

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. 2023-3

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

---

## REV. RUL. 2023-3 TABLE 1

## Applicable Federal Rates (AFR) for February 2023

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | 4.47%         | 4.42%                         | 4.40%            | 4.38%          |
| 110% AFR          | 4.92%         | 4.86%                         | 4.83%            | 4.81%          |
| 120% AFR          | 5.37%         | 5.30%                         | 5.27%            | 5.24%          |
| 130% AFR          | 5.83%         | 5.75%                         | 5.71%            | 5.68%          |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | 3.82%         | 3.78%                         | 3.76%            | 3.75%          |
| 110% AFR          | 4.20%         | 4.16%                         | 4.14%            | 4.12%          |
| 120% AFR          | 4.59%         | 4.54%                         | 4.51%            | 4.50%          |
| 130% AFR          | 4.97%         | 4.91%                         | 4.88%            | 4.86%          |
| 150% AFR          | 5.75%         | 5.67%                         | 5.63%            | 5.60%          |
| 175% AFR          | 6.73%         | 6.62%                         | 6.57%            | 6.53%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 3.86%         | 3.82%                         | 3.80%            | 3.79%          |
| 110% AFR          | 4.24%         | 4.20%                         | 4.18%            | 4.16%          |
| 120% AFR          | 4.63%         | 4.58%                         | 4.55%            | 4.54%          |
| 130% AFR          | 5.03%         | 4.97%                         | 4.94%            | 4.92%          |

---

## REV. RUL. 2023-3 TABLE 2

## Adjusted AFR for February 2023

|                            | <u>Period for Compounding</u> |                   |                  |                |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
|                            | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term<br>adjusted AFR | 3.39%                         | 3.36%             | 3.35%            | 3.34%          |
| Mid-term<br>adjusted AFR   | 2.89%                         | 2.87%             | 2.86%            | 2.85%          |
| Long-term<br>adjusted AFR  | 2.92%                         | 2.90%             | 2.89%            | 2.88%          |

---

## REV. RUL. 2023-3 TABLE 3

## Rates Under Section 382 for February 2023

|                                                                                                                                                                                |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Adjusted federal long-term rate for the current month                                                                                                                          | 2.92% |
| 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.) | 3.29% |

---

## REV. RUL. 2023-3 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for February 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 | 7.89% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.38% |

---

## REV. RUL. 2023-3 TABLE 5

Rate Under Section 7520 for February 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 | 4.60% |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------|