

SUBCONTRACTOR STATE AND LOCAL TAX COMPLIANCE AGREEMENT

This Subcontractor State and Local Tax Compliance Agreement (the "Agreement") is entered into as of _____, 20____, by and between:

Contractor: _____

Address: _____

and

Subcontractor: _____

Address: _____

RECITALS

WHEREAS, Contractor and Subcontractor have entered into a prime subcontract or service agreement dated _____, 20____ (the "Master Agreement") for performance of work in connection with the project located at _____; and

WHEREAS, Subcontractor is required to comply with all applicable state and local tax laws, regulations, and registration requirements of the jurisdiction(s) where the project is located and where the Subcontractor performs services; and

WHEREAS, Contractor requires formal assurance and documentation of Subcontractor's compliance with all such state and local tax obligations as a condition of payment and continued engagement.

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

1. TAX REGISTRATION AND COMPLIANCE

- A. Subcontractor represents and warrants that it is fully registered, licensed, and in good standing with the tax authorities of the State of _____ and all applicable local municipalities, counties, or taxing districts where the work is performed.
- B. Subcontractor's state tax registration and identification numbers are as follows:

State Tax ID: _____

Local / Municipal Tax ID: _____

Sales and Use Tax Permit No.: _____

- C. Subcontractor certifies that it will timely file all state and local tax returns and remit all taxes, including but not limited to income taxes, franchise taxes, sales and use taxes, gross receipts taxes, and business privilege taxes, arising out of the performance of the services under the Master Agreement.

2. WITHHOLDING AND PAYROLL TAXES

Subcontractor acknowledges and agrees that it is solely responsible for the withholding and payment of all federal, state, and local payroll and employment taxes, including but not limited to unemployment insurance, worker's compensation, social security, and local wage taxes, for all personnel, employees, and independent contractors engaged by Subcontractor for the project.

3. DOCUMENTATION AND AUDIT RIGHTS

Upon request by the Contractor, the Subcontractor shall provide proof of tax registration, filed tax returns, tax clearance certificates, or receipts of tax payments related to the work performed. Contractor reserves the right to audit Subcontractor's books and records to

verify compliance with this Agreement. Such audits shall be conducted during normal business hours and upon reasonable notice.

4. INDEMNIFICATION

Subcontractor shall defend, indemnify, and hold harmless Contractor, its officers, directors, employees, and agents from and against any and all claims, liabilities, losses, damages, fines, penalties, interest, and expenses (including reasonable attorneys' fees) arising out of or resulting from Subcontractor's failure to comply with applicable state and local tax laws, failure to register with appropriate tax authorities, or failure to file tax returns or pay taxes as required by law or this Agreement.

5. WITHHOLDING OF PAYMENTS

In the event Contractor receives notice from any state or local taxing authority of Subcontractor's failure to pay applicable taxes, or if Subcontractor fails to provide requested proof of compliance, Contractor shall have the right to withhold from any payments due to Subcontractor under the Master Agreement an amount sufficient to satisfy such tax liability or potential liability until Subcontractor provides evidence of resolution or compliance.

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:

By (Signature)

By (Signature)

Name (Printed)

Name (Printed)

Title

Title

Date

Date