

Please note that these updated Service-Specific Supplemental Terms will apply to your Avalara Service upon any renewal, upgrade, or Service purchase made on or after January 1, 2025.

U.S. and Canada Returns

These Returns Service-Specific Supplemental Terms (“**Returns Terms**”) govern Customer’s purchase and use of Managed Returns, Managed Returns Premium, and Returns for Hospitality. These Returns 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 Returns Terms and not defined have the meanings given in the Terms.

1. Use of the Services.

- a. **Account Setup.** Customer shall provide Avalara with all information requested by Avalara to establish and set up Customer’s account (the “**Onboarding Requirements**”). Such information includes: (i) a list of taxing jurisdictions for which Customer requests Avalara prepare Returns (as defined in Section 3(a) below) (each, a “**Filing Jurisdiction**”); (ii) the dates for filing Returns in each of the Filing Jurisdictions (the “**Scheduled Returns**”); (iii) the entities (e.g., Customer 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 “**Account Information**”); (v) copies of each Filing Entity’s previous filings in the Filing Jurisdictions, as requested by Avalara; (vi) completed power(s) of attorney for each Filing Entity, including the power of attorney described in Section 2(c)(i) (Funding) below; and (vii) other information necessary to properly configure Customer’s Account and prepare the Returns. Customer authorizes Avalara to access Customer’s accounts using Customer’s Account Information. Customer is solely responsible for timely providing and maintaining accurate, complete, and current information regarding the Filing Jurisdictions, the Scheduled Returns, the Filing Entities, and the Account Information (collectively, the “**Filing Information**”), and Avalara has no obligation to audit, verify, correct, or maintain any Filing Information.
- b. **Changes to Filing Information.** Customer shall review its Filing Information periodically and shall promptly communicate any changes to Avalara. Customer 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.
- c. **License.** Avalara grants Customer a limited, nonexclusive, nontransferable, non-assignable, worldwide license to use and retain the Content that is returned by the Services to Customer solely for its internal compliance purposes in connection with the specific Return for which it was received.

2. Customer Obligations.

- a. **Tax Data.** Customer is solely responsible for the accuracy and completeness of all the data necessary to properly complete Returns (the “**Tax Data**”) and all Filing Information. Avalara does not audit, validate, or verify Tax Data. Customer shall transmit to Avalara via the method designated by Avalara all Tax Data for Customer’s Return(s) before the Tax Liability Approval Deadline (as defined in Section 2(b) below).
- b. **Tax Liability.** Customer will be able to view and approve Customer’s tax liabilities to Filing Jurisdictions, which are based on the Tax Data (each, a “**Tax Liability**”). Customer is solely responsible for the accuracy and completeness of Customer’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**”). Customer’s Tax Liability is updated daily to include new or edited data until the earlier of approval by Customer or the Tax Liability Approval Deadline. After the earlier of (i) Customer’s approval or (ii) the Tax Liability Approval Deadline, Customer’s Tax Liability is locked and deemed approved by Customer. Customer’s Account will display any tax amounts due (the “**Taxes**”) based on the approved Tax Liability. Customer acknowledges and agrees that its failure to provide accurate, current, and complete Account Information (for example, tax registration numbers) may limit Avalara’s ability to file Returns and remit Taxes.

- c. **Funding.** In accordance with this Section 2(c), Customer shall timely make sufficient funds available to pay the Taxes for any applicable Return (“**Tax Funds**”) prior to the deadline specified in the Documentation. Avalara will not provide any Tax Funds. Notwithstanding any other provision of the Agreement, Customer shall defend, indemnify, and hold Avalara, its Affiliates, and their respective officers, directors, employees, and representatives harmless from any Losses arising out of or related to Customer’s failure to timely provide immediately available Tax Funds for Taxes due. In order for the Tax Funds to be remitted timely to the applicable Filing Jurisdiction, Customer must do the following:
- i. Customer shall execute limited power(s) of attorney in the form requested by Avalara. Upon termination of Customer’s subscription, Avalara shall cease to use any power or authority granted by a power of attorney signed by Customer.
 - ii. Customer shall provide bank account information for a bank account (the “**Bank Account**”) from which Customer authorizes Avalara to draw by ACH to pay Customer’s Taxes and any applicable fees and Expenses, by the deadline specified in the Documentation. If the ACH payment Avalara draws from the Bank Account is cancelled or returned other than by Avalara, that will be considered a failure to timely fund the Bank Account. Avalara may suspend or terminate Customer’s subscription immediately upon notice if Customer fails to timely and sufficiently fund the Bank Account.
 - iii. Customer shall ensure the Bank Account has sufficient Tax Funds to pay the Taxes and, if applicable, Customer’s fees and Expenses, by the deadlines specified in the Documentation. If Customer fails to timely fund the Bank Account, Customer shall remit payment for the Taxes plus any interest or penalties that may accrue directly to the applicable Filing Jurisdiction.
 - iv. Customer authorizes Avalara to (i) withdraw the Tax Funds to pay the Taxes in accordance with the Scheduled Returns, including making any required prepayments; and (ii) if applicable, withdraw Customer’s fees and Expenses.

3. **Avalara Obligations.**

- a. **Returns Preparation and Filing.** Avalara will prepare and file Returns for the Filing Entities and in the Filing Jurisdictions agreed by Avalara and Customer. Avalara may begin filing a Return as soon as Customer approves the related Tax Liability. Each (i) standard tax return filing, (ii) Non-Standard Form (as defined in Section 7(d) 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 agreed-upon Filing Entities in agreed-upon Filing Jurisdictions, provided Customer has timely made Tax Funds available. Avalara shall not provide funds to pay Taxes. If Tax Funds are not timely available to Avalara for remitting, Avalara will file the Return(s) without payment where the Filing Jurisdiction permits filing a return without tax remittance.
 - 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.

- ii. Customer must not have requested changes to Customer's Tax Liability after the Tax Liability Approval Deadline.
 - iii. Customer must promptly forward any notices and relevant information from the Filing Jurisdiction within 10 days of the date of the notice.
 - iv. Customer must assist Avalara in challenging the Filing Jurisdiction's findings if Avalara deems it appropriate in Avalara's sole discretion.
 - v. Customer 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 fees paid that are eligible for the Returns Guarantee payment, the amount will be the fees actually paid by Customer to Avalara for the applicable Service, and the time period will be the 365 days 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 do not include any activation fees, fees for ancillary Professional Services, or any other one-time fees.
 - 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 Customer's obligations to continue to assist Avalara in contesting the Avalara Error will cease on the date of the payment.
 - f. Customer must have a current subscription in good standing when the claim is submitted to Avalara to be eligible to receive payment under this Returns Guarantee.

6. Data Storage.

- a. **Included Storage.** The Service 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 Service-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**").
7. **Fees.** Customer agrees to pay fees based on Customer's subscription plan and usage of the Service. Customer shall participate in Avalara's automatic payment option and either authorizes Avalara to draw from the Bank Account by ACH transfer to pay fees and Expenses or will designate another automatic payment method for fees and Expenses.
- a. **Per-Return Fees.** The per-Return fee specified in Customer's subscription plan is based on Customer's estimated annual usage. Avalara reserves the right to adjust Customer'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 Customer's subscription plan. For example, if Customer's plan requires Customer to file at least 361 Returns each year, but Customer files only 100

10. **Data Transformation Services.** Customers utilizing 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 converts Customer’s transactional data that meets Avalara’s minimum transactional data requirements (for any and all such files provided by Customer, the “**DTS Transactional Data**”) into a complete data set that permits import into Customer’s Account. Customer is responsible for ensuring that all information, files, and documentation included in the DTS Transactional Data are accurate, up-to-date, and complete to the best of Customer’s knowledge. Customer is responsible for providing DTS Transactional Data to Avalara in a timely manner and Customer acknowledges and agrees that Avalara’s provision of Data Transformation Services is dependent on Customer’s timely delivery. Data Transformation Services are performed at Customer’s direction and expense, pursuant to an Order Document, and the resulting data set is part of Customer’s Tax Data.
 - a. **One-time Implementation Services.** Avalara charges a fee for implementation for Data Transformation Services. The implementation includes all the work necessary to provision Customer and prepare Customer’s Account to use Data Transformation Services. Implementation services are not performed between the 1st through the 10th day of each month and purchases made during that time will instead begin after the 10th day of that month.
 - b. **Per-File Charge.** Avalara charges usage-based fees for Data Transformation Services on a per File basis. “**Files**” are calculated to be the sum, for all tabs of the DTS Transactional Data, of the numbers of lines on an individual tab divided by 100,000 (rounded up to the next whole number for any remainder).
 - c. **Deviations from the Terms Pertaining to Data Transformation Services.**
 - i. **Termination.** Except for implementation Services for Data Transformation Services, Customer may terminate its subscription to Data Transformation Services only, at any time, and Customer will remain liable for all fees incurred through the termination date.
 - ii. **No Automatic Upgrade.** Customer’s Data Transformation Services subscription will not be automatically upgraded to the next highest subscription tier.
11. **Compliance with NACHA Operating Rules.** The funding process described in Section 3(b) (Funding) of these Returns Terms may be subject to the Operating Rules of NACHA, the organization that regulates the ACH network in the United States.
 - a. To the extent that Customer’s funding is governed by the NACHA Operating Rules, Customer specifically agrees to the following NACHA requirements:
 - i. Customer will comply with all applicable requirements under the then-current version of the NACHA Operating Rules;
 - ii. Customer authorizes Avalara to originate the funding requests described in Section 3(b) (*Funding*); and
 - iii. Customer will comply with the laws of the United States in providing such funding.
 - b. In addition to any other applicable termination rights, Avalara may terminate the Agreement for Customer’s non-compliance with the NACHA Operating Rules if such breach or non-compliance is not cured within 10 days of Avalara first notifying Customer of its non-compliance.
 - c. Avalara has the right to audit Customer’s funding process, at a time and location mutually agreeable to both Customer and Avalara, to ensure compliance with the NACHA Operating Rules and the Agreement.

