

## Part I

### Section 1274.--Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 412, 467, 468, 482, 483, 642, 807, 846, 1288, 7520, 7872.)

#### Rev. Rul. 2010-29

This revenue ruling provides various prescribed rates for federal income tax purposes for December 2010 (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, and before December 31, 2013, shall not be less than 9%. 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. Finally, Table 6 contains the 2011 interest rate for sections 846 and 807.

## REV. RUL. 2010-29 TABLE 1

## Applicable Federal Rates (AFR) for December 2010

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	.32%	.32%	.32%	.32%
110% AFR	.35%	.35%	.35%	.35%
120% AFR	.38%	.38%	.38%	.38%
130% AFR	.42%	.42%	.42%	.42%
<u>Mid-term</u>				
AFR	1.53%	1.52%	1.52%	1.52%
110% AFR	1.68%	1.67%	1.67%	1.66%
120% AFR	1.83%	1.82%	1.82%	1.81%
130% AFR	1.99%	1.98%	1.98%	1.97%
150% AFR	2.29%	2.28%	2.27%	2.27%
175% AFR	2.68%	2.66%	2.65%	2.65%
<u>Long-term</u>				
AFR	3.53%	3.50%	3.48%	3.47%
110% AFR	3.89%	3.85%	3.83%	3.82%
120% AFR	4.24%	4.20%	4.18%	4.16%
130% AFR	4.60%	4.55%	4.52%	4.51%

REV. RUL. 2010-29 TABLE 2  
Adjusted AFR for December 2010

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	.49%	.49%	.49%	.49%
Mid-term adjusted AFR	1.63%	1.62%	1.62%	1.61%
Long-term adjusted AFR	3.67%	3.64%	3.62%	3.61%

REV. RUL. 2010-29 TABLE 3

Rates Under Section 382 for December 2010

Adjusted federal long-term rate for the current month	3.67%
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.)	3.67%

## REV. RUL. 2010-29 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for December 2010

Note: Under Section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	7.58%
Appropriate percentage for the 30% present value low-income housing credit	3.25%

## REV. RUL. 2010-29 TABLE 5

## Rate Under Section 7520 for December 2010

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	1.8%
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## REV. RUL. 2010-29 TABLE 6

## Rates Under Sections 846 and 807

Applicable rate of interest for 2011 for purposes of sections 846 and 807	3.46%
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