

Chemical Manufacturer

Client Profile

McGuire Sponsel's team identified an opportunity for a chemical manufacturer that serves the metal finishing industry. Since this was a family owned C-Corporation, McGuire Sponsel worked closely with management to develop an ownership structure to maximize tax savings for the operating entity and active shareholders. The C Corporation had approximately \$31 million in annual revenue, including \$14 million in international sales.

The client had experienced sustained growth in international revenues, but had not yet considered forming an IC-DISC. Realizing the potential savings, our team recommended forming an IC-DISC.

Our Process

McGuire Sponsel's team provided a turn-key solution for setting up, maintaining, and maximizing the value received from the IC-DISC. Our team now performs a detailed annual transaction-by-transaction analysis, maximizing IC-DISC tax savings each year.

The Results

The client had approximately a \$1 million commission paid to the IC-DISC to reduce their taxable income. In the first full year after forming an IC-DISC, the client saved approximately \$173,000 in federal income tax. The client expects to realize continuing benefit from the IC-DISC.

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