

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Review of Sales Tax Nexus Obligations

Dear [Client Contact Name],

We are writing to summarize our recent review of [Company Name]'s sales tax nexus obligations. As your business continues to grow through multi-state sales and remote operations, it is critical to identify where you have established a legal obligation to collect and remit sales tax.

Scope of Review

Our analysis focused on the following areas for the period of [Start Date] to [End Date]:

- **Physical Nexus:** Review of physical locations, employees, contractors, and inventory stored in third-party warehouses (e.g., Amazon FBA).
- **Economic Nexus:** Evaluation of sales volume and transaction counts against state-specific thresholds (Wayfair ruling standards).
- **Affiliate/Click-Through Nexus:** Analysis of remote marketing and referral programs.

Summary of Findings

Based on our review, we have identified the following:

- **States with Existing Nexus:** [List states where the company is currently registered].
- **States with New Obligations:** [List states where thresholds have been met but the company is not yet registered].
- **States Nearing Thresholds:** [List states that require monitoring in the next quarter].

Recommended Actions

To ensure compliance and mitigate potential penalties and interest, we recommend the following steps:

1. Register for Sales Tax permits in the identified states by [Deadline Date].
2. Implement a Voluntary Disclosure Agreement (VDA) for states with significant back-tax exposure.
3. Update your automated sales tax software to begin collection in new jurisdictions.
4. Review exempt sale documentation and resale certificates for the identified states.

Next Steps

Please review the attached detailed report. We would like to schedule a call on [Date/Time] to discuss the registration process and any potential tax liabilities identified.

Sincerely,

[Partner Name]

[Accounting Firm Name]