

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. [2018-23](#)

This revenue ruling provides various prescribed rates for federal income tax purposes for September 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. 2018-23 TABLE 1

## Applicable Federal Rates (AFR) for September 2018

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	2.51%	2.49%	2.48%	2.48%
110% AFR	2.76%	2.74%	2.73%	2.72%
120% AFR	3.01%	2.99%	2.98%	2.97%
130% AFR	3.27%	3.24%	3.23%	3.22%
<u>Mid-term</u>				
AFR	2.86%	2.84%	2.83%	2.82%
110% AFR	3.14%	3.12%	3.11%	3.10%
120% AFR	3.44%	3.41%	3.40%	3.39%
130% AFR	3.72%	3.69%	3.67%	3.66%
150% AFR	4.31%	4.26%	4.24%	4.22%
175% AFR	5.03%	4.97%	4.94%	4.92%
<u>Long-term</u>				
AFR	3.02%	3.00%	2.99%	2.98%
110% AFR	3.33%	3.30%	3.29%	3.28%
120% AFR	3.63%	3.60%	3.58%	3.57%
130% AFR	3.94%	3.90%	3.88%	3.87%

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## REV. RUL. 2018-23 TABLE 2

## Adjusted AFR for September 2018

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	1.90%	1.89%	1.89%	1.88%
Mid-term adjusted AFR	2.17%	2.16%	2.15%	2.15%
Long-term adjusted AFR	2.29%	2.28%	2.27%	2.27%

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## REV. RUL. 2018-23 TABLE 3

## Rates Under Section 382 for September 2018

Adjusted federal long-term rate for the current month	2.29%
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.)	2.32%

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## REV. RUL. 2018-23 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for September 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	7.68%
Appropriate percentage for the 30% present value low-income housing credit	3.29%

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## REV. RUL. 2018-23 TABLE 5

Rate Under Section 7520 for September 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	3.4%
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