

# **Unrelated Business Income Tax (“UBIT”)**

## **Special Circumstances and Guidelines**

### **4. Leased Parking Spaces/Lots**

IRS has determined that the rental of parking spaces/lots which are not operated by a third-party contractor is not considered rent from real property, regardless of whether any services are provided.

Income generated by the operation of parking lots and parking garages is not taxable if that are necessary for the normal conduct of the University's mission (i.e. for the use of students, faculty, staff, vendors , affiliated organizations and others on premises for official university business or to participate in university programs) would be nontaxable.

Long-term contractual arrangements for rental of parking spaces, such as the agreement with the Marriott Hotel, are considered UBI, due to the nature of the agreements.