

Instructions for Form 990-T

Exempt Organization Business Income Tax Return (and Proxy Tax Under Section 6033(e))

Volume 3 of 3



Department of the Treasury
Internal Revenue Service

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A redetermination of the percentage of rent for personal property is required when either:

1. There is an increase of 100% or more by the placing of additional or substitute personal property in service, or
2. There is a modification of the lease that changes the rent charged. Rents from both real and personal property not taxable on Schedule A, Part I, line 6, may be taxable on Schedule A, Part I, line 8, if the income is from a controlled organization or on Schedule A, Part I, line 7, if the property is debt-financed.

Taxability of the rent must be considered in the following order.

- a. Rents not taxed on Schedule A, Part I, line 6, may be taxed on Schedule A, Part I, line 8.

- b. Rents not taxed on Schedule A, Part I, line 6 or line 8, may be taxed on Schedule A, Part I, line 7.

Rents from personal property not leased with real property should be reported on Schedule A, Part I, line 12.

See Form 8582 (for trusts) or Form 8810 (for corporations) and section 469 for limitations on losses from rental activities.

Description of Property

Line 1. Check the box next to the property description if the property is used both to carry on exempt activities and to conduct unrelated trade or business activities.

Line 4. For each property, attach a statement describing the directly connected deductions and their amounts.

Part V. Unrelated Debt-Financed Income

Use Schedule A, Part V, to compute unrelated debt-financed income described in sections 512(b)(4) and 514 from debt-financed property only to the extent that the income doesn't constitute income from the conduct of an unrelated trade or business and isn't specifically taxable under other provisions of the Code, such as taxable rents from personal property leased with real property reportable on Schedule A, Part IV (and Schedule A, Part I, line 6), or taxable interest, annuities, royalties, and rents from a controlled entity reportable on Schedule A, Part VI (and Schedule A, Part I, line 8). See Regulations section 1.514(b)-1(b)(2). Refer to Regulations section 1.512(a)-6 when reporting income from one or more debt-financed properties and also for rules permitting the aggregation of unrelated debt-financed income with other UBTI in certain

circumstances. Gain or loss from the sale or disposition of debt-financed property is reported on Schedule A, Part I, line 4.

Section 501(c)(7), (9), and (17) organizations should report income from debt-financed property on Schedule A, Part VII (and Schedule A, Part I, line 9).

When a debt-financed property is held for exempt purposes and other purposes, the organization must allocate the basis, debt, income, and deductions among the purposes for which the property is held. Don't include on Schedule A, Part V, amounts allocated to exempt purposes.



For section 514 purposes, don't treat an interest in a qualified state tuition program (QSTP) as debt. However, a QSTP's investment income is treated as debt-financed income if the QSTP incurs indebtedness when acquiring or improving income-producing property.

A property held to produce income is debt-financed property if, at any time during the tax year, there was acquisition indebtedness outstanding for the property. When a property held for the production of income by an organization is disposed of at a gain during the tax year, and there was acquisition indebtedness outstanding for that property at any time during the 12-month period before the date of disposition, the property is debt-financed property. Securities purchased on margin are considered debt-financed property if the liability incurred in purchasing them remains outstanding.

Acquisition indebtedness is the outstanding amount of principal debt incurred by the organization to acquire or improve the property. Acquisition indebtedness also includes indebtedness incurred:

1. Before the property was acquired or improved, if the indebtedness would not have been incurred but for such

acquisition or improvement of the property; or

2. After the property was acquired or improved, if the indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of such indebtedness was reasonably foreseeable at the time of such acquisition or improvement. See Regulations section 1.514(c)-1(a).

With certain exceptions, acquisition indebtedness doesn't include debt incurred by the following.

1. A qualified (section 401) trust in acquiring or improving real property. See section 514(c)(9).
2. A tax-exempt school (section 170(b)(1)(A)(ii)) and its affiliated support organizations (section 509(a)(3)) for indebtedness incurred after July 18, 1984.

3. An organization described in section 501(c)(25) in tax years beginning after December 31, 1986.
4. An obligation, to the extent that it is insured by the Federal Housing Administration, to finance the purchase, rehabilitation, or construction of housing for low and moderate income persons, or indebtedness incurred by a small business investment company licensed after October 22, 2004, under the Small Business Investment Act of 1958 if such indebtedness is evidenced by a debenture issued by such company under section 303(a) of that Act, and held or guaranteed by the Small Business Administration (see section 514(c)(6)(B) for limitations).
5. A retirement income account described in section 403(b) (9) in acquiring or

improving real property in tax years
beginning on or after August 17, 2006.

See Pub. 598 for additional exceptions to the rules for debt-financed property.

Example 1. An exempt organization owns a four-story building. Two floors are used for an exempt purpose and two floors are rented (as an unrelated trade or business) for \$10,000. Expenses are \$1,000 for depreciation and \$5,000 for other expenses that relate to the entire building. The average acquisition indebtedness is \$6,000, and the average adjusted basis is \$10,000. Both apply to the entire building.

Example 2. Assume the same facts as in *Example 1*, except the entire building is rented out as an unrelated trade or business for \$20,000. To complete Schedule A, Part V, for this example, enter \$20,000 on Schedule A, Part V, line 2; \$1,000 and \$5,000 on Schedule A, Part V, lines 3(a) and 3(b), respectively (since the entire amount is for

debt-financed property); \$6,000 and \$10,000 on Schedule A, Part V, lines 4 and 5 (since the entire amount is for debt-financed property); 60% on Schedule A, Part V, line 6; \$12,000 on Schedule A, Part V, line 7; and \$3,600 on Schedule A, Part V, line 9.

Line 1. Enter the address of the debt-financed property. If the debt-financed property isn't real property, enter the address where the property is located and describe the property in Part XI, Supplemental Information.

Check the box next to the property description if the property is used both to carry on exempt activities and to conduct unrelated trade or business activities.

Line 2. Enter the gross income from debt financed property, excluding income otherwise included in UBTI. For example, don't include rents from personal property shown on Schedule A, Part IV, or rents and

interest from controlled organizations shown on Schedule A, Part VI.

Line 3. For amounts shown on line 3a, attach a statement showing, for each property:

1. The cost or salvage value,
2. The year acquired,
3. The property's useful life (rounded to a whole number if necessary),
4. The years remaining (rounded to a whole number if necessary),
5. The annual depreciation expense amount, and
6. The allowable depreciation expense amount.

Line 4. Average acquisition indebtedness for any tax year is the average amount of the outstanding principal debt during the part of the tax year the property is held by the organization. To figure the average amount of

acquisition debt, determine the amount of the outstanding principal debt on the first day of each calendar month during that part of the tax year that the organization holds the property. Add these amounts together, and divide the result by the total number of months during the tax year that the organization held the property. See section 514(a) and the related regulations for property acquired for an indeterminate price.

1. The average amount of acquisition debt,
2. The percent allocable to debt-financed income, and
3. The product of (1) multiplied by (2).

Line 5. The average adjusted basis for debt-financed property is the average of the adjusted basis of the property on the first and last days during the tax year that the organization holds the property. Determine the adjusted basis of property under section 1011. Adjust the basis of the property by the

depreciation for all earlier tax years, whether or not the organization was exempt from tax for any of these years. Similarly, for tax years during which the organization is subject to tax on UBTI, adjust the basis of the property by the entire amount of allowable depreciation, even though only a part of the deduction for depreciation is taken into account in figuring UBTI.

Attach a statement showing, for each property:

1. A brief description of the property,
2. The adjusted basis,
3. The percent allocable to debt-financed income, and
4. The product of (3) multiplied by (4).

If no adjustments to the basis of property under section 1011 apply, the basis of the property is cost.

See section 514(d) and the related regulations for the basis of debt-financed property acquired in a complete or partial liquidation of a corporation in exchange for its stock.

Line 6. Divide each property's average acquisition indebtedness for the tax year by that property's average adjusted basis during the period it is held in the tax year. This percentage cannot be more than 100%.

Line 7. The amount of income from debt-financed property included in unrelated trade or business income is figured by multiplying the property's gross income by the percentage computed on line 6.

Line 8 . Enter on line 8 the sum of amounts computed for each property on line 7. Also enter this amount on Part I, line 7, column (A).

Line 9. For each debt-financed property, multiply the total deductions directly connected to the income (including the dividends-received deductions allowed by sections 243, 244, and 245) by the percentage computed on line 6. However, if the debt-financed property is depreciable property, figure the depreciation deduction by the straight line method only and enter the amount on Schedule A, Part V, line 3a.

For each debt-financed property, attach statements showing separately a computation of the depreciation deduction (if any) reported on Schedule A, Part V, line 3a, (as described earlier) and a breakdown of the expenses included on Schedule A, Part V, line 3b. Corporations owning stock that is unrelated debt-financed property should see Schedule C (Dividends and Special Deductions) of Form 1120, U.S. Corporation Income Tax Return, to determine the

dividends-received deductions to include on Schedule A, Part V, line 3b.

When a capital loss for the tax year may be carried back or carried over to another tax year, the amount to carry over or back is figured by using the percentage determined above. However, in the year to which the amounts are carried, don't apply the debt-basis percentage to determine the deduction for that year.

Line 10. On line 10, enter the sum of amounts computed for each property on line 9. Also enter this amount on Part I, line 7, column (B).

Line 11. Enter the total dividends-received deductions (after reduction, when applicable, by the debt-basis percentage(s)) included on Schedule A, Part V, line 9.

Part VI. Interest, Annuities, Royalties, and Rents From Controlled Organizations

Under section 512(b)(13), interest, annuities, royalties, and rents received or accrued (directly or indirectly) by a controlling organization from a controlled organization are subject to tax, whether or not the activity conducted by the controlling organization to earn these amounts is a trade or business or is regularly conducted. However, see Regulations section 1.512(b)-1(l)(5) regarding amounts taxable under other provisions of the Code.

Controlled organization. An entity is a “controlled organization” if the controlling organization owns:

- By vote or value, more than 50% of a corporation's stock (for an organization that is a corporation);

- More than 50% of a partnership's profits or capital interests (for an organization that is a partnership); or
- More than 50% of the beneficial interests in an organization (for an organization other than a corporation or partnership).

To determine the ownership of stock in a corporation, apply the principles of section 318 (constructive ownership of stock). Apply similar principles to determine the ownership of interests in a partnership or any other organization.

Column 3. Enter the net unrelated income (or net unrelated loss) of each controlled entity listed that is exempt from tax under section 501(a).

Column 7. Enter the taxable income of each nonexempt controlled organization.

Column 8. Enter the net unrelated income (or net unrelated loss) of each controlled entity listed that isn't exempt from tax under

section 501(a). Net unrelated income is that portion of the controlled entity's taxable income that would be UBTI if the entity were exempt under section 501(a) and had the same exempt purposes as the controlling organization. Net unrelated loss is the controlled organization's NOL adjusted under rules similar to those used to determine net unrelated income.

Column 4 or 9. For each controlled organization, enter the total of specified payments received from each controlled organization. If the organization received both specified payments and qualifying specified payments from a controlled organization, enter specified payments on one line and qualifying specified payments on another so that there are dual entries for that controlled organization.

Column 5 or 10. For specified payments, enter the portion of column 4 or 9 to the extent that the payment reduced the net

unrelated income (or increased the net unrelated loss) of the controlled entity.

Column 6 or 11. Enter only those deductions directly connected with the income entered in column 5 or 10.

With respect to qualifying specified payments, enter only that portion of expenses directly connected to the amounts included in column 5 or 10, that is, the excess of the payment over the FMV amount, as determined in accordance with section 482. Don't enter any expenses relating to the portion of such payment that isn't includible in income under this special rule.



For valuation misstatements regarding qualifying specified payments, there is a 20% addition to tax. See section 512(b)(13)(E)(ii).

Excess qualifying specified payments.

Excess qualifying specified payments received or accrued from a controlled entity (that is,

the amount of qualifying specified payments in excess of what would have been paid or accrued if the payments had been determined under section 482) are included in a controlling exempt organization's UBTI.

Part VII. Investment Income of a Section 501(c)(7), (9), or (17) Organization

Generally, for section 501(c)(7), (9), or (17) organizations, unrelated trade or business income includes all gross income from nonmembers with certain modifications. See section 512(a) (3)(A). Report on Schedule A, Part VII, all income from investments in securities and other similar investment income from nonmembers, including 100% of income and directly connected expenses from debt-financed property. Don't report nonmember income from debt-financed property on Schedule A, Part V.

All section 501(c)(7), (9), and (17) organizations figure their investment income using Schedule A, Part VII. Don't include interest on state and local governmental obligations described in section 103(a).

Investment income includes all income from debt-financed property.

If a section 501(c)(7), (9), or (17) organization (or a title holding corporation, described earlier) sells property that was used for the exempt function of the section 501(c)(7), (9), or (17) organization and buys other property used for the organization's exempt function within a period beginning 1 year before the date of the sale, and ending 3 years after the date of the sale, the gain from the sale will be recognized only to the extent that the sales price of the old property is more than the cost of the other property. The other property need not be similar in type or use to the old property. The organization must notify the IRS of the sale by a

statement attached to the return, or other written notice.

To compute the gain on the sale of depreciable property, see the instructions for Part V, line 5, to determine the adjusted basis of the property.

Column 3. Deduct only those expenses that are directly connected to the net investment income. Allocate deductions between exempt activities and other activities where necessary. The organization may not take the dividends-received deductions in figuring net investment income because they aren't treated as directly connected with the production of gross income.

Column 4. Section 501(c)(7), (9), and (17) organizations may set aside income that would otherwise be taxable under section 512(a)(3). However, income derived from an unrelated trade or business may not be set aside and thus can't be exempt function income. In addition, any income set aside and

later used for other purposes must be included in income.

Section 501(c)(7), (9), and (17) organizations won't be taxed on income set aside for:

1. Religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals (and reasonable administration costs directly connected to such purposes); or
2. The payment of life, sickness, accident, or other benefits (and reasonable administration costs directly connected to such benefits) by a section 501(c)(9) or (17) organization. The amount allowed as a set-aside may not exceed a limit determined using section 512(a)(3)(E). See sections 512(a)(3)(E) and 419A for details.

Report income set aside on Schedule A, Part VII, column 4. Attach a statement listing:

1. The amount set aside for charitable purposes;
2. The amount set aside for reasonable administration costs directly connected with such amount;
3. The amount set aside for payment of life, sickness, accident, or other benefit; and
4. The amount set aside for reasonable administration costs directly connected with the payment of such benefits.

Amounts set aside aren't deductible under section 170 or any other section of the Code.

The organization may elect to treat income set aside by the date for filing the return, including any extension of time, as income set aside in the tax year for which the return is filed. The income set aside must have been

includible in gross income for that earlier tax year.

Although set-aside income may be accumulated, any accumulation that is unreasonable will be evidence that the set aside wasn't for the purposes previously mentioned.

Net investment income set aside must be specifically earmarked as such, or placed in a separate account or fund (except for a section 501(c)(9) or (17) organization which, by the terms of its governing instrument, must use its net investment income for the payment of life, sickness, accident, or other benefits, and reasonable administration costs).

These rules apply to a corporation described in section 501(c)(2) (title holding corporation) whose income is payable to an organization described in section 501(c)(7), (9), or (17) if it files a consolidated return with the section 501(c)(7), (9), or (17) organization.

Part VIII. Exploited Exempt Activity Income, Other Than Advertising Income

Exempt organizations that have gross income from an unrelated trade or business activity that exploits an exempt activity (other than periodical advertising income reportable on Schedule A, Part IX) should complete Schedule A, Part VIII. See Regulations section 1.513-1(d)(4)(iv) for a definition of exploited exempt activity. Report income from advertising other than in a periodical on Schedule A, Part VIII.

Line 1. Briefly describe the exempt activity being exploited in an unrelated trade or business activity.

Line 3. An exempt organization may take all deductions directly connected with the gross income from the unrelated trade or business activity.

Line 4. Subtract directly connected deductions from the gross unrelated business income. If unrelated business income exceeds the directly connected deduction, the exempt organization may take into account all deductible items attributable to the exploited exempt activity, with the following limitations.

1. Reduce the deductible items of the exempt activity by the income from the activity.
2. Limit the net amount of deductible items arrived at in item 1 above for the exempt activity to the net unrelated business income from the exploited exempt activity.
3. Exclude income and expenses of the exempt activity in figuring a loss carryover or carryback from the unrelated trade or business activity exploiting the exempt activity.

4. Exclude deductible items of the exempt activity in figuring unrelated trade or business income from an activity that isn't exploiting the same exempt activity.

As a result, the net includible exploited exempt activity income is the UBTI minus the excess of the exempt activity expenses over the exempt activity income. If the income from the exempt activity exceeds the exempt activity expenses, don't add that profit to the net income from the unrelated business activity. Attach a separate statement showing the computation.

Part IX. Advertising Income

An exempt organization that earned gross income from the sale of advertising in an exempt organization periodical must complete Schedule A, Part IX. The part of the advertising income taken into account is determined as follows.

1. If direct advertising costs (expenses directly connected with advertising income) are more than advertising income (unrelated business income), deduct that excess in figuring UBTI from any other unrelated trade or business activity conducted by the organization.
2. If advertising income is more than direct advertising costs, and circulation income (exempt activity income) equals or exceeds readership costs (exempt activity expenses), then UBTI is the excess of advertising income over direct advertising costs.
3. If advertising income is more than direct advertising costs, and readership costs are more than circulation income, then UBTI is the excess of total income (advertising income and circulation income) over total periodical costs (direct

advertising costs and readership costs).

4. If the readership costs are more than the circulation income, and the net readership costs are more than the excess of advertising income over direct advertising costs, no loss is allowable. See Regulations section 1.512(a)-1(f)(2)(ii)(b).

For allocating membership receipts to circulation income, see Rev. Rul. 81-101, 1981 C.B. 352.

Consolidated periodicals. If an organization publishes two or more periodicals, it may elect to treat the gross income for all (but not less than all) periodicals, and deductions directly connected with those periodicals (including excess readership costs) as if the periodicals were one to determine its UBTI. This rule only applies to periodicals published for the production of income. A periodical is considered published for the production of

income if gross advertising income of the periodical is at least 25% of the readership costs, and the periodical is an activity engaged in for profit.

If periodicals are consolidated, check the box next to the periodical name, and attach a statement showing the name of each periodical in the consolidated group. The attached statement should include the amounts that correspond to information for lines 2 through 4. Attach a separate statement for the consolidated group of publications that includes the amounts corresponding to the information for lines 5 through 8.

Part X. Compensation of Officers, Directors, and Trustees

Complete columns 1 through 4 for those officers, directors, and trustees whose salaries or other compensation are allocable to unrelated business gross income. Don't

include in column 4 compensation that is deducted on Schedule A, Part II, lines 2 and 14, or any line of Schedule A, Parts III through IX.

Part XI. Supplemental Information

Use Part XI to explain the organization's operations, to provide information for lines that don't have an embedded attachment to capture the information to supplement information provided on an embedded attachment, or to provide any other information in support of amounts reported on Schedule A. An organization that associated unrelated trade or business activity with a different NAICS or Business Activity Code in a prior year than the NAICS or Business Activity Code shown on the Schedule A for the current tax year can enter the explanation for the change here.

For each entry in Part XI, include the Schedule A Part and line number, a brief description, and the amount (if any). If necessary, you may also attach a PDF document to provide supplemental information.

Paperwork Reduction Act Notice

We ask for the information on these forms to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

Generally, tax returns and return information are confidential, as required by section 6103.

Estimates of Taxpayer Burden. These include forms in the 990 series and attachments; and Forms 1023, 1024, 1028, 5578, 5884-C, 8038, 8038-B, 8038-CP, 8038-G, 8038-GC, 8038-R, 8038-T, 8038-TC, 8328, 8718, 8282, 8453-TE, 8453-X, 8868, 8870, 8871, 8872, 8879-TE, 8886-T, and 8899 and their schedules; and all the forms tax-exempt organizations attach to their tax returns. Time spent and out-of-pocket costs are presented separately. Time burden includes the time spent preparing to file and to file, with recordkeeping representing the largest component. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples include tax return preparation and submission fees, postage and photocopying costs, and tax preparation software costs. Note that these estimates do not include burden

associated with post-filing activities. IRS operational data indicate that electronically prepared and filed returns have fewer arithmetic errors, implying lower post-filing burden.

Reported time and cost burdens are national averages and do not necessarily reflect a “typical” case. Most taxpayers experience lower than average burden, with taxpayer burden varying considerably by taxpayer type. For instance, the

estimated average time burden for all taxpayers filing Forms 990, 990-EZ, 990-PF, 990-T, and 990-N and related forms is 32.8 hours, with an average cost of \$921 per return. This average includes all associated forms and schedules, across all preparation methods and taxpayer activities.

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Fiscal Year 2024 Form 990 Series Tax Compliance Cost Estimates

	Form 990	Form 990-EZ	Form 990-PF	Form 990-T	Form 990-N
Projections of the Number of Returns to be Filed with IRS	351,100	251,000	130,100	233,200	733,100
Estimated Average Total Time (Hours)	107	69	53	42	5
Estimated Average Total Out-of-Pocket Costs	\$2,900	\$600	\$2,200	\$2,200	\$20
Estimated Average Total Monetized Burden	\$9,900	\$1,700	\$4,600	\$5,700	\$100
Estimated Total Time (Hours)	37,710,000	17,400,000	6,940,000	9,790,000	3,660,000
Estimated Total Out-of-Pocket Costs	\$1,023,200,000	\$152,200,000	\$282,600,000	\$506,400,000	\$14,000,000
Estimated Total Monetized Burden	\$3,466,900,000	\$425,200,000	\$594,600,000	\$1,324,000,000	\$71,400,000
Note: Amounts above are for FY2024. Reported time and cost burdens are national averages and don't necessarily reflect a "typical" case. Most taxpayers experience lower-than-average burden, with taxpayer burden varying considerably by taxpayer type. Detail may not add due to rounding.					

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Internal Revenue Service
Tax Forms and Publications Division
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Although we can't respond individually to each comment received, we do appreciate your feedback and will consider your comments and suggestions as we revise our tax forms, instructions, and publications.

Don't send tax questions, tax returns, or payments to the above address.

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these children home by looking at the photographs and calling 1-800-THE-LOST (1-800-843-5678) if you recognize a child.

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Business Activity Codes		Industry Classification System (NAICS) commonly used by tax-exempt organizations. If you don't see a code for the activity you need to categorize in the list below, refer to the full list of NAICS codes at Census.gov/NAICS .			
The codes listed below that begin with the digits 1 through 8 are a selection from the North American					
Agriculture, Forestry, Hunting, and Fishing Code 110000 Agriculture, forestry, hunting, and fishing 111000 Crop production	513110 Newspaper publishers	532289 All other consumer goods rental	621500 Medical and diagnostic laboratories		
	513120 Periodical publishers	532420 Office machinery and equipment rental and leasing	621610 Home health care services		
Mining Code 211100 Oil and gas extraction 211120 Crude petroleum extraction 211130 Natural gas extraction 212000 Mining (except oil and gas)	513130 Book publishers	533110 Lessors of nonfinancial intangible assets (except copyrighted works)	621910 Ambulance services		
	513140 Directory & mailing list publishers	Professional, Scientific, and Technical Services Code 541100 Legal services 541200 Accounting, tax preparation, bookkeeping, and payroll services 541300 Architectural, engineering, and related services 541380 Testing laboratories & services 541511 Custom computer programming services 541519 Other computer-related services 541610 Management consulting services 541700 Scientific research and development services 541800 Advertising, public relations, & related services 541860 Direct mail advertising 541900 Other professional, scientific, and technical services 541990 Consumer Credit Counseling Services	621990 All other ambulatory health care services		
Utilities Code 221000 Utilities	513190 Other publishers		Data Processing, Web Search Portals, & Other Information Services Code 518210 Computing infrastructure providers, data processing, web hosting, & related services 519200 Web search portals, libraries, archives, & other info. services	623000 Nursing and residential care facilities	
	516100 Radio & television broadcasting stations			623990 Other residential care facilities	
Construction Code 230000 Construction 236000 Construction of buildings	516210 Media streaming, social networks, & other content providers	Finance and Insurance Code 522100 Depository credit intermediation (including commercial banking, savings institutions, and credit unions) 522200 Nondepository credit intermediation 522210 Credit card issuing 522220 Sales financing 522291 Consumer lending 522292 Real estate credit 522299 Intl. secondary market, & other nondepository credit intermediation 523000 Securities, commodity contracts, and other financial investments and related activities 523940 Portfolio management & investment advice 524113 Direct life insurance carriers 524114 Direct health and medical insurance carriers 524126 Direct property and casualty insurance carriers 524130 Reinsurance carriers 524292 Pharmacy benefit management & other third-party administration 524298 All other insurance-related activities 525100 Insurance and employee benefit funds 525920 Trusts, estates, and agency accounts 525990 Other financial vehicles (including mortgage REITs)	624100 Individual and family services		
	517000 Telecommunications (including wired, wireless, satellite, cable & other program distribution, resellers, agents, other telecommunications, & Internet service providers)		624110 Child & youth services		
Manufacturing Code 310000 Manufacturing 323100 Printing and related support activities 339110 Medical equipment and supplies manufacturing	Real Estate and Rental and Leasing Code 531110 Lessors of residential buildings and dwellings (including equity REITs) 531120 Lessors of nonresidential buildings (except miniwarehouses)(including equity REITs) 531130 Lessors of miniwarehouses & self-storage units (including equity REITs) 531190 Lessors of other real estate property (including equity REITs) 531310 Real estate property managers 531320 Offices of real estate appraisers 531390 Other activities related to real estate 532000 Rental and leasing services	Management of Companies and Enterprises Code 551111 Offices of bank holding companies 551112 Offices of other holding companies	624200 Community food and housing, and emergency and other relief services		
			624210 Meal delivery programs, soup kitchens, or food banks		
Wholesale Trade Code 423000 Merchant wholesalers, durable goods 424000 Merchant wholesalers, nondurable goods	Retail Trade Code 441100 Automobile dealers 444100 Building materials and supplies dealers 445100 Grocery & convenience retailers 445200 Specialty food retailers 449100 Furniture and home furnishings retailers 445000 General merchandise retailers 456110 Pharmacies & drug retailers 456199 All other health and personal care retailers 458000 Clothing, clothing accessories, shoe, & jewelry retailers 459110 Sporting goods retailers 459120 Hobby, toy, & game retailers 459130 Sewing, needlework, & piece goods retailers 459140 Musical instrument & supplies retailers 459210 Book retailers & news dealers (including newsstands) 459310 Florists 459410 Office supplies & stationery retailers 459420 Gift, novelty, and souvenir retailers 459510 Used merchandise retailers 459900 Other miscellaneous retailers		624310 Vocational rehabilitation services		
			624410 Childcare services		
Retail Trade Code 441100 Automobile dealers 444100 Building materials and supplies dealers 445100 Grocery & convenience retailers 445200 Specialty food retailers 449100 Furniture and home furnishings retailers 445000 General merchandise retailers 456110 Pharmacies & drug retailers 456199 All other health and personal care retailers 458000 Clothing, clothing accessories, shoe, & jewelry retailers 459110 Sporting goods retailers 459120 Hobby, toy, & game retailers 459130 Sewing, needlework, & piece goods retailers 459140 Musical instrument & supplies retailers 459210 Book retailers & news dealers (including newsstands) 459310 Florists 459410 Office supplies & stationery retailers 459420 Gift, novelty, and souvenir retailers 459510 Used merchandise retailers 459900 Other miscellaneous retailers	Administrative and Support Services Code 561000 Administrative and support services 561300 Employment services 561439 Other business service centers (including copy shops) 561499 All other business support services 561500 Travel arrangement and reservation services 561520 Tour operators 561700 Services to buildings and dwellings		Arts, Entertainment, and Recreation Code 711110 Theater companies and dinner theaters 711120 Dance companies 711130 Musical groups and artists 711190 Other performing arts companies 711210 Spectator sports (including sports clubs and racetracks) 711300 Promoters of performing arts, sports, and similar events 713110 Amusement and theme parks 713200 Gambling industries 713910 Golf courses and country clubs 713940 Fitness and recreational sports centers 713990 All other amusement and recreation industries (including skiing facilities, marinas, and bowling centers)		
Transportation and Warehousing Code 480000 Transportation 485000 Transit and ground passenger transportation 493000 Warehousing and storage	Waste Management and Remediation Services Code 562000 Waste management and remediation services (sanitary services)		Accommodation and Food Services Code 721000 Accommodation 721110 Hotels (except casino hotels) and motels 721210 RV (recreational vehicle) parks and recreational camps 721310 Rooming and boarding houses, dormitories, and workers' camps 722320 Caterers 722410 Drinking places (alcoholic beverages) 722511 Full-service restaurants 722513 Limited-service restaurants 722514 Cafeterias, grill buffets, and buffets 722515 Snack and non-alcoholic beverage bars		
Information Code 512000 Motion picture and sound recording industries	Educational Services Code 611420 Computer training 611430 Professional and management development training 611600 Other schools and instruction (other than elementary and secondary schools or colleges and universities, which should select a code to describe their unrelated activities) 611710 Educational support services		Other Services Code 811000 Repair and maintenance 812300 Dry cleaning and laundry services 812900 Other personal services 812930 Parking lots and garages		
	Healthcare and Social Assistance Code 621110 Offices of physicians 621300 Offices of other health practitioners 621400 Outpatient care centers				

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Additional codes

Additional codes listed below that begin with "9" are not part of the NAICS and are not listed on the NAICS website

[Census.gov/NAICS](https://www.census.gov/NAICS). The non-NAICS business activity codes are for use on Form 990-T to identify various types of investments, including certain partnership and S corporation interests, reported as separate trades or businesses under section 512(a)(6) without regard to the specific trade or business engaged in by the partnership or S corporation. See Regulations section 1.512(a)-6.

Non-NAICS Business Activity Codes

In the codes below that include "###" replace "#" with numbers to identify each interest (nonqualified S corporation or passive income activity). For example, if four Schedules A are being filed to report unrelated trade or business income from four separate nonqualifying S corporation

interests, the business activity code entered in item C at the top of the four Schedules A would be 904001, 904002, 904003, and 904004, respectively. **901101.** Investment activities, including:

- Debt-financed income (512(b)(4));
- Qualifying partnership interests;
- Qualifying S corporation interests; and
- Certain gross income of organizations subject to section 512(a)(3), or 501(c)(7), (9), or (17).

901301. Insurance income derived from controlled foreign corporations (section 512(b)(17)).

903###. Passive income activities with controlled organizations.

904###. Nonqualifying S corporation interests.

You must report each separate unrelated trade or business using the first two digits of the NAICS code that most accurately describes the unrelated trade or business based on the more specific NAICS code, such as at the 6-digit level. Investment activities reported as separate trades or businesses that are identified with a non-NAICS business activity code should use the 6-digit code from the list above. See Regulations section 1.512(a)-6(b)(1).

Item C at the top of Schedule A requires a 6-digit entry. Enter a 2-digit NAICS code by entering the first digits followed by four zeros.

Appendix A. Definitions

Section 501(c)(3) organization.

Section 501(c)(3) describes certain organizations which are exempt from taxation under section 501(a). A 501(c)(3) organization is an organization organized and

operated exclusively for charitable purposes. See Regulations section 1.501(c)(3)-1(a).

Annual return. An annual return (for purposes of the public inspection rules discussed below) is an exact copy of the Form 990-T that was filed with the IRS, including all schedules and attachments. It also includes any amendments to the original return (amended return).

By annual return (for purposes of the public inspection rules discussed below), we mean any annual return (defined above) that isn't more than 3 years old from the later of:

- The date the return is required to be filed (including extensions), or
- The date that the return is actually filed.

Directly connected expenses. To be deductible in computing UBTI, expenses, depreciation, and similar items must qualify as deductions allowed by section 162, section 167, or other sections, and must be directly

connected with the conduct of unrelated trade or business activity.

To be directly connected with the conduct of an unrelated trade or business activity, expenses, depreciation, and similar items must bear a proximate and primary relationship to the conduct of the activity. For example, where facilities and/or personnel are used both to conduct exempt activities and to conduct an unrelated trade or business, expenses and similar items attributable to such facilities and/or personnel must be allocated between the two uses on a reasonable basis. The portion of any such item allocated to the unrelated trade or business must bear a proximate and primary relationship to that unrelated trade or business.

Not substantially related to. “Not substantially related to” means the activity that produces the income doesn’t contribute importantly to the exempt purposes of the

organization, other than the need for funds. Whether an activity contributes importantly depends in each case on the facts involved.

For details, see Pub. 598, Tax on Unrelated Business Income of Exempt Organizations.

Trade or business. A trade or business is any activity conducted for the production of income from selling goods or performing services. An activity must be conducted with intent to profit to constitute a trade or business. An activity doesn't lose its identity as a trade or business merely because it is conducted within a larger group of similar activities that may or may not be related to the exempt purpose of the organization. If, however, an activity conducted for profit is an unrelated trade or business, no part of it can be excluded from this classification merely because it doesn't result in profit.

Separate trade or business. An organization with more than one unrelated trade or business should refer to Regulations

section 1.512(a)-6 to determine if two or more trades or businesses are separate trades or businesses for purposes of calculating UBTI.

Unrelated trade or business income.

Unrelated trade or business income is the gross income derived from any trade or business (defined above) regularly carried on and not substantially related to (defined above) the organization's exempt purpose or function (aside from the organization's need for income or funds or the use it makes of the profits).

Generally, for section 501(c)(7), (9), or (17) organizations, unrelated trade or business income is derived from nonmembers with certain modifications (see section 512(a)).

For a section 511(a)(2)(B) state college or university, or a corporation wholly owned by such a college or university, unrelated trade or business income is derived from activities not substantially related to exercising or

performing any purpose or function described in section 501(c)(3).

An unrelated trade or business doesn't include a trade or business:

1. In which substantially all the work is performed for the organization without compensation; or
2. That is conducted by a section 501(c)(3) or 511(a)(2)(B) organization mainly for the convenience of its members, students, patients, officers, or employees; or
3. That sells items of work-related equipment and clothes, and items normally sold through vending machines, food dispensing facilities or by snack bars, by a local association of employees described in section 501(c)(4), organized before May 27, 1969, if the sales are for the

convenience of its members at their usual place of employment; or

4. That sells merchandise substantially all of which was received by the organization as gifts or contributions; or
5. That consists of qualified public entertainment activities regularly conducted by a section 501(c)(3), (4), or (5) organization as one of its substantial exempt purposes (see section 513(d)(2) for the meaning of qualified public entertainment activities); or
6. That consists of qualified convention or trade show activities regularly conducted by a section 501(c) (3), (4), (5), or (6) organization as one of its substantial exempt purposes (see section 513(d)(3) for the meaning of qualified convention and trade show activities); or

7. That furnishes one or more services described in section 501(e)(1) (A) by a hospital to one or more hospitals subject to conditions in section 513(e); or
8. That consists of qualified pole rentals, as defined in section 501(c)(12) (D), by a mutual or cooperative telephone or electric company; or
9. That includes activities relating to the distribution of low-cost articles, each costing \$12.50 (IRC 1 per Rev. Proc. 2022-38, section 3.34(1)) or less, by an organization described in section 501 and contributions to which are deductible under section 170(c)(2) or (3) if the distribution is incidental to the solicitation of charitable contributions; or
10. That includes the exchange or rental of donor or membership lists between organizations described in section 501

and contributions to which are deductible under section 170(c)(2) or (3); or

11. That consists of bingo games as defined in section 513(f). Generally, a bingo game isn't included in any unrelated trade or business if:
 - a. Wagers are placed, winners are determined, and prizes are distributed in the presence of all persons wagering in that game; and
 - b. The game doesn't compete with bingo games conducted by for-profit businesses in the same jurisdiction; and
 - c. The game doesn't violate state or local law; or
12. That consists of conducting any game of chance by a nonprofit organization in the state of North Dakota and the

conducting of the game doesn't violate any state or local law; or

13. That consists of soliciting and receiving qualified sponsorship payments that are solicited or received after December 31, 1997. Generally, qualified sponsorship payment means any payment to a tax-exempt organization by a person engaged in a trade or business in which there is no arrangement or expectation of any substantial return benefit by that person other than the use or acknowledgment of that person's name, logo, or product lines in connection with the activities of the tax-exempt organization. See section 513(i).

Appendix B. Charitable Contribution Deduction

Charitable contributions. Filers should use the following information regarding the charitable contribution deduction to complete Form 990-T, Part I, line 4.

Corporations. The total amount claimed normally can't be more than 10% of UBTI figured without regard to the following.

- Any deduction for contributions.
- Any capital loss carryback to the tax year under section 1212(a)(1).

Corporations on the accrual basis can elect to deduct contributions paid by the 15th day of the 4th month after the end of the tax year if the contributions are authorized by the board of directors during the tax year. Attach a declaration statement to the return stating that the resolution authorizing the contributions was adopted by the board of

directors during the tax year. The declaration statement must also include the date the resolution was adopted. See Regulations section 1.170A-11.

Charitable contributions over the 10% limitation can't be deducted for the tax year, but may be carried over to the next 5 tax years.

In figuring the charitable contributions deduction, if the corporation has an NOL carryover to the tax year, the 10% limit is applied using the taxable income after taking into account any deduction for the NOL.

To figure the amount of any remaining NOL carryover to later years, taxable income must be modified. See section 172(b). To the extent charitable contributions are used to reduce taxable income for this purpose and increase an NOL carryover, a contributions carryover isn't allowed. See section 170(d)(2)(B).

Trusts. In general.

1. For contributions to organizations described in section 170(b)(1)(A), the amount claimed may not be more than 50% of the UBTI figured without this deduction; and
2. For contributions to other organizations, the amount claimed may not be more than the smaller of:
 - a. 30% of UBTI figured without this deduction; or
 - b. The amount by which 50% of the UBTI is more than the contributions allowed in (1) above.

An increased limitation may be available for cash contributions under section 170(b)(1)(G).



Contributions not allowable in whole or in part because of the limitations may not be deducted as a business expense but may be carried over to the next 5 tax years.

Substantiation requirements.

Generally, no deduction is allowed for any contribution of \$250 or more, unless the organization gets a written acknowledgment from the donee organization that shows the amount of cash contributed, describes any property contributed, and either gives a description and a good faith estimate of the value of any goods or services provided in return for the contribution or states that no goods or services were provided in return for the contribution. The acknowledgment must be obtained by the due date (including extensions) of the organization's return, or, if earlier, the date the return is filed. However, see section 170(f)(8) and the related regulations for exceptions to this rule. Don't

attach the acknowledgment to the return but keep it with the organization's records.

Note. For contributions of cash, check, or other monetary gifts (regardless of the amount), the organization must maintain a bank record, or a receipt, letter, or other written communication from the donee organization indicating the name of the organization, the date of the contribution, and the amount of the contribution.

Contributions of property other than cash. If an organization contributes property other than cash and claims over a \$500 deduction for the property, it must attach a statement to the return describing the kind of property contributed and the method used to determine its FMV. All organizations must generally complete and attach Form 8283, Noncash Charitable Contributions, to their returns for contributions of property (other than money) if the total claimed deduction for all property contributed was more than

\$5,000. Special rules apply to the contribution of certain property. See the instructions for Form 8283. A donee organization must use Form 8282, Donee Information Return, to report information to the IRS and donors about dispositions of certain charitable deduction property made within 3 years after the donor contributed the property. See the instructions for Form 8282.

Special rules for contributions of certain easements in registered historic districts. The following rules apply to certain contributions of real property interests located in a registered historic district.

- A deduction is allowed for the qualified real property interest, if the exterior of the building (including the front, side, rear, and space above the building) is preserved and no portion of the exterior is changed in a manner that is inconsistent with its historical character.

See section 170(h)(4)(B).

- A deduction is allowed on the building only (no deduction is allowed for a structure or land) if located in a registered historic district. However, if listed in the National Register, a deduction is also allowed for structures or land areas. See section 170(h)(4)(C).
- The organization must also include the following information with the tax return.
 1. A qualified appraisal (as defined in section 170(f)(11)(E)) of the qualified property interest.
 2. Photographs of the entire exterior of the building.
 3. A description of all restrictions on the development of the building. See section 170(h)(4)(B)(iii).
- The organization's deduction may be reduced if rehabilitation credits were claimed on the building. See section 170(f)(14).

- A \$500 filing fee may apply to certain deductions over \$10,000. See section 170(f)(13).

Reduced deductions for contributions for certain property. The organization must reduce its deduction for contributions of certain capital gain property and qualified appreciated stock. See sections 170(e)(1) and 170(e)(5).

Special rules for corporations. A larger deduction is allowed for certain contributions of:

- Inventory and other property to certain organizations for use in the care of the ill, needy, or infants (including contributions of apparently wholesome food (see section 170(e)(3)(C))); and
- Scientific equipment used for research to institutions of higher learning or to certain scientific research organizations (see section 170(e)(4)).

See section 170, the related regulations, and Pub. 526, Charitable Contributions.

Appendix C. Public Inspection of Form 990-T Returns Filed by Section 501(c)(3) Organizations

Public inspection requirements of section 501(c)(3) organizations. Under section 6104(d), a section 501(c)(3) organization that files Form 990-T must make its entire annual exempt organization business income tax return (including amended returns) available for public inspection.

The Form 990-T and related schedules must be made available for public inspection for a period of 3 years from the date the Form 990-T is required to be filed, including any extension.

What schedules and attachments to Form 990-T must be made available for public inspection? Only schedules, attachments

(statements), and supporting documents that relate to the imposition of tax on UBTI must be made available for public inspection when attached to a section 501(c)(3) organization's Form 990-T filed after August 17, 2006.

The following documents, when attached to a section 501(c)(3) organization's Form 990-T filed after August 17, 2006, aren't required to be made available for public inspections.

- Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation.
- Form 5471, Information Return of U.S. Persons With Respect to Certain Foreign Corporations.
- Form 8271, Investor Reporting of Tax Shelter Registration Number.
- Form 8594, Asset Acquisition Statement Under Section 1060.
- Form 8621, Information Return by a Shareholder of a Passive Foreign

Investment Company or Qualified Electing Fund.

- Form 8832, Entity Classification Election.
- Form 8858, Information Return of U.S. Persons With Respect to Foreign Disregarded Entities.
- Form 8865, Return of U.S. Person With Respect to Certain Foreign Partnerships.
- Form 8886, Reportable Transaction Disclosure Statement.
- Form 8913, Credit for Federal Telephone Excise Tax Paid.
- Form 8925, Report of Employer-Owned Life Insurance Contracts.
- Form 8941, Credit for Small Employer Health Insurance Premiums.
- Form 8975, Country-by-Country Report.

How does a 501(c)(3) organization make its annual returns available for public inspection? A 501(c)(3) organization must make its annual returns available in two ways.

- By office visitation.
- By providing copies or making them widely available.

Public inspection by office visitation. A 501(c)(3) organization must make its annual returns available for public inspection without charge at its principal, regional, and district offices during regular business hours.

Conditions that may be set for public inspection at the office. A 501(c)(3) organization:

- May have an employee present,
- Must allow the individual conducting the inspection to take notes freely during the inspection, and

- Must allow an individual to make photocopies of documents at no charge but only if the individual brings photocopying equipment to the place of inspection.

Determining if a site is a regional or district office. A regional or district office is any office of a 501(c)(3) organization, other than its principal office, that has paid employees whose total number of paid hours a week are normally 120 hours or more. Include the hours worked by part-time (as well as full-time) employees in making that determination.

What sites aren't considered a regional or district office. A site isn't considered a regional or district office if:

1. The only services provided at the site further the organization's exempt purposes (for example, daycare, health care, or scientific or medical research); and

2. The site doesn't serve as an office for management staff, other than managers who are involved only in managing the exempt function activities at the site.

What if the 501(c)(3) organization doesn't maintain a permanent office? If the 501(c)(3) organization doesn't maintain a permanent office, it will comply with the public inspection by office visitation requirement by making the annual returns available at a reasonable location of its choice. It must permit public inspection:

- Within a reasonable amount of time after receiving a request for inspection (normally, not more than 2 weeks), and
- At a reasonable time of day.

Optional method of complying. If a 501(c)(3) organization that doesn't have a permanent office wishes not to allow an inspection by office visitation, it may mail a

copy of the requested documents instead of allowing an inspection. However, it must mail the documents within 2 weeks of receiving the request and may charge for copying and postage only if the requester consents to the charge.

501(c)(3) organizations with a permanent office but limited or no hours.

Even if a 501(c)(3) organization has a permanent office but no office hours or very limited hours during certain times of the year, it must still meet the office visitation requirement. To meet this requirement during those periods when office hours are limited or not available, follow the rules under *What if the 501(c)(3) organization doesn't maintain a permanent office*, earlier.

Public Inspection—Providing Copies

A 501(c)(3) organization must provide copies of its annual returns to any individual who makes a request for a copy in person or in

writing unless it makes these documents widely available.

In-person requests for document copies.

A 501(c)(3) organization must provide copies to any individual who makes a request in person at the 501(c)(3) organization's principal, regional, or district office during regular business hours on the same day that the individual makes the request.

Accepted delay in fulfilling an in-person request.

If unusual circumstances exist and fulfilling a request on the same day places an unreasonable burden on the 501(c)(3) organization, it must provide copies by the earlier of:

- The next business day following the day that the unusual circumstances end, or
- The fifth business day after the date of the request.

Examples of unusual circumstances include:

- Receipt of a volume of requests (for document copies) that exceeds the 501(c)(3) organization's daily capacity to make copies,
- Requests received shortly before the end of regular business hours that require an extensive amount of copying, or
- Requests received on a day when the 501(c)(3) organization's managerial staff capable of fulfilling the request is conducting official duties (for example, student registration or attending an off-site meeting or convention) instead of its regular administrative duties.

Use of local agents for providing copies.

A 501(c)(3) organization may use a local agent to handle in-person requests for document copies. If a 501(c)(3) organization uses a local agent, it must immediately provide the local agent's name, address, and telephone number to the requester. The local agent must:

- Be located within reasonable proximity to the principal, regional, or district office where the individual makes the request; and
- Provide document copies within the same time frames as the 501(c)(3) organization.

Written requests for document copies. If a 501(c)(3) organization receives a written request for a copy of its annual returns (or parts of these documents), it must give a copy to the requester. However, this rule only applies if the request:

- Is addressed to a 501(c)(3) organization's principal, regional, or district office;
- Is delivered to that address by mail, electronic mail (email), facsimile (fax), or a private delivery service approved by the IRS (see *Private Delivery Service*, earlier, for a list); and

- Gives the address to which the document copies should be sent.

How and when a written request is fulfilled.

- Requested document copies must be mailed within 30 days from the date the 501(c)(3) organization receives the request.
- Unless other evidence exists, a request or payment that is mailed is considered to be received by the 501(c) (3) organization 7 days after the postmark date.
- If an advance payment is required, copies must be provided within 30 days from the date payment is received.
- If the 501(c)(3) organization requires payment in advance and it receives a request without payment or with insufficient payment, it must notify the requester of the prepayment policy and

the amount due within 7 days from the date it receives the request.

- A request that is transmitted to the 501(c)(3) organization by email or fax is considered received the day the request is transmitted successfully.
- Requested documents can be emailed instead of the traditional method of mailing if the requester consents to this method.
- A document copy is considered as provided on the:
 - Postmark date,
 - Private delivery date,
 - Registration date for certified or registered mail,
 - Postmark date on the sender's receipt for certified or registered mail, or

- Day the email is successfully transmitted (if the requester agreed to this method).

Requests for parts of a document copy. A person can request all or any specific part or schedule of the annual returns and the 501(c)(3) organization must fulfill their request for a copy.

Can an agent be used to provide copies?

A 501(c)(3) organization can use an agent to provide document copies for the written requests it receives. However, the agent must provide the document copies under the same conditions that are imposed on the 501(c)(3) organization itself. Also, if an agent fails to provide the documents as required, the 501(c)(3) organization will continue to be subject to penalties.

Example. The ABC Organization retained an agent to provide copies for all written requests for documents. However, the ABC Organization received a request for document copies before the agent did.

The deadline for providing a response is referenced by the date that the ABC Organization received the request and not when the agent received it. If the agent received the request first, then a response would be referenced to the date that the agent received it.

Can a fee be charged for providing copies? A 501(c)(3) organization may charge a reasonable fee for providing copies. Also, it can require the fee to be paid before providing a copy of the requested document.

What is a reasonable fee? A fee is reasonable only if it is no more than the per-page copying fee charged by the IRS for providing copies, plus no more than the actual postage costs incurred to provide the copies.

What forms of payment must the 501(c)(3) organization accept? The form of payment depends on whether the request for copies is made in person or in writing.

Cash and money orders must be accepted for in-person requests for document copies. The 501(c)(3) organization, if it wishes, may accept additional forms of payment.

Certified check, money order, and either personal check or credit card must be accepted for written requests for document copies. The 501(c)(3) organization, if it wishes, may accept additional forms of payment.

Other fee information. If a 501(c)(3) organization provides a requester with notice of a fee and the requester doesn't pay the fee within 30 days, the 501(c)(3) organization may ignore the request.

If a requester's check doesn't clear on deposit, the 501(c)(3) organization may ignore the request.

If a 501(c)(3) organization doesn't require prepayment and the requester doesn't prepay, the 501(c)(3) organization must

receive consent from the requester if the copying and postage charge exceeds \$20.

501(c)(3) organizations subject to a harassment campaign. If the IRS determines that a 501(c)(3) organization is being harassed, it isn't required to comply with any request for copies that it reasonably believes is part of the harassment campaign.

A group of requests for a 501(c)(3) organization's annual return is indicative of a harassment campaign if the requests are part of a single coordinated effort to disrupt the operations of the 501(c)(3) organization rather than to collect information about it.

Requests that may be disregarded without IRS approval. A 501(c)(3) organization may disregard any request for copies of all or part of any document beyond the first two received within any 30-day period or the first four received within any 1-year period from the same individual or the same address.

Making the Annual Returns Widely Available

A 501(c)(3) organization doesn't have to provide copies of its annual returns if it makes these documents widely available. However, it must still allow public inspection by office visitation.

How does a 501(c)(3) organization make its annual returns widely available? A 501(c)(3) organization's annual returns are widely available if it meets all four of the following requirements.

1. The Internet posting requirement is met if:
 - The document is posted on an Internet page that the 501(c)(3) organization establishes and maintains, or
 - The document is posted as part of a database of like documents of other tax-exempt organizations on an Internet page

established and maintained by another entity.

- An additional posting information requirement is met if:

2. The Internet page through which the document is available clearly informs readers that the document is available and provides instructions for downloading the document;

- After it is downloaded and viewed, the web document exactly reproduces the image of the annual return as it was originally filed with the IRS, except for any information permitted by statute to be withheld from public disclosure; and
- Any individual with access to the Internet can access, download, view, and print the document without special computer hardware or software required for that format

(except software that is readily available to members of the public without payment of any fee) and without payment of a fee to the 501(c)(3) organization or to another entity maintaining the web page.

3. The reliability and accuracy requirements are met if the entity maintaining the Internet page:
 - Has procedures for ensuring the reliability and accuracy of the document that it posts on the page;
 - Takes reasonable precautions to prevent alteration, destruction, or accidental loss of the document when posted on its page; and
 - Corrects or replaces the document if a posted document is altered, destroyed, or lost.
4. The notice requirement is met if a 501(c)(3) organization notifies any

individual requesting a copy of its annual return where the documents are available (including the Internet address). If the request is made in person, the 501(c)(3) organization must notify the individual immediately. If the request is in writing, it must notify the individual within 7 days of receiving the request.

Penalties

A penalty may be imposed on any person who doesn't make the annual returns (including all required attachments) available for public inspection according to the section 6104(d) rules discussed earlier. If more than one person fails to comply, each person is jointly and severally liable for the full amount of the penalty. The penalty amount is \$20 for each day during which a failure occurs. The maximum penalty that may be imposed on all persons for any one annual return is \$10,000.

Any person who willfully fails to comply with the section 6104(d) public inspection requirements is subject to an additional penalty of \$5,000.

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