

**TAX RESPONSIBILITY AND INDEMNITY AGREEMENT  
FOR SUBCONTRACTED SERVICES**

This Tax Responsibility and Indemnity Agreement (the "Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, by and between:

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

and

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

**RECITALS**

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WHEREAS, Contractor and Subcontractor have entered into a prime agreement or subcontract agreement dated \_\_\_\_\_ (the "Service Agreement") for the performance of certain professional services; and

WHEREAS, Subcontractor operates as an independent contractor and not as an employee of Contractor; and

WHEREAS, the parties desire to define their respective rights and responsibilities regarding tax liabilities, filings, and indemnification arising from the performance of services under the Service Agreement.

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**

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Subcontractor acknowledges and agrees that they are performing services solely as an independent contractor. Nothing in this Agreement or the Service Agreement shall be construed to create an employer-employee, partnership, or joint venture relationship between Contractor and Subcontractor, or between Contractor and any of Subcontractor's employees, agents, or representatives.

**2. TAX RESPONSIBILITIES AND FILINGS**

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Subcontractor assumes sole and exclusive responsibility for, and shall timely pay, all taxes arising from or relating to the compensation paid by Contractor to Subcontractor under the Service Agreement, including but not limited to:

- a. Federal, state, and local income taxes;
- b. Self-employment taxes (including Social Security and Medicare taxes);
- c. Federal and state unemployment taxes (FUTA and SUTA);
- d. Sales, use, service, gross receipts, and value-added taxes; and
- e. Any other payroll, withholding, or business-related taxes associated with Subcontractor's business operations and personnel.

**3. NO WITHHOLDING**

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Subcontractor acknowledges that Contractor will not withhold any federal, state, or local income taxes, social security taxes, unemployment taxes, or any other taxes from the payments made to Subcontractor, unless explicitly required to do so by a valid legal order, levy, or statutory requirement. Subcontractor is solely responsible for making estimated tax payments as required by law.

**4. TAX INDEMNIFICATION**

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Subcontractor shall defend, indemnify, and hold harmless Contractor, its affiliates, officers, directors, employees, and agents from and against any and all claims, liabilities, obligations, losses, damages, penalties, fines, interest, and expenses (including reasonable attorneys' fees and legal costs) arising out of or resulting from:

- a. Any failure by Subcontractor to pay, withhold, or report any taxes, assessments, or contributions required by law;
- b. Any determination by a governmental authority or regulatory agency that Subcontractor, or any worker engaged by Subcontractor, is an employee of Contractor; and
- c. Any challenges by tax authorities regarding the tax treatment of the payments made under the Service Agreement.

## 5. COOPERATION

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The parties agree to cooperate fully with each other in connection with any tax audit, investigation, dispute, or litigation relating to payments made under the Service Agreement. Subcontractor shall promptly provide Contractor with documentation verifying tax filings or payments upon reasonable request.

## 6. GOVERNING LAW

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This Agreement shall be governed by, interpreted, and enforced in accordance with the laws of the State of \_\_\_\_\_, without regard to its conflict of law principles.

## 7. ENTIRE AGREEMENT

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This Agreement constitutes the entire understanding between the parties regarding tax responsibility and indemnification, and supersedes all prior discussions, negotiations, or agreements, whether written or oral, regarding this subject matter. This Agreement may only be amended in a writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Tax Responsibility and Indemnity Agreement as of the date first written above.

### CONTRACTOR:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

### SUBCONTRACTOR:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_