

## 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. 2005-27

This revenue ruling provides various prescribed rates for federal income tax purposes for May 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. 2005-27 TABLE 1

## Applicable Federal Rates (AFR) for May 2005

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | 3.54%         | 3.51%                         | 3.49%            | 3.48%          |
| 110% AFR          | 3.90%         | 3.86%                         | 3.84%            | 3.83%          |
| 120% AFR          | 4.25%         | 4.21%                         | 4.19%            | 4.17%          |
| 130% AFR          | 4.61%         | 4.56%                         | 4.53%            | 4.52%          |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | 4.28%         | 4.24%                         | 4.22%            | 4.20%          |
| 110% AFR          | 4.71%         | 4.66%                         | 4.63%            | 4.62%          |
| 120% AFR          | 5.15%         | 5.09%                         | 5.06%            | 5.04%          |
| 130% AFR          | 5.59%         | 5.51%                         | 5.47%            | 5.45%          |
| 150% AFR          | 6.46%         | 6.36%                         | 6.31%            | 6.28%          |
| 175% AFR          | 7.56%         | 7.42%                         | 7.35%            | 7.31%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 4.83%         | 4.77%                         | 4.74%            | 4.72%          |
| 110% AFR          | 5.32%         | 5.25%                         | 5.22%            | 5.19%          |
| 120% AFR          | 5.80%         | 5.72%                         | 5.68%            | 5.65%          |
| 130% AFR          | 6.30%         | 6.20%                         | 6.15%            | 6.12%          |

## REV. RUL. 2005-27 TABLE 2

## Adjusted AFR for May 2005

|                            | <u>Period for Compounding</u> |                   |                  |                |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
|                            | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term<br>adjusted AFR | 2.61%                         | 2.59%             | 2.58%            | 2.58%          |
| Mid-term<br>adjusted AFR   | 3.29%                         | 3.26%             | 3.25%            | 3.24%          |
| Long-term<br>adjusted AFR  | 4.37%                         | 4.32%             | 4.30%            | 4.28%          |

## REV. RUL. 2005-27 TABLE 3

## Rates Under Section 382 for May 2005

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 4.37% |
| 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.) | 4.37% |

## REV. RUL. 2005-27 TABLE 4

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

|  |       |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 8.06% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.45% |

## REV. RUL. 2005-27 TABLE 5

## Rate Under Section 7520 for May 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 | 5.2% |
|---|------|