

ceived comparable compensation are relevant to determining whether the turnover is routine for the employer. Thus, there are a number of factors that are relevant to determining whether a partial termination has occurred as a result of turnover, both in the case where a partial termination is presumed to have occurred due to the turnover rate being at least 20 percent and in the case where the turnover rate is less than 20 percent.

In the present case, there is a presumption that a partial termination has occurred because the turnover rate is 20 percent or more. The facts and circumstances support the finding of a partial termination because the severances from employment occurred as a result of the shutdown of one of the employer's business locations (and not as a result of routine turnover). Therefore, a partial termination of Plan A has occurred.

If a partial termination occurs on account of turnover during an applicable period, all participating employees who had a severance from employment during the period must be fully vested in their accrued benefits, to the extent funded on that date, or in the amounts credited to their accounts.

A partial termination of a qualified plan can also occur for reasons other than turnover. For example, a partial termination can occur due to plan amendments that adversely affect the rights of employees to vest in benefits under the plan, plan amendments that exclude a group of employees who have previously been covered by the plan, or the reduction or cessation of future benefit accruals resulting in a potential reversion to the employer.

HOLDING

Under the facts described in this revenue ruling, a partial termination has occurred.

DRAFTING INFORMATION

The principal author of this revenue ruling is Ingrid E. Grinde of the Employee Plans, Tax Exempt and Government Entities Division. For further information regarding this revenue ruling, contact the Employee Plans taxpayer assistance answering service between the hours of 8:30 a.m. and 4:30 p.m., Eastern time, Monday

through Friday at 1-877-829-5500 (a toll-free number) or Ms. Grinde at RetirementPlanQuestions@irs.gov.

Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of July 2007. See Rev. Rul. 2007-44, page 47.

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 July 2007. See Rev. Rul. 2007-44, page 47.

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 July 2007. See Rev. Rul. 2007-44, page 47.

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 July 2007. See Rev. Rul. 2007-44, page 47.

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 July 2007. See Rev. Rul. 2007-44, page 47.

Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of July 2007. See Rev. Rul. 2007-44, page 47.

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 July 2007. See Rev. Rul. 2007-44, page 47.

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 July 2007. See Rev. Rul. 2007-44, page 47.

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 July 2007.

Rev. Rul. 2007-44

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2007 (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 blended annual rate for 2007 for purposes of section 7872.

REV. RUL. 2007-44 TABLE 1
Applicable Federal Rates (AFR) for July 2007

	<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	4.95%	4.89%	4.86%	4.84%
110% AFR	5.45%	5.38%	5.34%	5.32%
120% AFR	5.96%	5.87%	5.83%	5.80%
130% AFR	6.46%	6.36%	6.31%	6.28%
150% AFR	7.47%	7.34%	7.27%	7.23%
175% AFR	8.74%	8.56%	8.47%	8.41%
<i>Long-term</i>				
AFR	5.15%	5.09%	5.06%	5.04%
110% AFR	5.68%	5.60%	5.56%	5.54%
120% AFR	6.20%	6.11%	6.06%	6.03%
130% AFR	6.73%	6.62%	6.57%	6.53%

REV. RUL. 2007-44 TABLE 2
Adjusted AFR for July 2007

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.66%	3.63%	3.61%	3.60%
Mid-term adjusted AFR	3.81%	3.77%	3.75%	3.74%
Long-term adjusted AFR	4.32%	4.27%	4.25%	4.23%

REV. RUL. 2007-44 TABLE 3
Rates Under Section 382 for July 2007

Adjusted federal long-term rate for the current month	4.32%
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.)	4.32%

REV. RUL. 2007-44 TABLE 4
Appropriate Percentages Under Section 42(b)(2) for July 2007

Appropriate percentage for the 70% present value low-income housing credit	8.18%
Appropriate percentage for the 30% present value low-income housing credit	3.50%

REV. RUL. 2007-44 TABLE 5
Rate Under Section 7520 for July 2007

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 6.0%

REV. RUL. 2007-44 TABLE 6
Blended Annual Rate for 2007

Section 7872(e)(2) blended annual rate for 2007 4.92%

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 July 2007. See Rev. Rul. 2007-44, page 47.

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 2007 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. 2007-45

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

Under § 2032A(e)(7)(A)(ii) of the Internal Revenue Code, rates on new Farm Credit System 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 2007.

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 System Bank Chartered Territory are set forth in the accompanying Table of Farm Credit System Bank Chartered Territories (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 2006 are in Rev. Rul. 2006-32, 2006-1 C.B. 1170. For rate information for years prior to 2006, see Rev. Rul. 2005-41, 2005-2 C.B. 69, and other revenue rulings that are referenced therein.

DRAFTING INFORMATION

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

REV. RUL. 2007-45 TABLE 1
TABLE OF INTEREST RATES
(Year of Valuation 2007)

Farm Credit System Bank Servicing State in Which Property is Located	Rate
AgFirst, FCB	7.17
AgriBank, FCB	6.10
CoBank, ACB	5.58
Texas, FCB	6.08
U.S. AgBank, FCB	5.81