

**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 March 1997.

**Rev. Rul. 97-10**

This revenue ruling provides various prescribed rates for federal income tax purposes for March 1997 (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. 97-10 TABLE 1

Applicable Federal Rates (AFR) for March 1997

*Period for Compounding*

<i>Short-Term</i>	<i>Period for Compounding</i>			
	<i>Annual</i> ↯	<i>Semiannual</i> ↯	<i>Quarterly</i> ↯	<i>Monthly</i>
AFR ↯	5.83% ↯	5.75% ↯	5.71% ↯	5.68%
110% AFR ↯	6.43% ↯	6.33% ↯	6.28% ↯	6.25%
120% AFR ↯	7.02% ↯	6.90% ↯	6.84% ↯	6.80%
130% AFR ↯	7.62% ↯	7.48% ↯	7.41% ↯	7.37%

REV. RUL. 97-10 TABLE 1—Continued  
Applicable Federal Rates (AFR) for March 1997

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Mid-Term</i>				
AFR	6.42%	6.32%	6.27%	6.24%
110% AFR	7.07%	6.95%	6.89%	6.85%
120% AFR	7.72%	7.58%	7.51%	7.46%
130% AFR	8.39%	8.22%	8.14%	8.08%
150% AFR	9.70%	9.48%	9.37%	9.30%
175% AFR	11.37%	11.06%	10.91%	10.81%
<i>Long-Term</i>				
AFR	6.86%	6.75%	6.69%	6.66%
110% AFR	7.57%	7.43%	7.36%	7.32%
120% AFR	8.26%	8.10%	8.02%	7.97%
130% AFR	8.97%	8.78%	8.69%	8.62%

REV. RUL. 97-10 TABLE 2

Adjusted AFR for March 1997

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.77%	3.74%	3.72%	3.71%
Mid-term adjusted AFR	4.62%	4.57%	4.54%	4.53%
Long-term adjusted AFR	5.50%	5.43%	5.39%	5.37%

REV. RUL. 97-10 TABLE 3

Rates Under Section 382 for March 1997

Adjusted federal long-term rate for the current month	5.50%
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.)	5.50%

REV. RUL. 97-10 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for March 1997

Appropriate percentage for the 70% present value low-income housing credit	8.56%
Appropriate percentage for the 30% present value low-income housing credit	3.67%

REV. RUL. 97-10 TABLE 5

Rate Under Section 7520 for March 1997

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	7.8%
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