

any controlling corporation of the combining entity of the transferee unit if stock thereof is provided as consideration in the transaction, and any direct or indirect transferee of transferred basis property from any of the foregoing, may not elect to apply the provisions of the temporary regulations unless all such taxpayers elect to apply the provisions of the temporary regulations.

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Cono R. Namorato,  
*Acting Deputy Commissioner for  
Services and Enforcement.*

Approved April 17, 2006.

Eric Solomon,  
*Acting Deputy Assistant  
Secretary of the Treasury (Tax Policy).*

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### **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 May 2006. See Rev. Rul. 2006-24, page 875.

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### **Section 412.—Minimum Funding Standards**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of May 2006. See Rev. Rul. 2006-24, page 875.

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### **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 May 2006. See Rev. Rul. 2006-24, page 875.

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### **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 May 2006. See Rev. Rul. 2006-24, page 875.

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### **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 May 2006. See Rev. Rul. 2006-24, page 875.

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### **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 May 2006. See Rev. Rul. 2006-24, page 875.

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### **Section 501.—Exemption From Tax on Corporations, Certain Trusts, etc.**

A notice provides guidance as to the meaning of “gross receipts” for purposes of section 501(c)(15)(A) of the Internal Revenue Code. See Notice 2006-42, page 878.

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

Federal short-term, mid-term, and long-term rates are set forth for the month of May 2006. See Rev. Rul. 2006-24, page 875.

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### **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 May 2006. See Rev. Rul. 2006-24, page 875.

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### **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 May 2006. See Rev. Rul. 2006-24, page 875.

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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.)

**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 May 2006.

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### **Rev. Rul. 2006-24**

This revenue ruling provides various prescribed rates for federal income tax purposes for May 2006 (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. 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. 2006-24 TABLE 1  
Applicable Federal Rates (AFR) for May 2006

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	4.85%	4.79%	4.76%	4.74%
110% AFR	5.34%	5.27%	5.24%	5.21%
120% AFR	5.83%	5.75%	5.71%	5.68%
130% AFR	6.33%	6.23%	6.18%	6.15%
<i>Mid-term</i>				
AFR	4.84%	4.78%	4.75%	4.73%
110% AFR	5.33%	5.26%	5.23%	5.20%
120% AFR	5.82%	5.74%	5.70%	5.67%
130% AFR	6.31%	6.21%	6.16%	6.13%
150% AFR	7.30%	7.17%	7.11%	7.07%
175% AFR	8.55%	8.37%	8.28%	8.23%
<i>Long-term</i>				
AFR	5.00%	4.94%	4.91%	4.89%
110% AFR	5.50%	5.43%	5.39%	5.37%
120% AFR	6.02%	5.93%	5.89%	5.86%
130% AFR	6.52%	6.42%	6.37%	6.34%

REV. RUL. 2006-24 TABLE 2  
Adjusted AFR for May 2006

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.46%	3.43%	3.42%	3.41%
Mid-term adjusted AFR	3.66%	3.63%	3.61%	3.60%
Long-term adjusted AFR	4.30%	4.25%	4.23%	4.21%

REV. RUL. 2006-24 TABLE 3  
Rates Under Section 382 for May 2006

Adjusted federal long-term rate for the current month	4.30%
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. 2006-24 TABLE 4  
Appropriate Percentages Under Section 42(b)(2) for May 2006

Appropriate percentage for the 70% present value low-income housing credit	8.15%
Appropriate percentage for the 30% present value low-income housing credit	3.49%

REV. RUL. 2006-24 TABLE 5

Rate Under Section 7520 for May 2006

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

5.8%

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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 May 2006. See Rev. Rul. 2006-24, page 875.

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**Section 7520.—Valuation  
Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of May 2006. See Rev. Rul. 2006-24, page 875.

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**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 May 2006. See Rev. Rul. 2006-24, page 875.