



## Applicable Federal Rates and Housing Tax Credit Applicable Percentages for October 2011

The US Treasury (Internal Revenue Service) issues a revenue ruling each month with interest rates. The current revenue ruling is Rev. Rul. 2011-22. Highlighted below are the various applicable federal rates and housing tax credit applicable percentages for October 2011 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 October 2011 (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. 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.

Founded in 1890, Squire, Sanders & Dempsey has lawyers in 36 offices and 16 countries around the world and now includes the nearly 500 lawyers from leading UK legal practice Hammonds. With one of the strongest integrated global platforms and our longstanding "one-firm 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. 2011-22 TABLE 1**  
AFR for October 2011

Period for Compounding				
	Annual	Semiannual	Quarterly	Monthly
<b>Short-term</b>				
AFR	.16%	.16%	.16%	.16%
110% AFR	.38%	.18%	.18%	.18%
120% AFR	.19%	.19%	.19%	.19%
130% AFR	.21%	.21%	.21%	.21%
<b>Mid-term</b>				
AFR	1.19%	1.19%	1.19%	1.19%
110% AFR	1.31%	1.31%	1.31%	1.31%
120% AFR	1.44%	1.43%	1.43%	1.43%
130% AFR	1.56%	1.55%	1.55%	1.55%
150% AFR	1.80%	1.79%	1.79%	1.78%
175% AFR	2.09%	2.08%	2.07%	2.07%
<b>Long-term</b>				
AFR	2.95%	2.93%	2.92%	2.91%
110% AFR	3.25%	3.22%	3.21%	3.20%
120% AFR	3.55%	3.52%	3.50%	3.49%
130% AFR	3.85%	3.81%	3.79%	3.78%

**Rev. Rul. 2011-22 TABLE 2**  
Adjusted AFR for October 2011

Period for Compounding				
	Annual	Semiannual	Quarterly	Monthly
Short-term adjusted AFR	.32%	.32%	.32%	.32%
Mid-term adjusted AFR	1.27%	1.27%	1.27%	1.27%
Long-term adjusted AFR	3.51%	3.48%	3.46%	3.46%

**Rev. Rul. 2011-22 TABLE 3**  
Rates Under Section 382(f) for October 2011

Adjusted federal long-term rate for the current month	3.51%
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)	3.82%

**Rev. Rul. 2011-22 TABLE 4**  
Appropriate Percentages Under Section 42(b)(1)  
for October 2011

*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. Lapides](#)  
+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 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 • Berlin • Birmingham  
Bratislava • Brussels • Budapest  
Cincinnati • Cleveland • Columbus  
Frankfurt • Hong Kong • Houston  
Kyiv • Leeds • London • Los Angeles  
Madrid • Manchester • Miami  
Moscow • New York • Northern Virginia  
Palo Alto • Paris • Phoenix • Prague  
Rio de Janeiro • San Francisco  
Santo Domingo • São Paulo  
Shanghai • Tampa • Tokyo  
Warsaw • Washington DC  
West Palm Beach |  
Independent Network Firms:  
Beirut • Bogotá • Bucharest  
Buenos Aires • Caracas  
La Paz • Lima • Panamá  
Riyadh • Santiago

Appropriate percentage for the 70% present value low-income housing credit	7.48%
Appropriate percentage for the 30% present value low-income housing credit	3.20%

## Rev. Rul. 2011-22 TABLE 5

Rate Under Section 7520 for October 2011

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	1.4%
---	------

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  
All Rights Reserved  
2011

This email was sent by Squire, Sanders & Dempsey  
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](#)

Squire, Sanders & Dempsey (US) LLP is part of the international legal practice Squire, Sanders & Dempsey which operates worldwide through a number of separate legal entities. Please visit [www.ssd.com](http://www.ssd.com) for more information.