

SUBCONTRACTOR STATE AND LOCAL TAX (SALT) COMPLIANCE CERTIFICATE AND AGREEMENT

This Subcontractor State and Local Tax Compliance Certificate and Agreement (the "Agreement") is entered into as of this _____ day of _____, 20____, by and between:

Contractor: _____

Address: _____

and

Subcontractor: _____

Address: _____

Federal Employer Identification Number (FEIN): _____

RECITALS

WHEREAS, Contractor and Subcontractor have entered into, or are planning to enter into, a prime contract, subcontract, purchase order, or agreement (the "Underlying Agreement") for the provision of services, materials, or equipment;

WHEREAS, the performance of work under the Underlying Agreement may subject the Subcontractor and/or the Contractor to various state and local tax liabilities, registration requirements, collection duties, and reporting obligations; and

WHEREAS, Contractor requires Subcontractor to certify its compliance with all applicable state and local tax laws as a condition of engagement and payment.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the parties agree as follows:

1. REGISTRATION AND LICENSING

Subcontractor certifies that it is properly registered, licensed, and qualified to conduct business and remit taxes in all jurisdictions (states, counties, municipalities, and special tax districts) where activities are performed under the Underlying Agreement. Subcontractor shall maintain such registrations in active status for the duration of the performance and any applicable warranty periods.

State / Jurisdiction	Tax Registration / Account Type	Tax ID / Registration Number
_____	_____	_____
_____	_____	_____
_____	_____	_____

2. COMPLIANCE AND REMITTANCE COVENANTS

Subcontractor represents, warrants, and covenants to Contractor that:

A. Sales and Use Taxes: Subcontractor shall timely collect, report, and remit all applicable state and local sales, use, gross receipts, excise, or similar transaction taxes arising from its performance under the Underlying Agreement.

B. Withholding and Payroll Taxes: Subcontractor shall timely withhold, report, and pay all state and local income, unemployment, and disability payroll taxes for all personnel employed or contracted by Subcontractor in connection with the work.

C. Corporate and Franchise Taxes: Subcontractor shall timely file all required state and local income, franchise, and net worth tax returns and pay any associated tax liabilities.

3. TAX EXEMPTIONS AND CERTIFICATES

To the extent that any portion of the transactions under the Underlying Agreement is exempt from state or local sales or use taxes, Subcontractor shall obtain, maintain, and provide to Contractor valid and fully completed tax exemption certificates, resale certificates, or direct pay permits as required by the relevant taxing authorities. If Subcontractor fails to secure or present such documentation, Subcontractor shall be solely responsible for any resulting tax, interest, or penalties.

4. INDEMNIFICATION

Subcontractor shall defend, indemnify, and hold harmless Contractor, its affiliates, officers, directors, employees, and agents from and against any and all claims, liabilities, losses, damages, costs, interest, penalties, and expenses (including reasonable attorneys' and consultants' fees) arising out of or resulting from Subcontractor's failure to comply with state and local tax laws, registration requirements, filing obligations, or tax remittance duties, or due to any inaccuracy in the certifications provided herein.

5. AUDIT AND RECORD RETENTION

Subcontractor shall retain all books, records, tax returns, and supporting documentation relating to state and local tax liabilities under this Agreement for a period of not less than _____ years following the completion of work. Contractor or its authorized representatives shall have the right to audit and inspect such records upon reasonable notice to verify compliance with this Agreement.

6. TERM AND GOVERNING LAW

This Agreement shall survive the termination, expiration, or completion of the Underlying Agreement. 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.

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

Date

Date