



# Tax Reduction Letter

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## Revenue Ruling 2012-24

August 17, 2012

This revenue ruling provides various prescribed rates for federal income tax purposes for September 2012 (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 [\*2] 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. 2012-24 TABLE 1

**Applicable  
Federal  
Rates (AFR)  
for  
September  
2012**

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
	Short-term			
AFR	.21%	.21%	.21%	.21%
110% AFR	.23%	.23%	.23%	.23%
120% AFR	.25%	.25%	.25%	.25%
130% AFR	.27%	.27%	.27%	.27%
	Mid-term			
AFR	.84%	.84%	.84%	.84%
110% AFR	.92%	.92%	.92%	.92%
120% AFR	1.01%	1.01%	1.01%	1.01%
130% AFR	1.09%	1.09%	1.09%	1.09%
150% AFR	1.26%	1.26%	1.26%	1.26%
175% AFR	1.48%	1.47%	1.47%	1.47%
	Long-term			
AFR	2.18%	2.17%	2.16%	2.16%
110% AFR	2.40%	2.39%	2.38%	2.38%

**REV. RUL. 2012-24 TABLE 1****Applicable  
Federal  
Rates (AFR)  
for  
September  
2012**

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
120% AFR	2.62%	2.60%	2.59%	2.59%
130% AFR	2.84%	2.82%	2.81%	2.80%

**REV. RUL. 2012-24 TABLE 2****Adjusted AFR  
for September  
2012**

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term adjusted AFR	.23%	.23%	.23%	.23%
Mid-term adjusted AFR	.95%	.95%	.95%	.95%
Long-term adjusted AFR	2.80%	2.78%	2.77%	2.76%

**REV. RUL. 2012-24 TABLE 3****Rates Under Section 382 for September 2012**

Adjusted federal long-term rate for the current month	2.80%
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.)	3.02%

**REV. RUL. 2012-24 TABLE 4****Appropriate Percentages Under**

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	7.35%
Appropriate percentage for the 30% present value low-income housing credit	3.15%

**REV. RUL. 2012-24 TABLE 5****Rate Under**

Applicable federal rate for determining the present value of an

**REV. RUL. 2012-24 TABLE 5**

**Rate Under**

annuity, an interest for life or a term of years, or a remainder  
or reversionary interest

1.0%