

## 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.)*

**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 December 1997.

### Rev. Rul. 97-50

This revenue ruling provides various prescribed rates for federal income tax purposes for December 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 1998 interest rate for sections 846 and 807.

REV. RUL. 97-50 TABLE 1  
Applicable Federal Rates (AFR) for December 1997

		<i>Period for Compounding</i>			
		<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>					
AFR		5.68%	5.60%	5.56%	5.54%
110% AFR		6.25%	6.16%	6.11%	6.08%
120% AFR		6.83%	6.72%	6.66%	6.63%
130% AFR		7.41%	7.28%	7.21%	7.17%
<i>Mid-Term</i>					
AFR		6.02%	5.93%	5.89%	5.86%
110% AFR		6.63%	6.52%	6.47%	6.43%
120% AFR		7.25%	7.12%	7.06%	7.02%
130% AFR		7.86%	7.71%	7.64%	7.59%
150% AFR		9.10%	8.90%	8.80%	8.74%
175% AFR		10.65%	10.38%	10.25%	10.16%
<i>Long-Term</i>					
AFR		6.31%	6.21%	6.16%	6.13%
110% AFR		6.95%	6.83%	6.77%	6.73%
120% AFR		7.59%	7.45%	7.38%	7.34%
130% AFR		8.23%	8.07%	7.99%	7.94%

REV. RUL. 97-50 TABLE 2  
Adjusted AFR for December 1997

		<i>Period for Compounding</i>			
		<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>					
adjusted AFR		3.92%	3.88%	3.86%	3.85%
<i>Mid-term</i>					
adjusted AFR		4.37%	4.32%	4.30%	4.28%
<i>Long-term</i>					
adjusted AFR		5.23%	5.16%	5.13%	5.11%

REV. RUL. 97-50 TABLE 3  
Rates Under Section 382 for December 1997

Adjusted federal long-term rate for the current month	5.23%
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.)	5.27%

REV. RUL. 97-50 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for December 1997	
Appropriate percentage for the 70% present value low-income housing credit	8.45%
Appropriate percentage for the 30% present value low-income housing credit	3.62%

REV. RUL. 97-50 TABLE 5  
Rate Under Section 7520 for December 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	7.2%
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REV. RUL. 97-50 TABLE 6  
Rate under Sections 846 and 807

Applicable rate of interest for 1998 for purposes of sections 846 and 807	6.31%
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