

BKD

## **Income Excluded From UBI**

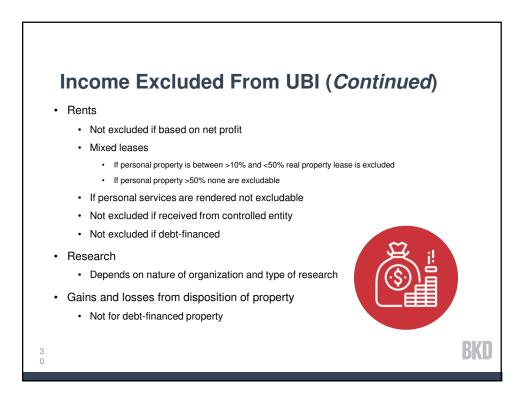
· Dividends, interest, annuities and other investment income

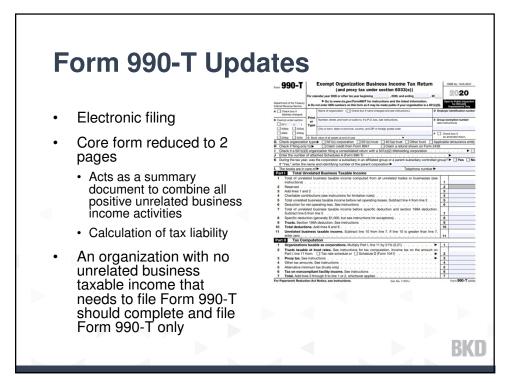
- · Not excluded if received from controlled entity (except dividends)
- · Not excluded if debt-financed
- · Not excluded if from S Corporation
- Not excluded if a 501(c)(7), (9), (17) or (20) organization

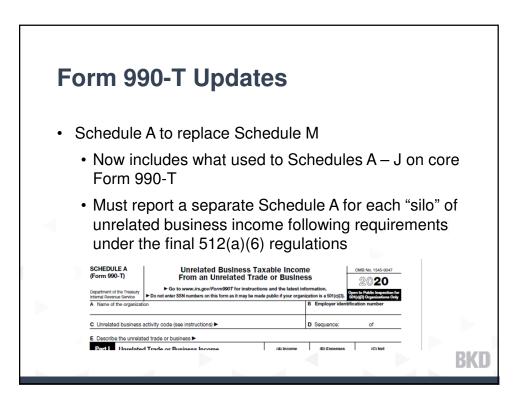
## · Royalties

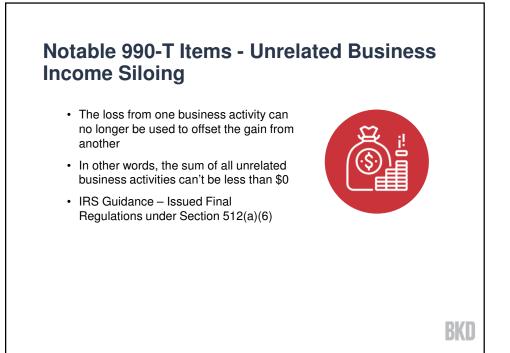
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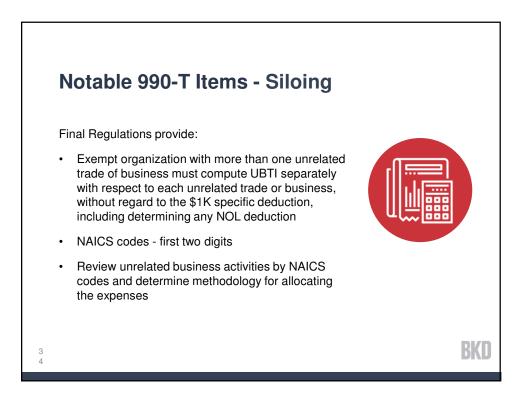
- · Not excluded if received from controlled entity
- · Not excluded if debt-financed







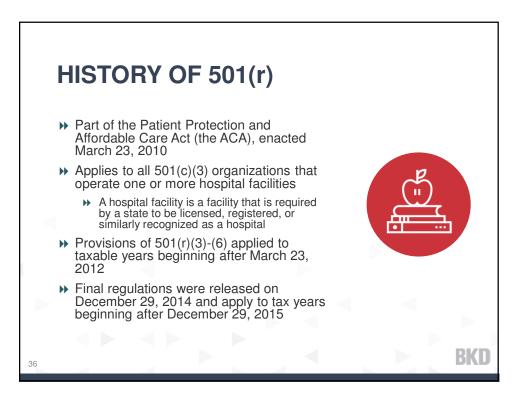


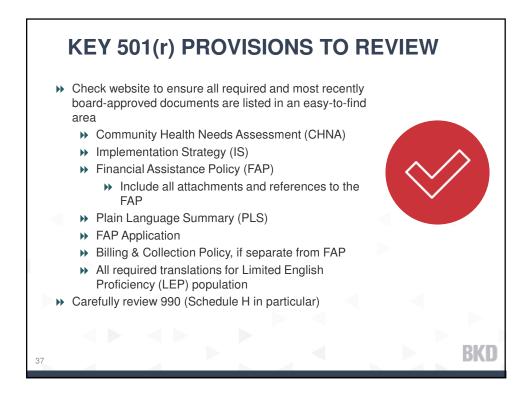


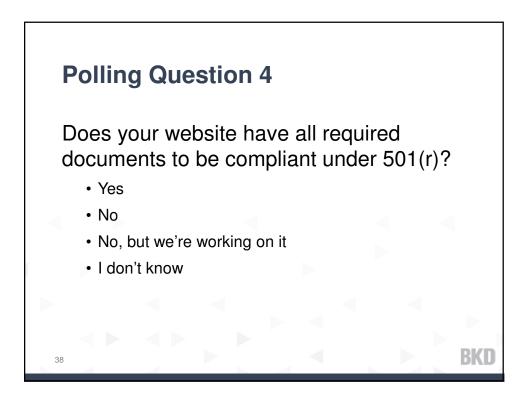
## Notable 990-T Items - UBI Generated from Partnerships

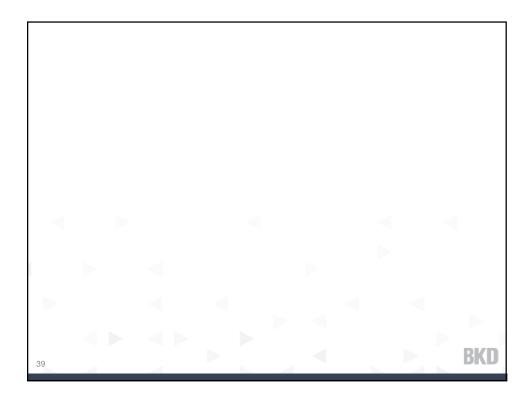
- If partnership interest meets certain criteria under the de minimis test or the significant participation test, the UBI can be aggregated as investment activities versus breaking out the income into various business lines or activities
- De minimis test applicable if the institution doesn't directly or indirectly hold more than 2% of a profit or capital interest in the partnership
- Significant Participation test (formerly Control Test) applicable if the institution doesn't directly or indirectly hold more than 20% of a capital interest & doesn't have control or influence over the partnership based on facts and circumstances

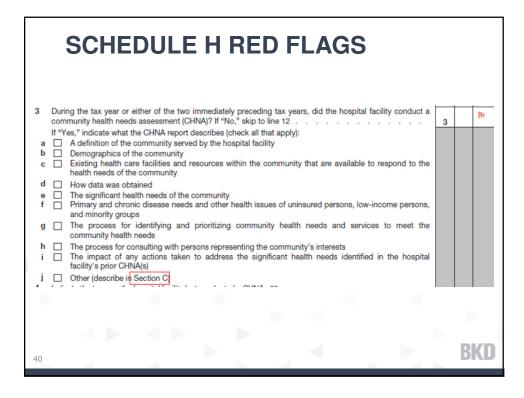
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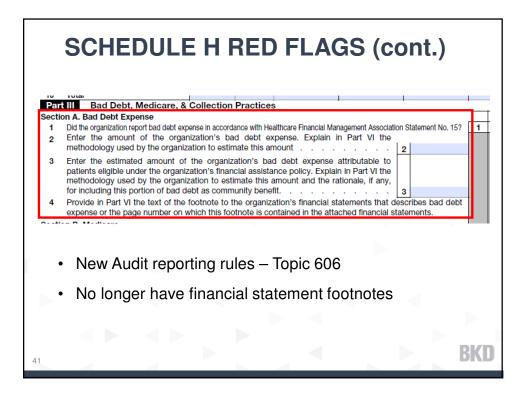


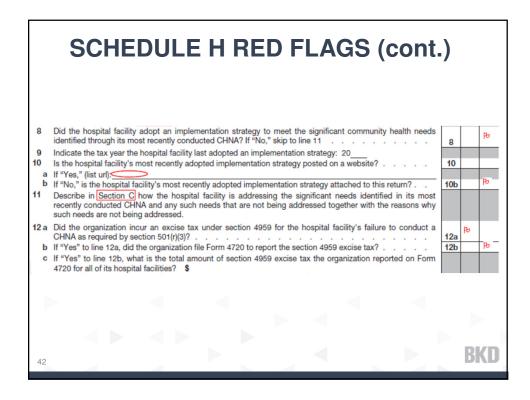


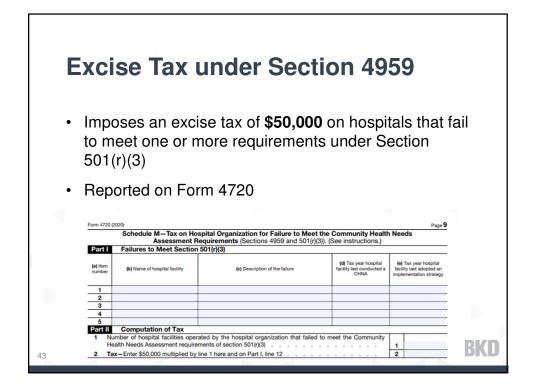


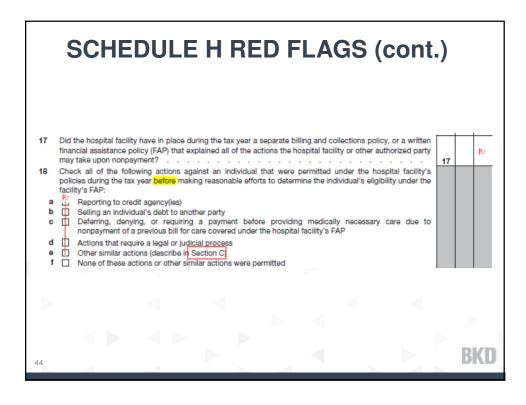


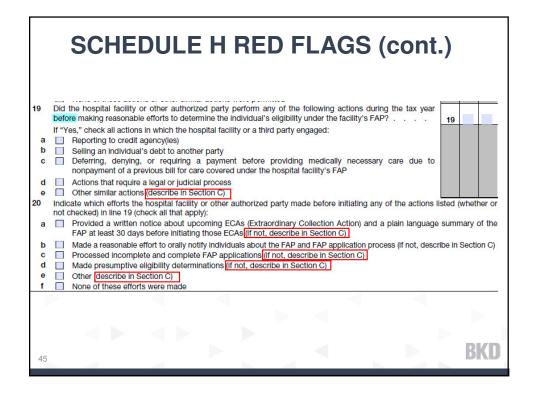


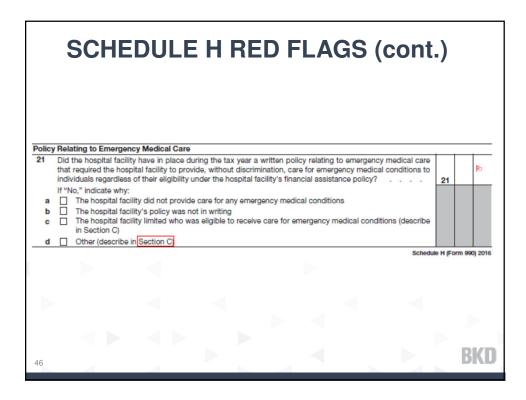


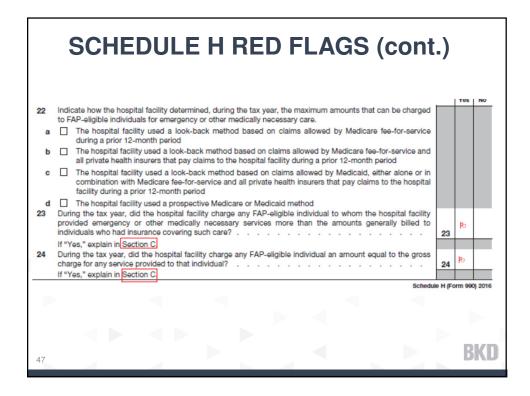


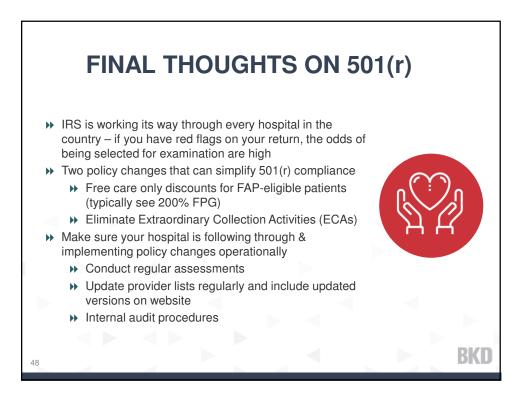


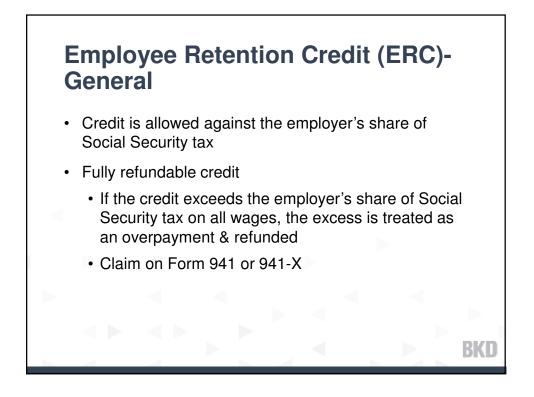


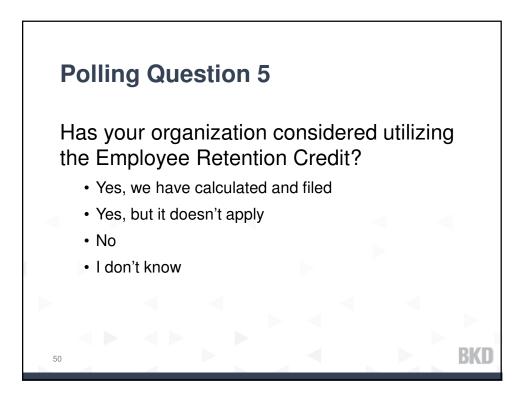




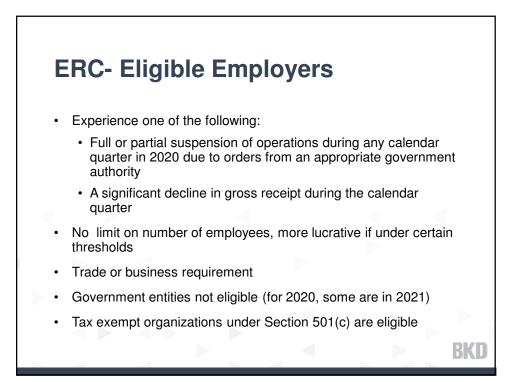


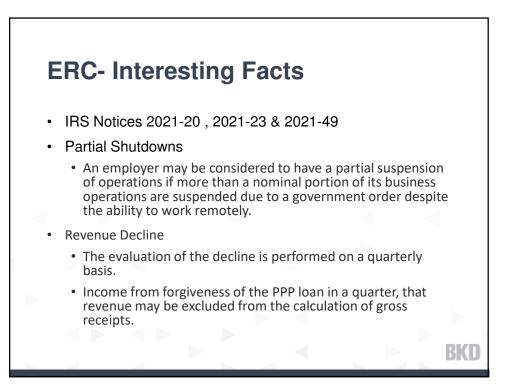




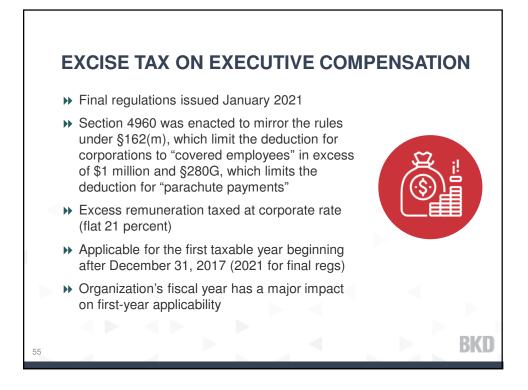


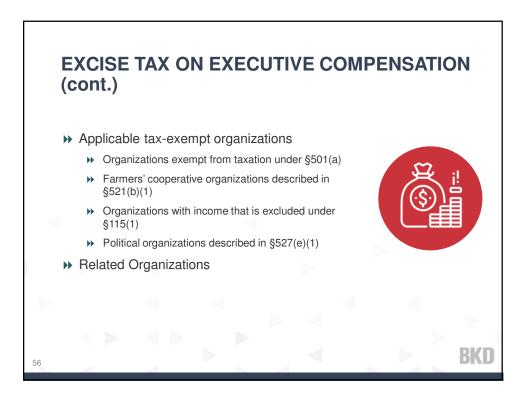


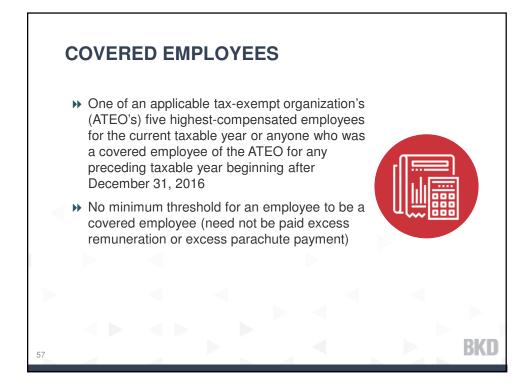


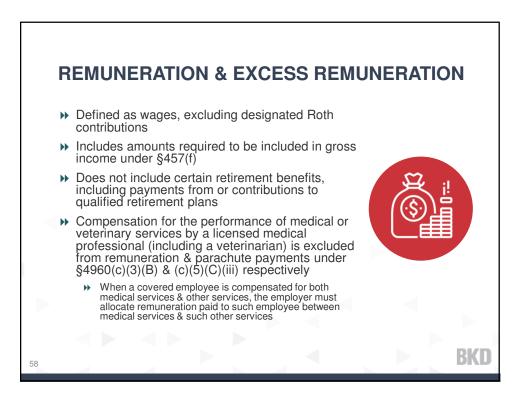


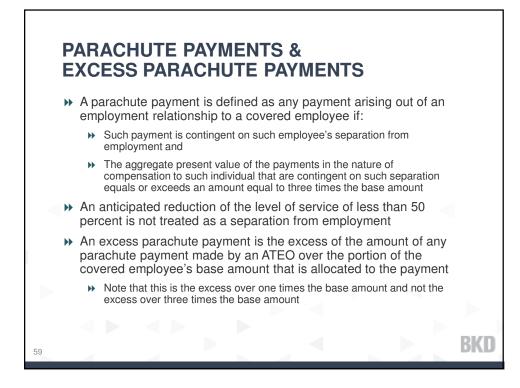
	2020 ERC	2021 ERC
Significant decline in gross receipts threshold	50%	20%
Applicable dates	3/13/20-12/31/20	1/1/21- <mark>09/30/21</mark>
Credit percentage applied to qualified wages	50%	70%
Per employee wage limit	\$10,000 for the year	\$10,000 per quarter
Maximum credit per employee	\$5,000	\$14,000
Maximum number of full-time employees allowed to claim credit on all wages paid	100	500
Certain government employers eligible?	No	Yes
Eligible if obtaining PPP loan?	Yes, retroactively	Yes

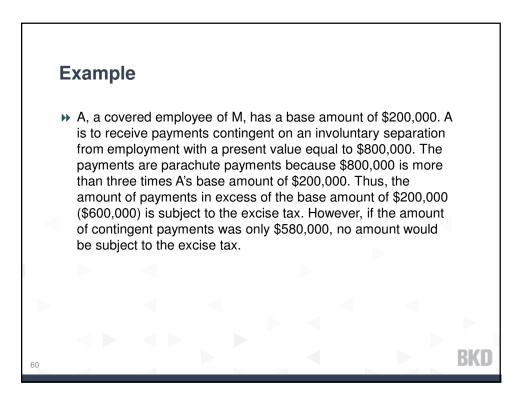












Payments Contingent on involuntary	
separtation from Employment	800,000
Base Amount	200,000
Amount times Base	4
Is this Excess Parachute Payment	Yes
Amount Subject to Excise Tax	600,000
Amount of Excise Tax	126,000

