

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, 642, 1288, 7520, 7872.)

Rev. Rul. 2017-11

This revenue ruling provides various prescribed rates for federal income tax purposes for May 2017 (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. 2017-11 TABLE 1

Applicable Federal Rates (AFR) for May 2017

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	1.15%	1.15%	1.15%	1.15%
110% AFR	1.27%	1.27%	1.27%	1.27%
120% AFR	1.38%	1.38%	1.38%	1.38%
130% AFR	1.51%	1.50%	1.50%	1.50%
<u>Mid-term</u>				
AFR	2.04%	2.03%	2.02%	2.02%
110% AFR	2.24%	2.23%	2.22%	2.22%
120% AFR	2.45%	2.44%	2.43%	2.43%
130% AFR	2.66%	2.64%	2.63%	2.63%
150% AFR	3.07%	3.05%	3.04%	3.03%
175% AFR	3.58%	3.55%	3.53%	3.52%
<u>Long-term</u>				
AFR	2.75%	2.73%	2.72%	2.71%
110% AFR	3.02%	3.00%	2.99%	2.98%
120% AFR	3.31%	3.28%	3.27%	3.26%
130% AFR	3.58%	3.55%	3.53%	3.52%

REV. RUL. 2017-11 TABLE 2

Adjusted AFR for May 2017

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	.86%	.86%	.86%	.86%
Mid-term adjusted AFR	1.52%	1.51%	1.51%	1.51%
Long-term adjusted AFR	2.04%	2.03%	2.02%	2.02%

REV. RUL. 2017-11 TABLE 3

Rates Under Section 382 for May 2017

Adjusted federal long-term rate for the current month	2.04%
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.)	2.09%

REV. RUL. 2017-11 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for May 2017

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	7.55%
Appropriate percentage for the 30% present value low-income housing credit	3.24%

REV. RUL. 2017-11 TABLE 5

Rate Under Section 7520 for May 2017

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	2.4%
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