

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. 2023-21

This revenue ruling provides various prescribed rates for federal income tax purposes for December 2023 (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. 2023-21 TABLE 1

Applicable Federal Rates (AFR) for December 2023

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	5.26%	5.19%	5.16%	5.13%
110% AFR	5.79%	5.71%	5.67%	5.64%
120% AFR	6.33%	6.23%	6.18%	6.15%
130% AFR	6.86%	6.75%	6.69%	6.66%
<u>Mid-term</u>				
AFR	4.82%	4.76%	4.73%	4.71%
110% AFR	5.31%	5.24%	5.21%	5.18%
120% AFR	5.79%	5.71%	5.67%	5.64%
130% AFR	6.29%	6.19%	6.14%	6.11%
150% AFR	7.27%	7.14%	7.08%	7.04%
175% AFR	8.50%	8.33%	8.25%	8.19%
<u>Long-term</u>				
AFR	5.03%	4.97%	4.94%	4.92%
110% AFR	5.54%	5.47%	5.43%	5.41%
120% AFR	6.05%	5.96%	5.92%	5.89%
130% AFR	6.56%	6.46%	6.41%	6.37%

Adjusted AFR for December 2023

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	3.98%	3.94%	3.92%	3.91%
Mid-term adjusted AFR	3.64%	3.61%	3.59%	3.58%
Long-term adjusted AFR	3.81%	3.77%	3.75%	3.74%

REV. RUL. 2023-21 TABLE 3

Rates Under Section 382 for December 2023

Adjusted federal long-term rate for the current month	3.81%
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.)	3.81%

REV. RUL. 2023-21 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for December 2023

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	8.15%
Appropriate percentage for the 30% present value low-income housing credit	3.49%

REV. RUL. 2023-21 TABLE 5

Rate Under Section 7520 for December 2023

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	5.80%
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