

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. 2024-03

This revenue ruling provides various prescribed rates for federal income tax purposes for February 2024 (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. 2024-03 TABLE 1

Applicable Federal Rates (AFR) for February 2024

| | <u>Annual</u> | <u>Period for Compounding</u> | | <u>Monthly</u> |
|----------|---------------|-------------------------------|------------------|----------------|
| | | <u>Semiannual</u> | <u>Quarterly</u> | |
| | | <u>Short-term</u> | | |
| AFR | 4.68% | 4.63% | 4.60% | 4.59% |
| 110% AFR | 5.15% | 5.09% | 5.06% | 5.04% |
| 120% AFR | 5.64% | 5.56% | 5.52% | 5.50% |
| 130% AFR | 6.11% | 6.02% | 5.98% | 5.95% |
| | | <u>Mid-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% |
| 150% AFR | 6.00% | 5.91% | 5.87% | 5.84% |
| 175% AFR | 7.02% | 6.90% | 6.84% | 6.80% |
| | | <u>Long-term</u> | | |
| AFR | 4.18% | 4.14% | 4.12% | 4.10% |
| 110% AFR | 4.60% | 4.55% | 4.52% | 4.51% |
| 120% AFR | 5.03% | 4.97% | 4.94% | 4.92% |
| 130% AFR | 5.45% | 5.38% | 5.34% | 5.32% |

Adjusted AFR for February 2024

| | <u>Period for Compounding</u> | | | |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
| | <u>Annual</u> | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | 3.55% | 3.52% | 3.50% | 3.49% |
| Mid-term adjusted AFR | 3.01% | 2.99% | 2.98% | 2.97% |
| Long-term adjusted AFR | 3.16% | 3.14% | 3.13% | 3.12% |

REV. RUL. 2024-03 TABLE 3

Rates Under Section 382 for February 2024

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 3.16% |
| 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. 2024-03 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for February 2024

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 | 7.95% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.41% |

REV. RUL. 2024-03 TABLE 5

Rate Under Section 7520 for February 2024

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 4.80%