

## 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. 2009-20

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2009 (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 2009 for purposes of section 7872.



REV. RUL. 2009-20 TABLE 1

Applicable Federal Rates (AFR) for July 2009

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | .82%          | .82%                          | .82%             | .82%           |
| 110% AFR          | .90%          | .90%                          | .90%             | .90%           |
| 120% AFR          | .98%          | .98%                          | .98%             | .98%           |
| 130% AFR          | 1.07%         | 1.07%                         | 1.07%            | 1.07%          |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | 2.76%         | 2.74%                         | 2.73%            | 2.72%          |
| 110% AFR          | 3.03%         | 3.01%                         | 3.00%            | 2.99%          |
| 120% AFR          | 3.32%         | 3.29%                         | 3.28%            | 3.27%          |
| 130% AFR          | 3.59%         | 3.56%                         | 3.54%            | 3.53%          |
| 150% AFR          | 4.15%         | 4.11%                         | 4.09%            | 4.08%          |
| 175% AFR          | 4.86%         | 4.80%                         | 4.77%            | 4.75%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 4.36%         | 4.31%                         | 4.29%            | 4.27%          |
| 110% AFR          | 4.80%         | 4.74%                         | 4.71%            | 4.69%          |
| 120% AFR          | 5.24%         | 5.17%                         | 5.14%            | 5.12%          |
| 130% AFR          | 5.68%         | 5.60%                         | 5.56%            | 5.54%          |



REV. RUL. 2009-20 TABLE 2

Adjusted AFR for July 2009

|                            | <u>Period for Compounding</u> |                   |                  |                |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
|                            | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term<br>adjusted AFR | .84%                          | .84%              | .84%             | .84%           |
| Mid-term<br>adjusted AFR   | 2.22%                         | 2.21%             | 2.20%            | 2.20%          |
| Long-term<br>adjusted AFR  | 4.33%                         | 4.28%             | 4.26%            | 4.24%          |

REV. RUL. 2009-20 TABLE 3

Rates Under Section 382 for July 2009

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 4.33% |
| 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.) | 4.58% |



REV. RUL. 2009-20 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for July 2009

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 | 7.82% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.35% |

REV. RUL. 2009-20 TABLE 5

Rate Under Section 7520 for July 2009

|   |      |
|---|------|
| 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 | 3.4% |
|---|------|

REV. RUL. 2009-20 TABLE 6

Blended Annual Rate for 2009

|   |       |
|---|-------|
| Section 7872(e)(2) blended annual rate for 2009 | 0.82% |
|---|-------|