

I understand that the above review is considering winding back dividend imputation, possibly to fund a reduction in company tax from 30% to 20%.

I took the decision to set up a Self Managed Superannuation Fund and to retire on the basis of the existing tax structures whereby any franking credits were repaid to my wife and my SMSF. The investments made by our SMSF were made bearing in mind that the income that would be produced by these investments would include the franking credits.

Any proposal to wind back the dividend imputation scheme seems unfair to people who have made life changing decisions, such as retirement, on the reasonable assumption that the tax system would not be changed in a way that would so adversely affect their income. If this is seriously being considered, are there any proposals to compensate SMSFs and others that would be adversely affected by such a decision?

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