

INDEPENDENT CONTRACTOR TAX RESPONSIBILITY AGREEMENT

Subcontractor Self-Employment Tax Acknowledgement

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

Contractor: _____

Subcontractor: _____

In consideration of the mutual covenants 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 their relationship with the Contractor is solely that of an independent contractor. Nothing in this Agreement shall be construed to create an employer-employee relationship, partnership, joint venture, or agency between the parties.
- 2. Tax Responsibilities and Self-Employment Taxes:** The Subcontractor understands and acknowledges that they are solely responsible for the payment of all federal, state, and local taxes arising from the performance of services under any agreement with the Contractor. This includes, but is not limited to, self-employment taxes (such as FICA, SECA, and Medicare), federal and state income tax withholdings, unemployment insurance, and any other taxes or assessments mandated by applicable law.
- 3. No Tax Withholding:** The Subcontractor explicitly acknowledges that the Contractor will not withhold any taxes (including federal, state, or local income taxes, FICA, or FUTA) from any payments made to the Subcontractor. Payments will be made in full as agreed upon, and the Subcontractor assumes entire liability for reporting and paying all applicable taxes.
- 4. Tax Reporting (Form 1099):** The Subcontractor understands that the Contractor will report all compensation paid to the Subcontractor to the Internal Revenue Service (IRS) and relevant state taxing authorities using Form 1099-NEC (or other applicable tax forms) to the extent required by law.
- 5. No Benefits:** Because the Subcontractor is an independent contractor, they are not eligible for, and shall not participate in, any employee benefit plans or programs offered by the Contractor, including but not limited to health insurance, retirement plans, paid time off, workers' compensation insurance, or unemployment benefits.
- 6. Indemnification:** The Subcontractor agrees to defend, indemnify, 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 and penalties) resulting from the Subcontractor's failure to pay any required taxes, or from any determination by a government agency or court that the Subcontractor should be classified as an employee rather than an independent contractor.

By signing below, the parties acknowledge that they have read, understood, and voluntarily agree to the terms of this Agreement.

CONTRACTOR:

AUTHORIZED SIGNATURE

PRINTED NAME

TITLE

DATE

SUBCONTRACTOR:

SIGNATURE

PRINTED NAME

BUSINESS / ENTITY NAME (IF APPLICABLE)

DATE