

SUBCONTRACTOR TAX INDEMNITY AND HOLD HARMLESS AGREEMENT

This Subcontractor Tax Indemnity and Hold Harmless Agreement (the "Agreement") is entered into as of this _____ day of _____, 20_____, by and between:

CONTRACTOR: _____

SUBCONTRACTOR: _____

RECITALS

WHEREAS, Contractor and Subcontractor have entered into an agreement or agreements for the performance of certain services by Subcontractor (the "Services"); and

WHEREAS, Subcontractor is an independent contractor and not an employee of Contractor; and

WHEREAS, the parties desire to define their respective rights and responsibilities regarding tax liabilities, contributions, and indemnification arising out of or in connection with the performance of the Services.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Independent Contractor Status.** Subcontractor explicitly acknowledges and agrees that it is performing the Services solely as an independent contractor. Nothing in this Agreement or any associated agreement shall be construed to create an employer-employee relationship, partnership, joint venture, or agency relationship between Contractor and Subcontractor or any of Subcontractor's employees, agents, or representatives.
2. **Tax Responsibilities and Obligations.** Subcontractor covenants and agrees that it has sole and exclusive responsibility for, and shall timely pay, all taxes, fees, contributions, and assessments imposed by any federal, state, local, or foreign government entity arising from the performance of the Services and the compensation received under any agreement with Contractor. This includes, but is not limited to:
 - a. Federal, state, and local income taxes;
 - b. Self-employment taxes (including Social Security and Medicare taxes);
 - c. Federal Insurance Contributions Act (FICA) taxes;
 - d. Federal Unemployment Tax Act (FUTA) and State Unemployment Tax Act (SUTA) contributions;
 - e. Workers' compensation and disability insurance premiums; and
 - f. Any other payroll-related withholdings, deductions, or payments.
3. **No Withholding.** Subcontractor acknowledges that Contractor will not withhold any federal, state, or local income taxes, FICA, or any other taxes from the payments made to Subcontractor, unless explicitly required to do so by a valid governmental levy, tax backup withholding order, or law.
4. **Indemnification and Hold Harmless.** Subcontractor hereby agrees to indemnify, defend (at Contractor's option), and hold harmless Contractor, its officers, directors, employees, agents, successors, and assigns (collectively, the "Indemnified Parties") from and against any and all claims, demands, liabilities, losses, damages, penalties, fines, interest, assessments, costs, and expenses (including, without limitation, reasonable attorneys' fees, accounting fees, and court costs) arising out of, resulting from, or in connection with:
 - a. Any failure by Subcontractor to pay any required taxes, contributions, or premiums as set forth in Section 2;
 - b. Any determination by any federal, state, local, or foreign agency or court that Subcontractor, or any worker, employee, or agent engaged by Subcontractor, is an employee of Contractor for any purpose, including but not limited to tax withholding, unemployment benefits, workers' compensation, or employee benefits.
5. **Cooperation.** In the event of any audit, inquiry, investigation, or administrative or judicial proceeding by any government authority concerning the employment status or tax treatment of Subcontractor or Subcontractor's workers, Subcontractor agrees to fully

cooperate with Contractor and to provide all relevant documentation and information requested by Contractor in a timely manner.

6. **Governing Law.** This Agreement shall be construed, interpreted, and governed by the laws of the State of _____, without regard to its conflict of law principles.
7. **Entire Agreement and Severability.** This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof. If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

IN WITNESS WHEREOF, the parties hereto have executed this Subcontractor Tax Indemnity and Hold Harmless Agreement as of the date first written above.

CONTRACTOR:

SUBCONTRACTOR:

By (Signature)

By (Signature)

Name (Printed)

Name (Printed)

Title

Title