

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. [2020-3](#)

This revenue ruling provides various prescribed rates for federal income tax purposes for February 2020 (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. [2020-3](#) TABLE 1

Applicable Federal Rates (AFR) for February 2020

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	1.59%	1.58%	1.58%	1.57%
110% AFR	1.75%	1.74%	1.74%	1.73%
120% AFR	1.91%	1.90%	1.90%	1.89%
130% AFR	2.06%	2.05%	2.04%	2.04%
<u>Mid-term</u>				
AFR	1.75%	1.74%	1.74%	1.73%
110% AFR	1.92%	1.91%	1.91%	1.90%
120% AFR	2.10%	2.09%	2.08%	2.08%
130% AFR	2.27%	2.26%	2.25%	2.25%
150% AFR	2.63%	2.61%	2.60%	2.60%
175% AFR	3.07%	3.05%	3.04%	3.03%
<u>Long-term</u>				
AFR	2.15%	2.14%	2.13%	2.13%
110% AFR	2.36%	2.35%	2.34%	2.34%
120% AFR	2.59%	2.57%	2.56%	2.56%
130% AFR	2.80%	2.78%	2.77%	2.76%

REV. RUL. [2020-3](#) TABLE 2

Adjusted AFR for February 2020

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	1.20%	1.20%	1.20%	1.20%
Mid-term adjusted AFR	1.32%	1.32%	1.32%	1.32%
Long-term adjusted AFR	1.63%	1.62%	1.62%	1.61%

REV. RUL. [2020-3](#) TABLE 3

Rates Under Section [382](#) for February 2020

Adjusted federal long-term rate for the current month	1.63%
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.)	1.63%

REV. RUL. [2020-3](#) TABLE 4

Appropriate Percentages Under Section [42\(b\)\(1\)](#) for February 2020

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	7.45%
Appropriate percentage for the 30% present value low-income housing credit	3.19%

REV. RUL. [2020-3](#) TABLE 5

Rate Under Section [7520](#) for February 2020

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	2.2%
---	------