

[Date]

[Recipient Name]

[Title]

[Company Name]

[Address]

[City, State, Zip Code]

Dear [Recipient Name],

We have completed our post-audit review regarding [Company Name]'s sales tax nexus compliance for the period ending [Date]. The purpose of this letter is to summarize our findings and provide recommendations to ensure future regulatory compliance.

### **Audit Scope and Objective**

The objective of this review was to evaluate the company's "nexus" (legal connection) in various jurisdictions following recent changes in economic nexus thresholds and physical presence rules.

### **Key Findings**

During our audit, we identified the following areas of concern:

- Exceeded economic nexus thresholds in [Number] states where sales tax is not currently being collected.
- Physical nexus established in [State Name(s)] due to remote employees or third-party inventory storage.
- Incomplete documentation for exempt sales and missing resale certificates.

### **Recommendations**

To mitigate the risk of future penalties and interest, we recommend the following actions:

1. Register for sales tax permits in the identified jurisdictions immediately.
2. Implement automated tax software to track real-time sales volume against state-specific thresholds.
3. Establish a centralized system for collecting and updating digital exemption certificates.
4. Conduct a voluntary disclosure agreement (VDA) evaluation for states with significant back-tax exposure.

### **Conclusion**

Non-compliance with sales tax nexus laws poses a significant financial risk. We are available to assist with the registration process and the implementation of the recommended tracking systems.

Please contact us if you have any questions regarding these findings.

Sincerely,

[Your Name]  
[Your Title]  
[Firm Name]