## AFR RATES FOR DECEMBER 2012

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. 2012-31

This revenue ruling provides various prescribed rates for federal income tax purposes for December 2012 (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 longterm rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the lowincome 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 2013 interest rate for sections 846 and 807.

## TimeValue Software AFR Subscription Service

|  | REV. RUL. 2012-31 TABLE 1 |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Applicable Federal Rates (AFR) for December 2012 |  |  |  |
|  | Period for Compounding |  |  |  |
|  | Annual | Semiannual | Quarterly | Monthly |
|  | Short-term |  |  |  |
| AFR | .24\% | .24\% | .24\% | .24\% |
| 110\% AFR | .26\% | .26\% | .26\% | .26\% |
| 120\% AFR | .29\% | .29\% | .29\% | .29\% |
| 130\% AFR | . $31 \%$ | . $31 \%$ | . $31 \%$ | . $31 \%$ |
|  | Mid-term |  |  |  |
| AFR | .95\% | . $95 \%$ | .95\% | . $95 \%$ |
| 110\% AFR | 1.05\% | 1.05\% | 1.05\% | 1.05\% |
| 120\% AFR | 1.14\% | 1.14\% | 1.14\% | 1.14\% |
| 130\% AFR | 1.24\% | 1.24\% | 1.24\% | 1.24\% |
| 150\% AFR | 1.44\% | 1.43\% | 1.43\% | 1.43\% |
| 175\% AFR | 1.67\% | 1.66\% | 1.66\% | 1.65\% |
|  | Long-term |  |  |  |
| AFR | 2.40\% | 2.39\% | 2.38\% | 2.38\% |
| 110\% AFR | 2.65\% | 2.63\% | 2.62\% | 2.62\% |
| 120\% AFR | 2.89\% | 2.87\% | 2.86\% | 2.85\% |
| 130\% AFR | 3.13\% | 3.11\% | 3.10\% | 3.09\% |

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REV. RUL. 2012-31 TABLE 2
Adjusted AFR for December 2012

|  | Period for Compounding |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Annual | Semiannual | Quarterly | Monthly |
| Short-term adjusted AFR | .27\% | .27\% | .27\% | .27\% |
| Mid-term adjusted AFR | .95\% | .95\% | .95\% | .95\% |
| Long-term adjusted AFR | 2.83\% | 2.81\% | 2.80\% | 2.79\% |

REV. RUL. 2012-31 TABLE 3
Rates Under Section 382 for December 2012
Adjusted federal long-term rate for the current month $2.83 \%$
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.)
2.87\%

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REV. RUL. 2012-31 TABLE 4
Appropriate Percentages Under Section 42(b)(1) for December 2012
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 7.38\%

Appropriate percentage for the $30 \%$ present value low-income housing credit

REV. RUL. 2012-31 TABLE 5
Rate Under Section 7520 for December 2012
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
1.2\%

## REV. RUL. 2012-31 TABLE 6 <br> Rates Under Sections 846 and 807

Applicable rate of interest for 2013 for purposes of sections 846 and 807
2.16\%

