



Internal Revenue Bulletin: 2016-31

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Rev. Rul. 2016-18

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This revenue ruling provides various prescribed rates for federal income tax purposes for August 2016 (the current month). Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9%. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 2016-18 TABLE 1				
Applicable Federal Rates (AFR) for August 2016				
	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
<i>Short-term</i>				
AFR	.56%	.56%	.56%	.56%
110% AFR	.62%	.62%	.62%	.62%
120% AFR	.67%	.67%	.67%	.67%
130% AFR	.73%	.73%	.73%	.73%
<i>Mid-term</i>				
AFR	1.18%	1.18%	1.18%	1.18%
110% AFR	1.30%	1.30%	1.30%	1.30%
120% AFR	1.43%	1.42%	1.42%	1.42%
130% AFR	1.54%	1.53%	1.53%	1.53%
150% AFR	1.78%	1.77%	1.77%	1.76%
175% AFR	2.08%	2.07%	2.06%	2.06%
<i>Long-term</i>				
AFR	1.90%	1.89%	1.89%	1.88%
110% AFR	2.09%	2.08%	2.07%	2.07%
120% AFR	2.28%	2.27%	2.26%	2.26%
130% AFR	2.48%	2.46%	2.45%	2.45%

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Adjusted AFR for August 2016				
	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
<i>Short-term</i>				
adjusted AFR	.56%	.56%	.56%	.56%
<i>Mid-term</i>				
adjusted AFR	1.03%	1.03%	1.03%	1.03%
<i>Long-term</i>				
adjusted AFR	1.82%	1.81%	1.81%	1.80%

REV. RUL. 2016-18 TABLE 3	
Rates Under Section 382 for August 2016	
Adjusted federal long-term rate for the current month	1.82%
Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.)	2.15%

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Appropriate Percentages Under Section 42(b)(1) for August 2016	
Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9%.	
Appropriate percentage for the 70% present value low-income housing credit	7.35%
Appropriate percentage for the 30% present value low-income housing credit	3.15%

REV. RUL. 2016-18 TABLE 5	
Rate Under Section 7520 for August 2016	
Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest	1.4%