

## 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. 2008-53

This revenue ruling provides various prescribed rates for federal income tax purposes for December 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)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%. 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 2009 interest rate for sections 846 and 807.



REV. RUL. 2008-53 TABLE 1

Applicable Federal Rates (AFR) for December 2008

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	1.36%	1.36%	1.36%	1.36%
110% AFR	1.51%	1.50%	1.50%	1.50%
120% AFR	1.64%	1.63%	1.63%	1.62%
130% AFR	1.78%	1.77%	1.77%	1.76%
<u>Mid-term</u>				
AFR	2.85%	2.83%	2.82%	2.81%
110% AFR	3.13%	3.11%	3.10%	3.09%
120% AFR	3.43%	3.40%	3.39%	3.38%
130% AFR	3.71%	3.68%	3.66%	3.65%
150% AFR	4.30%	4.25%	4.23%	4.21%
175% AFR	5.01%	4.95%	4.92%	4.90%
<u>Long-term</u>				
AFR	4.45%	4.40%	4.38%	4.36%
110% AFR	4.90%	4.84%	4.81%	4.79%
120% AFR	5.35%	5.28%	5.25%	5.22%
130% AFR	5.80%	5.72%	5.68%	5.65%



REV. RUL. 2008-53 TABLE 2

Adjusted AFR for December 2008

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	2.20%	2.19%	2.18%	2.18%
Mid-term adjusted AFR	3.82%	3.78%	3.76%	3.75%
Long-term adjusted AFR	5.40%	5.33%	5.29%	5.27%

REV. RUL. 2008-53 TABLE 3

Rates Under Section 382 for December 2008

Adjusted federal long-term rate for the current month	5.40%
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.)	5.40%



REV. RUL. 2008-53 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for December 2008

Note: Under Section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	7.84%
Appropriate percentage for the 30% present value low-income housing credit	3.36%

REV. RUL. 2008-53 TABLE 5

Rate Under Section 7520 for December 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	3.4%
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REV. RUL. 2008-53 TABLE 6

Rates Under Sections 846 and 807

Applicable rate of interest for 2009 for purposes of sections 846 and 807	4.06%
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