

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

RE: State Tax Nexus Opinion Letter - Physical Presence

Dear [Client Name],

This letter provides our professional opinion regarding whether the activities of [Company Name] (the "Company") establish physical presence nexus for tax purposes in the state of [State Name].

1. Scope of Review

We have reviewed the Company's operations, specifically focusing on the period of [Date] through [Date]. Our analysis is based on the information provided by management regarding employee locations, property ownership, and third-party representative activities.

2. Factual Summary

Based on our review, the Company engages in the following activities within [State Name]: [List facts, e.g., maintenance of a warehouse, presence of remote employees, or frequent sales visits].

3. Legal Analysis

Under [State Statute/Regulation], a business is deemed to have nexus if it maintains a physical presence through traditional means. Although the U.S. Supreme Court decision in *South Dakota v. Wayfair, Inc.* expanded nexus to include economic thresholds, physical presence remains a primary trigger for sales and use tax collection and corporate income tax filing obligations.

4. Conclusion and Opinion

Based on the facts presented, it is our opinion that the Company [does / does not] satisfy the physical presence requirements for nexus in [State Name].

As a result, the Company is [required / not required] to:

- Register for a Sales and Use Tax Permit.
- Collect and remit applicable state and local taxes.
- File annual Corporate Income or Franchise Tax returns.

5. Limitations

This opinion is based on current state laws and judicial interpretations. Should the Company's business model change or the state amend its statutes, this conclusion may no longer be valid.

Sincerely,

[Signature]

[Name of Firm/Consultant]

[Title]