

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. 2023-21

This revenue ruling provides various prescribed rates for federal income tax purposes for December 2023 (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. 2023-21 TABLE 1

## Applicable Federal Rates (AFR) for December 2023

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | 5.26%         | 5.19%                         | 5.16%            | 5.13%          |
| 110% AFR          | 5.79%         | 5.71%                         | 5.67%            | 5.64%          |
| 120% AFR          | 6.33%         | 6.23%                         | 6.18%            | 6.15%          |
| 130% AFR          | 6.86%         | 6.75%                         | 6.69%            | 6.66%          |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | 4.82%         | 4.76%                         | 4.73%            | 4.71%          |
| 110% AFR          | 5.31%         | 5.24%                         | 5.21%            | 5.18%          |
| 120% AFR          | 5.79%         | 5.71%                         | 5.67%            | 5.64%          |
| 130% AFR          | 6.29%         | 6.19%                         | 6.14%            | 6.11%          |
| 150% AFR          | 7.27%         | 7.14%                         | 7.08%            | 7.04%          |
| 175% AFR          | 8.50%         | 8.33%                         | 8.25%            | 8.19%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 5.03%         | 4.97%                         | 4.94%            | 4.92%          |
| 110% AFR          | 5.54%         | 5.47%                         | 5.43%            | 5.41%          |
| 120% AFR          | 6.05%         | 5.96%                         | 5.92%            | 5.89%          |
| 130% AFR          | 6.56%         | 6.46%                         | 6.41%            | 6.37%          |

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## Adjusted AFR for December 2023

|                         | <u>Period for Compounding</u> |                   |                  |                |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
|                         | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | 3.98%                         | 3.94%             | 3.92%            | 3.91%          |
| Mid-term adjusted AFR   | 3.64%                         | 3.61%             | 3.59%            | 3.58%          |
| Long-term adjusted AFR  | 3.81%                         | 3.77%             | 3.75%            | 3.74%          |

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## REV. RUL. 2023-21 TABLE 3

## Rates Under Section 382 for December 2023

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 3.81% |
| 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.) | 3.81% |

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## REV. RUL. 2023-21 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for December 2023

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 | 8.15% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.49% |

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## REV. RUL. 2023-21 TABLE 5

## Rate Under Section 7520 for December 2023

|   |       |
|---|-------|
| 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 | 5.80% |
|---|-------|