

Corporate Tax Policy Unit, Treasury
Parkes ACT 2600
Email to: frankeddistconsult@treasury.gov.au

I am responding to the proposed legislation relating to Franked Distributions and Capital Raising. I have no doubt that my comments (like all others) will be largely ignored, so I don't intend to waste much time on the issue.

The retrospectivity of the legislation angers me (despite the fact it was first floated several years ago under a different government). Even for this reason alone I am objecting to the proposed legislation.

Personally, I am greatly in favour of retrospectively reducing the retirement benefits of politicians and public servants. That would at least now concentrate the appropriate minds on what the proposed franking legislation may mean to many people approaching (or in) retirement.

People (especially those in the private sector) plan for retirement taking into account the current rules. It is intensely concerning that we don't really know what this quite unspecific legislation actually means. Who is now going to await a surprise tax adjustment? The wording is so unbelievably "airy fairy" that it will be a legal bonanza to determine just what distributions may or may not be frankable. Presumably every company will need to obtain pre-approval from the ATO before committing to many payments.

Why hasn't the government had the guts in the Explanatory Memorandum to name the specific instances that it now intends to attack for payments made from December 2016 onwards?

My opinion (valueless though it is) is that a company that has paid the correct tax and been able to accumulate franking credits should then be able to structure a payment to their shareholders in such a way to make sure the credits can be passed back to their Australian shareholders. That to my mind accords with what Keating intended and which many people have appreciated.

Brian Bruton
Gold Coast
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