

Revenue Ruling 2007-2

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 2007.

This revenue ruling provides various prescribed rates for federal income tax purposes for January 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 deemed rate of return for transfers made during calendar year 2007 to pooled income funds described in section 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. 2007-2 TABLE 1

**Applicable
Federal Rates
(AFR) for
January 2007**

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
		Short-term		
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%
		Mid-term		
AFR	4.58%	4.53%	4.50%	4.49%
110% AFR	5.04%	4.98%	4.95%	4.93%
120% AFR	5.51%	5.44%	5.40%	5.38%
130% AFR	5.98%	5.89%	5.85%	5.82%
150% AFR	6.92%	6.80%	6.74%	6.71%
175% AFR	8.09%	7.93%	7.85%	7.80%
		Long-term		
AFR	4.73%	4.68%	4.65%	4.64%

REV. RUL. 2007-2 TABLE 1**Applicable
Federal Rates
(AFR) for
January 2007**

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
110% AFR	5.22%	5.15%	5.12%	5.10%
120% AFR	5.70%	5.62%	5.58%	5.56%
130% AFR	6.17%	6.08%	6.03%	6.00%

REV. RUL. 2007-2 TABLE 2**Adjusted AFR for
January 2007**

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
adjusted AFR	3.39%	Short-term	3.35%	3.34%
		3.36%		
adjusted AFR	3.54%	Mid-term	3.49%	3.48%
		3.51%		
adjusted AFR	4.03%	Long-term	3.97%	3.96%
		3.99%		

REV. RUL. 2007-2 TABLE 3**Rates Under Section 382 for January 2007**

Adjusted federal long-term rate for the current month	4.03%
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.)	4.15%

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

Appropriate percentage for the 70% present value low-income housing credit	8.08%
Appropriate percentage for the 30% present value low-income housing credit	3.46%

REV. RUL. 2007-2 TABLE 5**Rate Under Section 7520 for January 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

REV. RUL. 2007-2 TABLE 5

Rate Under Section 7520 for January 2007

reversionary interest

5.6%

REV. RUL. 2007-2 TABLE 6

Deemed Rate for Transfers to New Pooled Income Funds During 2007

Deemed rate of return for transfers
during 2007 to pooled income
funds that have been in existence for
less than 3 taxable years

4.8%