

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. [2019-12](#)

This revenue ruling provides various prescribed rates for federal income tax purposes for May 2019 (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. 2019-12 TABLE 1

Applicable Federal Rates (AFR) for May 2019

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	2.39%	2.38%	2.37%	2.37%
110% AFR	2.64%	2.62%	2.61%	2.61%
120% AFR	2.88%	2.86%	2.85%	2.84%
130% AFR	3.11%	3.09%	3.08%	3.07%
<u>Mid-term</u>				
AFR	2.37%	2.36%	2.35%	2.35%
110% AFR	2.62%	2.60%	2.59%	2.59%
120% AFR	2.85%	2.83%	2.82%	2.81%
130% AFR	3.09%	3.07%	3.06%	3.05%
150% AFR	3.57%	3.54%	3.52%	3.51%
175% AFR	4.17%	4.13%	4.11%	4.09%
<u>Long-term</u>				
AFR	2.74%	2.72%	2.71%	2.70%
110% AFR	3.01%	2.99%	2.98%	2.97%
120% AFR	3.29%	3.26%	3.25%	3.24%
130% AFR	3.57%	3.54%	3.52%	3.51%

REV. RUL. 2019-12 TABLE 2

Adjusted AFR for May 2019

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	1.82%	1.81%	1.81%	1.80%
Mid-term adjusted AFR	1.80%	1.79%	1.79%	1.78%
Long-term adjusted AFR	2.08%	2.07%	2.06%	2.06%

REV. RUL. 2019-12 TABLE 3

Rates Under Section 382 for May 2019

Adjusted federal long-term rate for the current month	2.08%
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.)	2.20%

REV. RUL. 2019-12 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for May 2019

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	7.59%
Appropriate percentage for the 30% present value low-income housing credit	3.25%

REV. RUL. 2019-12 TABLE 5

Rate Under Section 7520 for May 2019

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	2.8%
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