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Par. 6. Section 1.36B-6 is added to read as follows:

§ 1.36B-6 *Minimum value.*

(a) *In general.* An eligible employer-sponsored plan provides minimum value (MV) only if—

(1) The plan's share of the total allowed costs of benefits provided to an employee (the MV percentage) is at least 60 percent; and

(2) [Reserved]

(b) *MV standard population.* [Reserved]

(c) *MV percentage*—(1) *In general.* [Reserved]

(2) *Wellness program incentives*—(i) *In general.* Nondiscriminatory wellness program incentives offered by an eligible employer-sponsored plan that affect deductibles, copayments, or other cost-sharing are treated as earned in determining the plan's MV percentage if the incentives relate exclusively to tobacco use. Wellness program incentives that do not relate to tobacco use or that include a component unrelated to tobacco use are treated as not earned for this purpose. For purposes of this section, the term *wellness program incentive* has the same meaning as the term *reward* in § 54.9802-1(f)(1)(i) of this chapter.

(ii) *Example.* The following example illustrates the rules of this paragraph (c)(2):

Example. (i) Employer X offers an eligible employer-sponsored plan that reduces the deductible by \$300 for employees who do not use tobacco products or who complete a smoking cessation course. The deductible is reduced by \$200 if an employee completes cholesterol screening within the first six months of the plan year. Employee B does not use tobacco and his deductible is \$3,700. Employee C uses tobacco and her deductible is \$4,000.

(ii) Under paragraph (c)(2)(i) of this section, only the incentives related to tobacco use are considered in determining the plan's MV percentage. C is treated as having earned the \$300 incentive for attending a smoking cessation course regardless of whether C actually attends the course. Thus, the deductible for determining for the MV percentage for both Employees B and C is \$3,700. The \$200 incentive for completing cholesterol screening is disregarded.

(3) *Employer contributions to health savings accounts.* Employer contributions for the current plan year to health savings accounts that are offered with an eligible employer-sponsored plan are taken into account for that plan year towards the plan's MV percentage.

(4) *Employer contributions to health reimbursement arrangements.* Amounts

newly made available for the current plan year under a health reimbursement arrangement that would be integrated within the meaning of Notice 2013-54 (2013-40 IRB 287), see § 601.601(d) of this chapter, with an eligible employer-sponsored plan for an employee enrolled in the plan are taken into account for that plan year towards the plan's MV percentage if the amounts may be used to reduce only cost-sharing for covered medical expenses. A health reimbursement arrangement counts toward a plan's MV percentage only if the health reimbursement arrangement and the eligible employer-sponsored plan are offered by the same employer. Employer contributions to a health reimbursement arrangement count for a plan year towards the plan's MV percentage only to the extent the amount of the annual contribution is required under the terms of the plan or otherwise determinable within a reasonable time before the employee must decide whether to enroll in the eligible employer-sponsored plan.

(5) *Expected spending adjustments for health savings accounts and health reimbursement arrangements.* [Reserved]

(d) *Methods for determining MV.* [Reserved]

(e) *Scope of essential health benefits and adjustment for benefits not included in MV Calculator.* [Reserved]

(f) *Actuarial certification.* [Reserved]

(1) *In general.* [Reserved]

(2) *Membership in American Academy of Actuaries.* [Reserved]

(3) *Actuarial analysis.* [Reserved]

(4) *Use of MV Calculator.* [Reserved]

(g) *Effective/applicability date*—*in general.* (1) Except as provided in paragraph (g)(2) of this section, this section applies for taxable years ending after December 31, 2013.

(2) *Exception.* [Reserved]

Par. 7. Section 1.6011-8 is amended by revising paragraph (a) to read as follows:

§ 1.6011-8 *Requirement of income tax return for taxpayers who claim the premium tax credit under section 36B.*

(a) *Requirement of return.* A taxpayer for whom advance payments of the premium tax credit under section 36B are made in a taxable year must file an income tax return for that taxable year on or before the due date for the return (including extensions of time for filing).

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John Dalrymple,
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Services and Enforcement.*

Approved: December 11, 2015

Mark J. Mazur,
*Assistant Secretary of the
Treasury (Tax Policy).*

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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.)

Rev. Rul. 2016-1

This revenue ruling provides various prescribed rates for federal income tax purposes for January 2016 (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, 2015, 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. Fi-

nally, Table 6 contains the deemed rate of return for transfers made during calendar year 2016 to pooled income funds de-

scribed in section 642(c)(5) that have been in existence for less than 3 taxable years

immediately preceding the taxable year in which the transfer was made.

REV. RUL. 2016-1 TABLE 1				
Applicable Federal Rates (AFR) for January 2016				
	<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	1.81%	1.80%	1.80%	1.79%
110% AFR	1.99%	1.98%	1.98%	1.97%
120% AFR	2.17%	2.16%	2.15%	2.15%
130% AFR	2.35%	2.34%	2.33%	2.33%
150% AFR	2.72%	2.70%	2.69%	2.68%
175% AFR	3.17%	3.15%	3.14%	3.13%
		<i>Long-term</i>		
AFR	2.65%	2.63%	2.62%	2.62%
110% AFR	2.91%	2.89%	2.88%	2.87%
120% AFR	3.18%	3.16%	3.15%	3.14%
130% AFR	3.45%	3.42%	3.41%	3.40%

REV. RUL. 2016-1 TABLE 2				
Adjusted AFR for January 2016				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.57%	.57%	.57%	.57%
Mid-term adjusted AFR	1.46%	1.45%	1.45%	1.45%
Long-term adjusted AFR	2.65%	2.63%	2.62%	2.62%

REV. RUL. 2016-1 TABLE 3	
Rates Under Section 382 for January 2016	
Adjusted federal long-term rate for the current month	2.65%
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.)	2.65%

REV. RUL. 2016-1 TABLE 4	
Appropriate Percentages Under Section 42(b)(1) for January 2016	
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, 2015 shall not be less than 9%.	
Appropriate percentage for the 70% present value low-income housing credit	7.51%
Appropriate percentage for the 30% present value low-income housing credit	3.22%

REV. RUL. 2016-1 TABLE 5
Rate Under Section 7520 for January 2016

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. 2016-1 TABLE 6
Deemed Rate for Transfers to New Pooled Income Funds During 2016

Deemed rate of return for transfers during 2016 to pooled income funds that have been in existence for less than 3 taxable years 1.2%

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 December 2015. See Rev. Rul. 2015-25, page 695.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of December 2015. See Rev. Rul. 2015-25, page 695.

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 December 2015. See Rev. Rul. 2015-25, page 695.

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of December 2015. See Rev. Rul. 2015-25, page 695.

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 December 2015. See Rev. Rul. 2015-25, page 695.

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 December 2015. See Rev. Rul. 2015-25, page 695.

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 December 2015. See Rev. Rul. 2015-25, page 695.

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 December 2015. See Rev. Rul. 2015-25, page 695.

Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of December 2015. See Rev. Rul. 2015-25, page 695.

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 December 2015. See Rev. Rul. 2015-25, page 695.

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 December 2015. See Rev. Rul. 2015-25, page 695.

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 December 2015. See Rev. Rul. 2015-25, page 695.

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of December 2015. See Rev. Rul. 2015-25, page 695.

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 December 2015. See Rev. Rul. 2015-25, page 695.