

## 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. 2013-1

This revenue ruling provides various prescribed rates for federal income tax purposes for January 2013 (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 deemed rate of return for transfers made during calendar year 2013 to pooled income funds described in section 642(c)(5) that have been in existence for less than 3 taxable years immediately preceding the taxable year in which the transfer was made.

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## REV. RUL. 2013-1 TABLE 1

## Applicable Federal Rates (AFR) for January 2013

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | .21%          | .21%                          | .21%             | .21%           |
| 110% AFR          | .23%          | .23%                          | .23%             | .23%           |
| 120% AFR          | .25%          | .25%                          | .25%             | .25%           |
| 130% AFR          | .27%          | .27%                          | .27%             | .27%           |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | .87%          | .87%                          | .87%             | .87%           |
| 110% AFR          | .96%          | .96%                          | .96%             | .96%           |
| 120% AFR          | 1.04%         | 1.04%                         | 1.04%            | 1.04%          |
| 130% AFR          | 1.13%         | 1.13%                         | 1.13%            | 1.13%          |
| 150% AFR          | 1.31%         | 1.31%                         | 1.31%            | 1.31%          |
| 175% AFR          | 1.53%         | 1.52%                         | 1.52%            | 1.52%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 2.31%         | 2.30%                         | 2.29%            | 2.29%          |
| 110% AFR          | 2.55%         | 2.53%                         | 2.52%            | 2.52%          |
| 120% AFR          | 2.78%         | 2.76%                         | 2.75%            | 2.74%          |
| 130% AFR          | 3.01%         | 2.99%                         | 2.98%            | 2.97%          |

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## REV. RUL. 2013-1 TABLE 2

## Adjusted AFR for January 2013

|                            | <u>Period for Compounding</u> |                   |                  |                |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
|                            | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term<br>adjusted AFR | .25%                          | .25%              | .25%             | .25%           |
| Mid-term<br>adjusted AFR   | .94%                          | .94%              | .94%             | .94%           |
| Long-term<br>adjusted AFR  | 2.66%                         | 2.64%             | 2.63%            | 2.63%          |

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## REV. RUL. 2013-1 TABLE 3

## Rates Under Section 382 for January 2013

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 2.66% |
| 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.) | 2.84% |

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## REV. RUL. 2013-1 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for January 2013

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 | 7.36% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.16% |

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## REV. RUL. 2013-1 TABLE 5

## Rate Under Section 7520 for January 2013

|   |      |
|---|------|
| 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 | 1.0% |
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## REV. RUL. 2013-1 TABLE 6

## Deemed Rate for Transfers to New Pooled Income Funds During 2013

|  |      |
|--|------|
| Deemed rate of return for transfers during 2013 to pooled income funds that have been in existence for less than 3 taxable years | 1.8% |
|--|------|

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