

### Instrumentation Equipment Manufacturer

#### Client Profile

McGuire Sponsel's team identified an opportunity for an instrumentation equipment manufacturer that specializes in measuring air quality. The S-Corporation had approximately \$50 million in annual revenue, including \$16 million in international sales.

Despite significant international revenues, the client had not previously considered forming an IC-DISC. McGuire Sponsel realized the potential benefit and suggested forming an IC-DISC.

#### Our Process

McGuire Sponsel's team will maximize the allowable commission by utilizing a transaction-by-transaction approach. Choosing the optimal methodology and performing a detailed annual analysis will ensure maximum savings.

#### The Results

In order to help the client realize immediate benefit, McGuire Sponsel helped setup the IC-DISC in the first quarter of the client's tax year. The client had a \$2.1 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 \$340,000 in federal income tax. The client expects to realize continuing benefit from the IC-DISC.

**After significant growth in export sales, annual tax savings was \$340,000 in the first full year.**

