IC-DISCS: Income Driven, Not Revenue Driven

An IC-DISC creates tax savings by transferring taxable income/net income to the IC-DISC through an export sales commission. One myth is that an IC-DISC only makes sense if a company has over $1 million of export sales. While this is a valid threshold, we have seen companies benefit with revenues of half as much. Net income, not revenue drives the IC-DISC Commission. Given the 15 to 18 percent tax benefit, a company's opportunity should be based on their export profits, not just their sales. McGuire Sponsel utilizes the TxT methodology to yield a significantly greater commission benefit, which results in a greater reduction of the exporter's taxable income/net income.

The IC-DISC is a prospective benefit, meaning commissions are based on sales on or after the day of the IC-DISC's incorporation. Also, both direct and indirect exports of products manufactured in the U.S. and exported to foreign soil within 12 months qualify for the IC-DISC. McGuire Sponsel works closely with our clients to maximize commissions and tax savings for our clients.

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>
> – TJ Sponsel
> Managing Director
> McGuire Sponsel