

## Rev. Rul. 2001-3

This revenue ruling provides various prescribed rates for federal income tax purposes for January 2001 (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 deemed rate of return for transfers made during calendar year 2001 to pooled income funds described in § 642(c)(5) that have been in existence for less than 3 taxable years immediately preceding the taxable year in which the transfer is made.

REV. RUL. 2001-3 TABLE 1

Applicable Federal Rates (AFR) for January 2001

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	5.90%	5.82%	5.78%	5.75%
110% AFR	6.50%	6.40%	6.35%	6.32%
120% AFR	7.10%	6.98%	6.92%	6.88%
130% AFR	7.71%	7.57%	7.50%	7.45%
<i>Mid-Term</i>				
AFR	5.61%	5.53%	5.49%	5.47%
110% AFR	6.17%	6.08%	6.03%	6.00%
120% AFR	6.75%	6.64%	6.59%	6.55%
130% AFR	7.32%	7.19%	7.13%	7.08%
150% AFR	8.47%	8.30%	8.22%	8.16%
175% AFR	9.91%	9.68%	9.57%	9.49%
<i>Long-Term</i>				
AFR	5.78%	5.70%	5.66%	5.63%
110% AFR	6.37%	6.27%	6.22%	6.19%
120% AFR	6.96%	6.84%	6.78%	6.74%
130% AFR	7.55%	7.41%	7.34%	7.30%

REV. RUL. 2001-3 TABLE 2

Applicable Federal Rates (AFR) for January 2001

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-Term adjusted AFR	4.18%	4.14%	4.12%	4.10%
Mid-Term adjusted AFR	4.52%	4.47%	4.45%	4.43%
Long-Term adjusted AFR	5.24%	5.17%	5.14%	5.12%

REV. RUL. 2001-3 TABLE 3

Rates Under Section 382 for January 2001

Adjusted federal long-term rate for the current month	5.24%
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.)	5.39%

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Appropriate Percentages Under Section 42(b)(2) for January 2001

Appropriate percentage for the 70% present value low-income housing credit	8.33%
Appropriate percentage for the 30% present value low-income housing credit	3.57%

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Rate Under Section 7520 for January 2001

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	6.8%
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Deemed Rate for Transfers to New Pooled Income Funds During 2001

Deemed rate of return for transfers during 2001 to pooled income funds that have been in existence for less than 3 taxable years	6.6%
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**Section 1288.—Treatment of Original Issue Discounts on Tax-Exempt Obligations**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of January 2001. See Rev. Rul. 2001-3 page 319.

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**Section 2032A.—Valuation of Certain Farm, Etc., Real Property**

The Service provides an inflation adjustment to the maximum amount by which the value of certain farm and other qualified real property included in a decedent's gross estate may be decreased for purposes of valuing the estate of a decedent dying in calendar year 2001. See Rev. Proc. 2001-13, page 337.

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**Section 2503.—Taxable Gifts**

The Service provides an inflation adjustment to the amount of gifts that may be made to a person in a calendar year without including the amount in taxable gifts for calendar year 2001. See Rev. Proc. 2001-13, page 337.

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**Section 2523.—Gift to Spouse**

The Service provides an inflation adjustment to the amount of gifts that may be made in a calendar year to a spouse who is not a citizen of the United States without including the amount in taxable gifts for calendar year 2001. See Rev. Proc. 2001-13, page 337.

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**Section 2631.—GST Exemption**

The Service provides an inflation adjustment to the amount of the generation-skipping transfer tax

exemption for calendar year 2001. See Rev. Proc. 2001-13, page 337.

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**Section 4001.—Passenger Vehicles**

The Service provides inflation adjustments to the price above which a passenger vehicle becomes subject to an excise tax for transactions occurring in calendar year 2001. See Rev. Proc. 2001-13, page 337.

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**Section 4003.—Special Rules**

The Service provides inflation adjustments to the price above which a passenger vehicle becomes subject to an excise tax for transactions occurring in calendar year 2001. (Price includes the price of installation of parts or accessories on a passenger vehicle within six months of the date after the vehicle was

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## Section 4261.—Imposition of Tax; In General.

This notice provides rules relating to the air transportation tax imposed by § 4261(a) of the Internal Revenue Code on amounts paid for the right to provide mileage awards. The notice reflects changes made by § 1031(c)(2) of the Taxpayer Relief Act of 1997, 1997-4 (Vol. 1) C.B. 2, 144, which added § 4261(e)(3) to the Code. See Notice 2001-6, page 327.

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## Section 4261(c).—Use of International Travel Facilities

The Service provides an inflation adjustment to the amount of the excise tax on passenger air transportation beginning or ending in the United States for calendar year 2001. See Rev. Proc. 2001-13, page 337.

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## Section 6011.—General Requirement of Return, Statement, or List

*26 CFR 31.6011(a)-3: Returns under Federal Unemployment Tax Act.*

What are the requirements of the Form 940 *e-file* Program, which allows taxpayers, reporting agents, transmitters, and software developers to electronically file a Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*? See Rev. Proc. 2001-9, page 328.

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*26 CFR 31.6011(a)-7: Execution of returns.*

What are the requirements of the Form 940 *e-file* Program, which allows taxpayers, reporting agents, transmitters, and software developers to electronically file a Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*? See Rev. Proc. 2001-9, page 328.

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## Section 6033.—Returns by Exempt Organizations

The Service provides an inflation adjustment to the amount of dues certain exempt organizations with nondeductible lobbying expenditures can charge and still be excepted from reporting requirements for taxable years beginning in 2001. See Rev. Proc. 2001-13, page 337.

## Section 6039F.—Notice of Large Gifts Received From Foreign Persons

The Service provides an inflation adjustment to the amount of gifts in a taxable year from foreign person(s) that triggers a reporting requirement for a United States person for taxable years beginning in 2001. See Rev. Proc. 2001-13, page 337.

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## Section 6061.—Signing of Returns and Other Documents

*26 CFR 301.6061-1: Signing of returns and other documents.*

What are the requirements of the Form 940 *e-file* Program, which allows taxpayers, reporting agents, transmitters, and software developers to electronically file a Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*? See Rev. Proc. 2001-9, page 328.

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## Section 6071.—Time for Filing Returns and Other Documents

*26 CFR 31.6071(a)-1: Time for filing returns and other documents.*

What are the requirements of the Form 940 *e-file* Program, which allows taxpayers, reporting agents, transmitters, and software developers to electronically file a Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*? See Rev. Proc. 2001-9, page 328.

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## Section 6323.—Validity and Priority Against Certain Persons

The Service provides inflation adjustments for calendar year 2001 to (1) the maximum amount of a casual sale of personal property below which a federal tax lien will not be valid against a purchaser of the property, and (2) the maximum amount of a contract for the repair or improvement of certain residential property at or below which a federal tax lien will not be valid against a mechanic's lienor. See Rev. Proc. 2001-13, page 337.

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## Section 6334.—Property Exempt From Levy

The Service provides inflation adjustments to the value of certain property exempt from levy (fuel, provisions, furniture, household personal effects, arms for personal use, livestock, poultry, and books and tools of a trade, business, or profession) for calendar year 2001. See Rev. Proc. 2001-13, page 337.

## Section 6601.—Interest on Underpayment, Nonpayment, or Extension of Time for Payment, of Tax

The Service provides an inflation adjustment to the amount used to determine the amount of interest charged on a certain portion of the estate tax payable in installments for the estate of a decedent dying in calendar year 2001. See Rev. Proc. 2001-13, page 337.

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## Section 6651.—Failure to File Tax Return or to Pay Tax

*26 CFR 301.6651-1: Failure to file tax return or to pay tax.*

What are the requirements of the Form 940 *e-file* Program, which allows taxpayers, reporting agents, transmitters, and software developers to electronically file a Form 940, *Employer's Annual Federal Unemployment (FUTA) Tax Return*? See Rev. Proc. 2001-9, page 328.

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## Section 7430.—Awarding of Costs and Certain Fees

The Service provides an inflation adjustment to the hourly limit on attorney fees that may be awarded in a judgement or settlement of an administrative or judicial proceeding concerning the determination, collection, or refund of tax, interest, or penalty for calendar year 2001. See Rev. Proc. 2001-13, page 337.

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## Section 7508.—Time for Performing Certain Acts Postponed by Reason of Service in Combat Zone

*26 CFR 301.7508-1: Time for performing certain acts postponed by reason of service in a combat zone.*

*26 CFR 301.7508A-1: Postponement of certain tax-related deadlines by reason of Presidentially declared disaster.*