

## **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. 97-27**

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

## REV. RUL. 97-27 TABLE 1

## Applicable Federal Rates (AFR) for July 1997

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	6.07%	5.98%	5.94%	5.91%
110% AFR	6.69%	6.58%	6.53%	6.49%
120% AFR	7.31%	7.18%	7.12%	7.07%
130% AFR	7.92%	7.77%	7.70%	7.65%
<i>Mid-Term</i>				
AFR	6.65%	6.54%	6.49%	6.45%
110% AFR	7.32%	7.19%	7.13%	7.08%
120% AFR	8.00%	7.85%	7.77%	7.72%

REV. RUL. 97-27 TABLE 1—Continued  
Applicable Federal Rates (AFR) for July 1997

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Mid-Term (continued)</i>				
130% AFR	8.68%	8.50%	8.41%	8.35%
150% AFR	10.05%	9.81%	9.69%	9.62%
175% AFR	11.78%	11.45%	11.29%	11.19%
<i>Long-Term</i>				
AFR	6.99%	6.87%	6.81%	6.77%
110% AFR	7.70%	7.56%	7.49%	7.44%
120% AFR	8.41%	8.24%	8.16%	8.10%
130% AFR	9.13%	8.93%	8.83%	8.77%

REV. RUL. 97-27 TABLE 2

Adjusted AFR for July 1997

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.99%	3.95%	3.93%	3.92%
Mid-term adjusted AFR	4.71%	4.66%	4.63%	4.62%
Long-term adjusted AFR	5.45%	5.38%	5.34%	5.32%

REV. RUL. 97-27 TABLE 3

Rates Under Section 382 for July 1997

Adjusted federal long-term rate for the current month	5.45%
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.)	5.64%

REV. RUL. 97-27 TABLE 4

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

Appropriate percentage for the 70% present value low-income housing credit	8.60%
Appropriate percentage for the 30% present value low-income housing credit	3.69%

REV. RUL. 97-27 TABLE 5

Rate Under Section 7520 for July 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	8.0%
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REV. RUL. 97-27 TABLE 6

Blended Annual Rate for 1997

Section 7872(e)(2) blended annual rate for 1997	5.85%
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