Part I

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. 2020-1

This revenue ruling provides various prescribed rates for federal income tax purposes for Janu...
### Table 3
Rates Under Section 382 for January 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted federal long-term rate for the current month</td>
<td>1.57%</td>
</tr>
<tr>
<td>Long-term tax-exempt rate for ownership changes during the current month</td>
<td>1.59%</td>
</tr>
<tr>
<td>(the highest of the adjusted federal long-term rates for the current month and the prior two months.)</td>
<td></td>
</tr>
</tbody>
</table>

### Table 4
Appropriate Percentages Under Section 42(b)(1) for January 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
</table>
| 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 | 7.43%|
| Appropriate percentage for the 30% present value low-income housing credit | 3.18%|

### Table 5
Rate Under Section 7520 for January 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>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</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

### Table 6
Deemed Rate for Transfers to New Pooled Income Funds During 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deemed rate of return for transfers during 2020 to pooled income funds that have been in existence for less than 3 taxable years</td>
<td>2.2%</td>
</tr>
</tbody>
</table>

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


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


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


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


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


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

Section 483.—Interest on Certain Deferred Payments


Section 642.—Special Rules for Credits and Deductions


Section 7520.—Valuation Tables


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


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


26 CFR 1.401(l)-1: Permitted disparity in employer-provided contributions or benefits

Rev. Rul. 2020-2

This revenue ruling provides tables of covered compensation under §401(l)(5)(E) of the Internal Revenue Code and the Income Tax Regulations thereunder, for the 2020 plan year.

Section 401(l)(5)(E)(i) defines covered compensation with respect to an employee as the average of the contribution and benefit bases in effect under section 230 of the Social Security Act (the “Act”) for each year in the 35-year period ending with the year in which the employee attains social security retirement age.

Section 401(l)(5)(E)(ii) states that the determination for any year preceding the year in which the employee attains social security retirement age shall be made by assuming that there is no increase in covered compensation after the determination year and before the employee attains social security retirement age.

Section 1.401(l)-1(c)(34) of the Income Tax Regulations defines the taxable wage base as the contribution and benefit base under section 230 of the Act.

Section 1.401(l)-1(c)(7)(i) defines covered compensation for an employee as the average (without indexing) of the taxable wage bases in effect for each calendar year during the 35-year period ending with the last day of the calendar year in which the employee attains (or will attain) social security retirement age. A 35-year period is used for all individuals regardless of the year of birth of the individual. In determining an employee’s covered compensation for a plan year, the taxable wage base for all calendar years beginning after the first day of the plan year is assumed to be the same as the taxable wage base in effect as of the beginning of the plan year.

An employee’s covered compensation for a plan year beginning after the 35-year period applicable under §1.401(l)-1(c)(7)(i) is the employee’s covered compensation for a plan year during which the 35-year period ends. An employee’s covered compensation for a plan year beginning before the 35-year period applicable under §1.401(l)-1(c)(7)(i) is the taxable wage base in effect as of the beginning of the plan year.

Section 1.401(l)-1(c)(7)(ii) provides that, for purposes of determining the amount of an employee’s covered compensation under §1.401(l)-1(c)(7)(i), a plan may use tables, provided by the Commissioner, that are developed by rounding the actual amounts of covered compensation for different years of birth.

For purposes of determining covered compensation for the 2020 year, the taxable wage base is $137,700.

The following tables provide covered compensation for 2020.