

## SUBCONTRACTOR BACKUP WITHHOLDING AGREEMENT

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This Agreement is entered into on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between:

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

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

**Taxpayer Identification  
Number (TIN):** \_\_\_\_\_

**Address:** \_\_\_\_\_

### 1. PURPOSE AND COMPLIANCE

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Pursuant to Internal Revenue Code (IRC) Section 3406, payors must generally withhold tax at the current statutory backup withholding rate on reportable payments if the payee fails to provide a correct Taxpayer Identification Number (TIN) or has been notified by the Internal Revenue Service (IRS) that they are subject to backup withholding.

### 2. SUBCONTRACTOR CERTIFICATION

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The Subcontractor hereby certifies, under penalties of perjury, the following (check all that apply):

The Taxpayer Identification Number (TIN) provided above is correct.

The Subcontractor is not subject to backup withholding because: (a) Subcontractor is exempt from backup withholding, or (b) Subcontractor has not been notified by the IRS that they are subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified the Subcontractor that they are no longer subject to backup withholding.

The Subcontractor is subject to backup withholding.

### 3. BACKUP WITHHOLDING REQUIREMENTS

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In the event that the Subcontractor fails to provide a valid TIN, fails to certify their status, or if the Contractor receives notification from the IRS that the Subcontractor is subject to backup withholding, the Contractor shall withhold the current statutory percentage (currently 24%) from all reportable payments made to the Subcontractor under any active agreement.

The Contractor shall remit all withheld amounts to the IRS in accordance with applicable federal tax regulations. All withheld amounts will be reported annually on Form 1099-NEC or Form 1099-MISC as required by law.

### 4. INDEMNIFICATION

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The Subcontractor agrees to indemnify and hold harmless the Contractor from any and all liabilities, penalties, interest, costs, or expenses incurred by the Contractor as a result of the Subcontractor's failure to provide accurate TIN information, failure to update their withholding status, or any incorrect

certification provided herein.

## 5. GOVERNING LAW

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This Agreement shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_ and applicable federal tax regulations.

## EXECUTION

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

\_\_\_\_\_  
CONTRACTOR AUTHORIZED SIGNATURE

\_\_\_\_\_  
SUBCONTRACTOR AUTHORIZED SIGNATURE

\_\_\_\_\_  
PRINTED NAME & TITLE

\_\_\_\_\_  
PRINTED NAME & TITLE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE