



## Applicable Federal Rates and Housing Tax Credit Applicable Percentages for July 2010

The US Treasury (Internal Revenue Service) issues a revenue ruling each month with interest rates. The current revenue ruling is Rev. Rul. 2010-18. Highlighted below are the various applicable federal rates and housing tax credit applicable percentages for July 2010 for your reference and use, as listed in this ruling. We hope you will find this a useful reference.

This revenue ruling provides various prescribed rates for federal income tax purposes for July 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 nonfederally subsidized new buildings placed in service after July 30, 2008 and before December 31, 2013 shall not be less than 9 percent. 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 blended annual rate for 2010 for purposes of section 7872(e)(2).

Founded in 1890, Squire, Sanders & Dempsey L.L.P. has lawyers in 32 offices and 15 countries around the world. With one of the strongest integrated global platforms and our longstanding one-firm philosophy, Squire Sanders provides seamless [legal counsel worldwide](#).

For more than 20 years, Squire Sanders lawyers have made a difference by helping clients locate financially sound investment opportunities and structure stable funding sources for today's development transactions. We are a national leader in legal services for [community development and affordable housing finance](#) including low-income housing tax credits, historic tax credits, housing bonds, New Markets Tax Credits and other community and economic development programs.

### Contacts:

[Jeffrey Drew Butt](#)  
+1.813.202.1304  
+1.561.650.7200

[Todd L. Cooper](#)  
+1.513.361.1239

[Robert J. Eidnier](#)  
+1.216.479.8676

[Holly H. Heer](#)  
+1.614.365.2716

[Robert D. Labes](#)  
+1.216.479.8601

**Rev. Rul. 2010-18 TABLE 1**  
AFR for July 2010

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
<b>Short-term</b>				
AFR	.61%	.61%	.61%	.61%
110% AFR	.67%	.67%	.67%	.67%
120% AFR	.73%	.73%	.73%	.73%
130% AFR	.79%	.79%	.79%	.79%
<b>Mid-term</b>				
AFR	2.35%	2.34%	2.33%	2.33%
110% AFR	2.59%	2.57%	2.56%	2.56%
120% AFR	2.83%	2.81%	2.80%	2.79%
130% AFR	3.06%	3.04%	3.03%	3.02%
150% AFR	3.54%	3.51%	3.49%	3.48%
175% AFR	4.14%	4.10%	4.08%	4.07%
<b>Long-term</b>				
AFR	3.94%	3.90%	3.88%	3.87%
110% AFR	4.34%	4.29%	4.27%	4.25%
120% AFR	4.73%	4.68%	4.65%	4.64%
130% AFR	5.13%	5.07%	5.04%	5.02%

**Rev. Rul. 2010-18 TABLE 2**  
Adjusted AFR for July 2010

	Period for Compounding			
	Annual	Semiannual	Quarterly	Monthly
Short-term adjusted AFR	.63%	.63%	.63%	.63%
Mid-term adjusted AFR	1.97%	1.96%	1.96%	1.95%
Long-term adjusted AFR	3.99%	3.95%	3.93%	3.92%

**Rev. Rul. 2010-18 TABLE 3**  
Rates Under Section 382(f) for July 2010

Adjusted federal long-term rate for the current month	3.99%
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)	4.01%

**Rev. Rul. 2010-18 TABLE 4**  
Appropriate Percentages Under Section 42(b)(1) for July 2010

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

[David L. Lapidés](#)  
+1.813.202.1319

[Steven F. Mount](#)  
+1.614.365.2727

[Erik J. Rickard](#)  
+1.614.365.2808

[Michael D. Saad](#)  
+1.614.365.2735

[Andréa C. Townsend](#)  
+1.213.689.5157

[Bryan J. Venesy](#)  
+1.614.365.2708  
+1.513.361.1218

[Philip R. Westerman](#)  
+1.614.365.2836

Squire Sanders emphasizes quality, efficiency and alignment with client goals as core standards. Our [Partnering for Worldwide Value<sup>SM</sup>](#) initiative is focused on continuously improving our service delivery to maximize the value of our services to clients. Squire Sanders wholeheartedly endorses the Association of Corporate Counsel's Value Challenge<sup>®</sup> and encourages and manages development and implementation of processes and tools to continually improve staffing and pricing models, training and resource optimization, knowledge management and more.

Squire Sanders publishes on a number of other topics. To see a list of options and to sign up for a mailing, visit our [subscription page](#).

Beijing · Bratislava · Brussels · Budapest · Caracas · Cincinnati · Cleveland · Columbus · Frankfurt · Hong Kong · Houston · Kyiv · London · Los Angeles · Miami · Moscow · New York · Palo Alto · Phoenix · Prague · Rio de Janeiro · San Francisco · Santo Domingo · São Paulo · Shanghai · Tallahassee · Tampa · Tokyo · Tysons Corner · Warsaw · Washington DC · West Palm Beach | Independent Network Firms: Beirut · Bogotá · Bucharest · Buenos Aires · La Paz · Lima · Panamá · Riyadh · Santiago

Appropriate percentage for the 70% present value low-income housing credit	7.73%
Appropriate percentage for the 30% present value low-income housing credit	3.31%

**Rev. Rul. 2010-18 TABLE 5**  
Rate Under Section 7520 for July 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	2.8%
-----------------------------------------------------------------------------------------------------------------------------------------------------------	------

**Rev. Rul. 2010-18 TABLE 6**  
Blended Annual Rate for 2010

Section 7872(e)(2) blended annual rate for 2010	.59%
-------------------------------------------------	------

The contents of this update are not intended to serve as legal advice related to individual situations or as legal opinions concerning such situations. Counsel should be consulted for legal planning and advice.

©Squire, Sanders & Dempsey L.L.P.  
All Rights Reserved  
2010

This email was sent by Squire, Sanders & Dempsey L.L.P.  
2000 Huntington Center, 41 South High Street, Columbus, OH 43215, USA

We respect your right to privacy – [view our policy](#)

[Manage My Profile](#) | [One-Click Unsubscribe](#) | [Forward to a Friend](#)