

Part I. Rulings and Decisions Under the Internal Revenue Code of 1986

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. 2019-07

This revenue ruling provides various prescribed rates for federal income tax

purposes for March 2019 (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. 2019-07 TABLE 1
Applicable Federal Rates (AFR) for March 2019
Period for Compounding

| | <i>Annual</i> | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
|-------------------|---------------|-------------------|------------------|----------------|
| <i>Short-term</i> | | | | |
| AFR | 2.55% | 2.53% | 2.52% | 2.52% |
| 110% AFR | 2.80% | 2.78% | 2.77% | 2.76% |
| 120% AFR | 3.06% | 3.04% | 3.03% | 3.02% |
| 130% AFR | 3.32% | 3.29% | 3.28% | 3.27% |
| <i>Mid-term</i> | | | | |
| AFR | 2.59% | 2.57% | 2.56% | 2.56% |
| 110% AFR | 2.85% | 2.83% | 2.82% | 2.81% |
| 120% AFR | 3.10% | 3.08% | 3.07% | 3.06% |
| 130% AFR | 3.37% | 3.34% | 3.33% | 3.32% |
| 150% AFR | 3.90% | 3.86% | 3.84% | 3.83% |
| 175% AFR | 4.55% | 4.50% | 4.47% | 4.46% |
| <i>Long-term</i> | | | | |
| AFR | 2.91% | 2.89% | 2.88% | 2.87% |
| 110% AFR | 3.21% | 3.18% | 3.17% | 3.16% |
| 120% AFR | 3.50% | 3.47% | 3.46% | 3.45% |
| 130% AFR | 3.80% | 3.76% | 3.74% | 3.73% |

REV. RUL. 2019-07 TABLE 2
Adjusted AFR for March 2019
Period for Compounding

| | <i>Annual</i> | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
|-------------------------|---------------|-------------------|------------------|----------------|
| Short-term adjusted AFR | 1.93% | 1.92% | 1.92% | 1.91% |
| Mid-term adjusted AFR | 1.96% | 1.95% | 1.95% | 1.94% |
| Long-term adjusted AFR | 2.20% | 2.19% | 2.18% | 2.18% |

REV. RUL. 2019-07 TABLE 3
Rates Under Section 382 for March 2019

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 2.20% |
| 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.) | 2.39% |

REV. RUL. 2019-07 TABLE 4
Appropriate Percentages Under Section 42(b)(1) for March 2019

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 | 7.63% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.27% |

REV. RUL. 2019-07 TABLE 5
Rate Under Section 7520 for March 2019

| | |
|---|------|
| 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 | 3.2% |
|---|------|