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OMB No 1545 0687

2017

Form 990-T

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

Amended Return For calendar year 2017 or other tax year beginning 9/01, 2017, and ending 8/31, 2018.

See Stmt 1
Department of the Treasury
Internal Revenue Service

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 OnlyA Check box if
address changed

Check box if name changed and see instructions

B Exempt under section

Print
or
Type U.T. Physicians
6431 Fannin Street, JLL 475
Houston, TX 77030D Employer identification number
(Employees' trust, see
instructions)

76-0459500

E Unrelated business activity
codes (See instructions)

900099

C Book value of all assets at
end of year

129,209,675.

F Group exemption number (See instructions)

G Check organization type ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trustH Describe the organization's primary unrelated business activity.
NoneI During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group
If 'Yes,' enter the name and identifying number of the parent corporation ☐ Yes ☒ No

J The books are in care of Angela Smith Telephone number (713) 500-5049

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

2 Cost of goods sold (Schedule A, line 7)

3 Gross profit. Subtract line 2 from line 1c

4 a Capital gain net income (attach Schedule

b Net gain (loss) (Form 4797, Part II, line 17) (attach

c Capital loss deduction for trusts

5 Income (loss) from partnerships and S c
(attach statement)

6 Rent income (Schedule C)

7 Unrelated debt-financed income (Schedule E)

8 Interest, annuities, royalties, and rents from controlled organizations (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)

See Statement 2

13 Total. Combine lines 3 through 12

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

16 Repairs and maintenance

17 Bad debts

18 Interest (attach schedule)

19 Taxes and licenses

20 Charitable contributions (See instructions for limitation rules)

21 Depreciation (attach Form 4562)

22 Less depreciation claimed on Schedule A and elsewhere on return

23 Depletion

24 Contributions to deferred compensation plans

25 Employee benefit programs

26 Excess exempt expenses (Schedule I)

27 Excess readership costs (Schedule J)

28 Other deductions (attach schedule)

29 Total deductions. Add lines 14 through 28

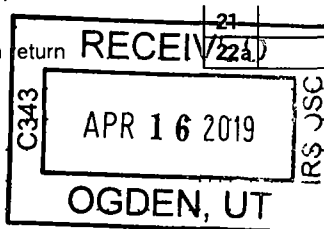
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13

31 Net operating loss deduction (limited to the amount on line 30)

32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30

33 Specific deduction (Generally \$1,000, but see line 33 instructions for exceptions)

34 Unrelated business taxable income. Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32



Part III Tax Computation**35 Organizations Taxable as Corporations.** See instructions for tax computation.Controlled group members (sections 1561 and 1563) check here ☐ See instructions and:

a Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):

(1) \$ (2) \$ (3) \$

b Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$

(2) Additional 3% tax (not more than \$100,000) \$

c Income tax on the amount on line 34

35 c 0.

36 Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041)

36

37 Proxy tax. See instructions

37

38 Alternative minimum tax

38

39 Tax on Non-Compliant Facility Income. See instructions

39

40 Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies

40 0.

Part IV Tax and Payments**41 a** Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)

41 a

b Other credits (see instructions)

41 b

c General business credit. Attach Form 3800 (see instructions)

41 c

d Credit for prior year minimum tax (attach Form 8801 or 8827)

41 d

e Total credits. Add lines 41a through 41d

41 e 0.

42 Subtract line 41e from line 40

42 0.

43 Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866
☐ Other (attach schedule)

43

44 Total tax. Add lines 42 and 43

44 0.

45 a Payments: A 2016 overpayment credited to 2017

45 a

b 2017 estimated tax payments

45 b

c Tax deposited with Form 8868

45 c

d Foreign organizations: Tax paid or withheld at source (see instructions)

45 d

e Backup withholding (see instructions)

45 e

f Credit for small employer health insurance premiums (Attach Form 8941)

45 f

g Other credits and payments:

☐ Form 2439 ☐ Form 4136 ☐ Other Total

45 g

Statement 3

46 Total payments. Add lines 45a through 45g

46 0.

47 Estimated tax penalty (see instructions). Check if Form 2220 is attached ☐

47

48 Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed

48

49 Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid

49

50 Enter the amount of line 49 you want: **Credited to 2018 estimated tax** ☐ **Refunded** ☐

50

Part V Statements Regarding Certain Activities and Other Information (see instructions)**51** At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here: _____Yes No
X**52** During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.Yes No
X**53** Enter the amount of tax-exempt interest received or accrued during the tax year: \$ 0.

Yes No

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.			May the IRS discuss this return with the preparer shown below (see instructions)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
	Signature of officer	Date	Title		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input checked="" type="checkbox"/> if self employed	PTIN
	Jody Blazek	<i>Jody Blazek</i>	3.30.19		P00072674
	Firm's name	Blazek & Vetterling			Firm's EIN
	Firm's address	2900 Wesleyan, Suite 200 Houston, TX 77027-5132			Phone no (713) 439-5739

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	
3 Cost of labor	3				
4a Additional section 263A costs (attach schedule)	4a				
b Other costs (attach sch)	4b		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
5 Total. Add lines 1 through 4b	5				

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	Total	
(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)

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 sch)	(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 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals				
Total dividends-received deductions included in column 8				

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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**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 (column 3 plus column 4)
(1)				
(2)				
(3)				
(4)				

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**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 columns 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)						
(2)						
(3)						
(4)						

Enter here and on page 1, Part I, line 10, column (A).
Enter here and on page 1, Part I, line 10, column (B).

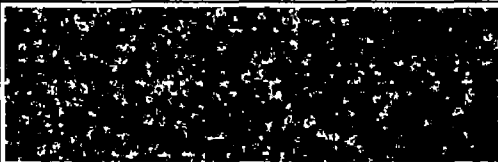
Enter here and on page 1, Part II, line 26.

Totals**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 (col. 6 minus col. 5, but not more than col. 4)
(1)						
(2)						
(3)						
(4)						

Totals (carry to Part II, line (5))

Part III **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 (col. 6 minus col. 5, but not more than col. 4)
(1)						
(2)						
(3)						
(4)						
Totals from Part I						
	Enter here and on page 1, Part I, line 11, column (A)	Enter here and on page 1, Part I, line 11, column (B).			Enter here and on page 1, Part II, line 27	
Totals, Part II (lines 1–5)						

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
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14			

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Statement 1
Form 990-T, Amended Return
Amended Return Explanation

Taxpayer leases employees through a professional employer organization ("PEO"). After further review of qualified transportation benefits arrangements with the PEO, the PEO represents that it assumes the tax liability for the pre-tax payroll deduction parking benefits disallowed under IRC Section 274 on its own corporate tax return. In the 2017 990-T as originally filed, taxpayer reported these benefits as an increase in unrelated business taxable income. Taxpayer is amending the 2017 990-T for its tax year ending August 31, 2018 to reflect the PEO's reporting of the same disallowed benefits on its own tax return.

Statement 2
Form 990-T, Part I, Line 12
Other Income

Qualified transportation fringe benefits	\$	880.
Total	\$	<u>880.</u>

Statement 3
Form 990-T
Reasonable Cause From Late Penalties

The IRS released Notice 2018-99 in December of 2018. As of the original filing date, January 15, 2019, the organization had not yet been able to determine, from the new guidance, whether it had unrelated business income derived from IRC Section 512(a)(7). The organization has not previously had a 990-T filing requirement and is only required to file the 990-T for this tax year due to Section 512(a)(7). We respectfully request abatement of any late filing and late payment penalties for reasonable cause that would otherwise be assessed.