

SUBCONTRACTOR STATE AND LOCAL TAX COMPLIANCE DECLARATION AND AGREEMENT

This Subcontractor State and Local Tax Compliance Declaration and Agreement (the "Agreement") is entered into and made effective as of _____, by and between:

Contractor: _____

And

Subcontractor: _____

1. PURPOSE AND SCOPE

This Agreement is executed in connection with the subcontracting services performed or to be performed by the Subcontractor pursuant to the prime agreement or master subcontract agreement between the parties dated _____. The purpose of this Agreement is to ensure the Subcontractor's complete compliance with all applicable state and local tax laws, regulations, and filing requirements.

2. REPRESENTATIONS AND WARRANTIES

The Subcontractor hereby represents, warrants, and covenants to the Contractor that:

- A. The Subcontractor is properly registered for and compliant with all state and local tax jurisdictions in which it conducts business, has a nexus, or performs services under any agreement with the Contractor, including but not limited to the State of _____ and the Municipality of _____.
- B. The Subcontractor possesses all necessary tax identification numbers, business licenses, and tax permits required by applicable state and local authorities, specifically:
State Tax Identification Number: _____
Local/Municipal Business License Number: _____
- C. The Subcontractor will timely file all required state and local tax returns, including sales, use, franchise, income, excise, and payroll/withholding tax returns, and will promptly pay all such taxes, penalties, and interest when due.
- D. The Subcontractor is solely responsible for withholding and paying all federal, state, and local employment taxes, unemployment insurance contributions, and workers' compensation premiums for all of its employees, agents, or independent contractors performing services under any subcontract with the Contractor.

3. TAX INDEMNIFICATION

The Subcontractor agrees to indemnify, defend, and hold harmless the Contractor, its officers, directors, employees, and agents from and against any and all liabilities, losses, damages, claims, fines, penalties, interest, costs, and expenses (including reasonable attorneys' fees) arising out of or resulting from:

- A. Any failure by the Subcontractor to pay state or local taxes, assessments, or fees of any kind due in connection with the services provided to the Contractor.
- B. Any failure by the Subcontractor to comply with any tax registration, withholding, reporting, or filing requirement under applicable state or local laws.
- C. Any determination by a taxing authority that the Contractor is liable for unpaid taxes, withholding, or assessments related to the compensation paid to the Subcontractor or its personnel.

4. RIGHT TO AUDIT AND PROOF OF COMPLIANCE

Upon request by the Contractor, the Subcontractor shall provide reasonable documentary evidence of tax compliance, which may include copies of filed tax returns, tax clearance certificates, certificates of good standing, or

proof of tax payments. The Contractor reserves the right to audit the Subcontractor's records to verify compliance with the terms of this Agreement, upon reasonable prior notice and during regular business hours.

5. TERM AND TERMINATION

This Agreement shall remain in effect for the duration of the subcontracting relationship between the parties and shall survive the expiration or termination of any underlying subcontract agreement until the expiration of the applicable statute of limitations for any state or local tax assessments related to the periods of performance.

6. GOVERNING LAW

This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of _____, without regard to its conflict of law principles.

IN WITNESS WHEREOF, the parties hereto have executed this Subcontractor State and Local Tax Compliance Declaration and Agreement as of the date first written above.

CONTRACTOR:

SUBCONTRACTOR:

By (Signature):

By (Signature):

Name:

Name:

Title:

Title:

Date:

Date: