

## 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. 2005-66

This revenue ruling provides various prescribed rates for federal income tax purposes for October 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. 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. 2005-66 TABLE 1

## Applicable Federal Rates (AFR) for October 2005

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	3.89%	3.85%	3.83%	3.82%
110% AFR	4.28%	4.24%	4.22%	4.20%
120% AFR	4.67%	4.62%	4.59%	4.58%
130% AFR	5.07%	5.01%	4.98%	4.96%
<u>Mid-term</u>				
AFR	4.08%	4.04%	4.02%	4.01%
110% AFR	4.49%	4.44%	4.42%	4.40%
120% AFR	4.91%	4.85%	4.82%	4.80%
130% AFR	5.32%	5.25%	5.22%	5.19%
150% AFR	6.15%	6.06%	6.01%	5.98%
175% AFR	7.19%	7.07%	7.01%	6.97%
<u>Long-term</u>				
AFR	4.40%	4.35%	4.33%	4.31%
110% AFR	4.85%	4.79%	4.76%	4.74%
120% AFR	5.29%	5.22%	5.19%	5.16%
130% AFR	5.74%	5.66%	5.62%	5.59%

## REV. RUL. 2005-66 TABLE 2

## Adjusted AFR for October 2005

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	2.83%	2.81%	2.80%	2.79%
Mid-term adjusted AFR	3.27%	3.24%	3.23%	3.22%
Long-term adjusted AFR	4.14%	4.10%	4.08%	4.07%

## REV. RUL. 2005-66 TABLE 3

## Rates Under Section 382 for October 2005

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.)	4.24%

## REV. RUL. 2005-66 TABLE 4

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

Appropriate percentage for the 70% present value low-income housing credit	7.98%
Appropriate percentage for the 30% present value low-income housing credit	3.42%

## REV. RUL. 2005-66 TABLE 5

## Rate Under Section 7520 for October 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	5.0%
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