

[Firm Letterhead]

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Tax Opinion Regarding Sales and Use Tax Nexus via Third-Party Inventory Storage

Dear [Client Contact Name],

You have requested our opinion regarding whether the storage of inventory in third-party fulfillment centers (such as Amazon FBA or similar services) constitutes a physical presence sufficient to create sales and use tax nexus in [State Name].

Scope of Review

Our review is based on the facts provided by [Client Name], current state statutes, administrative regulations, and judicial precedents as of the date of this letter. We have specifically analyzed [State Statute Reference, e.g., Section 123.45].

Factual Summary

We understand that [Client Name] is a remote seller with no offices, employees, or owned real estate in [State Name]. However, [Client Name] utilizes a third-party logistics provider that moves and stores [Client Name]'s inventory at various fulfillment centers located within [State Name] to facilitate rapid delivery to local customers.

Legal Analysis

Under the ruling in *Quill Corp. v. North Dakota* and subsequently *South Dakota v. Wayfair, Inc.*, physical presence remains a primary trigger for nexus. Most states, including [State Name], maintain that owning tangible personal property stored in a warehouse—even if managed by a third party—establishes a "physical presence" nexus. Consequently, this presence requires the seller to register for, collect, and remit sales tax on all taxable sales delivered into the state, regardless of whether the seller meets the state's economic thresholds.

Opinion

Based on the foregoing, it is our opinion that the storage of inventory in [State Name] by a third party on behalf of [Client Name] creates a sales and use tax nexus. Therefore, [Client Name] is legally obligated to register with the [State Department of Revenue] and comply with all applicable tax collection requirements.

Limitations

This opinion is for the sole use of [Client Name] and is based on current law. Tax laws are subject to change by legislative or judicial action, which may affect the validity of this opinion.

Sincerely,

[Signature]

[Name of Partner/Principal]

[Firm Name]