

(e) *Effective/applicability date.* The last sentence of paragraph (b)(1)(vi) of this section applies to taxable years of controlled foreign corporations beginning on or after May 2, 2006, and for taxable years of United States shareholders with or within which such taxable years of the controlled foreign corporations end. Taxpayers may elect to apply the rule of the last sentence of paragraph (b)(1)(vi) of this section to taxable years of controlled foreign corporations beginning after December 31, 2004, and for taxable years of United States shareholders with or within which such taxable years of the controlled foreign corporations end. If an election is made to apply the last two sentences of §1.954-2(c)(2)(ii) and §1.954-2(c)(2)(v) through (vii) to taxable years of a controlled foreign corporation beginning after December 31, 2004, then the election must also be made for the last sentence of paragraph (b)(1)(vi) of this section.

Par. 11. Section 1.956-2T is amended by removing and reserving paragraphs (b)(1)(vi) and (e) to read as follows:

*§1.956-2T Definition of United States property (temporary).*

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(b) \* \* \*

(1) \* \* \*

(vi) [Reserved]. For further guidance, see §1.956-2(b)(1)(vi).

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(e) [Reserved]. For further guidance, see §1.956-2(e).

Steven T. Miller,  
*Deputy Commissioner for  
Services and Enforcement.*

Approved March 30, 2011.

Michael Mundaca,  
*Assistant Secretary of  
the Treasury (Tax Policy).*

(Filed by the Office of the Federal Register on May 5, 2011, 8:45 a.m., and published in the issue of the Federal Register for May 6, 2011, 76 F.R. 26178)

## **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 2011. See Rev. Rul. 2011-13, page 841.

## **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 2011. See Rev. Rul. 2011-13, page 841.

## **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 2011. See Rev. Rul. 2011-13, page 841.

## **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 2011. See Rev. Rul. 2011-13, page 841.

## **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 2011. See Rev. Rul. 2011-13, page 841.

## **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 2011. See Rev. Rul. 2011-13, page 841.

## **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 2011. See Rev. Rul. 2011-13, page 841.

## **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 2011. See Rev. Rul. 2011-13, page 841.

## **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 2011. See Rev. Rul. 2011-13, page 841.

## **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 2011.

## **Rev. Rul. 2011-13**

This revenue ruling provides various prescribed rates for federal income tax purposes for June 2011 (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. 2011-13 TABLE 1				
Applicable Federal Rates (AFR) for June 2011				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	.46%	.46%	.46%	.46%
110% AFR	.51%	.51%	.51%	.51%
120% AFR	.55%	.55%	.55%	.55%
130% AFR	.60%	.60%	.60%	.60%
<i>Mid-term</i>				
AFR	2.27%	2.26%	2.25%	2.25%
110% AFR	2.51%	2.49%	2.48%	2.48%
120% AFR	2.73%	2.71%	2.70%	2.69%
130% AFR	2.96%	2.94%	2.93%	2.92%
150% AFR	3.42%	3.39%	3.38%	3.37%
175% AFR	4.00%	3.96%	3.94%	3.93%
<i>Long-term</i>				
AFR	4.05%	4.01%	3.99%	3.98%
110% AFR	4.46%	4.41%	4.39%	4.37%
120% AFR	4.87%	4.81%	4.78%	4.76%
130% AFR	5.28%	5.21%	5.18%	5.15%

REV. RUL. 2011-13 TABLE 2				
Adjusted AFR for June 2011				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.70%	.70%	.70%	.70%
Mid-term adjusted AFR	1.83%	1.82%	1.82%	1.81%
Long-term adjusted AFR	4.17%	4.13%	4.11%	4.09%

REV. RUL. 2011-13 TABLE 3	
Rates Under Section 382 for June 2011	
Adjusted federal long-term rate for the current month	4.17%
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.)	4.30%

REV. RUL. 2011-13 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for June 2011

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	7.73%
Appropriate percentage for the 30% present value low-income housing credit	3.31%

REV. RUL. 2011-13 TABLE 5

Rate Under Section 7520 for June 2011

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%
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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 June 2011. See Rev. Rul. 2011-13, page 841.

## Section 3402.—Income Tax Collected at Source

26 CFR 31.3402(t)-0: Outline of the government withholding regulations.

### T.D. 9524

#### DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 31

#### Extension of Withholding to Certain Payments Made by Government Entities

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to withholding by government entities. These regulations reflect changes in the law made by the Tax Increase Prevention and Reconciliation Act of 2005 that require Federal, State, and local government entities to withhold income tax when making payments to persons providing property or services. These

regulations affect Federal, State, and local government entities that will be required to withhold and report tax from payments to persons providing property or services and also affect the persons receiving payments for property or services from the government entities.

**DATES: Effective Date:** These regulations are effective on May 9, 2011.

**Applicability Date:** For dates of applicability, see §§31.3402(t)-1(d), 31.3402(t)-2(i), 31.3402(t)-3(g), 31.3402(t)-4(u), 31.3402(t)-5(e), 31.3402(t)-6(d), 31.3402(t)-7(b), 31.3406(g)-2(i), 31.6011(a)-4(d), 31.6051-5(g), 31.6071(a)-1(g), 31.6302-1(n), and 31.6302-4(e).

FOR FURTHER INFORMATION CONTACT: A. G. Kelley, (202) 622-6040 (not a toll-free number).

#### SUPPLEMENTARY INFORMATION:

##### Background

This document contains amendments to 26 CFR Part 31 under section 3402(t) of the Internal Revenue Code (Code). This document also contains amendments to 26 CFR Part 31 under sections 3406, 6011, 6051, 6071, and 6302 of the Code.

Section 3402(t) of the Code was added by section 511 of the Tax Increase Prevention and Reconciliation Act of 2005, Public Law 109-222 (TIPRA), 120 Stat. 345, which was enacted into law on May 17, 2006. Section 3402(t)(1) provides that the Government of the United States, every State, every political subdivision thereof, and every

instrumentality of the foregoing (including multi-State agencies) making any payment to any person providing any property or services (including any payment made in connection with a government voucher or certificate program which functions as a payment for property or services) shall deduct and withhold from such payment a tax in an amount equal to 3 percent of such payment. Section 3402(t)(2) provides exceptions to withholding under section 3402(t).

Proposed regulations under sections 3402(t), 3406, 6011, 6051, 6071, and 6302 of the Code were published in the **Federal Register** on December 5, 2008 (REG-158747-06, 2009-4 I.R.B. 362 [73 FR 74082]).

After the issuance of the proposed regulations, section 1511 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (ARRA), 123 Stat. 115, 355, extended the effective date of section 3402(t) withholding to payments made after December 31, 2011.

Notice 2010-91, 2010-52 I.R.B. 915, provided interim guidance on the application of section 3402(t) to payments by debit cards, credit cards, stored value cards, and other payment cards.

Written comments were received in response to the proposed regulations, and a public hearing was held on April 16, 2009. All comments are available at [www.regulations.gov](http://www.regulations.gov) or upon request. After consideration of all the comments, the proposed regulations are adopted as amended by this Treasury decision.