

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 May 1999. See Rev. Rul. 99-21, page 3.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of May 1999. See Rev. Rul. 99-21, page 3.

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 1999. See Rev. Rul. 99-21, page 3.

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 1999. See Rev. Rul. 99-21, page 3.

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 1999. See Rev. Rul. 99-21, page 3.

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 1999. See Rev. Rul. 99-21, page 3.

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 1999. See Rev. Rul. 99-21, page 3.

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 1999. See Rev. Rul. 99-21, page 3.

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 1999. See Rev. Rul. 99-21, page 3.

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 1999. See Rev. Rul. 99-21, page 3.

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 1999. See Rev. Rul. 99-21, page 3.

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 May 1999.

Rev. Rul. 99-21

This revenue ruling provides various prescribed rates for federal income tax purposes for May 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. 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. 99-21 TABLE 1
Applicable Federal Rates (AFR) for May 1999

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	4.90%	4.84%	4.81%	4.79%
110% AFR	5.39%	5.32%	5.29%	5.26%
120% AFR	5.89%	5.81%	5.77%	5.74%
130% AFR	6.39%	6.29%	6.24%	6.21%
<i>Mid-Term</i>				
AFR	5.22%	5.15%	5.12%	5.10%
110% AFR	5.75%	5.67%	5.63%	5.60%
120% AFR	6.28%	6.18%	6.13%	6.10%
130% AFR	6.81%	6.70%	6.64%	6.61%
150% AFR	7.88%	7.73%	7.66%	7.61%
175% AFR	9.21%	9.01%	8.91%	8.85%
<i>Long-Term</i>				
AFR	5.66%	5.58%	5.54%	5.52%
110% AFR	6.23%	6.14%	6.09%	6.06%
120% AFR	6.81%	6.70%	6.64%	6.61%
130% AFR	7.38%	7.25%	7.19%	7.14%

REV. RUL. 99-21 TABLE 2
Adjusted AFR for May 1999

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
adjusted AFR	3.30%	3.27%	3.26%	3.25%
<i>Mid-term</i>				
adjusted AFR	3.96%	3.92%	3.90%	3.89%
<i>Long-term</i>				
adjusted AFR	4.82%	4.76%	4.73%	4.71%

REV. RUL. 99-21 TABLE 3
Rates Under Section 382 for May 1999

Adjusted federal long-term rate for the current month	4.82%
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.)	4.82%

REV. RUL. 99-21 TABLE 4

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

Appropriate percentage for the 70% present value low-income housing credit	8.27%
Appropriate percentage for the 30% present value low-income housing credit	3.54%

REV. RUL. 99-21 TABLE 5

Rate Under Section 7520 for May 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	6.2%
---	------

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 1999. See Rev. Rul. 99-21, page 3.

Section 2032A.—Valuation of Certain Farm, Etc., Real Property

26 CFR 20.2032A-4: Method of valuing farm real property.

Special use value; farms; interest rates. The 1999 interest rates to be used in computing the special use value of farm real property for which an election is made under section 2032A of the Code are listed for estates of decedents.

Rev. Rul. 99-20

This revenue ruling contains a list of the average annual effective interest rates on new loans under the Farm Credit Bank system. This revenue ruling also contains a list of the states within each Farm Credit Bank District.

Under § 2032A(e)(7)(A)(ii) of the Internal Revenue Code, rates on new Farm Credit Bank loans are used in computing the special use value of real property used as a farm for which an election is made under § 2032A. The rates in this revenue ruling may be used by estates that value farmland under § 2032A as of a date in 1999.

Average annual effective interest rates, calculated in accordance with § 2032A(e)(7)(A) and § 20.2032A-4(e) of the Estate Tax Regulations, to be used under § 2032A(e)(7)(A)(ii), are set forth in the accompanying Table of Interest

Rates (Table 1). The states within each Farm Credit Bank District are set forth in the accompanying Table of Farm Credit Bank Districts (Table 2).

Rev. Rul. 81-170, 1981-1 C.B. 454, contains an illustrative computation of an average annual effective interest rate. The rates applicable for valuation in 1998 are in Rev. Rul. 98-22, 1998-19 I.R.B. 5. For rate information for years prior to 1998, see Rev. Rul. 97-13, 1997-1 C.B. 185, and other revenue rulings that are referenced therein.

DRAFTING INFORMATION

The principal author of this revenue ruling is of the Office of Assistant Chief Counsel (Passthroughs and Special Industries). For further information regarding this revenue ruling, contact on (202) 622-3090 (not a toll-free call).

REV. RUL. 99-20 TABLE 1

TABLE OF INTEREST RATES
(Year of Valuation 1999)

Farm Credit Bank District in Which Property Is Located	Interest Rate
Columbia	9.65
Omaha	8.07
Sacramento	8.25
St. Paul	8.21
Spokane	8.31
Springfield	8.78
Texas	8.11
Wichita	8.25