

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,

REV. RUL. 97-41 TABLE 1
Applicable Federal Rates (AFR) for October 1997

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	5.84%	5.76%	5.72%	5.69%
110% AFR	6.44%	6.34%	6.29%	6.26%
120% AFR	7.03%	6.91%	6.85%	6.81%
130% AFR	7.63%	7.49%	7.42%	7.38%
<i>Mid-Term</i>				
AFR	6.34%	6.24%	6.19%	6.16%
110% AFR	6.98%	6.86%	6.80%	6.76%
120% AFR	7.63%	7.49%	7.42%	7.38%
130% AFR	8.27%	8.11%	8.03%	7.98%
150% AFR	9.58%	9.36%	9.25%	9.18%
175% AFR	11.22%	10.92%	10.77%	10.68%

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 October 1997.

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This revenue ruling provides various prescribed rates for federal income tax purposes for October 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. 97-41 TABLE 1 — (Continued)
Applicable Federal Rates (AFR) for October 1997

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Long-Term</i>				
AFR	6.68%	6.57%	6.52%	6.48%
110% AFR	7.36%	7.23%	7.17%	7.12%
120% AFR	8.04%	7.88%	7.80%	7.75%
130% AFR	8.72%	8.54%	8.45%	8.39%

REV. RUL. 97-41 TABLE 2
Adjusted AFR for October 1997

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.98%	3.94%	3.92%	3.91%
Mid-term adjusted AFR	4.46%	4.41%	4.39%	4.37%
Long-term adjusted AFR	5.27%	5.20%	5.17%	5.14%

REV. RUL. 97-41 TABLE 3
Rates Under Section 382 for October 1997

Adjusted federal long-term rate for the current month	5.27%
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.)	5.33%

REV. RUL. 97-41 TABLE 4
Appropriate Percentages Under Section 42(b)(2) for October 1997

Appropriate percentage for the 70% present value low-income housing credit	8.53%
Appropriate percentage for the 30% present value low-income housing credit	3.66%

REV. RUL. 97-41 TABLE 5
Rate Under Section 7520 for October 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	7.6%
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