

## 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. 2006-61

This revenue ruling provides various prescribed rates for federal income tax purposes for December 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. 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 2007 interest rate for sections 846 and 807.

## REV. RUL. 2006-61 TABLE 1

## Applicable Federal Rates (AFR) for December 2006

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	4.97%	4.91%	4.88%	4.86%
110% AFR	5.47%	5.40%	5.36%	5.34%
120% AFR	5.98%	5.89%	5.85%	5.82%
130% AFR	6.48%	6.38%	6.33%	6.30%
<u>Mid-term</u>				
AFR	4.73%	4.68%	4.65%	4.64%
110% AFR	5.22%	5.15%	5.12%	5.10%
120% AFR	5.70%	5.62%	5.58%	5.56%
130% AFR	6.17%	6.08%	6.03%	6.00%
150% AFR	7.14%	7.02%	6.96%	6.92%
175% AFR	8.36%	8.19%	8.11%	8.05%
<u>Long-term</u>				
AFR	4.90%	4.84%	4.81%	4.79%
110% AFR	5.39%	5.32%	5.29%	5.26%
120% AFR	5.89%	5.81%	5.77%	5.74%
130% AFR	6.39%	6.29%	6.24%	6.21%

## REV. RUL. 2006-61 TABLE 2

## Adjusted AFR for December 2006

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	3.42%	3.39%	3.38%	3.37%
Mid-term adjusted AFR	3.59%	3.56%	3.54%	3.53%
Long-term adjusted AFR	4.14%	4.10%	4.08%	4.07%

## REV. RUL. 2006-61 TABLE 3

## Rates Under Section 382 for December 2006

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.)	4.22%

## REV. RUL. 2006-61 TABLE 4

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

Appropriate percentage for the 70% present value low-income housing credit	8.12%
Appropriate percentage for the 30% present value low-income housing credit	3.48%

REV. RUL. 2006-61 TABLE 5

Rate Under Section 7520 for December 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	5.8%
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REV. RUL. 2005-61 TABLE 6

Applicable rate of interest for 2007 for purposes of section 846 and 807	3.97%
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