

# **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 the long-term exempt rate.** For purposes of sections 382, 642, 1274, 1288, and other sections of the Code, tables set forth the rates for June 2004.

## **Rev. Rul. 2004-54**

This revenue ruling provides various prescribed rates for federal income tax purposes for June 2004 (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 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. 2004-54 TABLE 1				
Applicable Federal Rates (AFR) for June 2004				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	1.98%	1.97%	1.97%	1.96%
110% AFR	2.18%	2.17%	2.16%	2.16%
120% AFR	2.37%	2.36%	2.35%	2.35%
130% AFR	2.58%	2.56%	2.55%	2.55%
<i>Mid-Term</i>				
AFR	3.89%	3.85%	3.83%	3.82%
110% AFR	4.28%	4.24%	4.22%	4.20%
120% AFR	4.67%	4.62%	4.59%	4.58%
130% AFR	5.07%	5.01%	4.98%	4.96%
150% AFR	5.86%	5.78%	5.74%	5.71%
175% AFR	6.85%	6.74%	6.68%	6.65%
<i>Long-Term</i>				
AFR	5.20%	5.13%	5.10%	5.08%
110% AFR	5.72%	5.64%	5.60%	5.57%
120% AFR	6.25%	6.16%	6.11%	6.08%
130% AFR	6.78%	6.67%	6.62%	6.58%

REV. RUL. 2004-54 TABLE 2				
Rates Under Section 382 for June 2004				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	1.61%	1.60%	1.60%	1.59%
Mid-term adjusted AFR	3.06%	3.04%	3.03%	3.02%
Long-term adjusted AFR	4.62%	4.57%	4.54%	4.53%

REV. RUL. 2004-54 TABLE 3	
Rates Under Section 382 for June 2004	
Adjusted federal long-term rate for the current month	4.62%
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.)	4.62%

REV. RUL. 2004-54 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for June 2004

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%

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Rate Under Section 7520 for June 2004

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	4.6%
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