

SUBCONTRACTOR SELF-EMPLOYMENT TAX ACKNOWLEDGEMENT

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

Contractor: _____, located at _____, and

Subcontractor: _____, located at _____.

In consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Independent Contractor Status:** The Subcontractor acknowledges and agrees that they are performing services as an independent contractor and not as an employee of the Contractor. Nothing in this Agreement shall be construed to create a partnership, joint venture, agency, or employer-employee relationship between the parties.
2. **Tax Obligations and Responsibilities:** The Subcontractor explicitly acknowledges and agrees that they are solely and exclusively responsible for the payment of all federal, state, and local taxes arising from the compensation received under any agreement with the Contractor. This includes, but is not limited to:
 - Self-Employment Contributions Act (SECA) taxes (Social Security and Medicare taxes).
 - Federal, state, and local income taxes.
 - Any other taxes, fees, or assessments required by governing authorities.
3. **No Tax Withholding:** The Subcontractor understands and agrees that the Contractor will not withhold any federal, state, or local income taxes, Social Security, Medicare, or any other taxes from the payments made to the Subcontractor.
4. **Reporting:** The Contractor will report all compensation paid to the Subcontractor to the Internal Revenue Service (IRS) and the appropriate state and local taxing authorities using Form 1099-NEC, or any other legally required information return, to the extent required by law.
5. **Benefits Disclaimer:** The Subcontractor acknowledges that they are not entitled to, and shall not participate in, any benefits provided by the Contractor to its employees, including but not limited to health insurance, retirement plans, paid time off, workers' compensation insurance, or unemployment compensation.
6. **Indemnification:** The Subcontractor agrees to indemnify, defend, and hold harmless the Contractor, its officers, directors, employees, and agents from and against any and all claims, liabilities, losses, damages, costs, or expenses (including reasonable attorneys' fees) arising out of or resulting from the Subcontractor's failure to pay self-employment taxes, income taxes, or any other tax liabilities as required by law.
7. **Governing Law:** 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 Subcontractor Self-Employment Tax Acknowledgement as of the date first written above.

CONTRACTOR:

Signature

Printed Name

Title

Date

SUBCONTRACTOR:

Signature

Printed Name

Title / Business Name

Date