

## **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 382, 642, 1274, 1288, and other sections of the Code, tables set forth the rates for July 2004.

## **Rev. Rul. 2004-66**

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2004 (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 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 2004 for purposes of section 7872.

REV. RUL. 2004-66 TABLE 1  
Applicable Federal Rates (AFR) for July 2004

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	2.26%	2.25%	2.24%	2.24%
110% AFR	2.50%	2.48%	2.47%	2.47%
120% AFR	2.72%	2.70%	2.69%	2.68%
130% AFR	2.95%	2.93%	2.92%	2.91%
<i>Mid-term</i>				
AFR	4.11%	4.07%	4.05%	4.04%
110% AFR	4.53%	4.48%	4.46%	4.44%
120% AFR	4.94%	4.88%	4.85%	4.83%
130% AFR	5.36%	5.29%	5.26%	5.23%
150% AFR	6.20%	6.11%	6.06%	6.03%
175% AFR	7.25%	7.12%	7.06%	7.02%
<i>Long-term</i>				
AFR	5.34%	5.27%	5.24%	5.21%
110% AFR	5.88%	5.80%	5.76%	5.73%
120% AFR	6.42%	6.32%	6.27%	6.24%
130% AFR	6.97%	6.85%	6.79%	6.75%

REV. RUL. 2004-66 TABLE 2  
Rates Under Section 382 for July 2004

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	1.78%	1.77%	1.77%	1.76%
Mid-term adjusted AFR	3.34%	3.31%	3.30%	3.29%
Long-term adjusted AFR	4.72%	4.67%	4.64%	4.63%

REV. RUL. 2004-66 TABLE 3  
Rates Under Section 382 for July 2004

Adjusted federal long-term rate for the current month	4.72%
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.)	4.72%

REV. RUL. 2004-66 TABLE 4  
Appropriate Percentages Under Section 42(b)(2) for July 2004

Appropriate percentage for the 70% present value low-income housing credit	8.10%
Appropriate percentage for the 30% present value low-income housing credit	3.47%

REV. RUL. 2004-66 TABLE 5

Rate Under Section 7520 for July 2004

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

5.0%

REV. RUL. 2004-66 TABLE 6

Blended Annual Rate for 2004

Section 7872(e)(2) blended annual rate for 2004

1.98%