

MASTER SUBCONTRACTOR AGREEMENT

TAX INDEMNITY AND LIABILITY RELEASE

This Master Subcontractor Tax Indemnity and Liability Release (the "Agreement") is entered into as of _____, 20_____, by and between:

Contractor: _____, with a principal place of business at _____, and

Subcontractor: _____, with a principal place of business at _____ (Taxpayer Identification Number: _____).

Contractor and Subcontractor may collectively be referred to herein as the "Parties" or individually as a "Party."

Recitals

WHEREAS, Contractor and Subcontractor have entered into, or may hereafter enter into, one or more agreements, work orders, or purchase orders for the performance of services by Subcontractor (collectively, the "Services"); and

WHEREAS, the Parties intend that Subcontractor shall perform such Services strictly as an independent contractor; and

WHEREAS, the Parties desire to clarify their respective responsibilities regarding tax liabilities, obligations, and reporting, and to provide for the indemnification of Contractor by Subcontractor against certain tax claims and liabilities.

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 Subcontractor, its personnel, employees, agents, and permitted subcontractors, are independent contractors and not employees, partners, joint venturers, or agents of Contractor. Subcontractor has no authority to bind or obligate Contractor in any manner whatsoever.
2. **Sole Responsibility for Taxes.** Subcontractor shall have sole and exclusive responsibility for, and shall timely pay, any and all federal, state, local, and foreign taxes, assessments, fees, or duties arising out of, in connection with, or as a result of the Services performed and payments received under any agreement with Contractor. This responsibility includes, but is not limited to:
 - a. Federal, state, and local income taxes;
 - b. Self-employment taxes (including FICA, FUTA, and SECA);
 - c. Social security, Medicare, and unemployment contributions;
 - d. Sales, use, excise, services, value-added, or gross receipts taxes; and
 - e. Workers' compensation insurance and disability premiums.
3. **No Withholding.** Subcontractor acknowledges that Contractor will not withhold any sums from payments made to Subcontractor for federal, state, or local income taxes, social security, Medicare, unemployment, or any other taxes or withholdings, unless required by applicable law, regulation, or court order (such as backup withholding under the Internal Revenue Code).
4. **Tax Indemnification.** Subcontractor hereby agrees to defend, indemnify, protect, and hold harmless Contractor, its parent companies, subsidiaries, affiliates, officers, directors, employees, agents, successors, and assigns (collectively, the "Indemnified Parties") from and against any and all claims, demands, liabilities, losses, damages, assessments, deficiencies, interest, penalties, costs, and expenses (including, without limitation, reasonable attorneys' fees, accountant fees, and court costs) arising out of, resulting from, or in connection with:
 - a. Any failure by Subcontractor to pay any required federal, state, local, or foreign tax, assessment, or contribution;

- b. Any determination by any governmental authority, court, or administrative agency that Subcontractor, or any of its employees or agents, is an employee of Contractor for any purpose, including but not limited to tax withholding, employee benefits, labor standards, or workers' compensation; and
 - c. Any audit, investigation, or proceeding by any taxing authority related to the independent contractor status of Subcontractor or the tax treatment of payments made to Subcontractor.
5. **Representations and Warranties.** Subcontractor represents and warrants to Contractor that:
- a. Subcontractor is registered with all appropriate federal, state, and local authorities to conduct business and pay taxes as an independent entity;
 - b. Subcontractor reports and will continue to report all income earned from Contractor in compliance with all applicable tax laws; and
 - c. Subcontractor maintains, and will maintain throughout the term of any agreement with Contractor, appropriate business, general liability, and workers' compensation insurance coverage.
6. **Cooperation.** In the event of any audit, inquiry, or challenge by any governmental authority regarding the tax status or treatment of the relationship between Contractor and Subcontractor, Subcontractor agrees to fully cooperate with Contractor and provide, upon request, documentation verifying Subcontractor's compliance with its tax obligations and independent contractor status.
7. **Governing Law and Jurisdiction.** 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. Any legal action or proceeding arising under this Agreement shall be brought exclusively in the courts of _____ County, _____.
8. **Miscellaneous.**
- a. **Severability:** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.
 - b. **Entire Agreement:** This Agreement constitutes the entire agreement between the Parties regarding tax indemnity and liability release and supersedes all prior agreements, understandings, or representations, whether written or oral, regarding this subject matter.
 - c. **Amendments:** This Agreement may only be amended, modified, or waived by a written instrument signed by authorized representatives of both Parties.
 - d. **Term:** This Agreement shall apply to all Services performed by Subcontractor for Contractor, whether prior to, on, or after the date first written above, and shall survive the expiration or termination of any underlying business relationship.

IN WITNESS WHEREOF, the Parties hereto have executed this Master Subcontractor Tax Indemnity and Liability Release as of the date first set forth above.

CONTRACTOR:

Authorized Signature

Printed Name

Title

Date

SUBCONTRACTOR:

Authorized Signature

Printed Name

Title

Date