

**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/we] object to the proposed legislation changes.

[I/we] 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 also unfairly burden Australian investors with retrospective tax debts, to be paid at a time of economic uncertainty.

**We are retired self funded retirees ages Denise Miller 79 years, Bernard Miller 84yrs
We have worked hard throughout our life and now retired. We ask for nothing from
Governments payments & have never received any. The last few years have been tough with
historic low interest rates that impacted on our income from Superannuation greatly.
Also now we have huge medical bills with health issues, Cardiomyopathy mainly which has
seen hospitalisation & again huge medical as emergency surgery was**

Please contact me on [enter number / email address] if you have any questions on the below submission.

Yours sincerely,

[Add your name and contact details]

