

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.)

Rev. Rul. 2017-24

This revenue ruling provides various prescribed rates for federal income tax purposes for December 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%. 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 2018 interest rate for purposes of sections 846 and 807.

REV. RUL. 2017-24 TABLE 1

Applicable Federal Rates (AFR) for December 2017

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	1.52%	1.51%	1.51%	1.51%
110% AFR	1.67%	1.66%	1.66%	1.65%
120% AFR	1.82%	1.81%	1.81%	1.80%
130% AFR	1.97%	1.96%	1.96%	1.95%
<u>Mid-term</u>				
AFR	2.11%	2.10%	2.09%	2.09%
110% AFR	2.32%	2.31%	2.30%	2.30%
120% AFR	2.54%	2.52%	2.51%	2.51%
130% AFR	2.75%	2.73%	2.72%	2.71%
150% AFR	3.17%	3.15%	3.14%	3.13%
175% AFR	3.71%	3.68%	3.66%	3.65%
<u>Long-term</u>				
AFR	2.64%	2.62%	2.61%	2.61%
110% AFR	2.90%	2.88%	2.87%	2.86%
120% AFR	3.16%	3.14%	3.13%	3.12%
130% AFR	3.44%	3.41%	3.40%	3.39%

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Adjusted AFR for December 2017

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	1.12%	1.12%	1.12%	1.12%
Mid-term adjusted AFR	1.57%	1.56%	1.56%	1.55%
Long-term adjusted AFR	1.96%	1.95%	1.95%	1.94%

REV. RUL. 2017-24 TABLE 3

Rates Under Section 382 for December 2017

Adjusted federal long-term rate for the current month	1.96%
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.)	1.96%

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Appropriate Percentages Under Section 42(b)(1) for December 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	3.23%

REV. RUL. 2017-24 TABLE 5

Rate Under Section 7520 for December 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	2.6%
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Rates Under Sections 846 and 807

Applicable rate of interest for 2018 for purposes of sections 846 and 807	1.66%
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