

To: [Executive Name/Board of Directors]

From: [Your Name/Accounting Department]

Date: [Current Date]

Subject: Executive Summary: Multi-Jurisdictional Economic Nexus Review

1. Purpose

The purpose of this summary is to outline the company's current tax obligations resulting from economic nexus standards across multiple jurisdictions. Following the South Dakota v. Wayfair decision, our remote sales activities now trigger tax collection and filing requirements regardless of physical presence.

2. Scope of Review

We have evaluated our sales volume and transaction counts against the specific thresholds established in the following jurisdictions:

- [Jurisdiction A]
- [Jurisdiction B]
- [Jurisdiction C]

3. Key Findings

Based on our financial data for the period of [Date Range], the company has exceeded the economic thresholds in [Number] jurisdictions.

- **Threshold Breaches:** Our revenue in [State/Region] reached [Amount], surpassing the [Amount] limit.
- **Pending Nexus:** We are approaching thresholds in [State/Region] and expect to trigger nexus by [Estimated Date].

4. Financial and Compliance Impact

Failure to comply with these regulations presents the following risks:

- Back-tax liabilities and retroactive assessments.
- Significant interest and penalties for non-filing.
- Audit exposure during corporate due diligence or funding rounds.

5. Strategic Recommendations

To mitigate risk and ensure compliance, we recommend the following actions:

- **Registration:** Immediately register for sales/use tax permits in jurisdictions where nexus is established.
- **Software Integration:** Implement an automated tax calculation engine to manage variable rates across jurisdictions.

- **Remediation:** Consider Voluntary Disclosure Agreements (VDA) for jurisdictions with significant prior exposure to waive penalties.

6. Next Steps

We require authorization to proceed with [Tax Provider Name] for formal registration and historical liability cleanup by [Deadline Date].

Sincerely,

[Your Signature]

[Your Title]