

## 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. 2011-11

This revenue ruling provides various prescribed rates for federal income tax purposes for May 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%. 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. 2011-11 TABLE 1

## Applicable Federal Rates (AFR) for May 2011

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | .56%          | .56%                          | .56%             | .56%           |
| 110% AFR          | .62%          | .62%                          | .62%             | .62%           |
| 120% AFR          | .67%          | .67%                          | .67%             | .67%           |
| 130% AFR          | .73%          | .73%                          | .73%             | .73%           |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | 2.44%         | 2.43%                         | 2.42%            | 2.42%          |
| 110% AFR          | 2.69%         | 2.67%                         | 2.66%            | 2.66%          |
| 120% AFR          | 2.94%         | 2.92%                         | 2.91%            | 2.90%          |
| 130% AFR          | 3.18%         | 3.16%                         | 3.15%            | 3.14%          |
| 150% AFR          | 3.68%         | 3.65%                         | 3.63%            | 3.62%          |
| 175% AFR          | 4.30%         | 4.25%                         | 4.23%            | 4.21%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 4.19%         | 4.15%                         | 4.13%            | 4.11%          |
| 110% AFR          | 4.62%         | 4.57%                         | 4.54%            | 4.53%          |
| 120% AFR          | 5.04%         | 4.98%                         | 4.95%            | 4.93%          |
| 130% AFR          | 5.47%         | 5.40%                         | 5.36%            | 5.34%          |

## REV. RUL. 2011-11 TABLE 2

## Adjusted AFR for May 2011

|                            | <u>Period for Compounding</u> |                   |                  |                |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
|                            | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term<br>adjusted AFR | .73%                          | .73%              | .73%             | .73%           |
| Mid-term<br>adjusted AFR   | 1.98%                         | 1.97%             | 1.97%            | 1.96%          |
| Long-term<br>adjusted AFR  | 4.30%                         | 4.25%             | 4.23%            | 4.21%          |

## REV. RUL. 2011-11 TABLE 3

## Rates Under Section 382 for May 2011

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 4.30% |
| 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.) | 4.55% |

## REV. RUL. 2011-11 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for May 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 | 7.77% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.33% |

## REV. RUL. 2011-11 TABLE 5

## Rate Under Section 7520 for May 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 | 3.0% |
|---|------|