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## Exporter Tax Savings NewsLetter

### Tax Planning

2006

IC-DISC >Interest Charge Domestic International Sales Corporation

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## IC-DISC Formation Planning 2006

### A) Choices available to Exporters to realize Tax Savings as of July 1, 2006.

- 1) ETI. **Final phase out year for ETI Benefits.**  
  
The 15% Tax Deduction is reduced by 40% in 2006 to 9%.  
In effect, the Tax Rate benefit of the Deduction, for a 35%  
Taxpayer, will be 3.15% for 2006. (35% x 9%)
- 2) IC-DISC. **The Tax Benefit is not based on a deduction but on a pure  
Tax Rate decrease of 10% to 20%, thru 12/31/2010.**

### B) Basic Guidelines.

- 1) ETI. **Use, only if projected Export Profit to the end of the year is not  
expected to exceed 50% of the Export Profit realized to date.**
- 2) IC-DISC. **Form ASAP, if remaining 2006 Export Profit is expected to exceed  
50% of the Export profit realized to date.**

### C) New Proposal.

#### **A No Cost Hedge!**

Since new formations have 90 days after formation to elect IC-DISC status, the 2006 annual prorated fee will be waived, if the client advises us during the 90 day period to file an IC-DISC election for 2007 rather than 2006 because of a projection variance.

**Exporters-Please forward to your CPA.**

Our WEB site is at <http://www.ExportSubsidy.com>  
Please visit our site for additional information, including  
Email and Print application forms.

**Exporters - US Tax Savings-Our Only Business !**

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