

## **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, 807, 846, 1288, 7520, 7872.)*

**Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term exempt rate.** For purposes of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for August 1996.

### **Rev. Rul. 96-37**

This revenue ruling provides various prescribed rates for federal income tax purposes for August 1996 (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)(2) for buildings placed in service during the current month. 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. 96-37 TABLE 1

Applicable Federal Rates (AFR) for August 1996

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	6.15%	6.06%	6.01%	5.98%
110% AFR	6.78%	6.67%	6.62%	6.58%
120% AFR	7.40%	7.27%	7.21%	7.16%
130% AFR	8.04%	7.88%	7.80%	7.75%
<i>Mid-Term</i>				
AFR	6.84%	6.73%	6.67%	6.64%
110% AFR	7.54%	7.40%	7.33%	7.29%
120% AFR	8.24%	8.08%	8.00%	7.95%
130% AFR	8.94%	8.75%	8.66%	8.59%
150% AFR	10.36%	10.10%	9.98%	9.89%
175% AFR	12.13%	11.78%	11.61%	11.50%
<i>Long-Term</i>				
AFR	7.21%	7.08%	7.02%	6.98%
110% AFR	7.94%	7.79%	7.72%	7.67%
120% AFR	8.68%	8.50%	8.41%	8.35%
130% AFR	9.41%	9.20%	9.10%	9.03%

REV. RUL. 96-37 TABLE 2

Adjusted AFR for August 1996

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
adjusted AFR	3.97%	3.93%	3.91%	3.90%
<i>Mid-term</i>				
adjusted AFR	4.89%	4.83%	4.80%	4.78%
<i>Long-term</i>				
adjusted AFR	5.80%	5.72%	5.68%	5.65%

REV. RUL. 96-37 TABLE 3

Rates Under Section 382 for August 1996

Adjusted federal long-term rate for the current month	5.80%
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)	5.80%

REV. RUL. 96-37 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for August 1996

Appropriate percentage for the 70% present value low-income housing credit	8.65%
Appropriate percentage for the 30% present value low-income housing credit	3.71%

REV. RUL. 96-37 TABLE 5

Rate Under Section 7520 for August 1996

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

8.2%