

Rev. Rul. 2002-40

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2002 (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 2002 for purposes of section 7872.

REV. RUL. 2002-40 TABLE 1

Applicable Federal Rates (AFR) for July 2002

Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	2.84%	2.82%	2.81%	2.80%
110% AFR	3.12%	3.10%	3.09%	3.08%
120% AFR	3.41%	3.38%	3.37%	3.36%
130% AFR	3.70%	3.67%	3.65%	3.64%
<i>Mid-Term</i>				
AFR	4.60%	4.55%	4.52%	4.51%
110% AFR	5.07%	5.01%	4.98%	4.96%
120% AFR	5.53%	5.46%	5.42%	5.40%
130% AFR	6.01%	5.92%	5.88%	5.85%
150% AFR	6.95%	6.83%	6.77%	6.73%
175% AFR	8.12%	7.96%	7.88%	7.83%
<i>Long-Term</i>				
AFR	5.69%	5.61%	5.57%	5.55%
110% AFR	6.27%	6.17%	6.12%	6.09%
120% AFR	6.84%	6.73%	6.67%	6.64%
130% AFR	7.42%	7.29%	7.22%	7.18%

REV. RUL. 2002-40 TABLE 2

Adjusted AFR for July 2002

Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	2.18%	2.17%	2.16%	2.16%
Mid-term adjusted AFR	3.57%	3.54%	3.52%	3.51%
Long-term adjusted AFR	4.91%	4.85%	4.82%	4.80%

REV. RUL. 2002-40 TABLE 3

Rates Under Section 382 for July 2002

Adjusted federal long-term rate for the current month	4.91%
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.)	5.01%

REV. RUL. 2002-40 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for July 2002

Appropriate percentage for the 70% present value low-income housing credit	8.20%
Appropriate percentage for the 30% present value low-income housing credit	3.51%

REV. RUL. 2002-40 TABLE 5

Rate Under Section 7520 for July 2002

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	5.6%
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REV. RUL. 2002-40 TABLE 6

Blended Annual Rate for 2002

Section 7872(e)(2) blended annual rate for 2002	2.78%
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