

## 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.)*

**Federal rates; adjusted federal rates; adjusted federal long-term rate; and long-term exempt rate.** For purposes of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for December 1998.

### Rev. Rul. 98-57

This revenue ruling provides various prescribed rates for federal income tax purposes for December 1998 (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 the 1999 interest rate for purposes of sections 846 and 807.

REV. RUL. 98-57 TABLE 1

Applicable Federal Rates (AFR) for December 1998

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	4.33%	4.28%	4.26%	4.24%
110% AFR	4.77%	4.71%	4.68%	4.66%
120% AFR	5.21%	5.14%	5.11%	5.09%
130% AFR	5.64%	5.56%	5.52%	5.50%
<i>Mid-Term</i>				
AFR	4.52%	4.47%	4.45%	4.43%
110% AFR	4.98%	4.92%	4.89%	4.87%
120% AFR	5.43%	5.36%	5.32%	5.30%
130% AFR	5.89%	5.81%	5.77%	5.74%
150% AFR	6.82%	6.71%	6.65%	6.62%
175% AFR	7.97%	7.82%	7.75%	7.70%
<i>Long-Term</i>				
AFR	5.25%	5.18%	5.15%	5.12%
110% AFR	5.78%	5.70%	5.66%	5.63%
120% AFR	6.32%	6.22%	6.17%	6.14%
130% AFR	6.84%	6.73%	6.67%	6.64%

REV. RUL. 98-57 TABLE 2

Adjusted AFR for December 1998

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
adjusted AFR	3.20%	3.17%	3.16%	3.15%
<i>Mid-term</i>				
adjusted AFR	3.89%	3.85%	3.83%	3.82%
<i>Long-term</i>				
adjusted AFR	4.67%	4.62%	4.59%	4.58%

REV. RUL. 98-57 TABLE 3

Rates Under Section 382 for December 1998

Adjusted federal long-term rate for the current month	4.67%
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).	4.80%

REV. RUL. 98-57 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for December 1998

Appropriate percentage for the 70% present value low-income housing credit	8.14%
Appropriate percentage for the 30% present value low-income housing credit	3.49%

REV. RUL. 98-57 TABLE 5

Rate Under Section 7520 for December 1998

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	5.4%
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REV. RUL. 98-57 TABLE 6

Rate Under Sections 846 and 807

Applicable rate of interest for 1999 for purposes of sections 846 and 807	6.3%
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Section 1288.—Treatment of  
Original Issue Discount on Tax-  
Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of December 1998. See Rev. Rul. 98-57.

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