

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Opinion Letter regarding Research and Development (R&D) Tax Credits for Tax Year [Year]

Dear [Client Name],

At your request, we have analyzed the activities and expenditures of [Company Name] to determine eligibility for the Research and Development Tax Credit under Section 41 of the Internal Revenue Code (IRC).

Scope of Review

Our analysis included a review of project documentation, payroll records, supply costs, and interviews with technical personnel. Our opinion is based on the facts provided by management regarding the nature of the research activities conducted during the period.

Legal Standard: The Four-Part Test

To qualify for the credit, activities must satisfy the following criteria:

- **Section 174 Test:** Expenditures must be incurred in connection with the taxpayer's trade or business and represent research and development costs in the experimental or laboratory sense.
- **Technological in Nature:** The research must rely on principles of physical or biological sciences, engineering, or computer science.
- **Process of Experimentation:** Substantially all activities must constitute a process of experimentation involving the evaluation of alternatives to eliminate technical uncertainty.
- **Qualified Purpose:** The research must be intended to develop a new or improved function, performance, reliability, or quality of a business component.

Conclusion

Based on our review, it is our opinion that the identified projects meet the requirements of the Four-Part Test. The qualified research expenses (QREs) totaling \$[Amount] have been calculated in accordance with Treasury Regulations. Consequently, it is more likely than not that the reported R&D tax credit of \$[Credit Amount] will be sustained if challenged by tax authorities.

Disclosures

This opinion is based on the law and regulations in effect as of the date of this letter. We express no opinion on any issues beyond those expressly stated herein.

Sincerely,

[Signature]

[Name of Preparer/Firm]

[Title]