

# Part III

## 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, 7702, 7872.)

### Rev. Rul. 2026-2

This revenue ruling provides various prescribed rates for federal income tax purposes for January 2026 (the current month). Table 1 contains the short-term, mid-term, and long-term applicable fed-

eral 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%. 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. Table 6 contains the deemed rate of return for transfers made during calendar year 2026 to pooled income funds described in section 642(c) (5) that have been in existence for less than 3 taxable years immediately preceding the taxable year in which the transfer was made. Finally, Table 7 contains the average of the applicable federal mid-term rates (based on annual compounding) for the 60-month period ending December 31, 2025, for purposes of section 7702(f)(11).

**REV. RUL. 2026-2 TABLE 1**  
Applicable Federal Rates (AFR) for January 2026  
*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
		<i>Short-term</i>		
AFR	3.63%	3.60%	3.58%	3.57%
110% AFR	4.00%	3.96%	3.94%	3.93%
120% AFR	4.37%	4.32%	4.30%	4.28%
130% AFR	4.73%	4.68%	4.65%	4.64%
		<i>Mid-term</i>		
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%
150% AFR	5.74%	5.66%	5.62%	5.59%
175% AFR	6.71%	6.60%	6.55%	6.51%
		<i>Long-term</i>		
AFR	4.63%	4.58%	4.55%	4.54%
110% AFR	5.10%	5.04%	5.01%	4.99%
120% AFR	5.58%	5.50%	5.46%	5.44%
130% AFR	6.04%	5.95%	5.91%	5.88%

**REV. RUL. 2026-2 TABLE 2**  
Adjusted AFR for January 2026  
*Period for Compounding*

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	2.75%	2.73%	2.72%	2.71%
Mid-term adjusted AFR	2.88%	2.86%	2.85%	2.84%
Long-term adjusted AFR	3.51%	3.48%	3.46%	3.46%

**REV. RUL. 2026-2 TABLE 3**

Rates Under Section 382 for January 2026

Adjusted federal long-term rate for the current month	3.51%
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.)	3.51%

**REV. RUL. 2026-2 TABLE 4**

Appropriate Percentages Under Section 42(b)(1) for January 2026

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	7.98%
Appropriate percentage for the 30% present value low-income housing credit	3.42%

**REV. RUL. 2026-2 TABLE 5**

Rate Under Section 7520 for January 2026

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%
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**REV. RUL. 2026-2 TABLE 6**

Deemed Rate for Transfers to New Pooled Income Funds During 2026

Deemed rate of return for transfers during 2026 to pooled income funds that have been in existence for less than 3 taxable years	4.0%
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**REV. RUL. 2026-2 TABLE 7**

Average of the Applicable Federal Mid-Term Rates for 2025

For purposes of section 7702(f)(11), the average of the applicable federal mid-term rates (based on annual compounding) for the 60-month period ending December 31, 2025, is 3.19% rounded to 3%.

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

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of January 2026. See Rev. Rul. 2026-2, page 386.

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

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of January 2026. See Rev. Rul. 2026-2, page 386.

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## **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 January 2026. See Rev. Rul. 2026-2, page 386.

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## **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 January 2026. See Rev. Rul. 2026-2, page 386.

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

The applicable federal short-term rates are set forth for the month of January 2026. See Rev. Rul. 2026-2, page 386.

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## **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 January 2026. See Rev. Rul. 2026-2, page 386.

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## **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 January 2026. See Rev. Rul. 2026-2, page 386.

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## **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 January 2026. See Rev. Rul. 2026-2, page 386.

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## **Section 7520.—Valuation Tables**

The applicable federal mid-term rates are set forth for the month of January 2026. See Rev. Rul. 2026-2, page 386.

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## **Section 7702.—Life Insurance Contract Defined**

The average of the applicable federal mid-term rates for the 60-month period ending December 31, 2025, for purposes of section 7702(f)(11). See Rev. Rul. 2026-2, page 386.

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## **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 January 2026. See Rev. Rul. 2026-2, page 386.

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