

## 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. 2021-7

This revenue ruling provides various prescribed rates for federal income tax purposes for April 2021 (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. 2021-7 TABLE 1

## Applicable Federal Rates (AFR) for April 2021

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | 0.12%         | 0.12%                         | 0.12%            | 0.12%          |
| 110% AFR          | 0.13%         | 0.13%                         | 0.13%            | 0.13%          |
| 120% AFR          | 0.14%         | 0.14%                         | 0.14%            | 0.14%          |
| 130% AFR          | 0.16%         | 0.16%                         | 0.16%            | 0.16%          |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | 0.89%         | 0.89%                         | 0.89%            | 0.89%          |
| 110% AFR          | 0.98%         | 0.98%                         | 0.98%            | 0.98%          |
| 120% AFR          | 1.07%         | 1.07%                         | 1.07%            | 1.07%          |
| 130% AFR          | 1.16%         | 1.16%                         | 1.16%            | 1.16%          |
| 150% AFR          | 1.34%         | 1.34%                         | 1.34%            | 1.34%          |
| 175% AFR          | 1.57%         | 1.56%                         | 1.56%            | 1.55%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 1.98%         | 1.97%                         | 1.97%            | 1.96%          |
| 110% AFR          | 2.18%         | 2.17%                         | 2.16%            | 2.16%          |
| 120% AFR          | 2.37%         | 2.36%                         | 2.35%            | 2.35%          |
| 130% AFR          | 2.58%         | 2.56%                         | 2.55%            | 2.55%          |

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## REV. RUL. 2021-7 TABLE 2

## Adjusted AFR for April 2021

|                         | <u>Period for Compounding</u> |                   |                  |                |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
|                         | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | 0.09%                         | 0.09%             | 0.09%            | 0.09%          |
| Mid-term adjusted AFR   | 0.68%                         | 0.68%             | 0.68%            | 0.68%          |
| Long-term adjusted AFR  | 1.51%                         | 1.50%             | 1.50%            | 1.50%          |

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## REV. RUL. 2021-7 TABLE 3

## Rates Under Section 382 for April 2021

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 1.51% |
| 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.) | 1.51% |

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## REV. RUL. 2021-7 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for April 2021

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 | 7.33% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.14% |

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REV. RUL. 2021-7 TABLE 5

Rate Under Section 7520 for April 2021

|   |       |
|---|-------|
| 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 | 1.00% |
|---|-------|