

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 1999. See Rev. Rul. 99-29, on this page.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of July 1999. See Rev. Rul. 99-29, on this page.

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 1999. See Rev. Rul. 99-29, on this page.

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 1999. See Rev. Rul. 99-29, on this page.

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 1999. See Rev. Rul. 99-29, on this page.

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 1999. See Rev. Rul. 99-29, on this page.

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 1999. See Rev. Rul. 99-29, on this page.

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 1999. See Rev. Rul. 99-29, on this page.

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 1999. See Rev. Rul. 99-29, on this page.

Section 807.—Rule for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1999. See Rev. Rul. 99-29, on this page.

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 1999. See Rev. Rul. 99-29, on this page.

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 1274, 1288, 382, and other sections of the Code, tables set forth the rates for July 1999.

Rev. Rul. 99-29

This revenue ruling provides various prescribed rates for federal income tax purposes for July 1999 (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. 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 1999 for purposes of section 7872.

REV. RUL. 99-29 TABLE 1
Applicable Federal Rates (AFR) for July 1999

Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	5.32%	5.25%	5.22%	5.19%
110% AFR	5.86%	5.78%	5.74%	5.71%
120% AFR	6.40%	6.30%	6.25%	6.22%
130% AFR	6.95%	6.83%	6.77%	6.73%
<i>Mid-Term</i>				
AFR	5.82%	5.74%	5.70%	5.67%
110% AFR	6.41%	6.31%	6.26%	6.23%
120% AFR	7.01%	6.89%	6.83%	6.79%
130% AFR	7.60%	7.46%	7.39%	7.35%
150% AFR	8.80%	8.61%	8.52%	8.46%
175% AFR	10.30%	10.05%	9.93%	9.85%
<i>Long-Term</i>				
AFR	6.10%	6.01%	5.97%	5.94%
110% AFR	6.72%	6.61%	6.56%	6.52%
120% AFR	7.34%	7.21%	7.15%	7.10%
130% AFR	7.96%	7.81%	7.74%	7.69%

REV. RUL. 99-29 TABLE 2

Adjusted AFR for July 1999

Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
adjusted AFR	3.48%	3.45%	3.44%	3.43%
<i>Mid-term</i>				
adjusted AFR	4.14%	4.10%	4.08%	4.07%
<i>Long-term</i>				
adjusted AFR	4.98%	4.92%	4.89%	4.87%

REV. RUL. 99-29 TABLE 3

Rates Under Section 382 for July 1999

Adjusted federal long-term rate for the current month	4.98%
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.)	4.98%

REV. RUL. 99-29 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for July 1999

Appropriate percentage for the 70% present value low-income housing credit	8.40%
Appropriate percentage for the 30% present value low-income housing credit	3.60%

REV. RUL. 99-29 TABLE 5

Rate Under Section 7520 for July 1999

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

7.0%

REV. RUL. 99-29 TABLE 6

Blended Annual Rate for 1999

Section 7872(e)(2) blended annual rate for 1999

4.94%

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 1999. See Rev. Rul. 99-29, page 3.

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 1999. See Rev. Rul. 99-29, page 3.

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 1999. See Rev. Rul. 99-29, page 3.

Section 6302.—Mode or Time of Collection

26 CFR 31.6302-1: Federal tax deposit rules for withheld income taxes and taxes under the Federal Insurance Contributions Act (FICA) attributable to payments made after December 31, 1992.

T.D. 8822

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 31

Federal Employment Tax Deposits-De Minimis Rule

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the deposit of Federal employment taxes. The final regulations adopt the rules of temporary regulations that change the *de minimis* deposit rule for quarterly and annual return periods from \$500 to \$1,000. The regulations affect taxpayers required to make deposits of Federal employment taxes.

DATES: *Effective date:* These regulations are effective June 17, 1999.

Applicability date: For dates of applicability, see §31.6302-1(f)(4).

FOR FURTHER INFORMATION CONTACT: Vincent Surabian, (202) 622-4940 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to 26 CFR part 31, Employment Taxes and Collection of Income Tax at Source. On June 16, 1998, temporary and final regulations (T.D. 8771, 1998-29 I.R.B. 6) relating to the deposit of Federal employment taxes under section 6302 of the Internal Revenue Code were published in the **Federal Register** (63 F.R. 32735). A notice of proposed rulemaking (REG-110403-98, 1998-29 I.R.B. 11) cross-referencing the temporary regulations was published in the **Federal Register** for the same day (63 F.R. 32774). No comments were received from the public in response to the notice of proposed rulemaking.

Explanation of Provisions

These final regulations adopt the rules of the temporary regulations. Under these rules, a taxpayer that has accumulated Federal employment taxes of less than \$1,000 for a return period (quarterly or annual, as the case may be) does not have to make deposits but may remit its full liability with a timely filed return for the return period. The regulations are effective with respect to quarterly return periods beginning on or after July 1, 1998, and annual return periods beginning on or after January 1, 1999.

Special Analyses

It has been determined that this Treasury decision is not a significant regulatory action as defined in EO 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations, and because these regulations do not impose a collection of information on small entities, the Regulatory Flexibility Act (5 U.S.C. chapter 6) does not apply. Pursuant to section 7805(f) of the Internal Revenue Code, the notice of proposed rulemaking preceding these regulations was submitted to the Chief Counsel for Advocacy of the Small Business Administration for comment on its impact on small business.

Drafting Information

The principal author of these regulations is Vincent Surabian, Office of Assistant Chief Counsel (Income Tax & Accounting). However, other personnel