

Letter of Notification: Business Dissolution and Tax Implications

Date: [Insert Date]

To: [Recipient Name]

From: [Your Name]

Company: [Your Company Name]

Address: [Your Company Address]

Dear [Recipient Name],

We are writing to inform you of the impending dissolution of [Your Company Name], effective [Dissolution Date]. As part of this process, it is important to address the tax implications that may arise from the distribution of assets.

Upon dissolution, the assets of the company will be distributed among the shareholders. The distribution may lead to potential tax obligations, which are summarized below:

- **Capital Gains Tax:** Any appreciated assets transferred to shareholders may incur capital gains tax.
- **Dividend Tax:** Cash distributions may be subject to taxation as dividends.
- **Entity-Level Taxes:** Consideration must be given to any outstanding tax liabilities of the entity.

To ensure compliance with all applicable tax regulations, we strongly recommend consulting with a tax advisor to understand the full implications of these distributions.

If you have any questions or require further clarification, please do not hesitate to reach out.

Thank you for your attention to this matter.

Sincerely,

[Your Name]

[Your Position]

[Your Company Name]

[Your Contact Information]