[Company Header/Logo]

[Current Date]

[Recipient Name]
[Recipient Title]
[Department Name]
[Company Name]

Subject: Notification of Annual Multi-State Tax Compliance Audit

Dear [Recipient Name],

This letter serves as formal notification that [Company Name] will commence its annual Multi-State Tax Compliance Audit for the fiscal year ending [Year]. This internal audit is conducted to ensure our organization remains in full compliance with the varying tax laws, nexus triggers, and filing requirements across all jurisdictions where we conduct business.

The scope of this audit will include, but is not limited to:

- Sales and Use Tax nexus determinations.
- State Income and Franchise Tax apportionment.
- Payroll tax withholding accuracy for remote and multi-state employees.
- Validation of exemption certificates and gross receipt reconciliations.
- Review of recent legislative changes in key operating states.

The audit process is scheduled to begin on [Start Date] and is expected to conclude by [End Date]. During this period, the tax department may require access to specific financial records, transactional data, and payroll reports.

We request that you designate a point of contact from your department to assist with data requests by [Deadline Date]. This cooperation ensures that all state filings are accurate and that potential tax liabilities are mitigated.

Should you have any immediate questions regarding the audit framework or the documentation required, please contact [Name of Lead Auditor] at [Email/Phone Number].

Thank you for your prompt attention to this matter.

Sincerely,

[Your Signature]
[Your Name]
[Your Title]
[Company Name]