

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. [2018-09](#)

This revenue ruling provides various prescribed rates for federal income tax purposes for April 2018 (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. 2018-09 TABLE 1

Applicable Federal Rates (AFR) for April 2018

| | <u>Annual</u> | <u>Period for Compounding</u> | | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
| | | <u>Semiannual</u> | <u>Quarterly</u> | |
| <u>Short-term</u> | | | | |
| AFR | 2.12% | 2.11% | 2.10% | 2.10% |
| 110% AFR | 2.33% | 2.32% | 2.31% | 2.31% |
| 120% AFR | 2.55% | 2.53% | 2.52% | 2.52% |
| 130% AFR | 2.76% | 2.74% | 2.73% | 2.72% |
| <u>Mid-term</u> | | | | |
| AFR | 2.72% | 2.70% | 2.69% | 2.68% |
| 110% AFR | 2.99% | 2.97% | 2.96% | 2.95% |
| 120% AFR | 3.27% | 3.24% | 3.23% | 3.22% |
| 130% AFR | 3.54% | 3.51% | 3.49% | 3.48% |
| 150% AFR | 4.09% | 4.05% | 4.03% | 4.02% |
| 175% AFR | 4.79% | 4.73% | 4.70% | 4.68% |
| <u>Long-term</u> | | | | |
| AFR | 3.04% | 3.02% | 3.01% | 3.00% |
| 110% AFR | 3.35% | 3.32% | 3.31% | 3.30% |
| 120% AFR | 3.65% | 3.62% | 3.60% | 3.59% |
| 130% AFR | 3.97% | 3.93% | 3.91% | 3.90% |

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Adjusted AFR for April 2018

| | <u>Period for Compounding</u> | | | |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
| | <u>Annual</u> | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | 1.61% | 1.60% | 1.60% | 1.59% |
| Mid-term adjusted AFR | 2.06% | 2.05% | 2.04% | 2.04% |
| Long-term adjusted AFR | 2.30% | 2.29% | 2.28% | 2.28% |

REV. RUL. 2018-09 TABLE 3

Rates Under Section 382 for April 2018

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 2.30% |
| 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.) | 2.30% |

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Appropriate Percentages Under Section 42(b)(1) for April 2018

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 | 7.66% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.28% |

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Rate Under Section 7520 for April 2018

| | |
|---|------|
| 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% |
|---|------|
