of a donor or to partners of a partnership that is a donor in return for a payment to the donee organization may be disregarded to the extent that the goods or services provided to each employee or partner are the same as those described in § 1.170A–13(f)(8)(i).

(2) Description permitted in lieu of good faith estimate for other goods or services. The written disclosure statement required by section 6115 may include a description of goods or services, in lieu of a good faith estimate of their value, if the donor is—

(i) An employer and, in return for the donor’s quid pro quo contribution, an organization described in section 170(c) provides the donor’s employees with goods or services other than those described in paragraph (d)(1) of this section; or

(ii) A partnership and, in return for its quid pro quo contribution, the organization provides partners in the partnership with goods or services other than those described in paragraph (d)(1) of this section.

(e) Effective date. This section applies to contributions made on or after December 16, 1996. However, taxpayers may rely on the rules of this section for contributions made on or after January 1, 1994.

PART 602 — OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Par. 5. The authority citation for part 602 continues to read as follows:
Authority: 26 U.S.C. 7805
Par. 6. Section 602.101(c) is amended by adding the following entries in numerical order to the table:

§ 602.101 OMB Control numbers.

(c) * * * * *

CFR part or section where identified or described
Current OMB control No.

* * * * *

Section 1.170A–13(f) . . . . . . . . . . 1545–1464

* * * * *

Section 1.6115–1 . . . . . . . . . . 1545–1464

Margaret Milner Richardson,
Commissioner of Internal Revenue

Approved November 27, 1996.

Donald C. Lubick,
Acting Assistant Secretary of the Treasury.

(Filed by the Office of the Federal Register on December 13, 1996, 8:45 a.m., and published in the issue of the Federal Register for December 16, 1996, 61 F.R. 65946)

Section 280G.—Golden Parachute Payments


Section 382.—Limitation on Net Operating Loss Carryforwards and Certain Built-in Losses Following Ownership Change


Section 412.—Minimum Funding Standards


Section 467.—Certain Payments for the Use of Property or Services


Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs


Section 483.—Interest on Certain Deferred Payments


Section 807.—Rules for Certain Reserves


Section 846.—Discounted Unpaid Losses Defined


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 1274, 1288, 382, and other sections of the Code, tables set forth the rates for February 1997.

Rev. Rul. 97–7

This revenue ruling provides various prescribed rates for federal income tax purposes for February 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. 97–7 TABLE 1

**Applicable Federal Rates (AFR) for February 1997**

**Period for Compounding**

<table>
<thead>
<tr>
<th></th>
<th>Annual</th>
<th>Semiannual</th>
<th>Quarterly</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-Term</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFR</td>
<td>5.81%</td>
<td>5.73%</td>
<td>5.69%</td>
<td>5.66%</td>
</tr>
<tr>
<td>110% AFR</td>
<td>6.40%</td>
<td>6.30%</td>
<td>6.25%</td>
<td>6.22%</td>
</tr>
<tr>
<td>120% AFR</td>
<td>7.00%</td>
<td>6.88%</td>
<td>6.82%</td>
<td>6.78%</td>
</tr>
<tr>
<td>130% AFR</td>
<td>7.59%</td>
<td>7.45%</td>
<td>7.38%</td>
<td>7.34%</td>
</tr>
<tr>
<td><strong>Mid-Term</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFR</td>
<td>6.38%</td>
<td>6.28%</td>
<td>6.23%</td>
<td>6.20%</td>
</tr>
<tr>
<td>110% AFR</td>
<td>7.03%</td>
<td>6.91%</td>
<td>6.85%</td>
<td>6.81%</td>
</tr>
<tr>
<td>120% AFR</td>
<td>7.68%</td>
<td>7.54%</td>
<td>7.47%</td>
<td>7.42%</td>
</tr>
<tr>
<td>130% AFR</td>
<td>8.33%</td>
<td>8.16%</td>
<td>8.08%</td>
<td>8.02%</td>
</tr>
<tr>
<td>150% AFR</td>
<td>9.64%</td>
<td>9.42%</td>
<td>9.31%</td>
<td>9.24%</td>
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<tr>
<td>175% AFR</td>
<td>11.29%</td>
<td>10.99%</td>
<td>10.84%</td>
<td>10.75%</td>
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<tr>
<td><strong>Long-Term</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFR</td>
<td>6.78%</td>
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<tr>
<td>110% AFR</td>
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<td>7.34%</td>
<td>7.27%</td>
<td>7.23%</td>
</tr>
<tr>
<td>120% AFR</td>
<td>8.16%</td>
<td>8.00%</td>
<td>7.92%</td>
<td>7.87%</td>
</tr>
<tr>
<td>130% AFR</td>
<td>8.86%</td>
<td>8.67%</td>
<td>8.58%</td>
<td>8.52%</td>
</tr>
</tbody>
</table>

### REV. RUL. 97–7 TABLE 2

**Adjusted AFR for February 1997**

**Period for Compounding**

<table>
<thead>
<tr>
<th></th>
<th>Annual</th>
<th>Semiannual</th>
<th>Quarterly</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short-term</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>adjusted AFR</td>
<td>3.68%</td>
<td>3.65%</td>
<td>3.63%</td>
<td>3.62%</td>
</tr>
<tr>
<td><strong>Mid-term</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>adjusted AFR</td>
<td>4.60%</td>
<td>4.55%</td>
<td>4.52%</td>
<td>4.51%</td>
</tr>
<tr>
<td><strong>Long-term</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>adjusted AFR</td>
<td>5.47%</td>
<td>5.40%</td>
<td>5.36%</td>
<td>5.34%</td>
</tr>
</tbody>
</table>

### REV. RUL. 97–7 TABLE 3

**Rates Under Section 382 for February 1997**

- Adjusted federal long-term rate for the current month: 5.47%
- 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.): 5.48%

### REV. RUL. 97–7 TABLE 4

**Appropriate Percentages Under Section 42(b)(2) for February 1997**

- Appropriate percentage for the 70% present value low-income housing credit: 8.55%
- Appropriate percentage for the 30% present value low-income housing credit: 3.66%
**Supplementary Information:**

Background

This document contains amendments to the Pamphlet of the United States to buy seized property. On June 13, 1996, a notice of proposed rulemaking reflecting this change was published in the Federal Register (61 FR 30012). No comments responding to the notice of proposed rulemaking were received, and no public hearing was requested or held. The final regulations are adopted as proposed.

Explanation of provisions

Section 1570 of the Tax Reform Act of 1986 amended section 6335(e) of the Code to require the Secretary to determine before the sale of seized property whether it would be in the best interest of the United States to purchase such property at the minimum price set by the Secretary. The best interest determination is to be based on criteria prescribed by the Secretary. If, at the sale, one or more persons offer at least the minimum price, the property shall be sold to the highest bidder. If no one offers at least the minimum price and the Secretary has determined that it would be in the best interest of the United States to purchase the property for the minimum price, the property will be declared sold to the United States for the minimum price. If no one offers the minimum price and the Secretary has not determined that it would be in the best interest of the United States to purchase the property for the minimum price, the property shall be released to the owner of the property and the expense of the levy and sale shall be added to the amount of tax for the collection of which the United States made the levy. Any property released shall remain subject to any lien imposed by subchapter C of chapter 64 of subtitle F of the Code.

The regulations reflect the changes made by the Tax Reform Act of 1986. The regulations authorize district directors to make the required determination whether it would be in the best interest of the United States to purchase seized property for the minimum price. In addition, the regulations set forth factors the district director may consider when determining the best interest of the United States. The district director may consider all relevant facts and circumstances including for example: (1) marketability of the property; (2) cost of maintaining the property; (3) cost of repairing or restoring the property; (4) cost of transporting the property; (5) cost of safeguarding the property; (6) cost of potential toxic waste cleanup; and (7) other factors pertinent to the type of property. Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) and the Regulatory Flexibility Act (5 U.S.C. chapter 6) do not apply to these regulations, and, therefore, a Regulatory Flexibility Analysis is not required. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Draf ting Information

The principal author of these regulations is Kevin B. Connelly, Office of Assistant Chief Counsel (General Litigation) CC:EL:GL, IRS. However, other personnel from the IRS and Treasury Department participated in their development.

Adoption of Amendments to the Regulations

Accordingly, 26 CFR part 301 is amended as follows:

PART 301—PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

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** REV. RUL. 97–7 TABLE 5 **

Rate Under Section 7520 for February 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

| Rate | 7.6% |

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** Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations **


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** Section 6335.—Sale of Seized Property **

26 CFR 301.6335–1: Sale of seized property

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** T.D. 8691 **

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 301

Sale of Seized Property

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains amendments to the Pamphlet of the United States to buy seized property. The final regulations set forth factors the district director may consider when determining the best interest of the United States. The district director may consider all relevant facts and circumstances including for example: (1) marketability of the property; (2) cost of maintaining the property; (3) cost of repairing or restoring the property; (4) cost of transporting the property; (5) cost of safeguarding the property; (6) cost of potential toxic waste cleanup; and (7) other factors pertinent to the type of property. Special Analyses

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Adoption of Amendments to the Regulations

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PART 301—PROCEDURE AND ADMINISTRATION

Paragraph 1. The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *