

## 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. 2011-4

This revenue ruling provides various prescribed rates for federal income tax purposes for February 2011 (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%. 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. 2011-4 TABLE 1

## Applicable Federal Rates (AFR) for February 2011

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	.51%	.51%	.51%	.51%
110% AFR	.56%	.56%	.56%	.56%
120% AFR	.61%	.61%	.61%	.61%
130% AFR	.66%	.66%	.66%	.66%
<u>Mid-term</u>				
AFR	2.33%	2.32%	2.31%	2.31%
110% AFR	2.57%	2.55%	2.54%	2.54%
120% AFR	2.80%	2.78%	2.77%	2.76%
130% AFR	3.04%	3.02%	3.01%	3.00%
150% AFR	3.51%	3.48%	3.46%	3.46%
175% AFR	4.10%	4.06%	4.04%	4.03%
<u>Long-term</u>				
AFR	4.15%	4.11%	4.09%	4.08%
110% AFR	4.57%	4.52%	4.49%	4.48%
120% AFR	4.99%	4.93%	4.90%	4.88%
130% AFR	5.41%	5.34%	5.30%	5.28%

REV. RUL. 2011-4 TABLE 2  
Adjusted AFR for February 2011

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	.74%	.74%	.74%	.74%
Mid-term adjusted AFR	2.04%	2.03%	2.02%	2.02%
Long-term adjusted AFR	4.47%	4.42%	4.40%	4.38%

REV. RUL. 2011-4 TABLE 3

Rates Under Section 382 for February 2011

Adjusted federal long-term rate for the current month	4.47%
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.)	4.47%

## REV. RUL. 2011-4 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for February 2011

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	7.75%
Appropriate percentage for the 30% present value low-income housing credit	3.32%

## REV. RUL. 2011-4 TABLE 5

## Rate Under Section 7520 for February 2011

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	2.8%
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