

Form 990-T

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

OMB No 1545-0687

2017

For calendar year 2017 or other tax year beginning 07/01, 2017, and ending 06/30, 2018

Go to www.irs.gov/Form990T for instructions and the latest information. 1806

Do not enter SSN numbers on this form as it may be made public if your organization is a 501(c)(3).

Open to Public Inspection for 501(c)(3) Organizations Only

Department of the Treasury Internal Revenue Service

- A Check box if address changed
B Exempt under section
501(C)(3)
408(e) 220(e)
408A 530(a)
529(a)

Name of organization () Check box if name changed and see instructions
MERCY ACO CLINICAL SERVICES
Number, street, and room or suite no. If a P O box, see instructions
14528 SOUTH OUTER FORTY RD, STE 100
City or town, state or province, country, and ZIP or foreign postal code
CHESTERFIELD, MO 63017

D Employer identification number (Employees' trust, see instructions)
46-4504901
E Unrelated business activity codes (See instructions)

C Book value of all assets at end of year
60,909,007

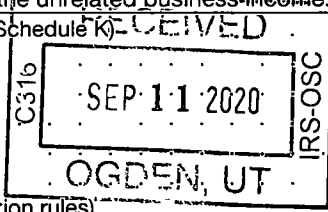
F Group exemption number (See instructions)
G Check organization type: 501(c) corporation (checked), 501(c) trust, 401(a) trust, Other trust

H Describe the organization's primary unrelated business activity.
I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsiary controlled group? Yes (checked) No

J The books are in care of SHANNON SOCK Telephone number 314-579-6100

Table with 3 columns: (A) Income, (B) Expenses, (C) Net. Rows include Gross receipts or sales, Cost of goods sold, Gross profit, Capital gain net income, Net gain (loss), etc.

Table with 3 columns: (A) Income, (B) Expenses, (C) Net. Rows include Compensation of officers, directors, and trustees, Salaries and wages, Repairs and maintenance, Bad debts, Interest, Taxes and licenses, Charitable contributions, Depreciation, etc.



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Handwritten numbers 2 and 69

Part III Tax Computation			
35	Organizations Taxable as Corporations. See instructions for tax computation. Controlled group members (sections 1561 and 1563) check here <input checked="" type="checkbox"/> See instructions and.		
a	Enter your share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order): (1) \$ _____ (2) \$ _____ (3) \$ _____ 0 _____		
b	Enter organization's share of: (1) Additional 5% tax (not more than \$11,750) \$ _____ (2) Additional 3% tax (not more than \$100,000) \$ _____		
c	Income tax on the amount on line 34	35c	0
36	Trusts Taxable at Trust Rates. See instructions for tax computation. Income tax on the amount on line 34 from: <input type="checkbox"/> Tax rate schedule or <input type="checkbox"/> Schedule D (Form 1041)	36	
37	Proxy tax. See instructions	37	
38	Alternative minimum tax	38	
39	Tax on Non-Compliant Facility Income. See instructions	39	
40	Total. Add lines 37, 38 and 39 to line 35c or 36, whichever applies	40	0

Part IV Tax and Payments			
41a	Foreign tax credit (corporations attach Form 1118, trusts attach Form 1116)	41a	
41b	Other credits (see instructions)	41b	
41c	General business credit. Attach Form 3800 (see instructions)	41c	
41d	Credit for prior year minimum tax (attach Form 8801 or 8827)	41d	
41e	Total credits. Add lines 41a through 41d	41e	
42	Subtract line 41e from line 40	42	
43	Other taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 <input type="checkbox"/> Form 8697 <input type="checkbox"/> Form 8866 <input type="checkbox"/> Other (attach schedule)	43	
44	Total tax. Add lines 42 and 43	44	
45a	Payments: A 2016 overpayment credited to 2017	45a	
45b	2017 estimated tax payments	45b	
45c	Tax deposited with Form 8868	45c	
45d	Foreign organizations: Tax paid or withheld at source (see instructions)	45d	
45e	Backup withholding (see instructions)	45e	
45f	Credit for small employer health insurance premiums (Attach Form 8941)	45f	
45g	Other credits and payments: <input type="checkbox"/> Form 2439 <input type="checkbox"/> Form 4136 <input checked="" type="checkbox"/> Other 61,770 Total	45g	61,770
46	Total payments. Add lines 45a through 45g	46	61,770
47	Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	47	
48	Tax due. If line 46 is less than the total of lines 44 and 47, enter amount owed	48	0
49	Overpayment. If line 46 is larger than the total of lines 44 and 47, enter amount overpaid	49	61,770
50	Enter the amount of line 49 you want: Credited to 2018 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	50	61,770

Part V Statements Regarding Certain Activities and Other Information (see instructions)		Yes	No
51	At any time during the 2017 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file FinCEN Form 114, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here		
52	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see instructions for other forms the organization may have to file.		✓
53	Enter the amount of tax-exempt interest received or accrued during the tax year \$		

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer: <i>Shannon Sock</i>	Date: 8/14/20	Title: EXECUTIVE VP & CFO	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	Print/Type preparer's name	Preparer's signature	Date	
Paid Preparer Use Only	Firm's name	Firm's EIN	PTIN	
	Firm's address	Phone no		

Schedule A—Cost of Goods Sold. Enter method of inventory valuation ▶

1 Inventory at beginning of year	1		6 Inventory at end of year . . .	6		
2 Purchases	2		7 Cost of goods sold. Subtract line 6 from line 5. Enter here and in Part I, line 2	7		
3 Cost of labor	3					
4a Additional section 263A costs (attach schedule)	4a					
b Other costs (attach schedule)	4b		8 Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?		Yes	No
5 Total. Add lines 1 through 4b	5					<input checked="" type="checkbox"/>

Schedule C—Rent Income (From Real Property and Personal Property Leased With Real Property)

(see instructions)

1. Description of property		
(1)		
(2)		
(3)		
(4)		
2. Rent received or accrued		
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)		
(2)		
(3)		
(4)		
Total	Total	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶
(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) ▶		

Schedule E—Unrelated Debt-Financed Income (see instructions)

1. Description of debt-financed property		2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				
4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 × column 6)	8. Allocable deductions (column 6 × total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
			Enter here and on page 1, Part I, line 7, column (A)	Enter here and on page 1, Part I, line 7, column (B)
Totals				
Total dividends-received deductions included in column 8				

Schedule F—Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				

Add columns 5 and 10
Enter here and on page 1,
Part I, line 8, column (A)

Add columns 6 and 11
Enter here and on page 1,
Part I, line 8, column (B)

Totals

Schedule G—Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col 3 plus col 4)
(1)				
(2)				
(3)				
(4)				

Enter here and on page 1,
Part I, line 9, column (A)

Enter here and on page 1,
Part I, line 9, column (B)

Totals

Schedule I—Exploited Exempt Activity Income, Other Than Advertising Income (see instructions)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols 5 through 7	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						

Enter here and on page 1, Part I, line 10, col (A)

Enter here and on page 1, Part I, line 10, col (B)

Enter here and on page 1, Part II, line 26

Totals

Schedule J—Advertising Income (see instructions)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						

Totals (carry to Part II, line (5))

Part II **Income From Periodicals Reported on a Separate Basis** (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col 3) If a gain, compute cols 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals from Part I						
Totals, Part II (lines 1–5)	Enter here and on page 1, Part I, line 11, col (A)	Enter here and on page 1, Part I, line 11, col (B)				Enter here and on page 1, Part II, line 27

Schedule K— Compensation of Officers, Directors, and Trustees (see instructions)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14			

MERCY ACO CLINICAL SERVICES

46-4504901

ATTACHMENT 1

NAME AND FEIN OF PARENT CORPORATION

MERCY HEALTH
43-1423050

ATTACHMENT 1

AMENDED RETURN – SECTION 512(a)(7) REPEAL

MERCY ACO CLINICAL SERVICES

46-4504901

ATTACHMENT 2

Part I - Line 12 - Other Income

This line has been updated from the Originally Filed Return to reflect the repeal of Section 512(a)(7).

Part I - Line 12 - Other Income

\$0

This update also changed the following:

Line 13

Line 30

Line 32

Line 34

Line 35a(3)

Line 35c

Line 40

Line 42

Line 44

Line 45g

Line 46

Line 48

Line 49

Line 50

Form 4626

Schedule O - Part II, Part III

Alternative Minimum Tax—Corporations

Department of the Treasury
Internal Revenue Service

▶ Attach to the corporation's tax return.
▶ Go to www.irs.gov/Form4626 for instructions and the latest information.

2017

Name MERCY ACO CLINICAL SERVICES	Employer identification number 46-4504901
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Note: See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).

1 Taxable income or (loss) before net operating loss deduction	1	0
2 Adjustments and preferences:		
a Depreciation of post-1986 property	2a	
b Amortization of certified pollution control facilities	2b	
c Amortization of mining exploration and development costs	2c	
d Amortization of circulation expenditures (personal holding companies only)	2d	
e Adjusted gain or loss	2e	
f Long-term contracts	2f	
g Merchant marine capital construction funds	2g	
h Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2h	
i Tax shelter farm activities (personal service corporations only)	2i	
j Passive activities (closely held corporations and personal service corporations only)	2j	
k Loss limitations	2k	
l Depletion	2l	
m Tax-exempt interest income from specified private activity bonds	2m	
n Intangible drilling costs	2n	
o Other adjustments and preferences	2o	
3 Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o.	3	0
4 Adjusted current earnings (ACE) adjustment:		
a ACE from line 10 of the ACE worksheet in the instructions	4a	
b Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount. See instructions	4b	
c Multiply line 4b by 75% (0.75). Enter the result as a positive amount	4c	
d Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments. See instructions. Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	
e ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the smaller of line 4c or line 4d as a negative amount	4e	
5 Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT	5	0
6 Alternative tax net operating loss deduction. See instructions	6	
7 Alternative minimum taxable income. Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions	7	
8 Exemption phase-out (if line 7 is \$310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):		
a Subtract \$150,000 from line 7. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-	8a	
b Multiply line 8a by 25% (0.25)	8b	
c Exemption. Subtract line 8b from \$40,000. If completing this line for a member of a controlled group, see instructions. If zero or less, enter -0-	8c	
9 Subtract line 8c from line 7. If zero or less, enter -0-	9	
10 Multiply line 9 by 20% (0.20)	10	
11 Alternative minimum tax foreign tax credit (AMTFTC). See instructions	11	
12 Tentative minimum tax Subtract line 11 from line 10	12	
13 Regular tax liability before applying all credits except the foreign tax credit	13	
14 Alternative minimum tax. Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return	14	