

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Multi-State Tax Apportionment Consulting Engagement

Dear [Client Contact Name],

This letter confirms the terms and objective of our engagement with [Client Name] (the "Company") regarding multi-state tax apportionment consulting services provided by [Consulting Firm Name] ("we" or "us").

## **1. Scope of Services**

We will provide the following consulting services:

- Review of the Company's current state tax footprint (nexus).
- Analysis of revenue streams to determine proper sourcing rules (market-based vs. cost-of-performance).
- Calculation of apportionment factors (property, payroll, and sales) for applicable jurisdictions.
- Review of state-specific modifications and variations in apportionment formulas.
- Preparation of a summary report outlining findings and recommendations for state tax filing positions.

## **2. Client Responsibilities**

The Company is responsible for providing all necessary financial records, including detailed sales reports by destination, payroll data by location, and property records. We will rely on the accuracy and completeness of the information provided without independent verification.

## **3. Professional Fees**

Our fees for these services will be based on [Fixed Fee amount / Hourly Rates]. Expenses such as travel or specialized research database fees will be billed separately. Invoices are due within [Number] days of receipt.

## **4. Limitation of Liability**

Our liability for any claim arising out of this engagement shall be limited to the total amount of fees paid to us for the services described herein. We are providing consulting advice based on current tax laws, which are subject to change by legislative or judicial action.

## **5. Term and Termination**

Either party may terminate this agreement at any time upon written notice. The Company shall pay for all services rendered and expenses incurred up to the date of termination.

Please indicate your acceptance of these terms by signing and returning a copy of this letter.

Sincerely,

[Partner Name]

[Consulting Firm Name]

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**Accepted and Agreed:**

For [Client Name]: \_\_\_\_\_

Name and Title: \_\_\_\_\_

Date: \_\_\_\_\_