

## 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. 2011-14

This revenue ruling provides various prescribed rates for federal income tax purposes for July 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%. 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 blended annual rate for 2011 for purposes of section 7872.

## REV. RUL. 2011-14 TABLE 1

## Applicable Federal Rates (AFR) for July 2011

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	.37%	.37%	.37%	.37%
110% AFR	.41%	.41%	.41%	.41%
120% AFR	.44%	.44%	.44%	.44%
130% AFR	.48%	.48%	.48%	.48%
<u>Mid-term</u>				
AFR	2.00%	1.99%	1.99%	1.98%
110% AFR	2.20%	2.19%	2.18%	2.18%
120% AFR	2.40%	2.39%	2.38%	2.38%
130% AFR	2.61%	2.59%	2.58%	2.58%
150% AFR	3.01%	2.99%	2.98%	2.97%
175% AFR	3.51%	3.48%	3.46%	3.46%
<u>Long-term</u>				
AFR	3.86%	3.82%	3.80%	3.79%
110% AFR	4.24%	4.20%	4.18%	4.16%
120% AFR	4.63%	4.58%	4.55%	4.54%
130% AFR	5.03%	4.97%	4.94%	4.92%

## REV. RUL. 2011-14 TABLE 2

## Adjusted AFR for July 2011

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	.53%	.53%	.53%	.53%
Mid-term adjusted AFR	1.57%	1.56%	1.56%	1.55%
Long-term adjusted AFR	3.86%	3.82%	3.80%	3.79%

## REV. RUL. 2011-14 TABLE 3

## Rates Under Section 382 for July 2011

Adjusted federal long-term rate for the current month	3.86%
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.)	4.30%

## REV. RUL. 2011-14 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for July 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	7.68%
Appropriate percentage for the 30% present value low-income housing credit	3.29%

## REV. RUL. 2011-14 TABLE 5

## Rate Under Section 7520 for July 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	2.4%
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## REV. RUL. 2011-14 TABLE 6

## Blended Annual Rate for 2011

Section 7872(e)(2) blended annual rate for 2011	.40%
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