

**DATE:** [Insert Date]

**TO:** [Client Name/Taxpayer Name]

[Client Address]

[City, State, Zip Code]

**RE:** Tax Opinion Regarding [Insert Specific Tax Position/Transaction]

Dear [Client Name],

This letter provides our formal legal/tax opinion regarding the federal income tax treatment of [Describe Transaction or Position]. You have requested our opinion as to whether there is "Substantial Authority" for this position within the meaning of Internal Revenue Code Section 6662.

## **1. Scope of Analysis**

Our analysis is based on the facts provided by you in [Reference Document/Discussion], which we have assumed to be true and accurate. This opinion is limited to the application of U.S. federal income tax laws currently in effect.

## **2. Relevant Facts**

[Insert a concise summary of the material facts of the transaction or tax position].

## **3. Legal Authorities**

In evaluating this position, we have considered the following authorities:

- Internal Revenue Code Section(s) [Insert Sections]
- Treasury Regulation(s) [Insert Regulations]
- Case Law: [Insert Relevant Court Cases]
- Administrative Rulings: [Insert Revenue Rulings/Procedures]

## **4. Discussion and Analysis**

[Insert detailed technical analysis linking the facts to the legal authorities. Explain the weight of the authorities supporting the position versus any contrary authorities].

## **5. Opinion**

Based on the foregoing, it is our opinion that there is "Substantial Authority" for the tax position that [State the Tax Position].

The "Substantial Authority" standard is an objective standard involving an analysis of the law and application of the law to relevant facts. It is less stringent than the "More Likely Than Not"

standard but more stringent than the "Reasonable Basis" standard. This conclusion signifies that the weight of authorities supporting the treatment is substantial in relation to the weight of authorities supporting contrary treatment.

## **6. Limitations**

This opinion is based on current law and administrative interpretations. Should the underlying facts change or should there be a change in law or IRS guidance, the conclusions expressed herein may no longer be valid. This letter is intended solely for your benefit and may not be relied upon by any other person or entity.

Sincerely,

[Signature]

[Name of Partner/Firm]

[Firm Name]