

# SUBCONTRACTOR AGREEMENT FOR MULTI-STATE TAX COMPLIANCE

This Subcontractor Agreement for Multi-State Tax Compliance (the "Agreement") is entered into as of \_\_\_\_\_, 20\_\_\_\_\_, by and between:

**Contractor:** \_\_\_\_\_

And

**Subcontractor:** \_\_\_\_\_

## **RECITALS**

WHEREAS, Contractor and Subcontractor have entered into a prime subcontractor or independent contractor agreement dated \_\_\_\_\_, 20\_\_\_\_\_ (the "Master Agreement") for the provision of certain services or materials; and

WHEREAS, Subcontractor performs activities or provides products/services that may subject transactions to various state and local taxes, including but not limited to sales tax, use tax, gross receipts tax, excise tax, and corporate income tax, across multiple jurisdictions; and

WHEREAS, the parties desire to establish and confirm their respective obligations regarding compliance with state and local tax ("SALT") laws and regulations; and

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the parties agree as follows:

## **1. REPRESENTATION AND WARRANTIES**

Subcontractor represents, warrants, and covenants to Contractor that:

- A. It is duly registered for sales, use, and other applicable state and local taxes in all jurisdictions where its business activities or personnel require such registration, or where the delivery of services/goods under the Master Agreement occurs.
- B. It will maintain active tax registrations in the following states during the term of this Agreement:  
\_\_\_\_\_.
- C. It shall collect, report, and remit all applicable state and local sales, use, transaction, excise, or gross receipts taxes arising from the transactions governed by the Master Agreement.

## **2. TAX INDEMNIFICATION**

Subcontractor agrees to fully indemnify, defend, and hold harmless Contractor, its affiliates, officers, directors, and employees, from and against any and all claims, liabilities, losses, damages, fines, penalties, interest, and expenses (including reasonable attorneys' fees) arising out of or in connection with Subcontractor's failure to register, collect, report, or remit any applicable state or local taxes, or to file required tax returns in any applicable jurisdiction.

## **3. DOCUMENTATION AND PROOF OF COMPLIANCE**

Upon request by Contractor, Subcontractor shall promptly provide:

- A. Copies of active state and local sales/use tax permits, business licenses, or registration certificates.
- B. Valid, fully executed resale certificates, exemption certificates, or other documentation required to support any tax exemptions claimed by Subcontractor.
- C. Proof of tax remittance or returns filed in connection with transactions related to the Master Agreement.

## **4. AUDIT COOPERATION**

In the event that Contractor is audited by any state or local taxing authority regarding transactions under the Master Agreement, Subcontractor shall fully cooperate with Contractor. This cooperation includes providing relevant transaction records, invoices, tax receipts, and other documentation required to resolve the audit inquiries at no additional cost to Contractor.

**5. TERM AND TERMINATION**

This Agreement shall remain in effect for the duration of the Master Agreement and shall survive the expiration or termination of the Master Agreement for the duration of the applicable statute of limitations for state and local tax assessments in the relevant jurisdictions.

**6. GOVERNING LAW**

This Agreement shall be governed by, and construed 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 Agreement as of the date first written above.

**CONTRACTOR:**

**SUBCONTRACTOR:**

\_\_\_\_\_

\_\_\_\_\_

Authorized Signature

Authorized Signature

\_\_\_\_\_

\_\_\_\_\_

Print Name

Print Name

\_\_\_\_\_

\_\_\_\_\_

Title

Title

\_\_\_\_\_

\_\_\_\_\_

Date

Date