

## 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. 2006-44

This revenue ruling provides various prescribed rates for federal income tax purposes for September 2006 (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. 2006-44 TABLE 1

## Applicable Federal Rates (AFR) for September 2006

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	5.13%	5.07%	5.04%	5.02%
110% AFR	5.66%	5.58%	5.54%	5.52%
120% AFR	6.17%	6.08%	6.03%	6.00%
130% AFR	6.70%	6.59%	6.54%	6.50%
<u>Mid-term</u>				
AFR	5.01%	4.95%	4.92%	4.90%
110% AFR	5.52%	5.45%	5.41%	5.39%
120% AFR	6.03%	5.94%	5.90%	5.87%
130% AFR	6.54%	6.44%	6.39%	6.36%
150% AFR	7.57%	7.43%	7.36%	7.32%
175% AFR	8.85%	8.66%	8.57%	8.51%
<u>Long-term</u>				
AFR	5.21%	5.14%	5.11%	5.09%
110% AFR	5.73%	5.65%	5.61%	5.58%
120% AFR	6.27%	6.17%	6.12%	6.09%
130% AFR	6.79%	6.68%	6.63%	6.59%

## REV. RUL. 2006-44 TABLE 2

## Adjusted AFR for September 2006

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	3.65%	3.62%	3.60%	3.59%
Mid-term adjusted AFR	3.83%	3.79%	3.77%	3.76%
Long-term adjusted AFR	4.41%	4.36%	4.34%	4.32%

## REV. RUL. 2006-44 TABLE 3

## Rates Under Section 382 for September 2006

Adjusted federal long-term rate for the current month	4.41%
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.)	4.52%

## REV. RUL. 2006-44 TABLE 4

## Appropriate Percentages Under Section 42(b)(2) for September 2006

Appropriate percentage for the 70% present value low-income housing credit	8.19%
Appropriate percentage for the 30% present value low-income housing credit	3.51%

REV. RUL. 2006-44 TABLE 5

Rate Under Section 7520 for September 2006

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	6.0%
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