

SUBCONTRACTOR WITHHOLDING TAX AGREEMENT

This Subcontractor Withholding Tax Agreement (the "Agreement") is entered into as of _____, 20_____, by and between the parties identified below.

Contractor: _____

Address: _____

Tax ID / FEIN: _____

Subcontractor: _____

Address: _____

Tax ID / FEIN: _____

1. PURPOSE AND SCOPE

The Subcontractor performs services for the Contractor under various projects and service agreements. This Agreement specifies the terms, obligations, and responsibilities of both parties regarding the withholding and reporting of federal, state, and local taxes on payments made to the Subcontractor.

2. TAX STATUS REPRESENTATION

The Subcontractor represents and warrants that they operate as an independent contractor. Under no circumstances shall the Subcontractor or its employees be deemed employees of the Contractor. The Subcontractor agrees to provide a completed and signed IRS Form _____ (or equivalent applicable tax form) to the Contractor prior to the issuance of any payment.

3. WITHHOLDING OBLIGATIONS

- Withholding Exemption:** Except as otherwise required by applicable federal, state, or local laws, the Contractor will not withhold taxes from payments made to the Subcontractor. The Subcontractor assumes sole responsibility for paying all federal, state, and local income, self-employment, social security, and disability taxes.
- Backup Withholding:** In the event that the IRS or any other taxing authority notifies the Contractor that the Subcontractor is subject to backup withholding, or if the Subcontractor fails to provide a valid Taxpayer Identification Number, the Contractor shall withhold _____% (or the rate then prescribed by applicable law) from all payments until the issue is legally resolved.
- Non-Resident Withholding:** If the Subcontractor is a non-resident of the state or country where services are performed, the Contractor may be statutory-obligated to withhold state or local taxes at a rate of _____% from payments, unless the Subcontractor provides a valid exemption certificate.

4. REPORTING AND DOCUMENTATION

The Contractor will report payments made to the Subcontractor annually to the IRS and appropriate state agencies using Form 1099-NEC or the relevant equivalent form. The Subcontractor shall keep accurate and up-to-date documentation regarding its registration, compliance, and tax payments and shall make such documents available to the Contractor upon request.

5. INDEMNIFICATION

The Subcontractor agrees to indemnify, defend, and hold harmless the Contractor, its officers, directors, and employees from and

against any and all claims, liabilities, assessments, fines, interest, or penalties arising from the Subcontractor's failure to pay any federal, state, or local taxes, or due to any misclassification of the Subcontractor's status as determined by a court or governmental agency.

6. 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 Withholding Tax Agreement as of the date first written above.

CONTRACTOR:

SUBCONTRACTOR:

Authorized Representative Signature

Authorized Representative Signature

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____