

than interest expense) of an affiliated group of corporations (temporary).

\* \* \* \* \*

(e) \* \* \* (1) \* \* \* (i) \* \* \*

(6) *Charitable contribution expenses*—(i) *In general.* A deduction for a charitable contribution by a member of an affiliated group shall be allocated and apportioned under the rules of §1.861-8T(e)(12) and paragraph (c)(1) of this section.

(ii) *Effective date.* (A) The rules of this paragraph shall apply to charitable contributions made on or after July 28, 2004, and, for taxpayers applying the second sentence of §1.861-8T(e)(12)(iv)(A), to charitable contributions made during the taxable year ending on or after July 28, 2004.

(B) The applicability of this section expires on or before July 27, 2007.

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Mark E. Matthews,  
Deputy Commissioner for  
Services and Enforcement.

Approved July 20, 2004.

Gregory Jenner,  
Acting Assistant Secretary of the Treasury.

(Filed by the Office of the Federal Register on July 27, 2004, 8:45 a.m., and published in the issue of the Federal Register for July 28, 2004, 69 F.R. 44930)

## 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 September 2004.

### Rev. Rul. 2004-69

This revenue ruling provides various prescribed rates for federal income tax

purposes for September 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. 2004-69 TABLE 1

Applicable Federal Rates (AFR) for September 2004

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
<i>Short-Term</i>				
AFR	2.34%	2.33%	2.32%	2.32%
110% AFR	2.58%	2.56%	2.55%	2.55%
120% AFR	2.82%	2.80%	2.79%	2.78%
130% AFR	3.05%	3.03%	3.02%	3.01%
<i>Mid-Term</i>				
AFR	3.84%	3.80%	3.78%	3.77%
110% AFR	4.22%	4.18%	4.16%	4.14%
120% AFR	4.61%	4.56%	4.53%	4.52%
130% AFR	5.00%	4.94%	4.91%	4.89%
150% AFR	5.78%	5.70%	5.66%	5.63%
175% AFR	6.76%	6.65%	6.60%	6.56%
<i>Long-Term</i>				
AFR	5.03%	4.97%	4.94%	4.92%
110% AFR	5.54%	5.47%	5.43%	5.41%
120% AFR	6.05%	5.96%	5.92%	5.89%
130% AFR	6.56%	6.46%	6.41%	6.37%

REV. RUL. 2004-69 TABLE 2  
Adjusted AFR for September 2004

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	1.65%	1.64%	1.64%	1.63%
Mid-term adjusted AFR	3.16%	3.14%	3.13%	3.12%
Long-term adjusted AFR	4.51%	4.46%	4.44%	4.42%

REV. RUL. 2004-69 TABLE 3  
Rates Under Section 382 for September 2004

Adjusted federal long-term rate for the current month	4.51%
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.)	4.72%

REV. RUL. 2004-69 TABLE 4  
Appropriate Percentages Under Section 42(b)(2) for September 2004

Appropriate percentage for the 70% present value low-income housing credit	8.03%
Appropriate percentage for the 30% present value low-income housing credit	3.44%

REV. RUL. 2004-69 TABLE 5  
Rate Under Section 7520 for September 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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**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 September 2004. See Rev. Rul. 2004-69, page 445.

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**Section 7520.—Valuation Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2004. See Rev. Rul. 2004-69, page 445.

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**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 September 2004. See Rev. Rul. 2004-69, page 445.