

# 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 July 2014. See Rev. Rul. 2014–20, page 101.

## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of July 2014. See Rev. Rul. 2014–20, page 101.

## 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 July 2014. See Rev. Rul. 2014–20, page 101.

## Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2014. See Rev. Rul. 2014–20, page 101.

## 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 July 2014. See Rev. Rul. 2014–20, page 101.

## 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 July 2014. See Rev. Rul. 2014–20, page 101.

## 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 July 2014. Rev. Rul. 2014–20, page 101.

## 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 July 2014. See Rev. Rul. 2014–20, page 101.

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

Federal short-term, mid-term, and long-term rates are set forth for the month of July 2014. See Rev. Rul. 2014–20, page 101.

## 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 July 2014. See Rev. Rul. 2014–20, page 101.

## 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 July 2014. See Rev. Rul. 2014–20, page 101.

## 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.)*

## Rev. Rul. 2014–20

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2014 (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, with respect to housing credit dollar amount allocations made before January 1, 2014, shall not be less than 9%.

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. Finally, Table 6 contains the blended annual rate for 2014 for purposes of section 7872.

REV. RUL. 2014–20 TABLE 1

Applicable Federal Rates (AFR) for July 2014

	<i>Annual</i>	<i>Period for Compounding</i>		<i>Quarterly</i>	<i>Monthly</i>
		<i>Semiannual</i>	<i>Short-term</i>		
AFR	.31%	.31%	.31%	.31%	.31%
110% AFR	.34%	.34%	.34%	.34%	.34%
120% AFR	.37%	.37%	.37%	.37%	.37%
130% AFR	.40%	.40%	.40%	.40%	.40%
		<i>Mid-term</i>			
AFR	1.82%	1.81%	1.81%	1.81%	1.80%
110% AFR	2.00%	1.99%	1.99%	1.99%	1.98%
120% AFR	2.18%	2.17%	2.16%	2.16%	2.16%
130% AFR	2.36%	2.35%	2.34%	2.34%	2.34%
150% AFR	2.74%	2.72%	2.71%	2.71%	2.70%
175% AFR	3.20%	3.17%	3.16%	3.16%	3.15%
		<i>Long-term</i>			
AFR	3.06%	3.04%	3.03%	3.03%	3.02%
110% AFR	3.37%	3.34%	3.33%	3.33%	3.32%
120% AFR	3.68%	3.65%	3.63%	3.63%	3.62%
130% AFR	3.99%	3.95%	3.93%	3.93%	3.92%

REV. RUL. 2014–20 TABLE 2

Adjusted AFR for July 2014

	<i>Period for Compounding</i>		<i>Quarterly</i>	<i>Monthly</i>
	<i>Annual</i>	<i>Semiannual</i>		
Short-term adjusted AFR	.31%	.31%	.31%	.31%
Mid-term adjusted AFR	1.40%	1.40%	1.40%	1.40%
Long-term adjusted AFR	3.06%	3.04%	3.03%	3.02%

REV. RUL. 2014–20 TABLE 3

Rates Under Section 382 for July 2014

Adjusted federal long-term rate for the current month	3.06%
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.)	3.27%

REV. RUL. 2014–20 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for July 2014

Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, with respect to housing credit dollar amount allocations made before January 1, 2014, shall not be less than 9%.

Appropriate percentage for the 70% present value loW–income housing credit	7.56%
Appropriate percentage for the 30% present value loW–income housing credit	3.24%

REV. RUL. 2014-20 TABLE 5

Rate Under Section 7520 for July 2014

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 2.2%

REV. RUL. 2014-20 TABLE 6

Blended Annual Rate for 2014

Section 7872(e)(2) blended annual rate for 2014 .28%

## 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 July 2014. See Rev. Rul. 2014-20, page 101.

## Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2014. See Rev. Rul. 2014-20, page 101.

## 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 July 2014. See Rev. Rul. 2014-20, page 101.

## Section 7602.—Examination of Books and Witnesses

26 CFR 301.7602-1 Participation of a Person Described in Section 6103(n) in a Summons Interview Under Section 7602(a)(2) of the Internal Revenue Code

### TD 9669

## DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 301

## Summons Interview Regulations Under 7602

AGENCY: Internal Revenue Service (IRS), Treasury.

**ACTION:** Temporary regulations.

**SUMMARY:** This document contains temporary regulations modifying regulations promulgated under section 7602(a) of the Internal Revenue Code relating to administrative summonses. Specifically, these temporary regulations clarify that persons with whom the IRS or the Office of Chief Counsel (Chief Counsel) contracts for services described in section 6103(n) and its implementing regulations may be included as persons designated to receive summoned books, papers, records, or other data and to take summoned testimony under oath. These temporary regulations may affect taxpayers, a taxpayer's officers or employees, and any third party who is served with a summons, as well as any other person entitled to notice of a summons. The text of these temporary regulations serves as the text of the proposed regulations (REG-121542-14) set forth in the notice of proposed rulemaking on this subject in the Proposed Rules section in this issue of the **Bulletin**.

**DATES:** *Effective Date:* These regulations are effective on June 18, 2014.

*Applicability Date:* For date of applicability, see paragraph (d) of this temporary regulation.

**FOR FURTHER INFORMATION CONTACT:** A M Gulas at (202) 317-6834 (not a toll-free number).

### SUPPLEMENTARY INFORMATION:

#### Background and Explanation of Provisions

These temporary regulations amend Procedure and Administration Regulations (26 CFR part 301) promulgated un-

der section 7602 of the Internal Revenue Code. These temporary regulations make clear that persons described in section 6103(n) and Treas. Reg. § 301.6103(n)-1(a) with whom the IRS or Chief Counsel contracts for services may receive books, papers, records, or other data summoned by the IRS and take testimony of a person who the IRS has summoned as a witness to provide testimony under oath. While IRS officers and employees remain responsible for issuing summonses and developing and conducting examinations, the temporary regulations clarify that contractors are permitted to participate fully in a summons interview. Full participation includes, but is not limited to, receipt, review, and use of summoned books, papers, records, or other data, being present during summons interviews, questioning the person providing testimony under oath, and asking a summoned person's representative to clarify an objection or an assertion of privilege.

The assistance of persons from outside the IRS or Chief Counsel promotes efficient administration and enforcement of laws administered by the IRS, by providing specialized knowledge, skills, or abilities that the IRS officers or employees assigned to the case may not possess. For example, outside persons often assist the IRS in matters involving transfer pricing. To clarify the role of these outside persons, these temporary regulations expressly provide that when an IRS officer or employee summons a taxpayer or other witness to produce books, papers, records, or other data and/or to give testimony, an outside person hired by the IRS or Chief Counsel authorized to receive returns or return information pursuant to section 6103(n) may receive the summoned