

# **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 May 2005.

## **Rev. Rul. 2005-27**

This revenue ruling provides various prescribed rates for federal income tax purposes for May 2005 (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. 2005-27 TABLE 1				
Applicable Federal Rates (AFR) for May 2005				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	3.54%	3.51%	3.49%	3.48%
110% AFR	3.90%	3.86%	3.84%	3.83%
120% AFR	4.25%	4.21%	4.19%	4.17%
130% AFR	4.61%	4.56%	4.53%	4.52%
<i>Mid-term</i>				
AFR	4.28%	4.24%	4.22%	4.20%
110% AFR	4.71%	4.66%	4.63%	4.62%
120% AFR	5.15%	5.09%	5.06%	5.04%
130% AFR	5.59%	5.51%	5.47%	5.45%
150% AFR	6.46%	6.36%	6.31%	6.28%
175% AFR	7.56%	7.42%	7.35%	7.31%
<i>Long-term</i>				
AFR	4.83%	4.77%	4.74%	4.72%
110% AFR	5.32%	5.25%	5.22%	5.19%
120% AFR	5.80%	5.72%	5.68%	5.65%
130% AFR	6.30%	6.20%	6.15%	6.12%

REV. RUL. 2005-27 TABLE 2				
Adjusted AFR for May 2005				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term adjusted</i>				
AFR	2.61%	2.59%	2.58%	2.58%
<i>Mid-term adjusted</i>				
AFR	3.29%	3.26%	3.25%	3.24%
<i>Long-term adjusted</i>				
AFR	4.37%	4.32%	4.30%	4.28%

REV. RUL. 2005-27 TABLE 3	
Rates Under Section 382 for May 2005	
Adjusted federal long-term rate for the current month	4.37%
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.)	4.37%

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Appropriate Percentages Under Section 42(b)(2) for May 2005

Appropriate percentage for the 70% present value low-income housing credit	8.06%
Appropriate percentage for the 30% present value low-income housing credit	3.45%

REV. RUL. 2005-27 TABLE 5

Rate Under Section 7520 for May 2005

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	5.2%
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