

U.S. and Canada Returns

Last updated May 1, 2023.

These Avalara Managed Returns for Accountants Supplemental Terms ("**MRA Terms**") govern Tax Preparer's purchase and use of Avalara Managed Returns for Accountants. These MRA Terms are in addition to, and incorporate by reference, the Avalara Service Terms and Conditions available at www.avalara.com/terms (the "**Terms**"). Any capitalized terms used in these MRA Terms and not defined have the meanings given in the Terms.

1. Definitions.

- a. "**Client**" means the Party for whom the Tax Preparer directs Avalara to prepare and file Returns and remit Taxes.
- b. "**Client Account**" means the Account that Avalara enables for the Tax Preparer to facilitate delivery of Services to the Client.
- c. "**Tax Preparer**" means the Party who manages both the Tax Preparer Account and the Client Account and pays Avalara for the Service. Tax Preparer is deemed a "Customer" under the Terms.
- d. "**Tax Preparer Account**" means the Account that Avalara enables for the Tax Preparer to access the Service.

2. Use of the Services.

- a. **Tax Preparer Account Setup.** Avalara grants Tax Preparer a nonexclusive, nontransferable, worldwide right to access and use the Services during the Term, solely for Tax Preparer's internal business operations. For purposes of Tax Preparer's use of MRA, "internal business operations" include the preparation and filing of Returns by Tax Preparer for Clients. Avalara will charge usage of the Services for Client to the Tax Preparer Account, subject to the following conditions and limitations:
 - i. Tax Preparer shall only provide the Services to Client in conjunction with that Client's purchase of Tax Preparer's other offerings, and Tax Preparer shall not (A) resell the Services on a standalone basis, nor (B) provide separate line item pricing for the Services when charging Clients. Tax Preparer must be in the business of providing accounting or tax advisory services as part of its standard offerings in addition to providing tax preparation services to its clients. Avalara's fees for the Services are Confidential Information under the Terms.
 - ii. Subject to this Section 2, Tax Preparer will display mutually agreed Avalara branded marketing in conjunction with offering MRA, including Avalara branding on reporting provided to Client. Tax Preparer will not modify or remove from any reporting or information that Tax Preparer generates from the Service the Avalara logo or statement with attribution to Avalara, e.g., "Powered by Avalara," in the form provided by Avalara.
 - iii. Tax Preparer shall solely control the Tax Preparer Account, shall not permit Client to access the Avalara Returns administrative console, and shall not disclose the Tax Preparer Account access credentials to Client.
 - iv. Tax Preparer will ensure that Client (A) executes a power of attorney that contains Client's agreement with the Avalara Managed Returns for

Accountants Product-Specific Supplemental Terms for Clients located at <https://www.avalara.com/MRA-client-terms> ("**MRA Client Terms**") and (B) provides a Bank Account as required and defined under the MRA Client Terms. Avalara will only file Returns and remit Tax Funds for Client after Client has executed a Client agreement and powers of attorney and provided a Bank Account.

- v. Tax Preparer shall provide support for Clients, including support for all substantive tax issues. Tax Preparer shall ensure Client's Tax Data is submitted to Avalara in the format specified by Avalara. Tax Preparer shall purchase the level of support commensurate with the number of estimated Clients for the applicable Subscription Term solely for its own use. Clients may purchase customer support and Services from Avalara subject to fees and terms set in Avalara's sole discretion.
 - vi. Tax Preparer shall purchase and complete platform tier one training, which includes onboarding Clients, tier one support triage, and Avalara product training, before using the Tax Preparer Account.
 - vii. Tax Preparer shall procure any rights needed to share any Client information, including the Onboarding Requirements described in Section 2(d) below, with Avalara prior to disclosure to Avalara.
- b. **No Third-Party Beneficiaries.** This Agreement does not and is not intended to confer any rights or remedies upon any party but Avalara and Tax Preparer.
- c. **Additional Indemnification.** In addition to Customer's indemnification obligations set forth in the Terms, Customer shall indemnify and defend Avalara against any Losses arising from claims relating solely to Customer's services or under terms between Customer and its Clients. Client claims are excluded from Section 10(a) of the Terms (*Indemnification by Avalara*).
- d. **Client Account Setup.** Tax Preparer shall set up Client Accounts (the "**Onboarding Requirements**"). Such information includes: (i) a list of taxing jurisdictions for preparation of each Client's Returns (as defined in Section 4(a) below) (each, a "**Filing Jurisdiction**"); (ii) the dates for filing Returns in each of the Filing Jurisdictions (the "**Filing Calendar**"); (iii) the entities (e.g., Client or its Affiliate) for which Avalara will be preparing Returns (the "**Filing Entities**") and which Filing Jurisdictions apply to each Filing Entity; (iv) tax registration numbers and login information for each Filing Entity in each Filing Jurisdiction sufficient to allow Avalara to identify and access each Filing Entity's account in that Filing Jurisdiction (the "**Jurisdiction Account Information**"); (v) copies of each Filing Entity's previous filings in the Filing Jurisdictions, as requested by Avalara; (vi) completed powers of attorney for each Filing Entity, including the power of attorney described in Section 3(a) of the MRA Client Terms; and (vii) other information necessary to properly configure each Client Account and prepare the Returns. Tax Preparer is responsible for timely providing and maintaining accurate, complete, and current information regarding the Filing Jurisdictions, the Filing Calendar, the Filing Entities, and the Client's Jurisdiction Account Information (collectively, the "**Filing Information**"), and Avalara has no obligation to audit, verify, correct, or maintain any Filing Information.
- e. **Changes to Filing Information.** Tax Preparer shall review Clients' Filing Information periodically and shall promptly communicate any changes to Avalara. Tax Preparer shall submit any changes to the Filing Information to Avalara by the deadline specified in the Documentation. Any changes received after the deadline specified in the Documentation will be implemented and become effective in the subsequent month.
- f. **License.** Avalara grants Tax Preparer a limited, nonexclusive, nontransferable, nonassignable, sublicensable (for (i) only, to the applicable Client only), worldwide license to use and retain the Content that is returned by the Services to Tax Preparer solely (i) for Clients' internal business operations in connection with the specific Return

for which it was provided and (ii) to assist the applicable Client with its compliance inquiries.

3. Tax Preparer Obligations.

- a. **Tax Data.** Tax Preparer shall ensure the accuracy and completeness of all the data necessary to properly complete Returns (the “**Tax Data**”) and all Filing Information. Tax Preparer shall transmit to Avalara via the method designated by Avalara all Tax Data for its Clients’ Returns before the Tax Liability Approval Deadline (as defined in Section 3(b) below). However, Tax Preparers utilizing Avalara for Data Transformation Services shall deliver all Tax Data to Avalara by the fifth calendar day of the month in which the Tax Data is to be reported to the Filing Jurisdictions. “**Data Transformation Services**” are services where Avalara personnel convert Client’s transactional data that meets Avalara’s minimum transactional data requirements into a complete data set that permits import into the Client Account. Data Transformation Services are performed at Tax Preparer’s direction and expense, pursuant to an Order Document, and the resulting data set is part of Client’s Tax Data.
- b. **Tax Liability.** Tax Preparer will be able to view and approve each Client’s tax liabilities to Filing Jurisdictions, which are based on the Tax Data (each, a “**Tax Liability**”). Tax Preparer is solely responsible for the accuracy and completeness of each Client’s Tax Liability and may modify its Tax Liability up to the deadline specified in the Documentation for Returns to be filed in that month (“**Tax Liability Approval Deadline**”). Clients’ Tax Liabilities are updated daily to include new or edited data until the earlier of approval by the Tax Preparer or the Tax Liability Approval Deadline. After the Tax Liability Approval Deadline, each Client’s Tax Liability is locked and deemed approved by Tax Preparer. Client Accounts will display any tax amounts due (the “**Taxes**”) based on the approved Tax Liability.
- c. **Funding.** Tax Preparer shall timely communicate funding deadlines and Tax Fund amounts to Clients. Avalara may refuse to provide any services related to Client and Client Account if Client fails to timely or sufficiently make Tax Funds available.

4. Avalara Obligations.

- a. **Returns Preparation and Filing.** Avalara will prepare and file Returns for the Filing Entities and in the applicable Filing Jurisdictions. Avalara may begin filing a Return as soon as Tax Preparer approves the related Tax Liability. Each (i) standard sales and use tax return filing, (ii) Non-Standard Form (defined below), or (iii) prepayment mandated by a Filing Jurisdiction and submitted without (i) or (ii) prepared for one Filing Jurisdiction for one filing period will count as one “**Return**.”
- b. **Funding.** Avalara will remit Taxes for the applicable Filing Entities in the Filing Jurisdictions, provided Client has timely made Tax Funds available. Avalara will not provide funds to pay Taxes. If Tax Funds are not timely available to Avalara for remitting, Avalara will remit the Return(s) without payment.
 - i. Avalara will draw upon the Bank Account to pay the Taxes. Typically, these draws occur between the 11th and 14th day of the month but may occur without notice at any time after the Tax Liability Approval Deadline. Notwithstanding the foregoing, if Client owes any prepayments to Filing Jurisdictions, the draw may occur earlier.
 - ii. Avalara shall hold the Tax Funds in a trust account prior to disbursement to the applicable Filing Jurisdiction. Avalara holds all Tax Funds in trust for the benefit of the applicable Filing Jurisdiction and shall not commingle the Tax Funds with its general funds but may commingle the Tax Funds with funds held in trust on behalf of other Avalara customers. Any interest earned on the Tax

Funds accrues for the benefit of and is the sole property of Avalara.

- c. **Carry-over Credits.** If a Filing Entity has a tax liability credit in Avalara's records (a "**Carry-over Credit**") due to a credit invoice corresponding to a particular Filing Jurisdiction, Avalara will apply the Carry-over Credit to the next Return for that Filing Entity in that Filing Jurisdiction with a liability equal to or in excess of the Carry-over Credit, provided that if it cannot be applied within the timeframe listed in the Documentation, the Carry-over Credit will expire and Tax Preparer or Client must file an amended Return with the Filing Jurisdiction if it wishes to recover the liability associated with the credit invoice.
5. **Notice Management.** Tax Preparer or Client will receive all notices relating to Client's Returns directly from Filing Jurisdictions. Some notices are informational in nature (for example, changes to the Filing Calendar or tax rate changes) while others are error notices relating to Returns. In the Documentation, Avalara provides recommended actions for Tax Preparers or Clients to resolve informational notices. During the Subscription Term, for any error notice relating to a Return filed or Taxes remitted by Avalara, Tax Preparer shall immediately, and not later than 10 business days after the date of such notice, electronically deliver such notice to Avalara. Such notice must be submitted by following the instructions in the Documentation. During the Subscription Term, Avalara will respond to notices for Returns filed and Taxes remitted by Avalara. In the case of notices received by Avalara more than 10 business days after the date of the notice, Avalara may delay response or not respond or, if Tax Preparer asks Avalara to expedite the notice response and Avalara agrees, charge an additional fee to expedite the notice response. Tax Preparer is responsible for responding to or otherwise addressing all other notices. Avalara shall have no responsibility for any notice management upon expiration or termination of the Subscription Term.
6. **Returns Guarantee.** Avalara provides a guarantee of the timeliness of Returns prepared and filed through Avalara Returns (the "**Returns Guarantee**") under the following terms:
 - a. If Client receives a notice of late filing, failure to file, or a failure to remit Taxes that results in liability for penalties or interest due solely to Avalara's failure to timely prepare and file a Return it was obligated to file or to timely remit Taxes it was obligated to remit (an "**Avalara Error**"), Avalara will pay Client (and not Tax Preparer) the lesser of either: (i) the amount of the penalties and interest that directly result from the Avalara Error, as specified in the final assessment notice received from the applicable Filing Jurisdiction after all administrative appeals and abatement options are exhausted, or (ii) the portion of the fees paid or payable by Tax Preparer to Avalara attributable to that Client's use of Avalara Returns in the 12-month period immediately preceding the final assessment of penalties or interest for the Avalara Error (calculated as described in subsection (c) below).
 - b. The following conditions apply to the Returns Guarantee:
 - i. Tax Preparer and Client must have both met all of their obligations under the Terms, these MRA Terms, and the MRA Client Terms, including providing and maintaining accurate, complete, and current Filing Information and Tax Data; timely providing all Tax Funds; and timely paying Avalara Returns fees. To the extent the Avalara Error was caused by either Client's or Tax Preparer's failure to perform any of the obligations in these MRA Terms or the Terms, the Returns Guarantee will not apply.
 - ii. Neither Tax Preparer nor Client requested changes to Client's Tax Liability after the Tax Liability Approval Deadline.
 - iii. All notices and relevant information were promptly forwarded from the Filing Jurisdiction to Avalara within 10 days of the date of the notice.
 - iv. Tax Preparer and Client must assist Avalara in challenging the Filing Jurisdiction's findings if Avalara deems it appropriate in Avalara's sole

discretion.

- v. Tax Preparer and Client must assist Avalara's efforts to abate or reduce the amount of penalties or interest imposed by the Filing Jurisdiction.
- c. For purposes of calculating the amount of the Avalara Returns fees paid that are eligible for the Returns Guarantee payment, the amount will be the fees actually paid by Tax Preparer to Avalara for Avalara Returns attributable to that Client's use of Avalara Returns, and the time period will be the 12-month period preceding the final assessment of penalties or interest after all appeals and abatement options have been exhausted (e.g., in the case of a final assessment issued by a taxing authority on March 31, 2020, the period used in the calculation will be from April 1, 2019, to March 31, 2020). For clarity, the parties acknowledge that fees paid for Avalara Returns do not include any activation fees, fees for ancillary Professional Services, any other one-time fees, or any fees paid by Client to Tax Preparer.
- d. If the audit implicates other issues in addition to the alleged Avalara Error, the amount to be paid by Avalara under this Returns Guarantee will be the percentage of the final assessment amount equal to the percentage of the final assessment related to the alleged Avalara Error.
- e. Avalara will make the Returns Guarantee payment within 30 days after the date that Avalara receives the final assessment notice from the applicable Filing Jurisdiction, after all administrative appeals and abatement options are exhausted. Avalara may also, in its sole discretion, make the payment at an earlier date, in which case Client's and Tax Preparer's obligations to continue to assist Avalara in contesting the Avalara Error will cease on the date of the payment.
- f. Tax Preparer must have a current Avalara Returns subscription in good standing and the Client Account must be in good standing with Avalara when the claim is submitted to Avalara to be eligible to receive payment under this Returns Guarantee.

7. Avalara Data Storage - Returns.

- a. **Included Storage.** Avalara Managed Returns for Accountants includes access to stored transaction data for the current and previous four calendar years.
 - b. **Extended Storage.** Avalara will charge a fee to access older transaction data. Fees for access to older transaction data are based on the number of "**Stored Documents**" recorded prior to the previous four calendar years. Avalara will charge a number of Stored Documents equal to the greater of (i) the number of Documents (defined in the [AvaTax Product-Specific Supplemental Terms](#)) recorded; or (ii) the total number of invoice lines in the Documents recorded divided by 35. Avalara sells Stored Documents in increments of 25,000 (each increment, a "**Storage Unit**").
8. **Fees.** Tax Preparer agrees to pay fees for Avalara Returns based on Tax Preparer's subscription plan and usage of Avalara Returns. Tax Preparer shall participate in Avalara's automatic payment option for Avalara Returns and either authorizes Avalara to draw from the Bank Account by ACH transfer to pay Avalara Returns fees and Expenses or will designate another automatic payment method for Avalara Returns fees and Expenses.
- a. **Per-Return Fees.** The per-Return fee specified in Tax Preparer's subscription plan is based on Tax Preparer's estimated annual usage. Avalara reserves the right to adjust Tax Preparer's per-Return fee at the beginning of any Renewal Subscription Term if the actual number of Returns prepared during the Subscription Term just ended is fewer than the minimum number included in Tax Preparer's Avalara Returns subscription plan. For example, if Tax Preparer's Avalara Returns plan requires Tax Preparer to file at least 361 Returns each year, but Tax Preparer files only 100 Returns in a given year, then, effective

upon the start of any Renewal Subscription Term, Avalara may adjust the per-Return fee charged to Tax Preparer to the then-applicable per-Return fee for the Avalara Returns subscription plan that pertains to filing 100 Returns per year.

- b. **Minimum Monthly Fee.** If Tax Preparer has purchased a subscription plan with a minimum number of annual Returns required, Avalara reserves the right to begin billing Tax Preparer a monthly minimum Avalara Returns fee ("**Minimum Returns Fee**") if Tax Preparer has not provided to Avalara the Onboarding Requirements within 90 days following the Effective Date ("**Avalara Returns Commencement Deadline**"). Tax Preparer's Minimum Returns Fee is calculated using the lowest number of Returns required to be filed under Tax Preparer's subscription plan multiplied by the per-Return fee under that plan, divided by 12 and rounded up to the nearest dollar. For example, if Tax Preparer has not filed a Return by the Avalara Returns Commencement Deadline and Tax Preparer is required to file at least 13 Returns each year with a per-Return fee of \$54, then Avalara will charge Tax Preparer's payment information on file a \$59 fee ((13 x \$54)/12) in the calendar month following the Avalara Returns Commencement Deadline and for each month thereafter until Tax Preparer completes the Onboarding Requirements. Avalara will stop charging Tax Preparer the Minimum Returns Fee when Tax Preparer completes the Onboarding Requirements and begins filing Returns.
- c. **Avalara Cancellation Option.** If Tax Preparer has not begun filing Returns by the Avalara Returns Commencement Deadline, Avalara reserves the right to cancel Tax Preparer's Avalara Returns subscription and retain all prepaid, unused fees for the cancelled Service.
- d. **Overage Charge.** If Tax Preparer exceeds the number of Returns included in Tax Preparer's Avalara Returns subscription plan and continues utilizing Avalara Returns without upgrading to a higher tier, Tax Preparer will be charged for any additional Returns at the per-Return price associated with Tax Preparer's purchased subscription tier through the end of the Subscription Term.
- e. **Non-Standard Forms.** If Tax Preparer requests (i) a form that is not offered by Avalara as a standard sales and use tax return; or (ii) a standard sales and use tax return that requires non-standard modifications to the standard sale and use tax return form (each a "**Non-Standard Form**"), Tax Preparer shall pay Avalara's then-current per-hour rate in quarter-hour increments for preparation and filing of the Non-Standard Form (one quarter hour minimum per Non-Standard Form).
- f. **Additional Fees.** If Tax Preparer fails to timely and completely provide accurate Onboarding Requirements, Filing Information, Tax Data, or Tax Funds, as applicable, or otherwise fails to fulfill any obligations under these MRA Terms, or if Tax Preparer requires a change to the standard process described in these Return Terms, Avalara may charge Tax Preparer additional fees. For example, Avalara may charge a fee: (i) if Tax Preparer does not provide Tax Funds prior to the deadline; (ii) for Avalara to unlock Tax Preparer's Tax Liability after it has been approved by Tax Preparer; (iii) for Avalara to change or reconcile requests received after the Tax Liability Approval Deadline; (iv) for Avalara to change the funding process because Tax Preparer has not timely funded the Bank Account; or (v) for Avalara to make a change to Tax Preparer's Tax Liability, Filing Information, Return(s), Tax Data, Tax Funds to be remitted, or any other standard process.
- g. **No Automatic Upgrade.** Tax Preparer's Avalara Returns subscription will not be automatically upgraded to the next highest subscription tier.

9. Marketing.

- a. **Marketing.** If applicable, the Parties will issue a joint press release announcing the relationship. Tax Preparer will advertise the availability of Avalara Returns on Tax Preparer's website and in communications to prospects and clients. Avalara may use Partner's Marks to promote the relationship on its website and in general marketing.

Press releases require the other Party's prior written approval.

- b. **Free AvaTax Test Account.** Subject to the Terms, if applicable, Avalara will provide an AvaTax account for testing and demonstrations for potential End Users of the Service, but not for calculating transaction taxes or preparing Returns for Tax Preparer (the "**Not for Resale Account**," or the "**NFR Account**").
 - c. **Intellectual Property Rights.** In conducting any marketing activities under this Agreement, Tax Preparer shall use only those marketing materials that Avalara provides (either directly or through styleguide.avalara.com) or approves in writing ("**Avalara Assets**"). Each Party shall use the other Party's trademarks, trade names, marks, and logos ("**Marks**") in compliance with all guidelines provided. Avalara's Marks include the Avalara Assets. Neither Party shall modify the other Party's Marks without prior written approval. Each Party grants the other Party a limited, non-exclusive, non-transferable, non-assignable, revocable right to display the Marks solely to fulfill its obligations under the Agreement. This license terminates automatically when the Agreement terminates. Notwithstanding the forgoing, each Party retains all right, title, and interest in its Marks, and nothing in this Agreement confers any right of ownership in a Party's Marks on the other Party, and all use of them inures to owning Party's benefit.
10. **Termination.** Notwithstanding anything to the contrary in the Terms, the Subscription Term for Tax Preparer's Avalara Returns subscription will terminate on the last calendar day of the month in which the Subscription Term would otherwise have terminated under the Terms. Tax Preparer may instruct Avalara not to file a Client's Returns in that or any other month by revising that Client's Filing Calendar.
 11. **Compliance with NACHA Operating Rules.** Avalara reserves the right to refuse to provide services to any Client for non-compliance with the NACHA Operating Rules if such breach or non-compliance is not cured within 10 days of Avalara first notifying Client and Tax Preparer of its non-compliance.