Director
Corporate Tax Policy Unit
Treasury
Langton Cres
Parkes ACT 2600

By email: frankeddistconsult@treasury.gov.au

Dear Director,

About this new legislation concerning Franked Distributions and Capital Raising.

We object to the proposed legislation changes; the draft legislation is inequitable to Australian companies and shareholders. It does not recognise the principle underlying the franking regime and the reason for its creation, the *avoidance of double taxation* on company earnings.

This draft legislation, as it stands will lead to the demise of the franking system and the franked dividends which were are part of our plan for our old age savings to stay off the government pensions and health welfare.

We have a small self-managed superfund. The loss of franking credits will have a large impact on us. Why punish us for investing in Australia with retrospective tax debts. I don't know why we even try – it's less uncertain to just spend now and go on the welfare later– which pushes up government pension and health care costs even more.

I suppose this is to cut down the tall poppies that use the system and perhaps corporations and larger funds will cope but impact on small investors should not be ignored.

Yours sincerely,

Sally and Ken Shaw