

INDEPENDENT CONTRACTOR TAX COMPLIANCE AGREEMENT

This Independent Contractor Tax Compliance Agreement (the "Agreement") is entered into as of _____, 20____, by and between:

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

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

1. RECITALS

WHEREAS, the Company engages the Contractor to perform services as described in separate service agreements, statements of work, or purchase orders; and

WHEREAS, both parties intend and agree that the Contractor's relationship with the Company is strictly that of an independent contractor for all purposes, including but not limited to federal, state, and local tax classifications; and

WHEREAS, the parties desire to explicitly define their responsibilities regarding tax compliance, withholdings, and reporting to ensure conformity with the Internal Revenue Code (IRC) and applicable state and local tax laws.

2. INDEPENDENT CONTRACTOR STATUS

The Contractor acknowledges and agrees that:

- a. The Contractor is not an employee, agent, partner, or joint venturer of the Company.
- b. The Contractor has no authority to bind the Company to any contractual commitment, debt, or representation.
- c. The Company will not provide the Contractor, nor any of the Contractor's employees or subcontractors, with any employee benefits, including but not limited to health insurance, retirement plans, paid time off, sick leave, worker's compensation insurance, or unemployment compensation coverage.

3. TAX WITHHOLDINGS AND PAYMENTS

The Contractor acknowledges and agrees to the following tax compliance terms:

- a. **No Withholding:** The Company will not withhold any federal, state, or local income taxes, Social Security taxes (FICA), Medicare taxes, state disability, or unemployment insurance taxes from any payments made to the Contractor.
- b. **Self-Employment Tax Obligations:** The Contractor assumes sole and exclusive responsibility for the payment of all self-employment taxes (including SECA), estimated income tax payments, and all other taxes imposed by any federal, state, local, or foreign government entity on the income derived from services performed for the Company.
- c. **Reporting:** The Company will report all payments made to the Contractor on IRS Form 1099-NEC (or such other designated IRS form as required by law) to the extent required by applicable regulations. The Contractor is responsible for providing the Company with a completed and signed IRS Form W-9 (or Form W-8BEN/W-8BEN-E for foreign entities) prior to the commencement of services and upon any change in tax status.

4. BUSINESS OPERATIONS AND EQUIPMENT

The Contractor represents and warrants that:

- a. The Contractor maintains an independent business operations structure separate and distinct from the Company.
- b. The Contractor provides its own tools, equipment, software, workspace, and materials necessary to perform the services.
- c. The Contractor retains the right to perform services for other clients and is not economically dependent solely on the Company.

5. INDEMNIFICATION

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

- a. Any determination by a federal, state, or local agency (including the Internal Revenue Service, state departments of labor, or unemployment insurance divisions) that the Contractor, or any of the Contractor's personnel, is an employee of the Company for tax, wage and hour, or benefit purposes.
- b. Any failure by the Contractor to file appropriate tax returns, report income, or timely pay required federal, state, or local taxes.

6. TERM AND TERMINATION

This Agreement shall commence on the date first written above and shall remain in effect for the duration of any active service relationship between the parties and shall survive the termination or expiration of any such relationship with respect to any tax liabilities or reporting obligations arising during the term.

7. 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 laws principles.

8. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding between the parties concerning the subject matter hereof and supersedes all prior agreements, representations, or understandings, whether oral or written, regarding tax classification and compliance.

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

COMPANY:

CONTRACTOR:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title/Capacity: _____

Date: _____

Date: _____