

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 December 2006. See Rev. Rul. 2006-61, page 1028.

Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of December 2006. See Rev. Rul. 2006-61, page 1028.

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 December 2006. See Rev. Rul. 2006-61, page 1028.

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of December 2006. See Rev. Rul. 2006-61, page 1028.

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 December 2006. See Rev. Rul. 2006-61, page 1028.

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 December 2006. See Rev. Rul. 2006-61, page 1028.

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 December 2006. See Rev. Rul. 2006-61, page 1028.

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 December 2006. See Rev. Rul. 2006-61, page 1028.

Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of December 2006. See Rev. Rul. 2006-61, page 1028.

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 December 2006. See Rev. Rul. 2006-61, page 1028.

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 December 2006. See Rev. Rul. 2006-61, page 1028.

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 December 2006.

Rev. Rul. 2006-61

This revenue ruling provides various prescribed rates for federal income tax purposes for December 2006 (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 2007 interest rate for sections 846 and 807.

REV. RUL. 2006-61 TABLE 1

Applicable Federal Rates (AFR) for December 2006

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	4.97%	4.91%	4.88%	4.86%
110% AFR	5.47%	5.40%	5.36%	5.34%
120% AFR	5.98%	5.89%	5.85%	5.82%
130% AFR	6.48%	6.38%	6.33%	6.30%
<i>Mid-term</i>				
AFR	4.73%	4.68%	4.65%	4.64%
110% AFR	5.22%	5.15%	5.12%	5.10%
120% AFR	5.70%	5.62%	5.58%	5.56%
130% AFR	6.17%	6.08%	6.03%	6.00%
150% AFR	7.14%	7.02%	6.96%	6.92%
175% AFR	8.36%	8.19%	8.11%	8.05%
<i>Long-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%

REV. RUL. 2006-61 TABLE 2

Adjusted AFR for December 2006

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.42%	3.39%	3.38%	3.37%
Mid-term adjusted AFR	3.59%	3.56%	3.54%	3.53%
Long-term adjusted AFR	4.14%	4.10%	4.08%	4.07%

REV. RUL. 2006-61 TABLE 3

Rates Under Section 382 for December 2006

Adjusted federal long-term rate for the current month	4.14%
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.)	4.22%

REV. RUL. 2006-61 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for December 2006

Appropriate percentage for the 70% present value low-income housing credit	8.12%
Appropriate percentage for the 30% present value low-income housing credit	3.48%

REV. RUL. 2006-61 TABLE 5
Rate Under Section 7520 for December 2006

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 5.8%

REV. RUL. 2006-61 TABLE 6

Applicable rate of interest for 2007 for purposes of section 846 and 807 3.97%

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 December 2006. See Rev. Rul. 2006-61, page 1028.

Section 6011.—General Requirement of Return, Statement, or List

26 CFR 1.6011-4: Requirement of statement disclosing participation in certain transactions by taxpayers.

26 CFR 301.6111-3T: Disclosure of reportable transactions (temporary).

26 CFR 301.6112-1: Requirement to prepare, maintain, and furnish lists with respect to potentially abusive tax shelters.

T.D. 9295

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Parts 1 and 301

AJCA Modifications to the Section 6011, 6111, and 6112 Regulations

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

SUMMARY: This document contains temporary and final regulations under sections 6011, 6111, and 6112 of the Internal Revenue Code that modify the rules relating

to the disclosure of reportable transactions and the list maintenance requirements. These regulations affect taxpayers participating in reportable transactions under section 6011, material advisors responsible for disclosing reportable transactions under section 6111, and material advisors responsible for keeping lists under section 6112. These temporary and final regulations are being issued concurrently with proposed regulations (REG-103038-05, REG-103039-05, and REG-103043-05) under sections 6011, 6111, and 6112 published elsewhere in the Bulletin.

DATES: Effective Date: These regulations are effective November 1, 2006.

FOR FURTHER INFORMATION CONTACT: Tara P. Volungis or Charles Wien, 202-622-3070 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

This document amends 26 CFR parts 1 and 301 by modifying the rules relating to the disclosure of reportable transactions under sections 6011 and 6111 and the list maintenance rules under section 6112. On February 28, 2003, the IRS issued final regulations under sections 6011, 6111, and 6112 (T.D. 9046, 2003-1 C.B. 615) (the February 2003 regulations). The February 2003 regulations were published in the **Federal Register** (68 FR 10161) on March 4, 2003. On December 29, 2003, the IRS issued final regulations under section 6011 and 6112 (T.D. 9108, 2004-1 C.B. 429) (the December 2003 regulations). The December 2003 regulations were published in the **Federal Register** (68 FR 75128) on December 30, 2003.

Explanation of Provisions

These regulations relate to the provisions for obtaining a private letter ruling and the tolling of the time for providing disclosure under §1.6011-4 and section 6111 and for maintaining a list under section 6112 during the time the request for a ruling is pending. Because the IRS and Treasury Department believe that the removal of the tolling provision will promote effective tax administration, these regulations eliminate the tolling of the time for providing disclosure and for maintaining the list when a taxpayer or a potential material advisor requests a private letter ruling. Proposed regulations removing the tolling provision are being issued concurrently with these temporary regulations. Taxpayers and potential material advisors may still request a ruling on a transaction under the regular procedures for requesting a ruling, provided the ruling request is not factual or hypothetical, but the time for providing disclosure or for maintaining a list will not be tolled. The removal of the tolling provision is effective for all ruling requests received on or after November 1, 2006.

Special Analyses

It has been determined that these regulations are not a significant regulatory action as defined in Executive Order 12866. Therefore, a regulatory assessment is not required. It also has been determined that section 553(b) of the Administrative Procedure Act (5 U.S.C. chapter 5) does not apply to these regulations. For applicability of the Regulatory Flexibility Act, please refer to the cross-reference notice of proposed rulemaking published elsewhere in this issue of the Bulletin. Pursuant to section 7805(f) of the Internal Revenue Code, this regulation will be submitted to