

## 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. 2009-38

This revenue ruling provides various prescribed rates for federal income tax purposes for December 2009 (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 contains the 2010 interest rate for sections 846 and 807.



REV. RUL. 2009-38 TABLE 1

Applicable Federal Rates (AFR) for December 2009

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	.69%	.69%	.69%	.69%
110% AFR	.76%	.76%	.76%	.76%
120% AFR	.83%	.83%	.83%	.83%
130% AFR	.90%	.90%	.90%	.90%
<u>Mid-term</u>				
AFR	2.64%	2.62%	2.61%	2.61%
110% AFR	2.90%	2.88%	2.87%	2.86%
120% AFR	3.16%	3.14%	3.13%	3.12%
130% AFR	3.44%	3.41%	3.40%	3.39%
150% AFR	3.97%	3.93%	3.91%	3.90%
175% AFR	4.64%	4.59%	4.56%	4.55%
<u>Long-term</u>				
AFR	4.17%	4.13%	4.11%	4.09%
110% AFR	4.59%	4.54%	4.51%	4.50%
120% AFR	5.02%	4.96%	4.93%	4.91%
130% AFR	5.44%	5.37%	5.33%	5.31%



REV. RUL. 2009-38 TABLE 2

Adjusted AFR for December 2009

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	.86%	.86%	.86%	.86%
Mid-term adjusted AFR	2.25%	2.24%	2.23%	2.23%
Long-term adjusted AFR	4.14%	4.10%	4.08%	4.07%

REV. RUL. 2009-38 TABLE 3

Rates Under Section 382 for December 2009

Adjusted federal long-term rate for the current month	4.14%
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.)	4.16%



REV. RUL. 2009-38 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for December 2009

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	7.79%
Appropriate percentage for the 30% present value low-income housing credit	3.34%

REV. RUL. 2009-38 TABLE 5

Rate Under Section 7520 for December 2009

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	3.2%
---	------

REV. RUL. 2009-38 TABLE 6

Rates Under Sections 846 and 807

Applicable rate of interest for 2010 for purposes of sections 846 and 807	3.81%
---	-------