

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 June 2007. See Rev. Rul. 2007-36, page 1339.

Section 199.—Income Attributable to Domestic Production Activities

26 CFR 1.199-5T: Application of section 199 to pass-thru entities.

A revenue procedure specifies the conditions under which certain eligible partnerships and S corporations may calculate qualified production activities income (QPAI) and W-2 wages at the entity level, as well as the manner for allocating and reporting these amounts to partners and shareholders for purposes of determining each partner's or shareholder's § 199 deduction for the taxable year. See Rev. Proc. 2007-34, page 1345.

A revenue procedure provides guidance for determining when statistical sampling may be used for purposes of § 199 of the Internal Revenue Code and establishes acceptable statistical sampling methodologies. See Rev. Proc. 2007-35, page 1349.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of June 2007. See Rev. Rul. 2007-36, page 1339.

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 2007. See Rev. Rul. 2007-36, page 1339.

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 2007. See Rev. Rul. 2007-36, page 1339.

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 2007. See Rev. Rul. 2007-36, page 1339.

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 2007. See Rev. Rul. 2007-36, page 1339.

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 2007. See Rev. Rul. 2007-36, page 1339.

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 2007. See Rev. Rul. 2007-36, page 1339.

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 2007. See Rev. Rul. 2007-36, page 1339.

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 2007. See Rev. Rul. 2007-36, page 1339.

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 2007. See Rev. Rul. 2007-36, page 1339.

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 2007.

Rev. Rul. 2007-36

This revenue ruling provides various prescribed rates for federal income tax purposes for June 2007 (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. 2007-36 TABLE 1
Applicable Federal Rates (AFR) for June 2007

| | <i>Period for Compounding</i> | | | |
|-------------------|-------------------------------|-------------------|------------------|----------------|
| | <i>Annual</i> | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
| <i>Short-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% |
| <i>Mid-term</i> | | | | |
| AFR | 4.64% | 4.59% | 4.56% | 4.55% |
| 110% AFR | 5.11% | 5.05% | 5.02% | 5.00% |
| 120% AFR | 5.59% | 5.51% | 5.47% | 5.45% |
| 130% AFR | 6.06% | 5.97% | 5.93% | 5.90% |
| 150% AFR | 7.01% | 6.89% | 6.83% | 6.79% |
| 175% AFR | 8.19% | 8.03% | 7.95% | 7.90% |
| <i>Long-term</i> | | | | |
| AFR | 4.91% | 4.85% | 4.82% | 4.80% |
| 110% AFR | 5.41% | 5.34% | 5.30% | 5.28% |
| 120% AFR | 5.90% | 5.82% | 5.78% | 5.75% |
| 130% AFR | 6.41% | 6.31% | 6.26% | 6.23% |

REV. RUL. 2007-36 TABLE 2
Adjusted AFR for June 2007

| | <i>Period for Compounding</i> | | | |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
| | <i>Annual</i> | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
| Short-term adjusted AFR | 3.52% | 3.49% | 3.47% | 3.46% |
| Mid-term adjusted AFR | 3.68% | 3.65% | 3.63% | 3.62% |
| Long-term adjusted AFR | 4.15% | 4.11% | 4.09% | 4.08% |

REV. RUL. 2007-36 TABLE 3
Rates Under Section 382 for June 2007

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 4.15% |
| 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.) | 4.15% |

REV. RUL. 2007-36 TABLE 4
Appropriate Percentages Under Section 42(b)(2) for June 2007

| | |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 8.11% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.48% |

REV. RUL. 2007-36 TABLE 5

Rate Under Section 7520 for June 2007

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

5.6%

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 2007. See Rev. Rul. 2007-36, page 1339.

Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of June 2007. See Rev. Rul. 2007-36, page 1339.

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 June 2007. See Rev. Rul. 2007-36, page 1339.