IMPORTANT RECENT CHANGES TO NEW MASSACHUSETTS TAX
WITHHOLDING REQUIREMENTS FOR PERFORMERS AND EVENTS

Departments and organizations across the University pay fees, service payments
honoraria, and expenses for performers (including but not limited to actors, actress,
directors, musicians and professional athletes), visiting lectures, and speakers at
symposia, as well as service providers involved in such “events.” Some payment
recipients are Massachusetts residents for tax purposes, but many are not.

Each person (whether as an individual or for an entity) receiving payment for these
services has always been responsible for reporting and paying taxes owed in
Massachusetts on this services income, whether or not they are a Massachusetts tax
resident.

HOWEVER, pursuant to a Massachusetts law that went into effect January 1, 2006,
Northeastern is now required to withhold Massachusetts income tax of 5.3% on such
payments in certain circumstances.

This requirement applies only for events that occur INSIDE Massachusetts.

This requirement only applies where the aggregate payments for services to ALL
performers and performing entities in connection with an event exceed $10,000. For the
purposes of this law, “performers” include people or entities that directly support the
performer, such as production crews, athletic trainers and coaches. If the total amount
being paid by Northeastern to performers for your event does not exceed $10,000, the
withholding requirement does not apply.

If you determine that Northeastern will be paying more than $10,000 to performers or
performing entities for your event, you must analyze the payments for withholding
purposes as follows:

Is the University paying any one performer or performing entity more than $5,000 for
the event?

If yes, the University must withhold taxes from that performer for this event.

If no, you must determine whether the performer has been paid by Northeastern
to perform previously during the same calendar year – if it has, and
Northeastern’s total payments to that performer during the year (including this
event) equal more than $5,000, Northeastern must withhold.

If you are planning an event for which the University will pay more than $10,000 to
performers or performing entities, send an email to Mike Mallon in Accounts Payable at
m.mallon@neu.edu and provide the following information:
NAME OF EVENT: _______________________________________________________________________

DATE(S) OF EVENT: ____________________________

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<th>PERFORMER NAME</th>
<th>DATE OF PERFORMANCE</th>
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Mike will confirm whether withholding is required and how to proceed. Please contact Mike Mallon directly with any questions.

In the event that you are engaging a performer or performing entity for which these withholding requirements apply, you should provide them with a copy of the attached “Notice to Vendors/Performers” when you are preparing a contract with them. Please note that, as described in this notice, a performer or performing entity may in some circumstances apply to the Massachusetts Department of Revenue and receive a waiver or reduction of the withholding requirement, but such application must be filed and processed well in advance of the event.