

JOINT TAX LIABILITY INDEMNITY AND CONTRIBUTION AGREEMENT

This Joint Tax Liability Indemnity and Contribution Agreement (the "Agreement") is entered into as of this _____ day of _____, 20_____, by and between:

Party A: _____, residing at _____ (hereinafter referred to as "Party A"), and

Party B: _____, residing at _____ (hereinafter referred to as "Party B").

RECITALS

WHEREAS, the Parties were formerly married, or are business partners, or are otherwise jointly affiliated as _____;

WHEREAS, the Parties have filed joint federal, state, and/or local income tax returns for the tax year(s) _____ (the "Joint Returns"); and

WHEREAS, the Parties desire to allocate responsibility for any joint and several tax liabilities, deficiencies, assessments, interest, penalties, or legal fees arising from or related to the Joint Returns, and to provide for indemnification and contribution between themselves.

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. ALLOCATION OF TAX LIABILITY

- A. The Parties agree that any tax liabilities, including but not limited to additional taxes, interest, penalties, and additions to tax, assessed by any tax authority concerning the Joint Returns, shall be allocated as follows:
- i. Liabilities attributable to the income, deductions, credits, or omissions of Party A shall be the sole responsibility of Party A (_____ %).
 - ii. Liabilities attributable to the income, deductions, credits, or omissions of Party B shall be the sole responsibility of Party B (_____ %).
 - iii. Any liabilities that cannot be reasonably traced or attributed to either Party individually shall be shared equally (_____ % by Party A and _____ % by Party B).

2. INDEMNIFICATION

- A. Party A hereby agrees to indemnify, defend, and hold harmless Party B from and against any and all liabilities, losses, damages, claims, costs, and expenses (including reasonable attorneys' and accountants' fees) arising out of or resulting from any tax deficiency, assessment, or audit attributable to Party A's income, deductions, credits, or omissions on the Joint Returns.
- B. Party B hereby agrees to indemnify, defend, and hold harmless Party A from and against any and all liabilities, losses, damages, claims, costs, and expenses (including reasonable attorneys' and accountants' fees) arising out of or resulting from any tax deficiency, assessment, or audit attributable to Party B's income, deductions, credits, or omissions on the Joint Returns.

3. CONTRIBUTION

If either Party is required by a taxing authority to pay more than their allocated share of any joint tax liability under the terms of this Agreement, the paying Party shall have a right of contribution against the non-paying Party. The non-paying Party shall reimburse the

paying Party within _____ days of receiving written demand along with proof of payment.

4. COOPERATION AND TAX CONTESTS

- A. The Parties agree to cooperate fully with each other and their respective representatives in connection with any audit, examination, litigation, or other proceeding involving the Joint Returns.
- B. Each Party shall promptly notify the other Party in writing within _____ days of receiving any notice, inquiry, or assessment from any taxing authority regarding the Joint Returns.
- C. Neither Party shall settle, compromise, or resolve any audit or proceeding related to the Joint Returns that affects the tax liability of the other Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

5. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without regard to its conflict of laws principles. Any dispute arising out of or relating to this Agreement shall be resolved through _____ located in _____.

6. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the Parties concerning the subject matter hereof and supersedes all prior agreements, representations, or understandings, whether oral or written.

IN WITNESS WHEREOF, the Parties hereto have executed this Joint Tax Liability Indemnity and Contribution Agreement as of the date first written above.

PARTY A:

PARTY B:

Signature

Signature

Print Name

Print Name

Date

Date