

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. 2023-12

This revenue ruling provides various prescribed rates for federal income tax purposes for July 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%. 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 2023 for purposes of section 7872.

REV. RUL. 2023-12 TABLE 1

Applicable Federal Rates (AFR) for July 2023

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
		<u>Short-term</u>		
AFR	4.80%	4.74%	4.71%	4.69%
110% AFR	5.28%	5.21%	5.18%	5.15%
120% AFR	5.77%	5.69%	5.65%	5.62%
130% AFR	6.25%	6.16%	6.11%	6.08%
		<u>Mid-term</u>		
AFR	3.85%	3.81%	3.79%	3.78%
110% AFR	4.23%	4.19%	4.17%	4.15%
120% AFR	4.62%	4.57%	4.54%	4.53%
130% AFR	5.01%	4.95%	4.92%	4.90%
150% AFR	5.80%	5.72%	5.68%	5.65%
175% AFR	6.78%	6.67%	6.62%	6.58%
		<u>Long-term</u>		
AFR	3.98%	3.94%	3.92%	3.91%
110% AFR	4.38%	4.33%	4.31%	4.29%
120% AFR	4.79%	4.73%	4.70%	4.68%
130% AFR	5.19%	5.12%	5.09%	5.07%

REV. RUL. 2023-12 TABLE 2

Adjusted AFR for July 2023

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	3.63%	3.60%	3.58%	3.57%
Mid-term adjusted AFR	2.91%	2.89%	2.88%	2.87%
Long-term adjusted AFR	3.01%	2.99%	2.98%	2.97%

REV. RUL. 2023-12 TABLE 3

Rates Under Section 382 for July 2023

Adjusted federal long-term rate for the current month	3.01%
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.)	3.01%

REV. RUL. 2023-12 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for July 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	7.91%
Appropriate percentage for the 30% present value low-income housing credit	3.39%

REV. RUL. 2023-12 TABLE 5

Rate Under Section 7520 for July 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	4.60%
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REV. RUL. 2023-12 TABLE 6

Blended Annual Rate for 2023

Section 7872(e)(2) blended annual rate for 2023	4.65%
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