

# 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 June 2009. See Rev. Rul. 2009-16, page 1058.

## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of June 2009. See Rev. Rul. 2009-16, page 1058.

## 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 June 2009. See Rev. Rul. 2009-16, page 1058.

## Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of June 2009. See Rev. Rul. 2009-16, page 1058.

## 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 June 2009. See Rev. Rul. 2009-16, page 1058.

## 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 June 2009. See Rev. Rul. 2009-16, page 1058.

## 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 June 2009. See Rev. Rul. 2009-16, page 1058.

## 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 June 2009. See Rev. Rul. 2009-16, page 1058.

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

Federal short-term, mid-term, and long-term rates are set forth for the month of June 2009. See Rev. Rul. 2009-16, page 1058.

## 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 June 2009. See Rev. Rul. 2009-16, page 1058.

## 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 June 2009. See Rev. Rul. 2009-16, page 1058.

## 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 2009.

## Rev. Rul. 2009-16

This revenue ruling provides various prescribed rates for federal income tax purposes for June 2009 (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)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%. 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. 2009-16 TABLE 1  
Applicable Federal Rates (AFR) for June 2009

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	.75%	.75%	.75%	.75%
110% AFR	.83%	.83%	.83%	.83%
120% AFR	.90%	.90%	.90%	.90%
130% AFR	.98%	.98%	.98%	.98%
<i>Mid-term</i>				
AFR	2.25%	2.24%	2.23%	2.23%
110% AFR	2.48%	2.46%	2.45%	2.45%
120% AFR	2.71%	2.69%	2.68%	2.68%
130% AFR	2.93%	2.91%	2.90%	2.89%
150% AFR	3.39%	3.36%	3.35%	3.34%
175% AFR	3.96%	3.92%	3.90%	3.89%
<i>Long-term</i>				
AFR	3.88%	3.84%	3.82%	3.81%
110% AFR	4.26%	4.22%	4.20%	4.18%
120% AFR	4.66%	4.61%	4.58%	4.57%
130% AFR	5.05%	4.99%	4.96%	4.94%

REV. RUL. 2009-16 TABLE 2  
Adjusted AFR for June 2009

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.75%	.75%	.75%	.75%
Mid-term adjusted AFR	2.05%	2.04%	2.03%	2.03%
Long-term adjusted AFR	4.28%	4.24%	4.22%	4.20%

REV. RUL. 2009-16 TABLE 3  
Rates Under Section 382 for June 2009

Adjusted federal long-term rate for the current month	4.28%
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.)	4.61%

REV. RUL. 2009-16 TABLE 4  
Appropriate Percentages Under Section 42(b)(1) for June 2009

Note: Under Section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	7.71%
Appropriate percentage for the 30% present value low-income housing credit	3.30%

REV. RUL. 2009-16 TABLE 5

Rate Under Section 7520 for June 2009

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

2.8%

## 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 June 2009. See Rev. Rul. 2009-16, page 1058.

## Section 1563.—Definitions and Special Rules

26 CFR 1.1563-1: *Definitions of controlled group of corporations and component members and related concepts.*

**T.D. 9451**

### DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 1

### Guidance Necessary to Facilitate Business Election Filing; Finalization of Controlled Group Qualification Rules

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulation and removal of temporary regulation.

SUMMARY: This document contains a final regulation that provides guidance to taxpayers for determining which corporations are included in a controlled group of corporations. This regulation is being published to replace an expiring temporary regulation.

DATES: *Effective Date:* This regulation is effective on May 27, 2009.

*Applicability Date:* Section 1.1563-1T(c)(2)(i)-(iii) expired on May 26, 2009, pursuant to section 7805(e)(2) and §1.1563-1T(e)(2). In accordance

with section 7805(b)(1)(B), this regulation applies to taxable years beginning on or after May 26, 2009. However, taxpayers may apply this regulation to taxable years beginning before May 26, 2009. See §1.1563-1(e).

FOR FURTHER INFORMATION CONTACT: Grid Glycer, (202) 622-7930 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

#### Paperwork Reduction Act

The collection of information contained in this final regulation has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under control number 1545-2019.

This collection of information is in §1.1563-1(c)(2). This information is required if a taxpayer or taxpayers could be a member of more than one brother-sister controlled group and does not elect which group to be a member of. In that case, the IRS would designate a group.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as long as their contents might become material in the administration of any internal revenue law. Generally, tax returns and tax return information are confidential, as required by 26 U.S.C. 6103.

#### Background and Explanation of Provisions

On December 22, 2006, the IRS and the Treasury Department published several temporary regulations, including §1.1563-1T. See T.D. 9304 (71 FR 76904), 2007-1 C.B. 423. Also on December 22, 2006, the IRS and the Treasury

Department issued a notice of proposed rulemaking cross-referencing those temporary regulations. See REG-161919-05 (71 FR 76955), 2007-1 C.B. 463. Section 1.1563-1T was also amended by the publication of a temporary regulation on December 26, 2007. See T.D. 9369 (72 FR 72929), 2008-6 I.R.B. 394. Also on December 26, 2007, the IRS and Treasury Department issued a notice of proposed rulemaking cross-referencing that temporary regulation. See REG-104713-07 (72 FR 72970), 2008-6 I.R.B. 409.

Section 1.1563-1T republished §1.1563-1 to conform it to current formatting conventions. It was not intended that any such reformatting constitute a substantive change. See §3.A of the preamble to T.D. 9304. Treasury decision 9304 also removed §1.1563-1. Section 1.1563-1T provides guidance to taxpayers for determining which corporations are included in a controlled group of corporations.

This Treasury decision adopts the proposed regulation §1.1563-1 with no substantive changes. In addition, this Treasury decision removes the corresponding temporary regulation, §1.1563-1T.

This Treasury decision does not adopt the other proposed regulations that were published as part of T.D. 9304. Those proposed regulations are now found in REG-113688-09, and their status will be addressed at a later date.

The IRS and the Treasury Department received no written or electronic comments from the public in response to the notice of proposed rulemaking and no public hearing was requested or held.

#### Special Analysis

It has been determined that this Treasury Decision is not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It has also been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to this regulation. Pursuant to the