

Section 995.—Taxation of DISC Income to Shareholders

2000 base period T-bill rate. The “base period T-bill rate” for the period ending September 30, 2000, is published, as required by section 995(f) of the Code.

Rev. Rul. 2000-52

Section 995(f)(1) of the Internal Revenue Code provides that a shareholder of a DISC shall pay interest each taxable year in an amount equal to the product of the shareholder’s DISC-related deferred tax liability for the year and the “base period T-bill rate.” Under section 995(f)(4), the base period T-bill rate is the annual rate of interest determined by the Secretary to be equivalent to the average investment yield of United States Treasury bills with maturities of 52 weeks which were auctioned during the one-year period ending on September 30 of the calendar year ending with (or of the most recent calendar year ending before) the close of the taxable year of the shareholder. The base period T-bill rate for the period ending September 30, 2000, is 5.96 percent.

Pursuant to section 6622 of the Code, interest must be compounded daily. The table below provides factors for compounding the base period T-bill rate daily for any number of days in the shareholder’s taxable year (including a 52-53 week accounting period) for the 2000 base period T-bill rate. To compute the amount of the interest charge for the shareholder’s taxable year, multiply the amount of the shareholder’s DISC-related deferred tax liability (as defined in section 995(f)(2)) for that year by the base period T-bill rate factor corresponding to the number of days in the shareholder’s taxable year for which the interest charge is being computed. Generally, one would use the factor for 365 days. One would use a different factor only if the shareholder’s taxable year for which the interest charge being determined is a short taxable year, if the shareholder uses the 52-53 week taxable year, or if the shareholder’s taxable year is a leap year.

For the base period T-bill rates for the periods ending in prior years, *see*: Rev. Rul.

86-132, 1986-2 C.B. 137; Rev. Rul. 87-129, 1987-2 C.B. 196; Rev. Rul. 88-94, 1988-2 C.B. 301; Rev. Rul. 89-116, 1989-2 C.B. 197; Rev. Rul. 90-96, 1990-2 C.B. 188; Rev. Rul. 91-59, 1991-2 C.B. 347; Rev. Rul. 92-98, 1992-2 C.B. 201; Rev. Rul. 93-77, 1993-2 C.B. 253; Rev. Rul. 94-68, 1994-2 C.B. 177; Rev. Rul. 95-77, 1995-2 C.B. 122; Rev. Rul. 96-55, 1996-2 C.B. 57; Rev. Rul. 97-49, 1997-2 C.B. 89; Rev. Rul. 98-55, 1998-2 C.B. 665; and Rev. Rul. 99-52, 1999-50 I.R.B. 652.

DRAFTING INFORMATION

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2000 ANNUAL RATE COMPOUNDED DAILY	
DAYS	5.96 PERCENT FACTOR
1	.000162842
2	.000325710
3	.000488604
4	.000651525
5	.000814473
6	.000977447
7	.001140448
8	.001303475
9	.001466529
10	.001629609
11	.001792716
12	.001955849
13	.002119009
14	.002282196
15	.002445409
16	.002608649
17	.002771915
18	.002935208
19	.003098528
20	.003261874
21	.003425247
22	.003588646
23	.003752072
24	.003915524
25	.004079003

DAYS	5.96 PERCENT FACTOR
26	.004242509
27	.004406042
28	.004569601
29	.004733186
30	.004896799
31	.005060437
32	.005224103
33	.005387795
34	.005551514
35	.005715260
36	.005879032
37	.006042831
38	.006206656
39	.006370509
40	.006534387
41	.006698293
42	.006862225
43	.007026184
44	.007190170
45	.007354182
46	.007518222
47	.007682287
48	.007846380
49	.008010499
50	.008174645
51	.008338818
52	.008503017
53	.008667243
54	.008831496
55	.008995776
56	.009160082
57	.009324416
58	.009488775
59	.009653162
60	.009817576
61	.009982016
62	.010146483
63	.010310977
64	.010475497
65	.010640045
66	.010804619
67	.010969220
68	.011133848
69	.011298502
70	.011463184
71	.011627892
72	.011792627
73	.011957389
74	.012122177
75	.012286993

DAYS	5.96 PERCENT FACTOR	DAYS	5.96 PERCENT FACTOR	DAYS	5.96 PERCENT FACTOR
76	.012451835	126	.020728270	176	.029072361
77	.012616704	127	.020894487	177	.029239937
78	.012781600	128	.021060731	178	.029407540
79	.012946523	129	.021227002	179	.029575170
80	.013111473	130	.021393300	180	.029742828
81	.013276450	131	.021559625	181	.029910512
82	.013441453	132	.021725977	182	.030078225
83	.013606484	133	.021892357	183	.030245964
84	.013771541	134	.022058763	184	.030413731
85	.013936625	135	.022225197	185	.030581525
86	.014101736	136	.022391658	186	.030749347
87	.014266874	137	.022558146	187	.030917195
88	.014432039	138	.022724660	188	.031085072
89	.014597230	139	.022891203	189	.031252975
90	.014762449	140	.023057772	190	.031420906
91	.014927694	141	.023224368	191	.031588864
92	.015092967	142	.023390991	192	.031756850
93	.015258266	143	.023557642	193	.031924862
94	.015423592	144	.023724320	194	.032092903
95	.015588945	145	.023891024	195	.032260970
96	.015754325	146	.024057756	196	.032429065
97	.015919732	147	.024224516	197	.032597187
98	.016085166	148	.024391302	198	.032765337
99	.016250627	149	.024558115	199	.032933514
100	.016416115	150	.024724956	200	.033101719
101	.016581630	151	.024891824	201	.033269951
102	.016747171	152	.025058719	202	.033438210
103	.016912740	153	.025225641	203	.033606497
104	.017078336	154	.025392590	204	.033774811
105	.017243958	155	.025559567	205	.033943152
106	.017409608	156	.025726570	206	.034111521
107	.017575284	157	.025893601	207	.034279917
108	.017740988	158	.026060659	208	.034448341
109	.017906718	159	.026227745	209	.034616792
110	.018072476	160	.026394857	210	.034785271
111	.018238260	161	.026561997	211	.034953777
112	.018404072	162	.026729164	212	.035122310
113	.018569910	163	.026896358	213	.035290871
114	.018735776	164	.027063579	214	.035459459
115	.018901668	165	.027230828	215	.035628075
116	.019067588	166	.027398104	216	.035796719
117	.019233534	167	.027565407	217	.035965389
118	.019399508	168	.027732737	218	.036134087
119	.019565508	169	.027900095	219	.036302813
120	.019731536	170	.028067479	220	.036471566
121	.019897591	171	.028234892	221	.036640347
122	.020063672	172	.028402331	222	.036809155
123	.020229781	173	.028569797	223	.036977991
124	.020395917	174	.028737291	224	.037146854
125	.020562080	175	.028904813	225	.037315744

DAYS	5.96 PERCENT FACTOR	DAYS	5.96 PERCENT FACTOR	DAYS	5.96 PERCENT FACTOR
226	.037484662	276	.045965731	326	.054516130
227	.037653608	277	.046136058	327	.054687849
228	.037822581	278	.046306412	328	.054859596
229	.037991582	279	.046476794	329	.055031371
230	.038160610	280	.046647204	330	.055203174
231	.038329665	281	.046817642	331	.055375005
232	.038498749	282	.046988107	332	.055546863
233	.038667859	283	.047158600	333	.055718750
234	.038836998	284	.047329121	334	.055890665
235	.039006163	285	.047499670	335	.056062608
236	.039175357	286	.047670246	336	.056234579
237	.039344578	287	.047840851	337	.056406578
238	.039513826	288	.048011483	338	.056578605
239	.039683102	289	.048182142	339	.056750659
240	.039852406	290	.048352830	340	.056922742
241	.040021737	291	.048523545	341	.057094853
242	.040191096	292	.048694289	342	.057266992
243	.040360482	293	.048865060	343	.057439159
244	.040529896	294	.049035858	344	.057611354
245	.040699337	295	.049206685	345	.057783577
246	.040868806	296	.049377539	346	.057955828
247	.041038303	297	.049548422	347	.058128107
248	.041207827	298	.049719332	348	.058300415
249	.041377379	299	.049890270	349	.058472750
250	.041546959	300	.050061235	350	.058645113
251	.041716566	301	.050232229	351	.058817505
252	.041886200	302	.050403250	352	.058989924
253	.042055863	303	.050574300	353	.059162372
254	.042225553	304	.050745377	354	.059334847
255	.042395270	305	.050916482	355	.059507351
256	.042565016	306	.051087615	356	.059679883
257	.042734788	307	.051258775	357	.059852443
258	.042904589	308	.051429964	358	.060025031
259	.043074417	309	.051601180	359	.060197647
260	.043244273	310	.051772425	360	.060370291
261	.043414157	311	.051943697	361	.060542963
262	.043584068	312	.052114997	362	.060715664
263	.043754007	313	.052286325	363	.060888392
264	.043923973	314	.052457681	364	.061061149
265	.044093967	315	.052629065	365	.061233934
266	.044263989	316	.052800477	366	.061406747
267	.044434039	317	.052971916	367	.061579588
268	.044604116	318	.053143384	368	.061752457
269	.044774221	319	.053314879	369	.061925354
270	.044944353	320	.053486403	370	.062098280
271	.045114514	321	.053657954	371	.062271234
272	.045284702	322	.053829533		
273	.045454918	323	.054001140		
274	.045625161	324	.054172776		
275	.045795432	325	.054344439		