

Section 1274.--Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 467, 468, 482, 483, 642, 1288, 7520, 7872.)

Rev. Rul. 2017-08

This revenue ruling provides various prescribed rates for federal income tax purposes for April 2017 (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, shall not be less than 9%. 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.

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Applicable Federal Rates (AFR) for April 2017

| | <u>Annual</u> | <u>Period for Compounding</u> | | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
| | | <u>Semiannual</u> | <u>Quarterly</u> | |
| <u>Short-term</u> | | | | |
| AFR | 1.11% | 1.11% | 1.11% | 1.11% |
| 110% AFR | 1.22% | 1.22% | 1.22% | 1.22% |
| 120% AFR | 1.33% | 1.33% | 1.33% | 1.33% |
| 130% AFR | 1.45% | 1.44% | 1.44% | 1.44% |
| <u>Mid-term</u> | | | | |
| AFR | 2.12% | 2.11% | 2.10% | 2.10% |
| 110% AFR | 2.33% | 2.32% | 2.31% | 2.31% |
| 120% AFR | 2.55% | 2.53% | 2.52% | 2.52% |
| 130% AFR | 2.76% | 2.74% | 2.73% | 2.72% |
| 150% AFR | 3.20% | 3.17% | 3.16% | 3.15% |
| 175% AFR | 3.72% | 3.69% | 3.67% | 3.66% |
| <u>Long-term</u> | | | | |
| AFR | 2.82% | 2.80% | 2.79% | 2.78% |
| 110% AFR | 3.10% | 3.08% | 3.07% | 3.06% |
| 120% AFR | 3.39% | 3.36% | 3.35% | 3.34% |
| 130% AFR | 3.67% | 3.64% | 3.62% | 3.61% |

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Adjusted AFR for April 2017

| | <u>Period for Compounding</u> | | | |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
| | <u>Annual</u> | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | .83% | .83% | .83% | .83% |
| Mid-term adjusted AFR | 1.58% | 1.57% | 1.57% | 1.56% |
| Long-term adjusted AFR | 2.09% | 2.08% | 2.07% | 2.07% |

REV. RUL. 2017-08 TABLE 3

Rates Under Section 382 for April 2017

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 2.09% |
| 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.) | 2.09% |

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Appropriate Percentages Under Section 42(b)(1) for April 2017

Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9%.

| | |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 7.57% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.24% |

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Rate Under Section 7520 for April 2017

| | |
|---|------|
| 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 | 2.6% |
|---|------|
