

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. 2018-28

This revenue ruling provides various prescribed rates for federal income tax purposes for November 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%. 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.

REV. RUL. 2018-28 TABLE 1

Applicable Federal Rates (AFR) for November 2018

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	2.70%	2.68%	2.67%	2.67%
110% AFR	2.97%	2.95%	2.94%	2.93%
120% AFR	3.25%	3.22%	3.21%	3.20%
130% AFR	3.51%	3.48%	3.46%	3.46%
<u>Mid-term</u>				
AFR	3.04%	3.02%	3.01%	3.00%
110% AFR	3.35%	3.32%	3.31%	3.30%
120% AFR	3.65%	3.62%	3.60%	3.59%
130% AFR	3.97%	3.93%	3.91%	3.90%
150% AFR	4.58%	4.53%	4.50%	4.49%
175% AFR	5.36%	5.29%	5.26%	5.23%
<u>Long-term</u>				
AFR	3.22%	3.19%	3.18%	3.17%
110% AFR	3.54%	3.51%	3.49%	3.48%
120% AFR	3.87%	3.83%	3.81%	3.80%
130% AFR	4.19%	4.15%	4.13%	4.11%

REV. RUL. 2018-28 TABLE 2

Adjusted AFR for November 2018

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	2.04%	2.03%	2.02%	2.02%
Mid-term adjusted AFR	2.30%	2.29%	2.28%	2.28%
Long-term adjusted AFR	2.43%	2.42%	2.41%	2.41%

REV. RUL. 2018-28 TABLE 3

Rates Under Section 382 for November 2018

Adjusted federal long-term rate for the current month	2.43%
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.)	2.43%

REV. RUL. 2018-28 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for November 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	7.72%
Appropriate percentage for the 30% present value low-income housing credit	3.31%

REV. RUL. 2018-28 TABLE 5

Rate Under Section 7520 for November 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	3.6%
---	------
