

## 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. 2010-20

This revenue ruling provides various prescribed rates for federal income tax purposes for September 2010 (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. 2010-20 TABLE 1

Applicable Federal Rates (AFR) for September 2010

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	.46%	.46%	.46%	.46%
110% AFR	.51%	.51%	.51%	.51%
120% AFR	.55%	.55%	.55%	.55%
130% AFR	.60%	.60%	.60%	.60%
<u>Mid-term</u>				
AFR	1.94%	1.93%	1.93%	1.92%
110% AFR	2.13%	2.12%	2.11%	2.11%
120% AFR	2.33%	2.32%	2.31%	2.31%
130% AFR	2.53%	2.51%	2.50%	2.50%
150% AFR	2.92%	2.90%	2.89%	2.88%
175% AFR	3.41%	3.38%	3.37%	3.36%
<u>Long-term</u>				
AFR	3.66%	3.63%	3.61%	3.60%
110% AFR	4.03%	3.99%	3.97%	3.96%
120% AFR	4.41%	4.36%	4.34%	4.32%
130% AFR	4.78%	4.72%	4.69%	4.67%

REV. RUL. 2010-20 TABLE 2

Adjusted AFR for September 2010

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	.43%	.43%	.43%	.43%
Mid-term adjusted AFR	1.62%	1.61%	1.61%	1.60%
Long-term adjusted AFR	3.86%	3.82%	3.80%	3.79%

REV. RUL. 2010-20 TABLE 3

Rates Under Section 382 for September 2010

Adjusted federal long-term rate for the current month	3.86%
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.)	3.99%

REV. RUL. 2010-20 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for September 2010

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	7.65%
Appropriate percentage for the 30% present value low-income housing credit	3.28%

REV. RUL. 2010-20 TABLE 5

Rate Under Section 7520 for September 2010

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	2.4%
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