

(3) For calendar year 2025, an employer is not required to treat amounts the employer voluntarily pays from its own funds of any part of an employee's otherwise required contribution to a State paid family and medical leave program as wages for Federal employment tax purposes under §§ 3121(a), 3306(b), and 3401(a).

#### REQUEST FOR COMMENTS

Comments are requested on additional situations and aspects of state PFML benefit programs not addressed in this revenue ruling with respect to which the issuance of further Federal tax guidance would be helpful.

Comments should be submitted in writing on or before April 15, 2025. Consideration will be given, however, to any written comments submitted after April 15, 2025, if such consideration will not delay the issuance of guidance. The subject line for the comments should include a reference to Revenue Ruling 2025-4. All commenters are strongly encouraged to submit comments electronically. However, comments may be submitted in one of two ways: (a) Electronically via the Federal eRulemaking Portal at <https://www.regulations.gov> (type IRS-2025-0012 in the search field on the <https://www.regulations.gov> homepage to find this Revenue Ruling and submit comments); or (b) By mail to: Internal Revenue Service, CC:PA:LPD:PR (Revenue Ruling 2025-4), Room 5203, P.O. Box

7604, Ben Franklin Station, Washington, D.C., 20044. The Treasury Department and the IRS will publish for public availability any comment submitted electronically or on paper to its public docket on <https://www.regulations.gov>.

#### DRAFTING INFORMATION

The principal author of this revenue ruling is Merrill D. Feldstein of the Office of Associate Chief Counsel (Income Tax & Accounting). However, additional personnel in the Office of Chief Counsel and at the Treasury Department participated in the development of this revenue ruling. For further information regarding the application of §§ 61 and 164 under this revenue ruling, contact Ms. Feldstein of the Office of Associate Chief Counsel (Income Tax & Accounting) at (202) 317-5100 (not a toll-free number). For further information regarding the application of §§ 104, 105, and 106 under this revenue ruling, contact Jennifer Friedman of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes) at (202) 317-5500 (not a toll-free number). For further information regarding the application of §§ 3121(a), 3306(b), and 3401(a) under this revenue ruling, contact Michael L. Gitlin, also of the Office of Associate Chief Counsel (Employee Benefits, Exempt Organizations, and Employment Taxes) at (202) 317-6798 (not a toll-free number).

## 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. 2025-5

This revenue ruling provides various prescribed rates for federal income tax purposes for February 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. 2025-5 TABLE 1**  
 Applicable Federal Rates (AFR) for February 2025  
 Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
		<i>Short-term</i>		
AFR	4.34%	4.29%	4.27%	4.25%
110% AFR	4.78%	4.72%	4.69%	4.67%
120% AFR	5.22%	5.15%	5.12%	5.10%
130% AFR	5.66%	5.58%	5.54%	5.52%
		<i>Mid-term</i>		
AFR	4.52%	4.47%	4.45%	4.43%
110% AFR	4.98%	4.92%	4.89%	4.87%
120% AFR	5.43%	5.36%	5.32%	5.30%
130% AFR	5.89%	5.81%	5.77%	5.74%
150% AFR	6.82%	6.71%	6.65%	6.62%
175% AFR	7.97%	7.82%	7.75%	7.70%
		<i>Long-term</i>		
AFR	4.86%	4.80%	4.77%	4.75%
110% AFR	5.35%	5.28%	5.25%	5.22%
120% AFR	5.84%	5.76%	5.72%	5.69%
130% AFR	6.34%	6.24%	6.19%	6.16%

**REV. RUL. 2025-5 TABLE 2**  
 Adjusted AFR for February 2025  
 Period for Compounding

	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.29%	3.26%	3.25%	3.24%
Mid-term adjusted AFR	3.42%	3.39%	3.38%	3.37%
Long-term adjusted AFR	3.67%	3.64%	3.62%	3.61%

**REV. RUL. 2025-5 TABLE 3**  
 Rates Under Section 382 for February 2025

Adjusted federal long-term rate for the current month	3.67%
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.)	3.67%

**REV. RUL. 2025-5 TABLE 4**

Appropriate Percentages Under Section 42(b)(1) for February 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	8.09%
Appropriate percentage for the 30% present value low-income housing credit	3.47%

**REV. RUL. 2025-5 TABLE 5**  
Rate Under Section 7520 for February 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	5.4%
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**Section 42.—Low-Income Housing Credit**

The applicable federal short-term, mid-term, and long-term rates are set forth for the month of February 2025. See Rev. Rul. 2025-5, page 767.

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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 February 2025. See Rev. Rul. 2025-5, page 767.

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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 February 2025. See Rev. Rul. 2025-5, page 767.

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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 February 2025. See Rev. Rul. 2025-5, page 767.

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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 February 2025. See Rev. Rul. 2025-5, page 767.

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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 February 2025. See Rev. Rul. 2025-5, page 767.

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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 February 2025. See Rev. Rul. 2025-5, page 767.

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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 February 2025. See Rev. Rul. 2025-5, page 767.

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**Section 7520.—Valuation Tables**

The applicable federal mid-term rates are set forth for the month of February 2025. See Rev. Rul. 2025-5, page 767.

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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 February 2025. See Rev. Rul. 2025-5, page 767.

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