

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.)

Rev. Rul. 2018-09

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

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## REV. RUL. 2018-09 TABLE 1

## Applicable Federal Rates (AFR) for April 2018

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-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%
<u>Mid-term</u>				
AFR	2.72%	2.70%	2.69%	2.68%
110% AFR	2.99%	2.97%	2.96%	2.95%
120% AFR	3.27%	3.24%	3.23%	3.22%
130% AFR	3.54%	3.51%	3.49%	3.48%
150% AFR	4.09%	4.05%	4.03%	4.02%
175% AFR	4.79%	4.73%	4.70%	4.68%
<u>Long-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%

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## REV. RUL. 2018-09 TABLE 2

## Adjusted AFR for April 2018

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	1.61%	1.60%	1.60%	1.59%
Mid-term adjusted AFR	2.06%	2.05%	2.04%	2.04%
Long-term adjusted AFR	2.30%	2.29%	2.28%	2.28%

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## REV. RUL. 2018-09 TABLE 3

## Rates Under Section 382 for April 2018

Adjusted federal long-term rate for the current month	2.30%
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.)	2.30%

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## REV. RUL. 2018-09 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for April 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	7.66%
Appropriate percentage for the 30% present value low-income housing credit	3.28%

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## REV. RUL. 2018-09 TABLE 5

## Rate Under Section 7520 for April 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	3.2%
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