (Ms)