

Section [1274](#)--Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections [42](#), [280G](#), [382](#), [412](#), [467](#), [468](#), [482](#), [483](#), [642](#), [807](#), [846](#), [1288](#), [7520](#), [7872](#).)

Rev. Rul. [2015-25](#)

This revenue ruling provides various prescribed rates for federal income tax purposes for December 2015 (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, with respect to housing credit dollar amount allocations made before January 1, 2015, 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](#). Finally, Table 6 contains the 2016 interest rate for purposes of sections [846](#) and [807](#).

REV. RUL. 2015-25 TABLE 1

Applicable Federal Rates (AFR) for December 2015

| | <u>Annual</u> | <u>Period for Compounding</u> | | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
| | | <u>Semiannual</u> | <u>Quarterly</u> | |
| <u>Short-term</u> | | | | |
| AFR | .56% | .56% | .56% | .56% |
| 110% AFR | .62% | .62% | .62% | .62% |
| 120% AFR | .67% | .67% | .67% | .67% |
| 130% AFR | .73% | .73% | .73% | .73% |
| <u>Mid-term</u> | | | | |
| AFR | 1.68% | 1.67% | 1.67% | 1.66% |
| 110% AFR | 1.85% | 1.84% | 1.84% | 1.83% |
| 120% AFR | 2.01% | 2.00% | 2.00% | 1.99% |
| 130% AFR | 2.18% | 2.17% | 2.16% | 2.16% |
| 150% AFR | 2.53% | 2.51% | 2.50% | 2.50% |
| 175% AFR | 2.94% | 2.92% | 2.91% | 2.90% |
| <u>Long-term</u> | | | | |
| AFR | 2.61% | 2.59% | 2.58% | 2.58% |
| 110% AFR | 2.87% | 2.85% | 2.84% | 2.83% |
| 120% AFR | 3.13% | 3.11% | 3.10% | 3.09% |
| 130% AFR | 3.40% | 3.37% | 3.36% | 3.35% |

REV. RUL. [2015-25](#) TABLE 2

Adjusted AFR for December 2015

| | <u>Period for Compounding</u> | | | |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
| | <u>Annual</u> | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | .48% | .48% | .48% | .48% |
| Mid-term adjusted AFR | 1.38% | 1.38% | 1.38% | 1.38% |
| Long-term adjusted AFR | 2.61% | 2.59% | 2.58% | 2.58% |

REV. RUL. [2015-25](#) TABLE 3Rates Under Section [382](#) for December 2015

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 2.61% |
| 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.) | 2.61% |

REV. RUL. 2015-25 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for December 2015
 Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, with respect to housing credit dollar amount allocations made before January 1, 2015 shall not be less than 9%.

| | |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 7.49% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.21% |

REV. RUL. 2015-25 TABLE 5

Rate Under Section 7520 for December 2015

| | |
|---|------|
| 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 | 2.0% |
|---|------|

REV. RUL. 2015-25 TABLE 6

Rates Under Sections 846 and 807

| | |
|---|-------|
| Applicable rate of interest for 2016 for purposes of sections 846 and 807 | 1.56% |
|---|-------|
