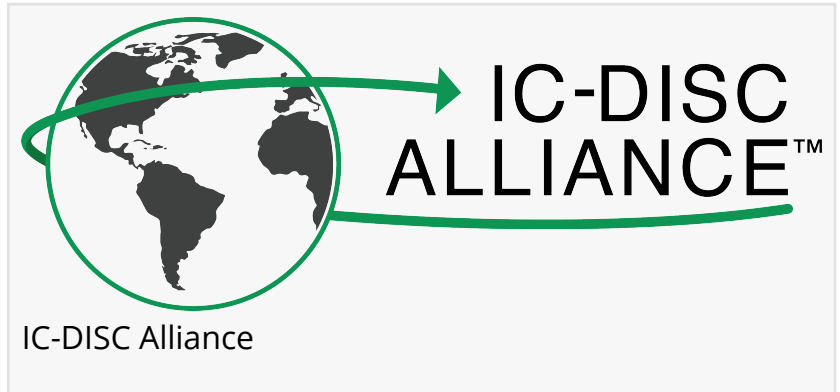


Announcing the Formation of the IC-DISC Alliance

A collaboration between the leading IC-DISC consulting firms to create a comprehensive resource serving exporting businesses across the U.S.

HOUSTON, TEXAS, USA, July 14, 2022 /EINPresswire.com/ -- We are excited to announce the formation of the [IC-DISC Alliance](#), a collaboration between the premiere IC-DISC consulting firms in the country, with the goal of being the most comprehensive IC-DISC resource for exporting businesses across the U.S.



This collaborative approach takes the best understanding and experience from each founding member to provide a superior service based on each client's unique circumstances.



The IC-DISC Alliance enhances our members ability to deliver quality services to both large and small exporters by providing access to high level client service, technology and tax technical skills."

David Spray - Founding Member, IC-DISC Alliance

The founding members include Export Advisors (exportadvisors.com) and WTP Advisors (wtpadvisors.com), who collectively manage more than 400 IC-DISCs, and have generated more than \$500m in cumulative export incentive tax savings.

The IRS created the IC-DISC to support U.S. exporters, helping them stay competitive in world markets by reducing the tax burden on the exporter's export profits.

Companies benefit even though an IC-DISC generally earns its income via a commission paid by a related manufacturer or distributor rather than transacting directly with export customers.

However, there can be a significant difference in how advisory firms calculate commissions leading to many IC-DISCs underperforming their true potential and businesses paying tens (or hundreds) of thousands of dollars in unnecessary tax, or IC-DISCs overstating the income and the business not being able to sustain the tax savings when challenged by the IRS.

Calculations can be made using a simple high-level calculation, a detailed transaction by transaction (TxT) approach, or a combination of both. Unfortunately, because the IC-DISC is a niche incentive benefiting predominately privately held businesses, even the 'big' firms are not able to dedicate staff to understand its rules and nuances, and, instead, opt for the simple calculation approach, missing many of the benefits of the comprehensive TxT approach.

The savings can be significant if your business has more than \$2m in export revenue. In our experience from managing more than 400 IC-DISCs, the TxT approach typically produces a commission anywhere from 25% to 100% greater than the simple, high-level calculation. In certain commodity-based industries the TxT approach can produce a commission 300% to 600% greater than the simple, high-level approach. The TxT approach can even produce a commission in a year where a loss is experienced by the exporting business. In a year with a loss, the simple high-level approach will often result in no IC-DISC commission.

The IC-DISC Alliance's processes create an IRS-approved method of identifying qualified export sales and related profits, even when companies do not have an easy way to identify these based on their current accounting practices. This eliminates a significant obstacle for companies who feel they cannot take advantage of the incentive. It further eliminates risk as an 'Audit Defense Promise' backs the work.

This unique approach is one of many ways the IC-DISC Alliance uses the experience of its members to capture better returns for exporting companies across the U.S.

By working directly with clients and as external resources for CPA firms whose clients would benefit from a properly managed IC-DISC, the IC-DISC Alliance is looking forward to helping many more exporters retain more of their profits this tax season.

For more information on the benefits of an IC-DISC and how this benefit is helping exporters across various sectors, contact David Spray, info@ic-disc.com, 832-654-9889.

What is an IC-DISC?

The IC-DISC is a U.S. tax export incentive, established in 1971, that provides an exporting business and/or its owners a permanent federal tax savings which can allow the exporting business to make further investments in its property, plant, equipment, or employees.

As a tax-exempt C corporation, the IC-DISC earns income that would otherwise be taxable to the exporter. For pass-through taxpayers, the spread between qualified dividend tax rates and ordinary tax rates results in the tax savings.

For C corporation taxpayers, the ability to use an IC-DISC to pay tax deductible dividends reduces or eliminates corporate level tax on the exporter.

More information is available on our [IC-DISC FAQ page \(https://ic-disc.com/faq\)](https://ic-disc.com/faq)

Who Can Benefit from an IC-DISC?

The IC-DISC benefits privately-held U.S. companies with \$2m in U.S. manufactured export products and a history of profitability to benefit from the corresponding tax savings.

David Spray

IC-DISC Alliance

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