

Form **990-T**

Exempt Organization Business Income Tax Return
(and proxy tax under section 6033(e))

OMB No 1545-0687

2018

For calendar year 2018 or other tax year beginning 1/1/18 and ending 12/31/18
 ▶ Go to www.irs.gov/Form990T for instructions and the latest information.
 ▶ Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury
Internal Revenue Service

A <input type="checkbox"/> Check box if address changed B Exempt under section <input checked="" type="checkbox"/> 501 (C) (3) <input type="checkbox"/> 408(e) <input type="checkbox"/> 220(e) <input type="checkbox"/> 408A <input type="checkbox"/> 530(a) <input type="checkbox"/> 529(a)	Print or Type Name of organization (<input type="checkbox"/> Check box if name changed and see instructions) MAYO CLINIC HOSPITAL - ROCHESTER Number, street, and room or suite no. If a P O box, see instructions 200 1ST STREET SW City or town State ZIP code Rochester MN 55905 Foreign country name Foreign province/state/county Foreign postal code	D Employer identification number (Employees' trust, see instructions) 41-0944601
		E Unrelated business activity code (See instructions) 900002

C Book value of all assets at end of year 2,485,297,723

F Group exemption number (See instructions) ▶ 5983

G Check organization type ▶ 501(c) corporation 501(c) trust 401(a) trust Other trust

H Enter the number of the organization's unrelated trades or businesses ▶ 2 Describe the only (or first) unrelated trade or business here ▶ Rental of personal property If only one, complete Parts I-V. If more than one, describe the first in the blank space at the end of the previous sentence, complete Parts I and II, complete a Schedule M for each additional trade or business, then complete Parts III-V

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . ▶ Yes No
 If "Yes," enter the name and identifying number of the parent corporation ▶ MAYO CLINIC 41-6011702

J The books are in care of ▶ MAYO CORPORATE TAX UNIT Telephone number ▶ 507-538-1297

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales			
b	Less returns and allowances			
c	Balance ▶	0		
2	Cost of goods sold (Schedule A, line 7)			
3	Gross profit Subtract line 2 from line 1c	0		0
4 a	Capital gain net income (attach Schedule D)			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)			
4c	Capital loss deduction for trusts			
5	Income (loss) from a partnership or an S corporation (attach statement)			
6	Rent income (Schedule C)			
7	Unrelated debt-financed income (Schedule E)			
8	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)			
10	Exploited exempt activity income (Schedule I)			
11	Advertising income (Schedule J)			
12	Other income (See instructions, attach schedule)	94,000		94,000
13	Total. Combine lines 3 through 12	94,000	0	94,000

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income)

14	Compensation of officers, directors, and trustees (Schedule K)			
15	Salaries and wages			5,084
16	Repairs and maintenance			
17	Bad debts			
18	Interest (attach schedule) (see instructions)			
19	Taxes and licenses			4,735
20	Charitable contributions (See instructions for limitation rules)			
21	Depreciation (attach Form 4562)	24,665		
22	Less depreciation claimed on Schedule A and elsewhere on return			24,665
23	Depletion			
24	Contributions to deferred compensation plans			
25	Employee benefit programs			2,179
26	Excess exempt expenses (Schedule I)			
27	Excess readership costs (Schedule J)			
28	Other deductions (attach schedule)			4,358
29	Total deductions. Add lines 14 through 28			41,021
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13			52,979
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)			
32	Unrelated business taxable income Subtract line 31 from line 30			52,979

For Paperwork Reduction Act Notice, see instructions. Form **990-T** (2018)

HTA

341

6013

Part III Total Unrelated Business Taxable Income

Table with 4 columns: Line number, Description, and Amount. Rows 33-38. Total amount 48,316.

Part IV Tax Computation

Table with 4 columns: Line number, Description, and Amount. Rows 39-44. Total amount 10,146.

Part V Tax and Payments

Table with 4 columns: Line number, Description, and Amount. Rows 45-55. Total amount 28,477.

Part VI Statements Regarding Certain Activities and Other Information (see instructions)

Table with 3 columns: Question number, Question text, and Yes/No response. Rows 56-58.

Sign Here: Signature of officer, Date (13/17/20), Title (TAX DIRECTOR). Includes a box for 'May the IRS discuss this return with the preparer shown below?' with Yes/No options.

Paid Preparer Use Only: Print/Type preparer's name, Preparer's signature, Date, Check self-employed, PTIN, Firm's name, Firm's EIN, Firm's address, Phone no.

Schedule A—Cost of Goods Sold. Enter method of inventory valuation ▶

1 Inventory at beginning of year	1		6 Inventory at end of year	6	
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7	0
3 Cost of labor	3		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
4 a Additional section 263A costs (attach schedule)	4a				
b Other costs (attach schedule)	4b				
5 Total. Add lines 1 through 4b	5	0			

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property		
(1)		
(2)		
(3)		
(4)		
2 Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	0	Total 0
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶		(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 0

Schedule E—Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 × column 6)	8. Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%	0	0
(2)		%	0	0
(3)		%	0	0
(4)		%	0	0
Totals ▶			Enter here and on page 1, Part I, line 7, column (A). 0	Enter here and on page 1, Part I, line 7, column (B). 0
Total dividends-received deductions included in column 8 ▶				

Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					
Nonexempt Controlled Organizations					
7 Taxable income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10	
(1)					
(2)					
(3)					
(4)					
			Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11 Enter here and on page 1, Part I, line 8, column (B)	
Totals			0	0	

Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col 3 plus col 4)
(1)				0
(2)				0
(3)				0
(4)				0
		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B)
Totals		0		0

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)			0			0
(2)			0			0
(3)			0			0
(4)			0			0
		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (B)			Enter here and on page 1, Part II, line 26
Totals		0	0			0

Schedule J—Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5))		0	0	0	0	0

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)			0			0
(2)			0			0
(3)			0			0
(4)			0			0
Totals from Part I	0	0				0
Totals, Part II (lines 1-5)	Enter here and on page 1, Part I, line 11, col (A) 0	Enter here and on page 1, Part I, line 11, col (B) 0				Enter here and on page 1, Part II, line 27 0

Schedule K—Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			0

Line 12 (990-T) - Other Income

1	From Form 6478 - Biofuel Producer Credit	1	0
2	From Form 8864 - Biodiesel and Renewable Diesel Fuels Credit	2	0
3	From form 461 - Excess business loss limitation	3	
4	Bad debt recoveries	4	
5	Proceeds received from employer-owned life insurance contracts issued after August 17, 2006	5	
6	Recapture of excess depreciation including Sec 179 expense deduction	6	0
7	Net section 965(a) inclusion	7	
8	PROTON BEAM RENTAL	8	94,000
9		9	
10		10	
11		11	
12		12	
13		13	
14		14	
15		15	
16	Total other income	16	94,000

Line 20 (990-T) - Charitable Contributions

Check ("X") box Corporations Trusts 50% Trusts (combined) Cash Non Cash under \$5000 Non Cash over \$5000 14,148

1 Contributions for current year Enter the contributions by type	Amount	Deduction Allowed in Current Year	Adjustment under Section 170(d)(2)(B)	New Carryover
Corporations 10% limitation	14,148	5,480		8,668
Trusts 170(b)(1)(A) 50% limitation		0		0
Trusts 30% limitation		0		0
2 Carryover from:				
a 5th preceding period 2a				
Corporations 10% limitation	0	0		0
Trusts 170(b)(1)(A) 50% limitation	0	0		0
Trusts 30% limitation	0	0		0
b 4th preceding period 2b				
Corporations 10% limitation	0	0		0
Trusts 170(b)(1)(A) 50% limitation	0	0		0
Trusts 30% limitation	0	0		0
c 3rd preceding period 2c				
Corporations 10% limitation	0	0		0
Trusts 170(b)(1)(A) 50% limitation	0	0		0
Trusts 30% limitation	0	0		0
d 2nd preceding period 2d				
Corporations 10% limitation	0	0		0
Trusts 170(b)(1)(A) 50% limitation	0	0		0
Trusts 30% limitation	0	0		0
e 1st preceding period 2e				
Corporations 10% limitation	0	0		0
Trusts 170(b)(1)(A) 50% limitation	0	0		0
Trusts 30% limitation	0	0		0
3 Totals 3	14,148	5,480	0	8,668
4 Carryover to expire next year due to 5 year limitation 4				0
5 Total contribution carryover to next year 5				8,668

Computation of Section 179 Deduction for Estimated Charitable Contribution

6 Taxable Income computed without contribution deduction or Section 179 6	54,796
7 Section 179 deduction for purposes of contribution limitation 7	0
8 Taxable income less Section 179 deduction Subtract line 7 from line 6 8	54,796
9 Maximum contribution limitation Enter 10 percent of line 8 9	5,480
10 Contribution deduction considering Section 179 limitation Smaller of line 3, column A or line 9 10	5,480

Computation of Actual Charitable Contribution

11 Actual Section 179 deduction 11	0
12 Taxable income less actual Section 179 deduction Subtract line 11 from line 6 12	54,796
13 Net operating loss deductions limited by line 12 13	0
14 Taxable income for purposes of contribution deduction Subtract line 13 from line 12 14	54,796
15 Maximum contribution limitation Enter 10 percent of line 14 15	5,480
16 Actual contribution deduction Smaller of line 3, col A, or line 15 16	5,480

Line 28 (990-T) - Other Deductions

1 OVERHEAD 1	4,358
2 Total other deductions 2	4,358
3 Total deductions less expenses for offsetting credits 3	4,358

**SCHEDULE M
(Form 990-T)**

**Unrelated Business Taxable Income for
Unrelated Trade or Business**

OMB No 1545-0687

2018

Department of the Treasury
Internal Revenue Service

For calendar year 2018 or other tax year beginning _____, 2018, and ending _____, 20_____

Go to www.irs.gov/Form990T for instructions and the latest information.

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for
501(c)(3) Organizations Only

Name of the organization **MAYO CLINIC HOSPITAL - ROCHESTER** Employer identification number **41-0944601**

Unrelated business activity code (see instructions) ▶ **541610**

Describe the unrelated trade or business ▶ **MANAGEMENT CONSULTING SERVICES**

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales <u>6,110</u>			
b	Less returns and allowances			
	c Balance ▶	1c 6,110		
2	Cost of goods sold (Schedule A, line 7)	2		
3	Gross profit Subtract line 2 from line 1c	3 6,110		6,110
4 a	Capital gain net income (attach Schedule D)	4a		0
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b		0
c	Capital loss deduction for trusts	4c		0
5	Income (loss) from a partnership or an S corporation (attach statement)	5		0
6	Rent income (Schedule C)	6		0
7	Unrelated debt-financed income (Schedule E)	7		0
8	Interest, annuities, royalties, and rents from a controlled organization (Schedule F)	8		0
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9		0
10	Exploited exempt activity income (Schedule I)	10		0
11	Advertising income (Schedule J)	11		0
12	Other income (See instructions, attach schedule)	12		0
13	Total. Combine lines 3 through 12	13 6,110	0	6,110

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14	Compensation of officers, directors, and trustees (Schedule K)	14	
15	Salaries and wages	15	3,515
16	Repairs and maintenance	16	
17	Bad debts	17	
18	Interest (attach schedule) (see instructions)	18	
19	Taxes and licenses	19	
20	Charitable contributions (See instructions for limitation rules)	20	
21	Depreciation (attach Form 4562)	21	
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	
23	Depletion	23	
24	Contributions to deferred compensation plans	24	
25	Employee benefit programs	25	655
26	Excess exempt expenses (Schedule I)	26	
27	Excess readership costs (Schedule J)	27	
28	Other deductions (attach schedule)	28	123
29	Total deductions. Add lines 14 through 28	29	4,293
30	Unrelated business taxable income before net operating loss deduction Subtract line 29 from line 13	30	1,817
31	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)	31	
32	Unrelated business taxable income Subtract line 31 from line 30	32	1,817

For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2018

MAYO CLINIC HOSPITAL - ROCHESTER
41-0944601
TAX YEAR ENDED DECEMBER 31, 2018
UNRELATED BUSINESS INCOME - SCHEDULE M OTHER DEDUCTIONS

SCH M - MANAGEMENT CONSULTING SERVICES

LINE 28

<u>EXPENSE</u>	<u>AMOUNT</u>
OVERHEAD	123
	<hr/>
TOTAL	<u>123</u>

Depreciation and Amortization (Including Information on Listed Property)

Department of the Treasury
Internal Revenue Service (99)

▶ Attach to your tax return.

▶ Go to www.irs.gov/Form4562 for instructions and the latest information.

Name(s) shown on return MAYO CLINIC HOSPITAL - ROCHESTER	Business or activity to which this form relates 990T	Identifying number 41-0944601
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Part I Election To Expense Certain Property Under Section 179

Note: If you have any listed property, complete Part V before you complete Part I

1 Maximum amount (see instructions)	1	
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4 Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	0
5 Dollar limitation for tax year. Subtract line 4 from line 1 If zero or less, enter -0- If married filing separately, see instructions	5	0
6		
(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7 Listed property Enter the amount from line 29		
		7
		8
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7		0
9 Tentative deduction. Enter the smaller of line 5 or line 8		0
10 Carryover of disallowed deduction from line 13 of your 2017 Form 4562.		10
11 Business income limitation Enter the smaller of business income (not less than zero) or line 5 See instructions		11
12 Section 179 expense deduction Add lines 9 and 10, but don't enter more than line 11		0
13 Carryover of disallowed deduction to 2019 Add lines 9 and 10, less line 12		13
		0

Note: Don't use Part II or Part III below for listed property. Instead, use Part V

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property. See instructions.)

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year See instructions	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Don't include listed property. See instructions.)

Section A

17 MACRS deductions for assets placed in service in tax years beginning before 2018	17	24,665
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

Section B - Assets Placed in Service During 2018 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only—see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
h Residential rental property			27.5 yrs	MM	S/L	
i Nonresidential real property			39 yrs	MM	S/L	
				MM	S/L	

Section C - Assets Placed in Service During 2018 Tax Year Using the Alternative Depreciation System

20 a Class life					S/L
b 12-year			12 yrs		S/L
c 30-year			30 yrs	MM	S/L
d 40-year			40 yrs	MM	S/L

Part IV Summary (See instructions.)

21 Listed property Enter amount from line 28	21	
22 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return Partnerships and S corporations—see instructions	22	24,665
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

For Paperwork Reduction Act Notice, see separate instructions.

MAYO CLINIC HOSPITAL - ROCHESTER
41-0944601
TAX YEAR ENDED DECEMBER 31, 2018
UNRELATED BUSINESS INCOME - PAGE 2 LINE 33 RECONCILIATION

STATEMENT 1

990-T PAGE 2 LINE 33

990-T PAGE 1, PROTON BEAM RENTAL LINE 32	52,979
SCH M CONSULTING LINE 32	1,817
ALLOWED CHARITABLE CONTRIBUTIONS	<u>(5,480)</u>

990-T PAGE 2 LINE 33 49,316

Mayo Clinic Hospital - Rochester
Form 990-T Exempt Organization Business Income Tax Return
FEIN: 41-0944601
12/31/18

Section 1.263(a)-1(f) De Minimis Safe Harbor Election

Mayo Clinic Hospital - Rochester is making the de minimis safe harbor election under Treasury Reg. Section 1.263(a)-1(f) for all eligible amounts paid or incurred during the taxable year.