

poses of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for January 2001.

Rev. Rul. 2001-3

This revenue ruling provides various prescribed rates for federal income tax purposes for January 2001 (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. 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. Finally, Table 6 contains the deemed rate of return for transfers made during calendar year 2001 to pooled income funds described in § 642(c)(5) that have been in existence for less than 3 taxable years immediately preceding the taxable year in which the transfer is made.

REV. RUL. 2001-3 TABLE 1				
Applicable Federal Rates (AFR) for January 2001				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	5.90%	5.82%	5.78%	5.75%
110% AFR	6.50%	6.40%	6.35%	6.32%
120% AFR	7.10%	6.98%	6.92%	6.88%
130% AFR	7.71%	7.57%	7.50%	7.45%
<i>Mid-Term</i>				
AFR	5.61%	5.53%	5.49%	5.47%
110% AFR	6.17%	6.08%	6.03%	6.00%
120% AFR	6.75%	6.64%	6.59%	6.55%
130% AFR	7.32%	7.19%	7.13%	7.08%
150% AFR	8.47%	8.30%	8.22%	8.16%
175% AFR	9.91%	9.68%	9.57%	9.49%
<i>Long-Term</i>				
AFR	5.78%	5.70%	5.66%	5.63%
110% AFR	6.37%	6.27%	6.22%	6.19%
120% AFR	6.96%	6.84%	6.78%	6.74%
130%AFR	7.55%	7.41%	7.34%	7.30%

REV. RUL. 2001-3 TABLE 2				
Applicable Federal Rates (AFR) for January 2001				
	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
adjusted AFR	4.18%	4.14%	4.12%	4.10%
<i>Mid-Term</i>				
adjusted AFR	4.52%	4.47%	4.45%	4.43%
<i>Long-Term</i>				
adjusted AFR	5.24%	5.17%	5.14%	5.12%

REV. RUL. 2001-3 TABLE 3

Rates Under Section 382 for January 2001

Adjusted federal long-term rate for the current month	5.24%
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.)	5.39%

REV. RUL. 2001-3 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for January 2001

Appropriate percentage for the 70% present value low-income housing credit	8.33%
Appropriate percentage for the 30% present value low-income housing credit	3.57%

REV. RUL. 2001-3 TABLE 5

Rate Under Section 7520 for January 2001

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	6.8%
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REV. RUL. 2001-3 TABLE 6

Deemed Rate for Transfers to New Pooled Income Funds During 2001

Deemed rate of return for transfers during 2001 to pooled income funds that have been in existence for less than 3 taxable years	6.6%
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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 January 2001. See Rev. Rul. 2001-3 page 319.

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

The Service provides an inflation adjustment to the maximum amount by which the value of certain farm and other qualified real property included in a decedent's gross estate may be decreased for purposes of valuing the estate of a decedent dying in calendar year 2001. See Rev. Proc. 2001-13, page 337.

Section 2503.—Taxable Gifts

The Service provides an inflation adjustment to the amount of gifts that may be made to a person in a calendar year without including the amount in taxable gifts for calendar year 2001. See Rev. Proc. 2001-13, page 337.

Section 2523.—Gift to Spouse

The Service provides an inflation adjustment to the amount of gifts that may be made in a calendar year to a spouse who is not a citizen of the United States without including the amount in taxable gifts for calendar year 2001. See Rev. Proc. 2001-13, page 337.

Section 2631.—GST Exemption

The Service provides an inflation adjustment to the amount of the generation-skipping transfer tax

exemption for calendar year 2001. See Rev. Proc. 2001-13, page 337.

Section 4001.—Passenger Vehicles

The Service provides inflation adjustments to the price above which a passenger vehicle becomes subject to an excise tax for transactions occurring in calendar year 2001. See Rev. Proc. 2001-13, page 337.

Section 4003.—Special Rules

The Service provides inflation adjustments to the price above which a passenger vehicle becomes subject to an excise tax for transactions occurring in calendar year 2001. (Price includes the price of installation of parts or accessories on a passenger vehicle within six months of the date after the vehicle was