

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: State Sales and Use Tax Opinion - Click-Through Nexus

Dear [Client Contact Person],

This letter provides our professional opinion regarding whether the activities of [Company Name] (the "Company") constitute "click-through nexus" in [State Name], thereby requiring the Company to collect and remit sales tax on sales made to customers within that state.

I. Statement of Facts

Our opinion is based on the following facts provided by the Company: The Company is an online retailer located in [Home State]. The Company utilizes an affiliate program where residents of [State Name] place links on their websites or social media platforms. When a customer clicks a link and makes a purchase, the Company pays the affiliate a commission. The Company has no physical offices, employees, or inventory in [State Name].

II. Legal Analysis

Under [State Statute/Regulation Citation], a remote seller is deemed to be "engaged in business" in the state if it enters into an agreement with a resident under which the resident, for a commission or other consideration, directly or indirectly refers potential customers to the seller via an internet link. Most states apply a "de minimis" threshold, typically [\$ Amount] in cumulative gross receipts from such referrals during the preceding twelve months.

III. Conclusion

Based on the current revenue data provided, the Company's sales generated through [State Name] affiliates [have / have not] exceeded the statutory threshold. Therefore, it is our opinion that the Company [is / is not] currently required to register for a sales tax permit and collect tax in [State Name] under the click-through nexus provisions.

IV. Limitations

This opinion is based on the laws and interpretations currently in effect. Should the Company's business model change or the state legislative thresholds be adjusted, this conclusion may no longer be valid.

Sincerely,

[Your Name/Firm Name]
[Professional Title]