

## 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. 2008-43

This revenue ruling provides various prescribed rates for federal income tax purposes for August 2008 (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. 2008-43 TABLE 1

Applicable Federal Rates (AFR) for August 2008

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	2.54%	2.52%	2.51%	2.51%
110% AFR	2.79%	2.77%	2.76%	2.75%
120% AFR	3.04%	3.02%	3.01%	3.00%
130% AFR	3.31%	3.28%	3.27%	3.26%
<u>Mid-term</u>				
AFR	3.55%	3.52%	3.50%	3.49%
110% AFR	3.91%	3.87%	3.85%	3.84%
120% AFR	4.26%	4.22%	4.20%	4.18%
130% AFR	4.63%	4.58%	4.55%	4.54%
150% AFR	5.35%	5.28%	5.25%	5.22%
175% AFR	6.25%	6.16%	6.11%	6.08%
<u>Long-term</u>				
AFR	4.58%	4.53%	4.50%	4.49%
110% AFR	5.04%	4.98%	4.95%	4.93%
120% AFR	5.51%	5.44%	5.40%	5.38%
130% AFR	5.98%	5.89%	5.85%	5.82%



REV. RUL. 2008-43 TABLE 2

Adjusted AFR for August 2008

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	2.09%	2.08%	2.07%	2.07%
Mid-term adjusted AFR	3.48%	3.45%	3.44%	3.43%
Long-term adjusted AFR	4.65%	4.60%	4.57%	4.56%

REV. RUL. 2008-43 TABLE 3

Rates Under Section 382 for August 2008

Adjusted federal long-term rate for the current month	4.65%
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.)	4.65%

REV. RUL. 2008-43 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for August 2008

Appropriate percentage for the 70% present value low-income housing credit	7.94%
Appropriate percentage for the 30% present value low-income housing credit	3.40%



REV. RUL. 2008-43 TABLE 5

Rate Under Section 7520 for August 2008

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

4.2%