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

*(Also Sections 42, 280G, 382, 412, 467, 468, 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 January 1996.

### **Rev. Rul. 96-6**

This revenue ruling provides various prescribed rates for federal income tax purposes for January 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. 95-79, 1995-49 I.R.B. 4, which set forth the applicable federal rates and various other rates for December 1995, incorrectly provided in Table 1 that the Long-Term 120% Applicable Federal Rate based on annual compounding was 7.01%. The correct percentage is 7.65%. This correction will be made to Rev. Rul. 95-79 when it is published in issue 1995-2 of the Cumulative Bulletin.

REV. RUL. 96-6 TABLE 1

Applicable Federal Rates (AFR) for January 1996

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	5.50%	5.43%	5.39%	5.37%
110% AFR	6.06%	5.97%	5.93%	5.90%
120% AFR	6.63%	6.52%	6.47%	6.43%
<i>Mid-Term</i>				
AFR	5.73%	5.65%	5.61%	5.58%
110% AFR	6.32%	6.22%	6.17%	6.14%
120% AFR	6.89%	6.78%	6.72%	6.69%
150% AFR	8.66%	8.48%	8.39%	8.33%
175% AFR	10.13%	9.89%	9.77%	9.69%
<i>Long-Term</i>				
AFR	6.19%	6.10%	6.05%	6.02%
110% AFR	6.82%	6.71%	6.65%	6.62%
120% AFR	7.45%	7.32%	7.25%	7.21%

REV. RUL. 96-6 TABLE 2

Adjusted AFR for January 1996

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.68%	3.65%	3.63%	3.62%
Mid-term adjusted AFR	4.37%	4.32%	4.30%	4.28%
Long-term adjusted AFR	5.31%	5.24%	5.21%	5.18%

REV. RUL. 95-79 TABLE 3

Rates Under Section 382 for January 1996

Adjusted federal long-term rate for the current month	5.31%
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).	5.65%

REV. RUL. 95-79 TABLE 4

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

Appropriate percentage for the 70% present value low-income housing credit	8.40%
Appropriate percentage for the 30% present value low-income housing credit	3.60%

REV. RUL. 96-6 TABLE 5

Rate Under Section 7520 for January 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	6.8%
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