

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%

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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%
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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%
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