

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. [2019-16](#)

This revenue ruling provides various prescribed rates for federal income tax purposes for July 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%. 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 blended annual rate for 2019 for purposes of section [7872](#).

REV. RUL. 2019-16 TABLE 1

Applicable Federal Rates (AFR) for July 2019

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	2.13%	2.12%	2.11%	2.11%
110% AFR	2.34%	2.33%	2.32%	2.32%
120% AFR	2.56%	2.54%	2.53%	2.53%
130% AFR	2.78%	2.76%	2.75%	2.74%
<u>Mid-term</u>				
AFR	2.08%	2.07%	2.06%	2.06%
110% AFR	2.29%	2.28%	2.27%	2.27%
120% AFR	2.50%	2.48%	2.47%	2.47%
130% AFR	2.71%	2.69%	2.68%	2.68%
150% AFR	3.13%	3.11%	3.10%	3.09%
175% AFR	3.65%	3.62%	3.60%	3.59%
<u>Long-term</u>				
AFR	2.50%	2.48%	2.47%	2.47%
110% AFR	2.75%	2.73%	2.72%	2.71%
120% AFR	3.00%	2.98%	2.97%	2.96%
130% AFR	3.25%	3.22%	3.21%	3.20%

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Adjusted AFR for July 2019

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	1.62%	1.61%	1.61%	1.60%
Mid-term adjusted AFR	1.58%	1.57%	1.57%	1.56%
Long-term adjusted AFR	1.89%	1.88%	1.88%	1.87%

REV. RUL. 2019-16 TABLE 3

Rates Under Section 382 for July 2019

Adjusted federal long-term rate for the current month	1.89%
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.)	2.09%

REV. RUL. 2019-16 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for July 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	7.53%
Appropriate percentage for the 30% present value low-income housing credit	3.23%

REV. RUL. 2019-16 TABLE 5

Rate Under Section 7520 for July 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	2.6%
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Blended Annual Rate for 2019

Section 7872(e)(2) blended annual rate for 2019	2.42%
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