

Would you please consider the following comments on the possibility of abolishing imputation credits.

Imputation Credits

I read where the Federal Government is considering removing imputation credits from Australian shares.

I find this quite surprising as imputation credits are one of the best financial moves made by Labour to eliminate double taxation. One of the benefits to the nation is that it encourages investment in Australian companies.

The proposal is especially surprising at this time when Australian companies are struggling to cope with the scarcity of credit. Banks and companies have recently been seeking extensive funding from the public as overseas credit dries up. If imputation credits are abandoned, companies will have a much bigger problem raising funds.

I expect to invest overseas instead. There will no longer be the imputation credit incentive to invest in Australian companies. I expect to sell off my Australian shares and to convert my Australian share Superannuation base to overseas shares and substantially eliminate holding Australian shares.

I imagine many others will also conclude that Australian shares are no longer attractive.

I ask that the government consider carefully the magnitude of the skewing effect on investment markets before removing imputation credits.

Bob Rose