

## 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. 2005-32

This revenue ruling provides various prescribed rates for federal income tax purposes for June 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. 2005-32 TABLE 1

## Applicable Federal Rates (AFR) for June 2005

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	3.46%	3.43%	3.42%	3.41%
110% AFR	3.81%	3.77%	3.75%	3.74%
120% AFR	4.16%	4.12%	4.10%	4.09%
130% AFR	4.51%	4.46%	4.44%	4.42%
<u>Mid-term</u>				
AFR	4.01%	3.97%	3.95%	3.94%
110% AFR	4.42%	4.37%	4.35%	4.33%
120% AFR	4.82%	4.76%	4.73%	4.71%
130% AFR	5.23%	5.16%	5.13%	5.11%
150% AFR	6.05%	5.96%	5.92%	5.89%
175% AFR	7.07%	6.95%	6.89%	6.85%
<u>Long-term</u>				
AFR	4.57%	4.52%	4.49%	4.48%
110% AFR	5.03%	4.97%	4.94%	4.92%
120% AFR	5.49%	5.42%	5.38%	5.36%
130% AFR	5.97%	5.88%	5.84%	5.81%

## REV. RUL. 2005-32 TABLE 2

## Adjusted AFR for June 2005

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	2.75%	2.73%	2.72%	2.71%
Mid-term adjusted AFR	3.17%	3.15%	3.14%	3.13%
Long-term adjusted AFR	4.20%	4.16%	4.14%	4.12%

## REV. RUL. 2005-32 TABLE 3

## Rates Under Section 382 for June 2005

Adjusted federal long-term rate for the current month	4.20%
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. 2005-32 TABLE 4

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

Appropriate percentage for the 70% present value low-income housing credit	8.00%
Appropriate percentage for the 30% present value low-income housing credit	3.43%

## REV. RUL. 2005-32 TABLE 5

## Rate Under Section 7520 for June 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	4.8%
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