

## **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, 1274, 1288, and other sections of the Code, tables set forth the rates for May 2003.

## **Rev. Rul. 2003-45**

This revenue ruling provides various prescribed rates for federal income tax purposes for May 2003 (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 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. 2003-45 TABLE 1

Applicable Federal Rates (AFR) for May 2003

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	1.53%	1.52%	1.52%	1.52%
110% AFR	1.68%	1.67%	1.67%	1.66%
120% AFR	1.83%	1.82%	1.82%	1.81%
130% AFR	1.99%	1.98%	1.98%	1.97%
<i>Mid-Term</i>				
AFR	3.17%	3.15%	3.14%	3.13%
110% AFR	3.50%	3.47%	3.46%	3.45%
120% AFR	3.82%	3.78%	3.76%	3.75%
130% AFR	4.14%	4.10%	4.08%	4.07%
150% AFR	4.79%	4.73%	4.70%	4.68%
175% AFR	5.59%	5.51%	5.47%	5.45%
<i>Long-Term</i>				
AFR	4.79%	4.73%	4.70%	4.68%
110% AFR	5.27%	5.20%	5.17%	5.14%
120% AFR	5.76%	5.68%	5.64%	5.61%
130% AFR	6.24%	6.15%	6.10%	6.07%

REV. RUL. 2003-45 TABLE 2

Adjusted AFR for May 2003

*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	1.34%	1.34%	1.34%	1.34%
Mid-term adjusted AFR	2.72%	2.70%	2.69%	2.68%
Long-term adjusted AFR	4.45%	4.40%	4.38%	4.36%

REV. RUL. 2003-45 TABLE 3

Rates Under Section 382 for May 2003

Adjusted federal long-term rate for the current month	4.45%
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.)	4.58%

REV. RUL. 2003-45 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for May 2003

Appropriate percentage for the 70% present value low-income housing credit	7.92%
Appropriate percentage for the 30% present value low-income housing credit	3.40%

REV. RUL. 2003-45 TABLE 5

Rate Under Section 7520 for May 2003

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	3.8%
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## Section 1288.—Treatment of Original Issue Discounts on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of May 2003. See Rev. Rul. 2003-45, page 876.