

# 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 May 2013. See Rev. Rul. 2013-11, page 1059.

## Section 280G.—Golden Parachute Payments

Federal short-term, mid-term, and long-term rates are set forth for the month of May 2013. See Rev. Rul. 2013-11, page 1059.

## 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 May 2013. See Rev. Rul. 2013-11, page 1059.

## Section 412.—Minimum Funding Standards

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of May 2013. See Rev. Rul. 2013-11, page 1059.

## 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 May 2013. See Rev. Rul. 2013-11, page 1059.

## 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 May 2013. See Rev. Rul. 2013-11, page 1059.

## 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 May 2013. See Rev. Rul. 2013-11, page 1059.

## 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 May 2013. See Rev. Rul. 2013-11, page 1059.

## Section 642.—Special Rules for Credits and Deductions

Federal short-term, mid-term, and long-term rates are set forth for the month of May 2013. See Rev. Rul. 2013-11, page 1059.

## 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 May 2013. See Rev. Rul. 2013-11, page 1059.

## 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 May 2013. See Rev. Rul. 2013-11, page 1059.

## 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 May 2013.

## Rev. Rul. 2013-11

This revenue ruling provides various prescribed rates for federal income tax purposes for May 2013 (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%. 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. 2013-11 TABLE 1  
Applicable Federal Rates (AFR) for May 2013

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-term</i>				
AFR	.20%	.20%	.20%	.20%
110% AFR	.22%	.22%	.22%	.22%
120% AFR	.24%	.24%	.24%	.24%
130% AFR	.26%	.26%	.26%	.26%
<i>Mid-term</i>				
AFR	1.00%	1.00%	1.00%	1.00%
110% AFR	1.10%	1.10%	1.10%	1.10%
120% AFR	1.20%	1.20%	1.20%	1.20%
130% AFR	1.30%	1.30%	1.30%	1.30%
150% AFR	1.51%	1.50%	1.50%	1.50%
175% AFR	1.76%	1.75%	1.75%	1.74%
<i>Long-term</i>				
AFR	2.60%	2.58%	2.57%	2.57%
110% AFR	2.86%	2.84%	2.83%	2.82%
120% AFR	3.12%	3.10%	3.09%	3.08%
130% AFR	3.38%	3.35%	3.34%	3.33%

REV. RUL. 2013-11 TABLE 2  
Adjusted AFR for May 2013

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.20%	.20%	.20%	.20%
Mid-term adjusted AFR	1.00%	1.00%	1.00%	1.00%
Long-term adjusted AFR	2.60%	2.58%	2.57%	2.57%

REV. RUL. 2013-11 TABLE 3  
Rates Under Section 382 for May 2013

Adjusted federal long-term rate for the current month	2.60%
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.)	2.70%

REV. RUL. 2013-11 TABLE 4  
Appropriate Percentages Under Section 42(b)(1) for May 2013

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	7.41%
Appropriate percentage for the 30% present value low-income housing credit	3.18%

REV. RUL. 2013-11 TABLE 5  
Rate Under Section 7520 for May 2013

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

1.2%

## 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 May 2013. See Rev. Rul. 2013-11, page 1059.

## Section 6045.—Returns of Brokers

T.D. 9616

### DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Parts 1 and 602

### Basis Reporting by Securities Brokers and Basis Determination for Debt Instruments and Options; Reporting for Premium

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final and temporary regulations.

SUMMARY: This document contains final regulations relating to reporting by brokers for transactions involving debt instruments and options. These final regulations reflect changes in the law made by the Energy Improvement and Extension Act of 2008 that require brokers when reporting the sale of securities to the IRS to include the customer's adjusted basis in the sold securities and to classify any gain or loss as long-term or short-term. These final regulations also implement the requirement that a broker report gross proceeds from a sale or closing transaction with respect to certain options. In addition, this document contains final regulations that implement reporting requirements for a transfer

of a debt instrument or an option to another broker and for an organizational action that affects the basis of a debt instrument or an option. Moreover, this document contains final regulations relating to the filing of Form 8281, "Information Return for Publicly Offered Original Issue Discount Instruments," for certain debt instruments with original issue discount and temporary regulations relating to information reporting for premium. The text of the temporary regulations in this document also serves as the text of the proposed regulations (REG-154563-12) set forth in this issue of the Bulletin.

**DATES:** *Effective Date:* These regulations are effective on April 18, 2013.

*Applicability Dates:* For dates of applicability, see §§1.1275-3(c)(4), 1.6045-1(a)(15)(i)(C) through 1.6045-1(a)(15)(i)(F), 1.6045-1(a)(18), 1.6045-1(c)(3)(vii)(C) and (D), 1.6045-1(c)(3)(x), 1.6045-1(c)(3)(xiii), 1.6045-1(d)(2), 1.6045-1(d)(5), 1.6045-1(d)(6)(ii)(A), 1.6045-1(m), 1.6045-1(n), 1.6045A-1(d), 1.6045B-1(j), and 1.6049-9T(a).

**FOR FURTHER INFORMATION CONTACT:** Pamela Lew of the Office of Associate Chief Counsel (Financial Institutions and Products) at (202) 622-3950 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

#### Paperwork Reduction Act

The collection of information contained in these final regulations related to the furnishing of information in connection with the transfer of securities has been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)) under control number 1545-2186. The collection of information in these final regulations in §§1.6045-1(c)(3)(xi)(C) and 1.6045A-1 is necessary to allow brokers that effect

sales of transferred covered securities to determine and report the adjusted basis of the securities and whether any gain or loss with respect to the securities is long-term or short-term in compliance with section 6045(g) of the Internal Revenue Code (Code). This collection of information is required to comply with the provisions of section 403 of the Energy Improvement and Extension Act of 2008, Division B of Public Law 110-343 (122 Stat. 3765, 3854 (2008)) (the Act).

In addition, the collection of information contained in §1.6045-1(n)(5) of these final regulations related to the furnishing of information in connection with the sale or transfer of a debt instrument that is a covered security is an increase in the total annual burden under control number 1545-2186. Under section 6045(g), a broker is required to determine and report the adjusted basis upon the sale or transfer of a debt instrument that is a covered security. If a sale has occurred, a broker must also determine and report whether any gain or loss with respect to the debt instrument is long-term or short-term in compliance with section 6045(g). The holder of a debt instrument is permitted to make a number of elections that affect how basis is computed. To minimize the need for reconciliation between information reported by a broker to both a customer and the IRS and the amounts reported on the customer's tax return, a broker is required to take into account certain specified elections in reporting information to the customer. A customer, therefore, must provide certain information concerning an election to the broker in a written notification, which includes a writing in electronic format. The adjusted basis information will be used for audit and examination purposes. The likely respondents are recipients of Form 1099-B.

Estimated total annual reporting burden is 1,417 hours.

Estimated average annual burden per respondent is 0.12 hours.