

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](#))

Rev. Rul. [2017-24](#)

This revenue ruling provides various prescribed rates for federal income tax purposes for December 2017 (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%. 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 2018 interest rate for purposes of sections [846](#) and [807](#).

REV. RUL. 2017-24 TABLE 1

Applicable Federal Rates (AFR) for December 2017

| | <u>Annual</u> | <u>Period for Compounding</u> | | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
| | | <u>Semiannual</u> | <u>Quarterly</u> | |
| <u>Short-term</u> | | | | |
| AFR | 1.52% | 1.51% | 1.51% | 1.51% |
| 110% AFR | 1.67% | 1.66% | 1.66% | 1.65% |
| 120% AFR | 1.82% | 1.81% | 1.81% | 1.80% |
| 130% AFR | 1.97% | 1.96% | 1.96% | 1.95% |
| <u>Mid-term</u> | | | | |
| AFR | 2.11% | 2.10% | 2.09% | 2.09% |
| 110% AFR | 2.32% | 2.31% | 2.30% | 2.30% |
| 120% AFR | 2.54% | 2.52% | 2.51% | 2.51% |
| 130% AFR | 2.75% | 2.73% | 2.72% | 2.71% |
| 150% AFR | 3.17% | 3.15% | 3.14% | 3.13% |
| 175% AFR | 3.71% | 3.68% | 3.66% | 3.65% |
| <u>Long-term</u> | | | | |
| AFR | 2.64% | 2.62% | 2.61% | 2.61% |
| 110% AFR | 2.90% | 2.88% | 2.87% | 2.86% |
| 120% AFR | 3.16% | 3.14% | 3.13% | 3.12% |
| 130% AFR | 3.44% | 3.41% | 3.40% | 3.39% |

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Adjusted AFR for December 2017

| | <u>Period for Compounding</u> | | | |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
| | <u>Annual</u> | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | 1.12% | 1.12% | 1.12% | 1.12% |
| Mid-term adjusted AFR | 1.57% | 1.56% | 1.56% | 1.55% |
| Long-term adjusted AFR | 1.96% | 1.95% | 1.95% | 1.94% |

REV. RUL. [2017-24](#) TABLE 3Rates Under Section [382](#) for December 2017

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 1.96% |
| 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.) | 1.96% |

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Appropriate Percentages Under Section 42(b)(1) for December 2017
 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 | 7.55% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.23% |

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Rate Under Section 7520 for December 2017

| | |
|---|------|
| 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 | 2.6% |
|---|------|

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Rates Under Sections 846 and 807

| | |
|---|-------|
| Applicable rate of interest for 2018 for purposes of sections 846 and 807 | 1.66% |
|---|-------|
