

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Franchise Tax Nexus Opinion Letter - [State Name]

Dear [Client Name],

We have been requested to provide a formal opinion regarding whether the activities of [Company Name] (the "Company") in the State of [State Name] constitute sufficient "nexus" to subject the Company to the [State Name] Franchise Tax for the tax year ending [Year].

Facts and Scope

Our opinion is based on the following facts provided by management: [Insert brief description of business activities, e.g., physical presence, remote employees, or economic thresholds reached]. We have reviewed these facts in conjunction with [State Statute/Regulation Citation] and relevant case law.

Analysis

Under [State] law, a corporation is subject to franchise tax if it is doing business in the state, deriving income from sources within the state, or maintaining a physical or economic presence. Based on our analysis:

- [Point 1: Analysis of physical presence/property]
- [Point 2: Analysis of payroll/employees]
- [Point 3: Analysis of economic nexus thresholds/sales]

Opinion

Based on the facts presented and the current legal authorities, it is our opinion that the Company [does/does not] have a filing requirement for the [State Name] Franchise Tax. Specifically, the Company's activities [exceed/do not exceed] the protections afforded by Public Law 86-272 or the state's specific nexus thresholds.

Limitations

This opinion is based on the law as it exists today. Should the Company's business activities change or should the state amend its tax statutes, the conclusions reached in this letter may no longer be valid. This letter is intended solely for the use of [Company Name] and may not be relied upon by any other party.

Sincerely,

[Signature]

[Name of Firm/Principal]

[Title]