

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. 2025-19

This revenue ruling provides various prescribed rates for federal income tax purposes for October 2025 (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. 2025-19 TABLE 1

Applicable Federal Rates (AFR) for October 2025

| | <u>Annual</u> | <u>Period for Compounding</u> | | |
|-------------------|---------------|-------------------------------|------------------|----------------|
| | | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| <u>Short-term</u> | | | | |
| AFR | 3.81% | 3.77% | 3.75% | 3.74% |
| 110% AFR | 4.19% | 4.15% | 4.13% | 4.11% |
| 120% AFR | 4.57% | 4.52% | 4.49% | 4.48% |
| 130% AFR | 4.96% | 4.90% | 4.87% | 4.85% |
| <u>Mid-term</u> | | | | |
| AFR | 3.87% | 3.83% | 3.81% | 3.80% |
| 110% AFR | 4.25% | 4.21% | 4.19% | 4.17% |
| 120% AFR | 4.65% | 4.60% | 4.57% | 4.56% |
| 130% AFR | 5.04% | 4.98% | 4.95% | 4.93% |
| 150% AFR | 5.83% | 5.75% | 5.71% | 5.68% |
| 175% AFR | 6.81% | 6.70% | 6.64% | 6.61% |
| <u>Long-term</u> | | | | |
| AFR | 4.73% | 4.68% | 4.65% | 4.64% |
| 110% AFR | 5.22% | 5.15% | 5.12% | 5.10% |
| 120% AFR | 5.70% | 5.62% | 5.58% | 5.56% |
| 130% AFR | 6.17% | 6.08% | 6.03% | 6.00% |

REV. RUL. 2025-19 TABLE 2

Adjusted AFR for October 2025

| | <u>Period for Compounding</u> | | | |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
| | <u>Annual</u> | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | 2.88% | 2.86% | 2.85% | 2.84% |
| Mid-term adjusted AFR | 2.93% | 2.91% | 2.90% | 2.89% |
| Long-term adjusted AFR | 3.58% | 3.55% | 3.53% | 3.52% |

REV. RUL. 2025-19 TABLE 3

Rates Under Section 382 for October 2025

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 3.58% |
| 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.) | 3.65% |

REV. RUL. 2025-19 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for October 2025

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 | 8.00% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.43% |

REV. RUL. 2025-19 TABLE 5

Rate Under Section 7520 for October 2025

| | |
|---|------|
| 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 | 4.6% |
|---|------|
