

## 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 July 1998.

### Rev. Rul. 98-33

This revenue ruling provides various prescribed rates for federal income tax purposes for July 1998 (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. 98-33 TABLE 1

Applicable Federal Rates (AFR) for July 1998

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	5.56%	5.48%	5.44%	5.42%
110% AFR	6.12%	6.03%	5.99%	5.96%
120% AFR	6.69%	6.58%	6.53%	6.49%
130% AFR	7.25%	7.12%	7.06%	7.02%
<i>Mid-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%
150% AFR	8.58%	8.40%	8.31%	8.26%
175% AFR	10.04%	9.80%	9.68%	9.61%
<i>Long-Term</i>				
AFR	5.88%	5.80%	5.76%	5.73%
110% AFR	6.48%	6.38%	6.33%	6.30%
120% AFR	7.08%	6.96%	6.90%	6.86%
130% AFR	7.68%	7.54%	7.47%	7.42%

REV. RUL. 98-33 TABLE 2

Adjusted AFR for July 1998

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
adjusted AFR	3.80%	3.76%	3.74%	3.73%
<i>Mid-term</i>				
adjusted AFR	4.22%	4.18%	4.16%	4.14%
<i>Long-term</i>				
adjusted AFR	5.00%	4.94%	4.91%	4.89%

REV. RUL. 98-33 TABLE 3

Rates Under Section 382 for July 1998

Adjusted federal long-term rate for the current month	5.00%
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.)	5.15%

REV. RUL. 98-33 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for July 1998

Appropriate percentage for the 70% present value low-income housing credit	8.35%
Appropriate percentage for the 30% present value low-income housing credit	3.58%

REV. RUL. 98-33 TABLE 5

Rate Under Section 7520 for July 1998

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	6.8%
---	------

REV. RUL. 98-33 TABLE 6

Blended Annual Rate for 1998

Section 7872(e)(2) blended annual rate for 1998	5.63%
---	-------

---

Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1998. See Rev. Rul. 98-33, page 26.

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1998. See Rev. Rul. 98-33, page 26.

Section 7872.—Treatment of Loans With Below-Market Interest Rates

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1998. See Rev. Rul. 98-33, page 26.