

AGREEMENT FOR SUBCONTRACTOR TAX COMPLIANCE AND WITHHOLDING OBLIGATIONS

This Agreement for Subcontractor Tax Compliance and Withholding Obligations (the "Agreement") is entered into as of _____, 20____ (the "Effective Date"), by and between:

Contractor: _____, with a principal place of business at _____ (hereinafter referred to as the "Contractor"),

and

Subcontractor: _____, with a principal place of business or residence at _____ (hereinafter referred to as the "Subcontractor").

RECITALS

WHEREAS, Contractor and Subcontractor have entered into a prime subcontracting or independent contractor services agreement dated _____, 20____ (the "Main Agreement"); and

WHEREAS, the parties desire to establish and clarify their respective rights, duties, and obligations regarding tax compliance, reporting, and withholding requirements under applicable local, state, federal, and international laws;

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. TAXPAYER IDENTIFICATION AND DOCUMENTATION

Prior to receiving any payment from the Contractor under the Main Agreement, the Subcontractor shall provide to the Contractor a completed, signed, and accurate tax documentation form as required by the jurisdiction in which services are rendered or payments are processed. This documentation includes, but is not limited to, a Form W-9, Form W-8BEN, Form W-8BEN-E, or other applicable equivalent documentation. The Subcontractor shall promptly update such documentation upon any change in circumstances that renders the existing documentation inaccurate or obsolete.

2. WITHHOLDING DETERMINATION AND DEDUCTIONS

- a. **Withholding Responsibility:** The Contractor shall evaluate and determine in its sole discretion, based on applicable tax laws and the documentation provided by the Subcontractor, whether any tax withholding is required from payments due to the Subcontractor.
- b. **Required Withholding:** If the Contractor determines that withholding is required under federal, state, local, or foreign tax law (including, without limitation, backup withholding, non-resident withholding, or foreign account tax compliance withholding), the Contractor is authorized to deduct and withhold the required amounts from any payments otherwise due to the Subcontractor.
- c. **Remittance:** Any amounts so withheld by the Contractor shall be timely remitted to the appropriate taxing authority in accordance with applicable laws. All such withheld and remitted amounts shall be treated as having been paid to the Subcontractor for all purposes of the Main Agreement.

3. INDEMNIFICATION AND LIABILITY

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

- a. Any failure by the Subcontractor to provide accurate, complete, and timely tax documentation or certifications;
- b. Any claim by a taxing authority that the Contractor failed to withhold or deduct taxes from payments to the Subcontractor, where such failure was based on inaccurate or incomplete information provided by the Subcontractor;
or
- c. Any failure of the Subcontractor to pay its own income, self-employment, social security, or other tax liabilities.

4. INDEPENDENT CONTRACTOR STATUS

Nothing in this Agreement or the Main Agreement shall be construed to create a partnership, joint venture, agency, or employer-employee relationship between the Contractor and the Subcontractor. The Subcontractor remains solely responsible for the payment of all self-employment taxes, federal, state, and local income taxes, social security contributions, and other taxes or contributions required by law with respect to all compensation received under the Main Agreement.

5. COOPERATION AND AUDIT

The parties agree to cooperate fully with each other and with any taxing authority in connection with any audit, inquiry, or proceeding relating to taxes, withholdings, or information reporting associated with the services rendered or payments made under the Main Agreement.

6. GOVERNING LAW

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

7. ENTIRE AGREEMENT AND AMENDMENTS

This Agreement constitutes the entire understanding between the parties regarding tax compliance and withholding obligations and supersedes all prior agreements or understandings, written or oral, on this subject. This Agreement may only be amended by a written instrument signed by authorized representatives of both parties.

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

CONTRACTOR:

SUBCONTRACTOR:

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date