

FORM 1099-NEC REPORTING AGREEMENT

This Agreement is entered into and made effective as of _____, by and between the following parties:

Payer (Company)	Name: _____
	Address: _____ _____
	EIN: _____
Payee (Subcontractor)	Name: _____
	Address: _____ _____
	TIN/SSN/EIN: _____

WHEREAS, the Payer engages the Payee as an independent contractor to perform services; and

WHEREAS, the parties desire to define their agreement regarding federal, state, and local tax reporting, specifically concerning IRS Form 1099-NEC (Nonemployee Compensation);

NOW, THEREFORE, the parties agree as follows:

1. INDEPENDENT CONTRACTOR STATUS

The Payee performs all services under this relationship solely as an independent contractor. Nothing in this Agreement shall be construed to create an employer-employee, partnership, or joint venture relationship. The Payee is not eligible for, nor entitled to participate in, any benefit plans or programs provided by the Payer to its employees.

2. FORM W-9 REQUIREMENT

The Payee agrees to provide the Payer with a complete and accurate IRS Form W-9 (Request for Taxpayer Identification Number and Certification) prior to receiving any payments. No payments shall be processed or issued until a valid W-9 is received by the Payer.

3. TAX REPORTING & FORM 1099-NEC

- The Payer will report all nonemployee compensation paid to the Payee on IRS Form 1099-NEC, provided the total annual payments equal or exceed \$600 (or the current threshold established by the Internal Revenue Service) during the calendar year.
- The Payer shall deliver Form 1099-NEC to the Payee and file the same with the Internal Revenue Service in accordance with mandated federal deadlines, typically January 31st of the year following the payment calendar year.
- The Payee consents to receive Form 1099-NEC via:
 - Electronic delivery to the following email address: _____
 - Standard mail delivery to the physical address provided above.

4. RESPONSIBILITY FOR TAXES

The Payee bears sole responsibility for the payment of all federal, state, and local income taxes, self-employment taxes (including Social Security and Medicare taxes), unemployment taxes, and any other assessments levied on the compensation received from the Payer. The Payer will not withhold any taxes from payments made to the Payee, except in cases where backup withholding is legally mandated under IRS regulations.

5. BACKUP WITHHOLDING

If the Payee fails to provide a correct Taxpayer Identification Number (TIN) or if the IRS notifies the Payer that backup withholding is required, the Payer shall withhold the statutory percentage from all subsequent payments to the Payee and remit such amounts to the IRS as required by federal law.

6. INDEMNIFICATION

The Payee agrees to indemnify, defend, and hold harmless the Payer, its officers, directors, and employees, from and against any and all liabilities, taxes, penalties, interest, legal fees, and costs resulting from the Payee's failure to report or pay taxes on compensation received under this Agreement, or from any misrepresentation of independent contractor status.

7. 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 have executed this Agreement as of the date first written above.

PAYER (COMPANY)

AUTHORIZED SIGNATURE

PRINTED NAME & TITLE

DATE

PAYEE (SUBCONTRACTOR)

SIGNATURE

PRINTED NAME & TITLE (IF APPLICABLE)

DATE