

# 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 2009. See Rev. Rul. 2010-1, page 248.

## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of December 2009. See Rev. Rul. 2010-1, page 248.

## Section 338.—Certain Stock Purchases Treated as Asset Acquisitions

After a section 338 election, is new target treated as the same corporation as old target for purposes of section 807(e)(4). See Notice 2010-1, page 251.

## 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 2009. See Rev. Rul. 2010-1, page 248.

## 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 2009. See Rev. Rul. 2010-1, page 248.

## 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 2009. See Rev. Rul. 2010-1, page 248.

## 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 2009. See Rev. Rul. 2010-1, page 248.

## 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 2009. See Rev. Rul. 2010-1, page 248.

## 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 2009. See Rev. Rul. 2010-1, page 248.

## 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 2009. See Rev. Rul. 2010-1, page 248.

## 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 2009. See Rev. Rul. 2010-1, page 248.

After a section 338 election, is new target treated as the same corporation as old target for purposes of section 807(e)(4). See Notice 2010-1, page 251.

## 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 2009. See Rev. Rul. 2010-1, page 248.

## 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 January 2010.

## Rev. Rul. 2010-1

This revenue ruling provides various prescribed rates for federal income tax purposes for January 2010 (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)(1) for buildings placed in service during the current month. However, under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%. 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 2010 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 was made.

REV. RUL. 2010-1 TABLE 1  
Applicable Federal Rates (AFR) for January 2010

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	.57%	.57%	.57%	.57%
110% AFR	.63%	.63%	.63%	.63%
120% AFR	.68%	.68%	.68%	.68%
130% AFR	.74%	.74%	.74%	.74%
<i>Mid-term</i>				
AFR	2.45%	2.44%	2.43%	2.43%
110% AFR	2.70%	2.68%	2.67%	2.67%
120% AFR	2.95%	2.93%	2.92%	2.91%
130% AFR	3.20%	3.17%	3.16%	3.15%
150% AFR	3.69%	3.66%	3.64%	3.63%
175% AFR	4.32%	4.27%	4.25%	4.23%
<i>Long-term</i>				
AFR	4.11%	4.07%	4.05%	4.04%
110% AFR	4.53%	4.48%	4.46%	4.44%
120% AFR	4.94%	4.88%	4.85%	4.83%
130% AFR	5.36%	5.29%	5.26%	5.23%

REV. RUL. 2010-1 TABLE 2  
Adjusted AFR for January 2010

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.63%	.63%	.63%	.63%
Mid-term adjusted AFR	1.79%	1.78%	1.78%	1.77%
Long-term adjusted AFR	4.01%	3.97%	3.95%	3.94%

REV. RUL. 2010-1 TABLE 3  
Rates Under Section 382 for January 2010

Adjusted federal long-term rate for the current month	4.01%
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.)	4.14%

REV. RUL. 2010-1 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for January 2010

Note: Under Section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, and before December 31, 2013, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	7.76%
Appropriate percentage for the 30% present value low-income housing credit	3.32%

REV. RUL. 2010-1 TABLE 5

Rate Under Section 7520 for January 2010

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	3.0%
---	------

REV. RUL. 2010-1 TABLE 6

Deemed Rate for Transfers to New Pooled Income Funds During 2010

Deemed rate of return for transfers during 2010 to pooled income funds that have been in existence for less than 3 taxable years	4.6%
--	------

---

**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 2009. See Rev. Rul. 2010-1, page 248.

---

**Section 7520.—Valuation Tables**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of December 2009. See Rev. Rul. 2010-1, page 248.

---

**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 December 2009. See Rev. Rul. 2010-1, page 248.