

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

Section 42.—Low-Income Housing Credit

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1997. See Rev. Rul. 97-27, this page.

Section 220.—Medical Savings Accounts

Specifications for paper substitutes for Forms 1096, 1098, 1099, 5498, and W-2G. See Rev. Proc. 97-32, page 9.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of July 1997. See Rev. Rul. 97-27, this page.

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

The adjusted federal long-term rate is set forth for the month of July 1997. See Rev. Rul. 97-27, this page.

Section 408.—Individual Retirement Accounts

26 CFR 1.408-5: Annual reports by trustees or issuers.

Specifications for paper substitutes for Form 1096, 1098, 1099, 5498, and W-2G. See Rev. Proc. 97-32, page 9.

26 CFR 1.408-7: Reports on distributions from individual retirement plans.

Specifications for paper substitutes for Forms 1096, 1098, 1099, 5498, and W-2G. See Rev. Proc. 97-32, page 9.

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1997. See Rev. Rul. 97-27, this page.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1997. See Rev. Rul. 97-27, this page.

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

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1997. See Rev. Rul. 97-27, this page.

Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1997. See Rev. Rul. 97-27, this page.

Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1997. See Rev. Rul. 97-27, this page.

Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1997. See Rev. Rul. 97-27, this page.

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.)

Rev. Rul. 97-27

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

REV. RUL. 97-27 TABLE 1

Applicable Federal Rates (AFR) for July 1997

Period for Compounding

	Annual	Semiannual	Quarterly	Monthly
<i>Short-Term</i>				
AFR	6.07%	5.98%	5.94%	5.91%
110% AFR	6.69%	6.58%	6.53%	6.49%
120% AFR	7.31%	7.18%	7.12%	7.07%
130% AFR	7.92%	7.77%	7.70%	7.65%
<i>Mid-Term</i>				
AFR	6.65%	6.54%	6.49%	6.45%
110% AFR	7.32%	7.19%	7.13%	7.08%
120% AFR	8.00%	7.85%	7.77%	7.72%

REV. RUL. 97-27 TABLE 1—Continued
Applicable Federal Rates (AFR) for July 1997

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Mid-Term (continued)</i>				
130% AFR	8.68%	8.50%	8.41%	8.35%
150% AFR	10.05%	9.81%	9.69%	9.62%
175% AFR	11.78%	11.45%	11.29%	11.19%
<i>Long-Term</i>				
AFR	6.99%	6.87%	6.81%	6.77%
110% AFR	7.70%	7.56%	7.49%	7.44%
120% AFR	8.41%	8.24%	8.16%	8.10%
130% AFR	9.13%	8.93%	8.83%	8.77%

REV. RUL. 97-27 TABLE 2
Adjusted AFR for July 1997

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.99%	3.95%	3.93%	3.92%
Mid-term adjusted AFR	4.71%	4.66%	4.63%	4.62%
Long-term adjusted AFR	5.45%	5.38%	5.34%	5.32%

REV. RUL. 97-27 TABLE 3
Rates Under Section 382 for July 1997

Adjusted federal long-term rate for the current month	5.45%
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.)	5.64%

REV. RUL. 97-27 TABLE 4
Appropriate Percentages Under Section 42(b)(2) for July 1997

Appropriate percentage for the 70% present value low-income housing credit	8.60%
Appropriate percentage for the 30% present value low-income housing credit	3.69%

REV. RUL. 97-27 TABLE 5
Rate Under Section 7520 for July 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	8.0%
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REV. RUL. 97-27 TABLE 6
Blended Annual Rate for 1997

Section 7872(e)(2) blended annual rate for 1997	5.85%
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