
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. We object to the proposed legislation changes. We believe the draft legislation is inequitable to Australian companies and shareholders and it could inadvertently or adversely 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, namely the avoidance of double taxation on company earnings.

We are retired self funded superannuants who have structured our investments and operations in the framework of the existing tax laws at the time. A retrospective change to those tax laws would have the impact of invalidating the investment and operating strategy of our superannuation Fund – an unfair and inequitable outcome for people such as us who have made provision for our own welfare through following all the requirements and laws of successive governments. We do not receive an Age Pension simply because we decided to sacrifice consumption expenditure over the years to boost our superannuation savings to ensure we would not depend or be a burden on Government welfare.

Yours sincerely

Basil & Rita Jenkins