

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Engagement for State and Local Tax (SALT) Nexus Study

Dear [Client Contact Name],

This letter confirms the terms and objectives of our engagement to perform a State and Local Tax (SALT) Nexus Study for [Company Name] (the "Company").

1. Scope of Services

We will evaluate the Company's business activities to determine where a tax filing obligation (nexus) may exist. Our study will include:

- Review of physical presence (offices, employees, inventory, equipment) in various jurisdictions.
- Review of economic presence (sales volume and transaction thresholds) based on "Wayfair" standards.
- Analysis of Income Tax and Sales/Use Tax nexus for the period beginning [Start Date] through [End Date].
- A written report summarizing our findings and recommendations for next steps, such as Voluntary Disclosure Agreements (VDA) or registrations.

2. Client Responsibilities

The accuracy of our study depends on the information provided by the Company. You agree to provide:

- Detailed sales reports by state and year.
- Payroll and employee location data.
- Lists of physical assets and leased properties.
- Details of third-party relationships (independent contractors or affiliates).

3. Fees

Our fee for this Nexus Study is estimated to be [Amount/Hourly Rate]. This fee does not include any subsequent tax filings, registrations, or VDA negotiations, which will be billed under a separate engagement if requested.

4. Limitations

This study is based on current state tax laws and interpretations. We are not responsible for future changes in legislation or for tax liabilities arising from undisclosed activities. This engagement is for consulting purposes and does not constitute a legal opinion.

5. Acceptance

Please sign and return a copy of this letter to indicate your acceptance of these terms.

Sincerely,

[Your Name/Firm Name]

[Title]

Accepted by:

[Client Authorized Representative Name]

Date: _____