

# Legal Disclaimer: Tax Implications for KeepTheSweep.com Members

**IMPORTANT: PLEASE READ THIS DISCLAIMER CAREFULLY. IT CONTAINS CRITICAL INFORMATION REGARDING YOUR TAX OBLIGATIONS AND THE LIMITATIONS OF THE KEEPTHESWEEP.COM SERVICE.**

By becoming a member of KeepTheSweep.com and utilizing its services, you acknowledge and agree to the following:

## 1. Sweepstakes Winnings Are Taxable Income

All prizes won in sweepstakes, contests, lotteries, or similar promotions are considered **taxable income** under U.S. federal and, in most cases, state and local tax laws. This applies whether the prize is cash, merchandise, real estate, or services. The fair market value (FMV) of non-cash prizes is generally included in your gross income for tax purposes.

## 2. Ultimate Tax Responsibility Rests Solely with the Winner

**You, as the sweepstakes winner, are solely and ultimately responsible for all federal, state, and local taxes arising from your winnings.** KeepTheSweep.com is a service designed to *assist* with a portion of these tax obligations, but it does not assume or transfer your legal responsibility to the Internal Revenue Service (IRS) or any other taxing authority. You will receive IRS Form W-2G or Form 1099-MISC (or similar documentation) from the sweepstakes sponsor, reporting the value of your winnings to you and the IRS. You must report these winnings on your personal income tax return.

## 3. KeepTheSweep.com Payouts Are Also Taxable Income ("Tax-on-Tax")

Any payment made by KeepTheSweep.com on your behalf to cover your tax liabilities (e.g., to the IRS) is itself considered **additional taxable income** to you. This means that you will incur further tax obligations on the amount paid by KeepTheSweep.com. For example, if KeepTheSweep.com pays \$100,000 towards your federal tax bill, that \$100,000 will be added to your gross income for the year, potentially increasing your overall tax liability. You are responsible for any taxes on this additional income.

## 4. Limitations of KeepTheSweep.com's Service

KeepTheSweep.com operates on a **membership-funded model**. While the service aims to provide financial assistance for tax burdens, it is **NOT an insurance policy**, nor is it a guarantee of full tax coverage. The amount of assistance provided is strictly limited by and contingent upon:

- The total funds collected from membership fees and other charges associated with the specific sweepstakes you have registered.
- The terms and conditions outlined in your membership agreement, including the maximum percentage (e.g., 35% of FMV for federal taxes) that KeepTheSweep.com *may* cover.
- KeepTheSweep.com expressly disclaims any obligation to cover tax liabilities beyond the available funds in its collective pool for a given sweepstakes. In the event that the collected funds are insufficient to cover the promised percentage of your tax liability, KeepTheSweep.com's payout will be limited to the available funds.

## 5. No Legal, Tax, or Financial Advice

KeepTheSweep.com does not provide legal, tax, or financial advice. The information provided on this website and through its services is for general informational purposes only. You should **consult with a qualified tax professional, attorney, or financial advisor** to understand the specific tax implications of your sweepstakes winnings and to determine the best course of action for your individual financial situation.

## 6. Changes to Terms and Conditions

KeepTheSweep.com reserves the right to modify its terms, conditions, and service offerings at any time. It is your responsibility to review these terms periodically.

**By proceeding with KeepTheSweep.com's services, you confirm that you understand and accept these tax implications and the limitations of the service.**