

distribution under § 3405(e)(1) that exceeds the reporting threshold. Accordingly, Employer M is required to report that designated distribution in Box 1 of a Form 1099-R for 2019. Because Individual A has no investment in the contract within the meaning of § 72 and no exception to income inclusion under § 402(a) applies, Employer M must report the same amount in Box 2a as in Box 1 and must report the federal income tax withheld in Box 4. Individual A's failure to cash the distribution check she received does not alter Employer M's obligations with respect to reporting under § 6047(d).

#### **HOLDINGS**

(1) Individual A's failure to cash the distribution check she received in 2019 does not permit her to exclude the amount of the designated distribution from her gross income in that year under § 402(a).

(2) Individual A's failure to cash the distribution check she received does not alter Employer M's obligations with respect to withholding under § 3405.

(3) Individual A's failure to cash the distribution check she received does not

alter Employer M's obligations with respect to reporting under § 6047(d).

The Department of the Treasury and the Internal Revenue Service continue to analyze issues that arise in other situations involving uncashed checks from eligible retirement plans described in § 402(c)(8)(B), including situations involving missing individuals with benefits under those plans.

#### **DRAFTING INFORMATION**

The principal author of this revenue ruling is Angelique Carrington of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes). Ms. Carrington may be reached at (202) 317-4148 (not a toll-free number).

---

### **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. 2019-20**

This revenue ruling provides various prescribed rates for federal income tax purposes for September 2019 (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. 2019-20 TABLE 1  
Applicable Federal Rates (AFR) for September 2019  
*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
		<i>Short-term</i>		
AFR	1.85%	1.84%	1.84%	1.83%
110% AFR	2.03%	2.02%	2.01%	2.01%
120% AFR	2.22%	2.21%	2.20%	2.20%
130% AFR	2.40%	2.39%	2.38%	2.38%
		<i>Mid-term</i>		
AFR	1.78%	1.77%	1.77%	1.76%
110% AFR	1.96%	1.95%	1.95%	1.94%
120% AFR	2.13%	2.12%	2.11%	2.11%
130% AFR	2.31%	2.30%	2.29%	2.29%
150% AFR	2.68%	2.66%	2.65%	2.65%
175% AFR	3.12%	3.10%	3.09%	3.08%
		<i>Long-term</i>		
AFR	2.21%	2.20%	2.19%	2.19%
110% AFR	2.43%	2.42%	2.41%	2.41%
120% AFR	2.66%	2.64%	2.63%	2.63%
130% AFR	2.88%	2.86%	2.85%	2.84%

REV. RUL. 2019-20 TABLE 2  
Adjusted AFR for September 2019  
*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	1.40%	1.40%	1.40%	1.40%
Mid-term adjusted AFR	1.34%	1.34%	1.34%	1.34%
Long-term adjusted AFR	1.68%	1.67%	1.67%	1.66%

REV. RUL. 2019-20 TABLE 3  
Rates Under Section 382 for September 2019

Adjusted federal long-term rate for the current month	1.68%
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.)	1.89%

REV. RUL. 2019-20 TABLE 4  
Appropriate Percentages Under Section 42(b)(1) for September 2019

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	7.46%
Appropriate percentage for the 30% present value low-income housing credit	3.20%

REV. RUL. 2019-20 TABLE 5  
Rate Under Section 7520 for September 2019

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

2.2%

---

### **Section 42.—Low-Income Housing Credit**

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---

### **Section 280G.—Golden Parachute Payments**

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---

### **Section 382.—Limitation on Net Operating Loss Carryforwards and Certain Built-In Losses Following Ownership Change**

The adjusted applicable federal long-term rate is set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---

---

### **Section 467.—Certain Payments for the Use of Property or Services**

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---

### **Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs**

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---

### **Section 482.—Allocation of Income and Deductions Among Taxpayers**

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---

---

### **Section 483.—Interest on Certain Deferred Payments**

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---

### **Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations**

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---

### **Section 7520.—Valuation Tables**

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---

### **Section 7872.—Treatment of Loans With Below-Market Interest Rates**

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of September 2019. See Rev. Rul. 2019-20, page 675.

---