

## Part I

### 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. 2005-54

This revenue ruling provides various prescribed rates for federal income tax purposes for August 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. 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 2005 for purposes of section 7872.

## REV. RUL. 2005-54 TABLE 1

## Applicable Federal Rates (AFR) for August 2005

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	3.58%	3.55%	3.53%	3.52%
110% AFR	3.95%	3.91%	3.89%	3.88%
120% AFR	4.31%	4.26%	4.24%	4.22%
130% AFR	4.67%	4.62%	4.59%	4.58%
<u>Mid-term</u>				
AFR	3.92%	3.88%	3.86%	3.85%
110% AFR	4.32%	4.27%	4.25%	4.23%
120% AFR	4.71%	4.66%	4.63%	4.62%
130% AFR	5.10%	5.04%	5.01%	4.99%
150% AFR	5.90%	5.82%	5.78%	5.75%
175% AFR	6.91%	6.79%	6.73%	6.70%
<u>Long-term</u>				
AFR	4.33%	4.28%	4.26%	4.24%
110% AFR	4.77%	4.71%	4.68%	4.66%
120% AFR	5.21%	5.14%	5.11%	5.09%
130% AFR	5.64%	5.56%	5.52%	5.50%

## REV. RUL. 2005-54 TABLE 2

## Adjusted AFR for August 2005

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	2.71%	2.69%	2.68%	2.68%
Mid-term adjusted AFR	3.11%	3.09%	3.08%	3.07%
Long-term adjusted AFR	4.12%	4.08%	4.06%	4.05%

## REV. RUL. 2005-54 TABLE 3

## Rates Under Section 382 for August 2005

Adjusted federal long-term rate for the current month	4.12%
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.)	4.20%

## REV. RUL. 2005-54 TABLE 4

## Appropriate Percentages Under Section 42(b)(2) for August 2005

Appropriate percentage for the 70% present value low-income housing credit	7.96%
Appropriate percentage for the 30% present value low-income housing credit	3.41%

## REV. RUL. 2005-54 TABLE 5

## Rate Under Section 7520 for August 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	4.8%
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