

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

RE: Final Opinion Letter Regarding Federal Research and Development Tax Credits for Tax Year [Year]

Dear [Client Contact Name],

This letter provides our formal opinion regarding the eligibility of [Company Name] (the "Company") to claim the Credit for Increasing Research Activities under Internal Revenue Code (IRC) Section 41 for the tax year ending [Date].

Scope of Review

We have examined the Company's business components, financial records, and technical documentation. Our review focused on identifying Qualified Research Expenses (QREs) consisting of wages, supplies, and contract research costs associated with qualified research activities conducted within the United States.

Analysis and Evaluation

Our evaluation was based on the "Four-Part Test" as defined in IRC Section 41(d):

- **Section 174 Test:** The costs must be incidental to 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:** The activities must involve a process designed to evaluate alternatives and eliminate uncertainty.
- **Qualified Purpose:** The research must be intended to improve the functionality, performance, reliability, or quality of a new or existing business component.

Conclusion and Opinion

Based on the facts provided and our analysis of the documentation, it is our opinion that the Company has satisfied the requirements of IRC Section 41 and related Treasury Regulations. The total calculated R&D tax credit for the period is \$[Amount].

This opinion is based on the tax laws and judicial interpretations in effect as of the date of this letter. Should an audit by the Internal Revenue Service occur, the documentation gathered during our study provides a reasonable basis for the defense of the credits claimed.

Limitations

This letter is intended solely for the use of the Company and may not be relied upon by any other party without our express written consent.

Sincerely,

[Signature]

[Name of Principal/Partner]

[Firm Name]