

1912

Form 990-T

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

OMB No 1545-0047

2019

Department of the Treasury Internal Revenue Service

For calendar year 2019 or other tax year beginning and ending 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

Form header section including: A Check box if address changed; B Exempt under section 501(C)(3); C Book value of all assets at end of year; D Employer identification number 86-0800150; E Unrelated business activity code 62; F Group exemption number 5983; G Check organization type 501(c) corporation; H Enter the number of the organization's unrelated trades or businesses 2; I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes; J The books are in care of MAYO CORPORATE TAX UNIT Telephone number (507) 538-1297

Form header section including: H Describe the only (or first) unrelated trade or business here Health Care and Social Assistance; I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? Yes; J The books are in care of MAYO CORPORATE TAX UNIT Telephone number (507) 538-1297

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows 1-13 detailing Unrelated Trade or Business Income. Total income 2,454,165, total expenses 0, net income 2,454,165.

Table with 4 columns: (A) Income, (B) Expenses, (C) Net. Rows 14-31 detailing Deductions Not Taken Elsewhere. Total deductions 1,081,565, resulting in unrelated business taxable income of 1,372,600.

SCANNED MAY 13 2021

Part 1

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Part III Total Unrelated Business Taxable Income

Table with 3 columns: Line number, Description, and Amount. Includes lines 32-39 with handwritten annotations 'Part I' and '521'.

Part IV Tax Computation

Table with 3 columns: Line number, Description, and Amount. Includes lines 40-45 with handwritten annotation 'Part 2'.

Part V Tax and Payments

Table with 3 columns: Line number, Description, and Amount. Includes lines 46-56 with handwritten annotations 'Part 3', '1e', '4', '9', and '10'.

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

Table with 3 columns: Question number, Question text, and Yes/No response. Includes questions 57, 58, and 59.

Sign Here section containing a signature, date (11/03/20), title (TAX DIRECTOR), and a checkbox for IRS discussion.

Table for Preparer information with columns: Name, Signature, Date, PTIN, Firm's name, Firm's EIN, Firm's address, and 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) N / A		
(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) N / A				
(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) N/A					
(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) N/A				0
(2)				0
(3)				0
(4)				0

Totals		Enter here and on page 1, Part I, line 9, column (A)		Enter here and on page 1, Part I, line 9, column (B)
		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) N/A				0		0
(2)				0		0
(3)				0		0
(4)				0		0

Totals		Enter here and on page 1, Part I, line 10, col (A)	Enter here and on page 1, Part I, line 10, col (R)		Enter here and on page 1, Part II, line 25
		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) N/A						
(2)						
(3)						
(4)						

Totals (carry to Part II, line (5))		0	0	0	0	0
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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) N / A			0			0
(2)			0			0
(3)			0			0
(4)			0			0
Totals from Part I	0	0				0
Totals, Part II (lines 1-5)	0	0				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

SCHEDULE M
(Form 990-T)

**Unrelated Business Taxable Income from an
Unrelated Trade or Business**

OMB No 1545-0047

2019

For calendar year 2019 or other tax year beginning _____, 2019, and ending _____, 20____.

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

Department of the Treasury
Internal Revenue Service

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 ARIZONA** Employer identification number **86-0800150**

Unrelated Business Activity Code (see instructions) **54**

Describe the unrelated trade or business **PROFESSIONAL SCIENTIFIC AND TECHNICAL SERVICES**

Part I Unrelated Trade or Business Income				(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales	253,271				
b	Less returns and allowances					
	c Balance		1c	253,271		
2	Cost of goods sold (Schedule A, line 7)		2			
3	Gross profit Subtract line 2 from line 1c		3	253,271		253,271
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	253,271	0	253,271

Part II Deductions Not Taken Elsewhere (See instructions for limitations on deductions) (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	86,795
16	Repairs and maintenance		16	
17	Bad debts		17	
18	Interest (attach schedule) (see instructions)		18	
19	Taxes and licenses		19	
20	Depreciation (attach Form 4562)		20	
21	Less depreciation claimed on Schedule A and elsewhere on return		21a	
22	Depletion		21b	
23	Contributions to deferred compensation plans		22	
24	Employee benefit programs		23	
25	Excess exempt expenses (Schedule I)		24	19,018
26	Excess readership costs (Schedule J)		25	
27	Other deductions (attach schedule)		26	
28	Total deductions. Add lines 14 through 27		27	37,327
29	Unrelated business taxable income before net operating loss deduction Subtract line 28 from line 13		28	143,140
30	Deduction for net operating loss arising in tax years beginning on or after January 1, 2018 (see instructions)		29	110,131
31	Unrelated business taxable income Subtract line 30 from line 29		30	
			31	110,131

For Paperwork Reduction Act Notice, see instructions.

Schedule M (Form 990-T) 2019

MAYO CLINIC ARIZONA
86-0800150
TAX YEAR ENDED DECEMBER 31, 2019
UNRELATED BUSINESS INCOME - SCHEDULE M RECONCILIATION

SCH M - Professional, Scientific, and Technical Services

LINE 27

<u>EXPENSE</u>	<u>AMOUNT</u>
OVERHEAD	4,657
ALLOCATED COST	<u>32,670</u>
TOTAL	<u>37,327</u>

Mayo Clinic Arizona
Form 990-T Exempt Organization Business Income Tax Return
FEIN: 86-0800150
12/31/19

Section 1 263(a)-1(f) De Minimis Safe Harbor Election

Mayo Clinic Arizona 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

Line 27 (990-T) - Other Deductions

1	Allocated Costs	1	4,826
2	Total other deductions	2	4,826
3	Total deductions less expenses for offsetting credits	3	4,826

Line 34 (990-T) - Charitable Contributions

Check ("X") box Corporations Cash 179,750
 Trusts 50% Non Cash under \$5000 _____
 Trusts (combined) Non Cash over \$5000 _____

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	179,750	148,273		31,477
	Trusts 170(b)(1)(A) 50% limitation		0		0
	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
	30% limitation	0	0		0
b	4th preceding period 2b				
	Corporations 10% limitation	32,959	0		32,959
	Trusts 170(b)(1)(A) 50% limitation	0	0		0
	30% limitation	0	0		0
c	3rd preceding period 2c				
	Corporations 10% limitation	45,075	0		45,075
	Trusts 170(b)(1)(A) 50% limitation	0	0		0
	30% limitation	0	0		0
d	2nd preceding period 2d				
	Corporations 10% limitation	144,978	0		144,978
	Trusts 170(b)(1)(A) 50% limitation	0	0		0
	30% limitation	0	0		0
e	1st preceding period 2e				
	Corporations 10% limitation	25,551	0		25,551
	Trusts 170(b)(1)(A) 50% limitation	0	0		0
	30% limitation	0	0		0
3	Totals	428,313	148,273	0	280,040
4	Carryover to expire next year due to 5 year limitation				0
5	Total contribution carryover to next year				280,040

Computation of Section 179 Deduction for Estimated Charitable Contribution

6	Taxable Income computed without contribution deduction or Section 179	6	1,482,728
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	1,482,728
9	Maximum contribution limitation. Enter 10 percent of line 8	9	148,273
10	Contribution deduction considering Section 179 limitation Smaller of line 3, column A or line 9	10	148,273

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	1,482,728
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	1,482,728
15	Maximum contribution limitation Enter 10 percent of line 14	15	148,273
16	Actual contribution deduction Smaller of line 3, col A, or line 15	16	148,273