

straddle was established. Because A acquired a long-term holding period in Note by March 1, Year 3, the \$5 of gain will be characterized as long-term capital gain under paragraph (a) of this section when it is recognized. Under § 1.1092(b)-3T(b)(4), when A closes out Futures Contract on April 15, Year 3, the loss of \$2 on Futures Contract is netted with the gain of \$3 on Note that arose while the identified mixed straddle was in place. Because this gain on Note exceeds the realized loss on Futures Contract, the loss on Futures Contract is disallowed in Year 3 under paragraph (c) of this section. Further, under paragraph (c) of this section and section 1092(a)(1), on December 31, Year 3, the disallowed loss of \$2 on Futures Contract cannot be recognized because it is less than the total unrecognized gain of \$6 on Note on December 31, Year 3.

(iii) *Year 10 analysis.* When Note matures in Year 10, the \$5 of unrecognized long-term capital gain that arose prior to the identified mixed straddle is recognized. Because A receives \$100 upon the maturity of Note, A also recognizes a \$5 long-term capital loss on Note, for a net gain of \$0 (zero). In addition, the termination of all positions in the identified mixed straddle releases the \$2 loss disallowed in Year 3 on Futures Contract. The loss on Futures Contract is treated as short-term capital loss in Year 10 under § 1.1092(b)-3T(b)(4).

(e) *Effective/applicability date.* The rules of this section apply to all section 1092(b)(2) identified mixed straddles established after August 18, 2014.

§ 1.1092(b)-6T [Removed]

Par. 4. Section 1.1092(b)-6T is removed.

John Dalrymple,
Deputy Commissioner for Services and Enforcement.

Approved July 1, 2014.

Mark J. Mazur,
Assistant Secretary of the Treasury (Tax Policy).

(Filed by the Office of the Federal Register on July 17, 2014, 8:45 a.m., and published in the issue of the Federal Register for July 18, 2014, 79 F.R. 41886)

**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.)

Rev. Rul. 2014-19

This revenue ruling provides various prescribed rates for federal income tax purposes for August 2014 (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, with respect to housing credit dollar amount allocations made before January 1, 2014, 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. 2014-19 TABLE 1
Applicable Federal Rates (AFR) for August 2014

	Annual	Period for Compounding		
		Semiannual	Quarterly	Monthly
		<i>Short-term</i>		
AFR	.36%	.36%	.36%	.36%
110% AFR	.40%	.40%	.40%	.40%
120% AFR	.43%	.43%	.43%	.43%
130% AFR	.47%	.47%	.47%	.47%
		<i>Mid-term</i>		
AFR	1.89%	1.88%	1.88%	1.87%
110% AFR	2.08%	2.07%	2.06%	2.06%
120% AFR	2.27%	2.26%	2.25%	2.25%
130% AFR	2.45%	2.44%	2.43%	2.43%
150% AFR	2.84%	2.82%	2.81%	2.80%
175% AFR	3.32%	3.29%	3.28%	3.27%
		<i>Long-term</i>		
AFR	3.09%	3.07%	3.06%	3.05%
110% AFR	3.41%	3.38%	3.37%	3.36%
120% AFR	3.71%	3.68%	3.66%	3.65%
130% AFR	4.03%	3.99%	3.97%	3.96%

REV. RUL. 2014–19 TABLE 2

Adjusted AFR for August 2014

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	.36%	.36%	.36%	.36%
Mid-term adjusted AFR	1.38%	1.38%	1.38%	1.38%
Long-term adjusted AFR	3.05%	3.03%	3.02%	3.01%

REV. RUL. 2014–19 TABLE 3

Rates Under Section 382 for August 2014

Adjusted federal long-term rate for the current month	3.05%
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.)	3.14%

REV. RUL. 2014–19 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for August 2014

Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, with respect to housing credit dollar amount allocations made before January 1, 2014, shall not be less than 9%.

Appropriate percentage for the 70% present value low-income housing credit	7.57%
Appropriate percentage for the 30% present value low-income housing credit	3.25%

REV. RUL. 2014–19 TABLE 5

Rate Under Section 7520 for August 2014

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	2.2%
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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 August 2014. See Rev. Rul. 2014–19, page 266.

Section 6039.—Returns Required in Connection with Certain Options

26 CFR 1.6039E–1: Provide guidance to certain individuals about the information that must be included with their passport applications.

TD 9679

DEPARTMENT OF THE TREASURY Internal Revenue Service 26 CFR Part 301

Information Reporting by Passport Applicants

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations that provide information reporting rules for certain passport applicants. These final regulations apply to certain individuals applying for passports (including renewals) and provide guidance to such individuals about the information

that must be included with their passport applications.

DATES: *Effective Date:* These regulations are effective on July 18, 2014.

Applicability Date: For dates of applicability, see § 301.6039E–1(d).

FOR FURTHER INFORMATION
CONTACT: Rosy Lor at (202) 317-6933 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

On January 26, 2012, the Internal Revenue Service (IRS) and the Department of Treasury (Treasury Department) published in the **Federal Register** (77 FR 3964) a notice of proposed rulemaking (REG–208274–86) (the proposed regula-