

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, 1288, 7520, 7872.)

Rev. Rul. 2018-19

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2018 (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%. 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 2018 for purposes of section 7872.

REV. RUL. 2018-19 TABLE 1

Applicable Federal Rates (AFR) for July 2018

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
		<u>Short-term</u>		
AFR	2.38%	2.37%	2.36%	2.36%
110% AFR	2.63%	2.61%	2.60%	2.60%
120% AFR	2.86%	2.84%	2.83%	2.82%
130% AFR	3.10%	3.08%	3.07%	3.06%
		<u>Mid-term</u>		
AFR	2.87%	2.85%	2.84%	2.83%
110% AFR	3.16%	3.14%	3.13%	3.12%
120% AFR	3.45%	3.42%	3.41%	3.40%
130% AFR	3.74%	3.71%	3.69%	3.68%
150% AFR	4.33%	4.28%	4.26%	4.24%
175% AFR	5.05%	4.99%	4.96%	4.94%
		<u>Long-term</u>		
AFR	3.06%	3.04%	3.03%	3.02%
110% AFR	3.37%	3.34%	3.33%	3.32%
120% AFR	3.68%	3.65%	3.63%	3.62%
130% AFR	3.99%	3.95%	3.93%	3.92%

REV. RUL. 2018-19 TABLE 2

Adjusted AFR for July 2018

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	1.81%	1.80%	1.80%	1.79%
Mid-term adjusted AFR	2.17%	2.16%	2.15%	2.15%
Long-term adjusted AFR	2.32%	2.31%	2.30%	2.30%

REV. RUL. 2018-19 TABLE 3

Rates Under Section 382 for July 2018

Adjusted federal long-term rate for the current month	2.32%
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.)	2.32%

REV. RUL. 2018-19 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for July 2018

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	7.68%
Appropriate percentage for the 30% present value low-income housing credit	3.29%

REV. RUL. 2018-19 TABLE 5

Rate Under Section 7520 for July 2018

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	3.4%
---	------

REV. RUL. 2018-19 TABLE 6

Blended Annual Rate for 2018

Section 7872(e)(2) blended annual rate for 2018	2.03%
---	-------
