

[Date]

[Company Name]

[Company Address]

[City, State, Zip Code]

Re: R&D Tax Credit Nexus Opinion Letter - Tax Year [Year]

To Whom It May Concern,

We have examined the qualified research activities (QRAs) and qualified research expenses (QREs) of [Company Name] (the "Company") for the tax year ending [Date]. The purpose of this letter is to provide an opinion on the nexus between the qualified activities performed and the expenses incurred under Internal Revenue Code (IRC) Section 41 and Section 174.

Scope of Review

Our evaluation included a review of the following:

- Technical project documentation and specifications.
- Payroll records and time-tracking data for qualified personnel.
- Contractor agreements and invoices related to research activities.
- Interviews with subject matter experts and project managers.

Analysis of Nexus

Based on our review, we have determined that a clear nexus exists between the Company's research initiatives and the identified expenditures. The qualified activities meet the "Four-Part Test" as defined by the IRC:

1. **Section 174 Test:** The expenditures are connected to the trade or business and represent research and development costs in the experimental or laboratory sense.
2. **Technological in Nature:** The research fundamentally relies on principles of physical science, biological science, engineering, or computer science.
3. **Elimination of Uncertainty:** The activities were intended to discover information to eliminate uncertainty concerning the capability, method, or design for developing or improving a product or process.
4. **Process of Experimentation:** Substantially all of the activities constitute a process of experimentation involving the evaluation of alternatives and systematic testing.

Conclusion

It is our professional opinion that the QREs identified for the period are directly linked to qualified projects. The wages, supplies, and contract research expenses documented reflect the actual efforts exerted to overcome technical uncertainties. Therefore, the Company has established the necessary nexus to support the R&D Tax Credit claim for the specified tax year.

Sincerely,

[Signature]

[Name of Principal/Tax Professional]

[Firm Name]