

UBIT ESSENTIALS

Laura Kalick, Esq., Kalick Law LLC

Michelle L'Etang, The University of Alabama

Tracy Paglia, Moss Adams LLP

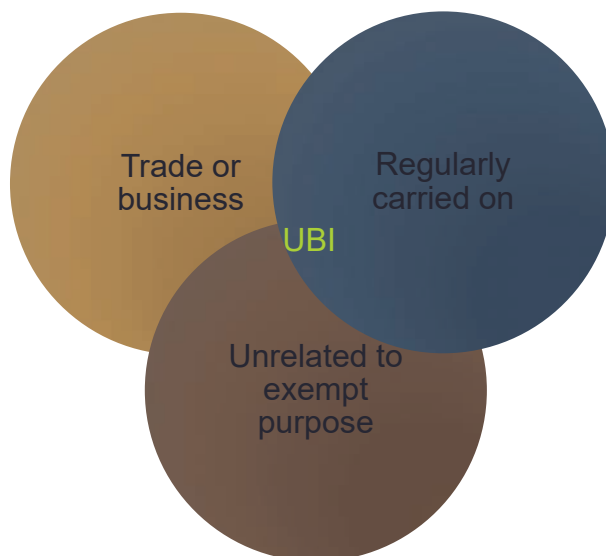
June 2019

1

Agenda

- Unrelated Business Income (“UBI”) overview
- Deductions
- Common Sources of UBI at Universities
- What’s new
- NOLs
- Resources

UBI Overview




UBI Overview



1. Profit motive
 2. Loss activity
- History of NOLs?
 - Changes in manner of conducting the activity?
 - Hobby loss rules
 - Net position before depreciation and charitable contribution deduction

UBI Overview




Regularly
carried on

- Frequency and continuity
- Similar to commercial activity

UBI Overview

1. Contribute importantly to the exempt purpose
2. Substantial and causal relationship

- Dual use property
- Exploitation of exempt activity



Unrelated to
exempt
purpose

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](https://utcle.org/elibrary)

Title search: UBIT Essentials

Also available as part of the eCourse

[2019 Higher Education Taxation Essentials eConference](#)

First appeared as part of the conference materials for the
2019 Higher Education Taxation Essentials session
"UBIT Essentials"