

Bonus Tax Withholding Notification

Date: [Insert Date]

Dear [Contractor's Name],

We are pleased to inform you that you will be receiving a bonus of [Insert Bonus Amount] as part of your compensation for the period of [Insert Time Period]. This letter serves to inform you about the tax withholding implications associated with this bonus payment.

As an independent contractor, the bonus will be subject to federal income tax withholding at a rate of [Insert Withholding Rate]%. In addition, any applicable state and local taxes may also be withheld based on your residency and the state's tax regulations.

Please note that this withholding may affect your overall tax liability, and it is recommended to consult with a tax professional for personalized advice regarding your tax situation.

If you have any questions or require further information, feel free to contact us at [Insert Contact Information].

Thank you for your continued partnership.

Sincerely,

[Your Name]

[Your Position]

[Company Name]

[Company Contact Information]