



## International Tax

Working closely with Reinhart's [International Practice](#), our Tax attorneys are uniquely positioned to provide strategic counsel on complex tax laws, taking into account the globalization of business and finance. Reinhart's seasoned Tax attorneys work with clients' tax departments, accountants, attorneys and government agencies worldwide to resolve international tax issues, including:

- Transfer pricing, documentation, planning and advance pricing agreements
- Inbound tax planning focusing on tax minimization and repatriation
- Outbound tax planning focusing on foreign tax credit planning and tax-efficient structures
- Tax benefits for U.S. exporters

## Matters

- **Transfer Pricing, Documentation, Planning and Advance Pricing Agreements **Success Story:**** A Nordic client manufactured industrial food-processing equipment that it sold to its U.S. subsidiary. The price charged from the Nordic parent to the U.S. subsidiary would impact whether income would be subject to tax at either the effective U.S. rate of 42% or the Nordic country's rate of 22%. Reinhart negotiated an advance pricing agreement (APA) with the IRS to minimize the amount of income the U.S. subsidiary had to report on its U.S. tax return to only 2.1% of sales.
- **Inbound Tax Planning Focusing on Tax Minimization and Repatriation **Success Story:**** A European client obtained bank financing to purchase a U.S. manufacturing group. Reinhart attorneys formed a hybrid entity (a corporation for U.S. tax purposes, but a partnership for European tax purposes) to incur the bank debt and purchase the U.S. group. This "double-dip" structure entitled the interest to be deductible against both the income of the U.S. group and the income of the European parent.
- **Outbound Tax Planning Focusing on Foreign Tax Credit Planning and Tax-Efficient Structures **Success Story:**** A client incurred an effective tax rate of more than 60% on foreign operations, due to the income being taxed in both the foreign country and the United States. Reinhart attorneys recommended different contractual terms, which increased the amount of foreign taxes the client could credit on its U.S. tax return. This increase in the amount of foreign tax credits decreased the overall effective tax rate on this income to 40%.
- **Tax Benefits for U.S. Exporters **Success Story:**** A client, an S corporation, exported approximately \$10 million of U.S.-manufactured inventory. By organizing an IC-DISC, Reinhart was able to save the client approximately \$100,000 in U.S. taxes. Further tax savings accrued when Reinhart identified sales to U.S. distributors who ultimately exported the inventory and sales to Canadian customers who were previously identified as domestic sales on the client's books and records.