

**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 June 2000.

**Rev. Rul. 2000–28**

This revenue ruling provides various prescribed rates for federal income tax purposes for June 2000 (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. 2000–28 TABLE 1				
Applicable Federal Rates (AFR) for June 2000				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	6.53%	6.43%	6.38%	6.35%
110% AFR	7.19%	7.07%	7.01%	6.97%
120% AFR	7.87%	7.72%	7.65%	7.60%
130% AFR	8.53%	8.36%	8.27%	8.22%
<i>Mid-Term</i>				
AFR	6.62%	6.51%	6.46%	6.42%
110% AFR	7.29%	7.16%	7.10%	7.06%
120% AFR	7.96%	7.81%	7.74%	7.69%
130% AFR	8.64%	8.46%	8.37%	8.31%
150% AFR	10.01%	9.77%	9.65%	9.58%
175% AFR	11.71%	11.39%	11.23%	11.13%
<i>Long-Term</i>				
AFR	6.39%	6.29%	6.24%	6.21%
110% AFR	7.04%	6.92%	6.86%	6.82%
120% AFR	7.69%	7.55%	7.48%	7.43%
130% AFR	8.35%	8.18%	8.10%	8.04%

REV. RUL. 2000–28 TABLE 2				
Adjusted AFR for June 2000				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	4.62%	4.57%	4.54%	4.53%
Mid-term adjusted AFR	5.01%	4.95%	4.92%	4.90%
Long-term adjusted AFR	5.65%	5.57%	5.53%	5.51%

REV. RUL. 2000-28 TABLE 3

Rates Under Section 382 for June 2000

Adjusted federal long-term rate for the current month	5.65%
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.)	5.75%

REV. RUL. 2000-28 TABLE 4

Appropriate Percentages Under Section 42(b)(2)  
for June 2000

Appropriate percentage for the 70% present value low-income housing credit	8.53%
Appropriate percentage for the 30% present value low-income housing credit	3.65%

REV. RUL. 2000-28 TABLE 5

Rate Under Section 7520 for June 2000

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	8.0%
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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 June 2000. See Rev. Rul. 2000-28, page 1157.

**Section 1441.—Withholding of Tax On Nonresident Aliens**

26 CFR 1.1441-1: Requirements for the deduction and withholding of tax on payments to foreign persons.

**T.D. 8881**

**DEPARTMENT OF THE TREASURY  
Internal Revenue Service  
26 CFR Parts 1 and 31**

**Revisions to Regulations Relating to Withholding of Tax on Certain U.S. Source Income Paid to Foreign Persons and Revisions of Information Reporting Regulations**

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

**SUMMARY:** This document contains amendments to final regulations relating to the withholding of income tax under sections 1441, 1442, and 1443 on certain U.S. source income paid to foreign persons and related requirements governing collection, deposit, refunds, and credits of withheld amounts under sections 1461 through 1463. Additionally, this document contains amendments under sections 6041, 6041A, 6042, 6045, 6049, and 3406. This regulation affects persons making payments of U.S. source income to foreign persons.

**DATES:** These regulations are effective January 1, 2001.

**FOR FURTHER INFORMATION CONTACT:** Carl Cooper, Laurie Hatten-Boyd, or Kate Hwa (202) 622-3840 (not a toll free number).

**SUPPLEMENTARY INFORMATION:**

**Paperwork Reduction Act**

The collections of information in these final regulations have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507) under control number 1545 -1484.

Responses to these collections of information are required to obtain a benefit (to claim an exemption to, or a reduction in, withholding), and to facilitate tax compliance (to verify entitlement to an exemption or a reduced rate). The likely respondents are individuals, businesses, and other for-profit organizations.

Comments on the collections of information should be sent to the **Office of Management and Budget**, Attn: Desk Officer for the Department of the Treasury, Office of Information and Regulatory Affairs, Washington, DC 20503, with copies to the **Internal Revenue Service**, Attn: IRS Reports Clearance Officer, OP:FS:FP, Washington, DC 20224.

The estimated average annual burden per respondent and/or recordkeeper are reflected in the burdens of Forms W-8, 1042, 1042-S, 1099, and the income tax return of a foreign person filed for purposes of claiming a refund.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number assigned by the Office of Management and Budget.

Books or records relating to a collection of information must be retained as