

Optimize Export Tax Benefits

Urish Popeck utilizes Best in Class technology to optimize available export tax benefits for both ETI and DISCs

www.urishpopeck.com



What is the Service?

Urish Popeck can supplement your existing tax capabilities with significant technical expertise in transactional calculations involving Domestic International Sales Corporations (DISCs) and the Extraterritorial Income (ETI) regime. Our practice leader for these services is a former Big Four partner that was a national practice leader in export tax services, and we are employing the same “best in class” software used for successful implementations with some of the largest global companies, including more than a dozen *Fortune 100* manufacturers.

Aside from these huge multinationals, there are many companies that have not fully optimized the federal income tax incentives that encourage the exportation of products. These incentives require a detailed calculation that demands knowledge of what the IRS is looking for, experience walking the IRS through the calculation, and software that performs an optimization, not just a calculation. Our software has been continually updated, in contrast to many of the largest international CPA firms. Thus, a majority of the 75,000 US companies that export have not optimized the benefit. Our methodology is applicable and very cost effective for small and middle-market companies.

Optimize Prior Years

We can look at certain prior years to capture benefits that were not previously optimized. For re-determinations of prior returns, we look at the Form 8873 to see if there is any potential to pick up additional ETI deductions. For a no obligation estimate, merely provide us with a copy of that form from a prior filing.

We can turn around a benefit estimate in a very short time. Based on our experience, there should be some benefit still on the table for most companies. Any fees would be contingent upon your Company receiving a tax benefit. If there is no tax benefit due you, or if you choose not to pursue such tax benefit, there is no charge whatsoever.

Closely Held S and C Corps – Establish a DISC for 2007

With the expiration of the ETI deduction at the end of 2006, the only remaining vehicle to optimize the tax benefit associated with a company’s export activity is to establish and maintain a DISC – Domestic International Sales Corporation.

Profitable, closely held companies (both S and C corps) with export sales will benefit from a DISC. The primary source of tax benefit is derived from the current tax rate differential between the Federal rate applied to ordinary income versus the rate applied against dividend income. Assuming the maximum tax rates, a closely held company could produce at least a 20% benefit on its net foreign trade income.

Companies that do an ETI re-determination prior to setting up a DISC will capture benefits left on the table in the back years, and then will be optimizing the tax benefit each year going forward.

For more information, please contact Tom Current or Bill Adams at 888.287.0335 or email tcurent@urishpopeck.com or wjadams@urishpopeck.com