

# Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

## Section 42.—Low-Income Housing Credit

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 382.—Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change

The adjusted applicable federal long-term rate is set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 467.—Certain Payments for the Use of Property or Services

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 482.—Allocation of Income and Deductions Among Taxpayers

Federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, on this page.

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## Section 882(c).—Allowance of Deductions and Credits

The IRS and the Treasury Department are soliciting comments on the appropriate method for allocating interest to certain types of financial positions that may constitute integrated financial transactions. See Notice 2001-59, page 315.

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## 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, 1274, 1288, and other sections of the Code, tables set forth the rates for October 2001.

## Rev. Rul. 2001-49

This revenue ruling provides various prescribed rates for federal income tax purposes for October 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. 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. 2001-49 TABLE 1  
Applicable Federal Rates (AFR) for October 2001

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	3.58%	3.55%	3.53%	3.52%
110% AFR	3.95%	3.91%	3.89%	3.88%
120% AFR	4.31%	4.26%	4.24%	4.22%
130% AFR	4.67%	4.62%	4.59%	4.58%
<i>Mid-Term</i>				
AFR	4.59%	4.54%	4.51%	4.50%
110% AFR	5.05%	4.99%	4.96%	4.94%
120% AFR	5.52%	5.45%	5.41%	5.39%
130% AFR	5.99%	5.90%	5.86%	5.83%
150% AFR	6.93%	6.81%	6.75%	6.72%
175% AFR	8.11%	7.95%	7.87%	7.82%
<i>Long-Term</i>				
AFR	5.39%	5.32%	5.29%	5.26%
110% AFR	5.94%	5.85%	5.81%	5.78%
120% AFR	6.48%	6.38%	6.33%	6.30%
130% AFR	7.04%	6.92%	6.86%	6.82%

REV. RUL. 2001-49 TABLE 2  
Adjusted AFR for October 2001

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
adjusted AFR	2.72%	2.70%	2.69%	2.68%
<i>Mid-term</i>				
adjusted AFR	3.57%	3.54%	3.52%	3.51%
<i>Long-term</i>				
adjusted AFR	4.71%	4.66%	4.63%	4.62%

REV. RUL. 2001-49 TABLE 3  
Rates Under Section 382 for October 2001

Adjusted federal long-term rate for the current month	4.71%
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.)	4.94%

REV. RUL. 2001-49 TABLE 4  
Appropriate Percentages Under Section 42(b)(2) for October 2001

Appropriate percentage for the 70% present value low-income housing credit	8.16%
Appropriate percentage for the 30% present value low-income housing credit	3.50%

REV. RUL. 2001-49 TABLE 5

Rate Under Section 7520 for October 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

5.60%

**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 October 2001. See Rev. Rul. 2001-49, page 312.

**Section 3221.—Rate of Tax**

**Determination of Quarterly Rate of Excise Tax for Railroad Retirement Supplemental Annuity Program**

In accordance with directions in section 3221(c) of the Railroad Retirement Tax Act (26 U.S.C., section 3221(c)), the Railroad Retirement Board has determined that the excise tax imposed by such section 3221(c) on every employer, with respect to having individuals in his employ, for each work-hour for which compensation is paid by such employer for

services rendered to him during the quarter beginning October 1, 2001, shall be at the rate of 26 cents.

In accordance with directions in section 15(a) of the Railroad Retirement Act of 1974, the Railroad Retirement Board has determined that for the quarter beginning October 1, 2001, 38.7 percent of the taxes collected under sections 3211(b) and 3221(c) of the Railroad Retirement Tax Act shall be credited to the Railroad Retirement Account and 61.3 percent of the taxes collected under such sections 3211(b) and 3221(c) plus 100 percent of the taxes collected under section 3221(d) of the Railroad Retirement Tax Act shall be credited to the Railroad Retirement Supplemental Account.

Dated September 14, 2001.  
By Authority of the Board.

Beatrice Ezerski,  
*Secretary to the Board.*

(Filed by the Office of the Federal Register on September 20, 2001, 8:45 a.m., and published in the issue of the Federal Register for September 21, 2001, 66 F.R. 48721)

**Section 7520.—Valuation Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, page 312.

**Section 7872.—Treatment of Loans With Below-Market Interest Rates**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2001. See Rev. Rul. 2001-49, page 312.