

**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 October 2007.

**Rev. Rul. 2007-63**

This revenue ruling provides various prescribed rates for federal income tax purposes for October 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. 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. 2007-63 TABLE 1                       |        |                        |           |         |
|---|--------|------------------------|-----------|---------|
| Applicable Federal Rates (AFR) for October 2007 |        |                        |           |         |
|   | Annual | Period for Compounding |           |         |
|   |        | Semiannual             | Quarterly | Monthly |
| <i>Short-term</i>                               |        |                        |           |         |
| AFR   | 4.19%  | 4.15%                  | 4.13%     | 4.11%   |
| 110% AFR  | 4.62%  | 4.57%                  | 4.54%     | 4.53%   |
| 120% AFR  | 5.04%  | 4.98%                  | 4.95%     | 4.93%   |
| 130% AFR  | 5.47%  | 5.40%                  | 5.36%     | 5.34%   |
| <i>Mid-term</i>                                 |        |                        |           |         |
| AFR   | 4.35%  | 4.30%                  | 4.28%     | 4.26%   |
| 110% AFR  | 4.79%  | 4.73%                  | 4.70%     | 4.68%   |
| 120% AFR  | 5.23%  | 5.16%                  | 5.13%     | 5.11%   |
| 130% AFR  | 5.67%  | 5.59%                  | 5.55%     | 5.53%   |
| 150% AFR  | 6.55%  | 6.45%                  | 6.40%     | 6.36%   |
| 175% AFR  | 7.67%  | 7.53%                  | 7.46%     | 7.41%   |
| <i>Long-term</i>                                |        |                        |           |         |
| AFR   | 4.88%  | 4.82%                  | 4.79%     | 4.77%   |
| 110% AFR  | 5.37%  | 5.30%                  | 5.27%     | 5.24%   |
| 120% AFR  | 5.86%  | 5.78%                  | 5.74%     | 5.71%   |
| 130% AFR  | 6.37%  | 6.27%                  | 6.22%     | 6.19%   |

REV. RUL. 2007-63 TABLE 2  
Adjusted AFR for October 2007

|                         | <i>Period for Compounding</i> |                   |                  |                |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
|                         | <i>Annual</i>                 | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
| Short-term adjusted AFR | 3.60%                         | 3.57%             | 3.55%            | 3.54%          |
| Mid-term adjusted AFR   | 3.79%                         | 3.75%             | 3.73%            | 3.72%          |
| Long-term adjusted AFR  | 4.49%                         | 4.44%             | 4.42%            | 4.40%          |

REV. RUL. 2007-63 TABLE 3  
Rates Under Section 382 for October 2007

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 4.49% |
| 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.) | 4.50% |

REV. RUL. 2007-63 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for October 2007

|  |       |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 8.07% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.46% |

REV. RUL. 2007-63 TABLE 5

Rate Under Section 7520 for October 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 | 5.2% |
|---|------|

---

### 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 October 2007. See Rev. Rul. 2007-63, page 778.

---

### Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2007. See Rev. Rul. 2007-63, page 778.

---

### Section 7872.—Treatment of Loans With Below-Market Interest Rates

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of October 2007. See Rev. Rul. 2007-63, page 778.