

**BACKUP WITHHOLDING AGREEMENT
FOR INDEPENDENT SUBCONTRACTORS**

This Backup Withholding Agreement (the "Agreement") is entered into and made effective as of this _____ day of _____, 20_____, by and between:

Contractor:

Name/Company: _____

Address: _____

Taxpayer Identification Number (TIN): _____

Subcontractor:

Name/Company: _____

Address: _____

Taxpayer Identification Number (TIN): _____

WHEREAS, the Contractor has engaged or intends to engage the Subcontractor to perform services as an independent contractor; and

WHEREAS, the parties seek to ensure compliance with the Internal Revenue Service (IRS) regulations governing Form W-9, Form 1099 reporting, and mandatory backup withholding requirements under Internal Revenue Code (IRC) Section 3406;

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. TAXPAYER IDENTIFICATION NUMBER & FORM W-9 CERTIFICATION

The Subcontractor agrees to provide the Contractor with a complete, accurate, and signed IRS Form W-9 (Request for Taxpayer Identification Number and Certification) prior to the commencement of any work or the issuance of any payment. The Subcontractor certifies under penalty of perjury that the Taxpayer Identification Number (TIN) provided above and on the Form W-9 is correct and belongs to the Subcontractor.

2. BACKUP WITHHOLDING STATUS & OBLIGATIONS

The Subcontractor certifies that:

- A. The Subcontractor is not subject to backup withholding because: (i) the Subcontractor is exempt from backup withholding, or (ii) the Subcontractor has not been notified by the IRS that they are subject to backup withholding as a result of a failure to report all interest or dividends, or (iii) the IRS has notified the Subcontractor that they are no longer subject to backup withholding; or
- B. The Subcontractor is currently subject to backup withholding and has indicated such status to the Contractor by checking the appropriate box on Form W-9 or through written notification.

3. IMPLEMENTATION OF BACKUP WITHHOLDING

The Contractor shall deduct and withhold tax from any reportable payments made to the Subcontractor at the current statutory backup withholding rate (currently 24%, or as otherwise adjusted by federal law) if:

- a. The Subcontractor fails to provide their TIN in the manner required;
- b. The IRS notifies the Contractor that the TIN provided by the Subcontractor is incorrect;
- c. The IRS notifies the Contractor that the Subcontractor is subject to backup withholding due to underreported interest and dividends; or

d. The Subcontractor fails to certify to the Contractor, under penalties of perjury, that they are not subject to backup withholding when required to do so.

4. NOTICE AND CORRECTION OF INCORRECT TIN

If the Contractor receives a notice from the IRS (such as a "B" Notice) indicating that the Subcontractor's TIN is incorrect, the Contractor will immediately notify the Subcontractor. The Subcontractor shall have the timeframe permitted by IRS regulations to provide a corrected TIN, a newly executed Form W-9, or appropriate validation. Failure to resolve the mismatch within the regulatory timeframe will result in the immediate commencement of backup withholding on all subsequent payments.

5. 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, penalties, fines, interest, assessments, costs, and expenses (including reasonable attorneys' fees) arising out of or resulting from the Subcontractor's failure to provide an accurate TIN, failure to notify the Contractor of a change in backup withholding status, or any inaccurate certifications made by the Subcontractor herein or on IRS Form W-9.

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, and applicable federal tax laws and IRS regulations.

7. ENTIRE AGREEMENT

This Agreement, together with the Form W-9 provided by the Subcontractor, constitutes the entire agreement between the parties regarding backup withholding requirements and supersedes any prior oral or written agreements concerning this subject matter.

IN WITNESS WHEREOF, the parties hereto have executed this Backup Withholding Agreement as of the date first written above.

CONTRACTOR:

SUBCONTRACTOR:

By (Signature)

By (Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____