

To whom it may concern,

Re: The prospect of eliminating dividend imputation.

I am opposed to any abolition of the current dividend imputation system. As a small business owner for the past six years, the current system of franking credits has worked well in maintaining cash flow in my business. If it appears that I will show a profit in a particular financial year but do not have the cash available to take that profit from the business, I am happy to leave the profit in the business and pay tax on it, maintaining my cash flow and knowing that I may be able to take the profit out of the business in the future without penalty.

If the dividend imputation system we currently have was abolished, myself and many thousands of other small business owners would be forced to take as much cash as possible out of their business by the end of the financial year, in order to avoid the penalty of being fully taxed on their already-taxed dividends in a subsequent year. This would put many businesses including mine in jeopardy due to severely compromised cash flow.

I would much rather see the current dividend imputation system maintained and the current company tax rate left at 30%, or increased if necessary, rather than lowering the company tax rate and abolishing franking credits.

Sincerely,

Bill Evans

[removed for privacy reasons]