

# SUBCONTRACTOR 1099 WITHHOLDING AND REPORTING AGREEMENT

This Subcontractor 1099 Withholding and Reporting Agreement (the "Agreement") is entered into as of \_\_\_\_\_, by and between:

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

**Address:**

**AND**

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

**Address:**

**Taxpayer ID  
(TIN):**

## 1. INDEPENDENT CONTRACTOR STATUS

The Subcontractor acknowledges and agrees that their relationship with the Contractor is that of an independent contractor. Nothing in this Agreement shall be construed to create an employer-employee relationship, partnership, or joint venture. Consequently, the Subcontractor is not entitled to any employee benefits, including but not limited to health insurance, paid time off, retirement benefits, or workers' compensation coverage from the Contractor.

## 2. TAX REPORTING & FORM 1099

The Contractor will report all compensation paid to the Subcontractor for services rendered on IRS Form 1099-NEC (or IRS Form 1099-MISC, if applicable) in accordance with Internal Revenue Service (IRS) regulations. No federal, state, or local income taxes, or FICA taxes (Social Security and Medicare), will be withheld from the payments made to the Subcontractor, except as provided in Section 4 of this Agreement.

## 3. SUBCONTRACTOR TAX RESPONSIBILITIES

The Subcontractor assumes sole responsibility for:

1. Paying all self-employment taxes, federal, state, and local income taxes, and any other taxes or assessments levied on payments received from the Contractor under this Agreement.
2. Filing all required tax returns, schedules, and reports in a timely and accurate manner.
3. Maintaining accurate business and financial records related to the services performed.

## 4. FORM W-9 AND BACKUP WITHHOLDING

The Subcontractor must provide the Contractor with a completed and signed IRS Form W-9 (Request for Taxpayer Identification Number and Certification) prior to the commencement of any services or receipt of any payments.

If the Subcontractor fails to provide a correct Taxpayer Identification Number (TIN) or if the IRS notifies the Contractor that the Subcontractor is subject to backup withholding, the Contractor is legally required to, and will, withhold tax from all reportable payments at the applicable regulatory backup withholding rate and remit such amounts to the IRS.

## 5. INDEMNIFICATION

The Subcontractor agrees to indemnify, defend, and hold harmless the Contractor, its officers, directors, employees, and agents from and against any and all liabilities, claims, losses, damages, penalties, fines, interest, and expenses (including reasonable attorneys' fees) arising out of or resulting from the Subcontractor's failure to pay self-employment or income taxes, or any reclassification of the Subcontractor's status as an employee by any tax authority or regulatory body.

**6. ENTIRE AGREEMENT AND GOVERNING LAW**

This Agreement constitutes the entire understanding between the parties regarding tax withholding and reporting obligations for the subcontractor relationship. 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:**

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Authorized Signature**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Title (if applicable)**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**