

## Estimated Tax Instructions for Unrelated Business Income Tax (UBIT)

### Filing Requirements

A tax-exempt organization with an estimated unrelated business income tax of more than \$500 must make quarterly payments based on its required annual payment. An organization is not required to pay estimated taxes the first year it is subject to tax in Minnesota.

**Required annual payment.** The required annual payment is the lesser of 100 percent of the prior year’s tax liability or 100 percent of the current year’s tax liability. The required annual payment must be paid in equal installments unless certain exceptions apply (see *instructions for Schedule M15NP, Additional Charge for Underpayment of Estimated Tax*).

**Due dates.** Quarterly installments are due by the 15th day of the third, sixth, ninth and 12th months of your tax year. Installments for a short tax year are due in equal payments on the 15th day of the third, sixth, ninth and final months. No installments are required for a short tax year of fewer than four months.

**Underpaying installments.** If you underpay or did not pay any installment by the due date, an additional charge for underpayment will be added to your tax (see *Schedule M15NP*).

**Determining your estimated tax.** Complete federal Form 990W to determine your federal estimated tax. Then use your prior year Form M4NP as a worksheet to determine your current year Minnesota estimated tax.

### Paying Electronically

You’re required to pay electronically if your total unrelated business income tax liability for the last 12-month period ending June 30 is \$10,000 or more. Also, if you’re required to pay *any* Minnesota business tax electronically, such as sales or withholding tax, you’re required to pay *all* Minnesota taxes electronically.

Failure to pay electronically when required may result in a penalty being assessed. The penalty is 5 percent of each payment that should have been remitted electronically, but was remitted by some other means.

### Electronic Payment Options

To pay, go to [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and log in. If you don’t have Internet access, you can pay by phone at 1-800-570-3329. When paying electronically, you must use an account not associated with any foreign banks.

*Note:* If you’re using the system for the first time and you need a temporary password, call our Business Registration Office at 651-282-5225 or 1-800-657-3605.

**ACH credit or Fed Wire.** If you use other electronic payment methods, such as ACH credit method or Fed Wire, be sure to check with your bank or Fed Wire representative to find out when to initiate the payment in order for it to be received on time. Some banks require up to three business days to transfer funds.

**Credit card.** For a fee, you can use your credit or debit card to make a payment through Value Payment Systems, a national company that partners with federal, state and local governments to provide credit and debit card payment services.

To do so:

- Go to [payMNTax.com](http://payMNTax.com); or
- Call 1-855-9-IPAY-MN.

### Paying by Check

If you’re not required to pay electronically and are paying by check, visit our website at [www.revenue.state.mn.us](http://www.revenue.state.mn.us) and click on “Make a Payment” and then “By check” to create a voucher. Print and mail the voucher with a check made payable to Minnesota Revenue.

Your check authorizes us to make a one-time electronic fund transfer from your account. You may not receive your cancelled check.

*Do not send a deposit form if you paid electronically or if no payment is due.*

### Information and Assistance

Website: [www.revenue.state.mn.us](http://www.revenue.state.mn.us)  
 Email: [ubi.taxes@state.mn.us](mailto:ubi.taxes@state.mn.us)  
 Phone: 651-297-5199

This material is available in alternate formats.

## Record of Estimated Tax Payments

Enter the payments you make during the year below, and use this record to prepare your Form M4NP for the current year.

**Do not attach this record to your return.** Keep it with your tax records.

**Do not include** payments made to the Internal Revenue Service, payments for a balance due on previous years’ Minnesota income tax returns, payments on an audit report or amended return, or payments for penalties or interest.

<b>1</b>	Amount of your prior year’s refund that was applied to this year’s estimated tax (from prior year’s Form M4NP)	<b>1</b>	_____
<b>2</b>	Payments made:		
	a. First quarter:	check or confirmation # _____	date _____ amount _____
	b. Second quarter:	check or confirmation # _____	date _____ amount _____
	c. Third quarter:	check or confirmation # _____	date _____ amount _____
	d. Fourth quarter:	check or confirmation # _____	date _____ amount _____
	<b>Line 2 total</b> (add payment amounts for all four quarters)		<b>2</b> _____
<b>3</b>	<b>Total</b> (add lines 1 and 2)		<b>3</b> _____

Enter this amount on your current year’s Form M4NP as your total estimated tax payments made.