

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. 2023-20

This revenue ruling provides various prescribed rates for federal income tax purposes for November 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. 2023-20 TABLE 1

Applicable Federal Rates (AFR) for November 2023

	<u>Annual</u>	<u>Period for Compounding</u>		
		<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
<u>Short-term</u>				
AFR	5.30%	5.23%	5.20%	5.17%
110% AFR	5.83%	5.75%	5.71%	5.68%
120% AFR	6.38%	6.28%	6.23%	6.20%
130% AFR	6.92%	6.80%	6.74%	6.71%
<u>Mid-term</u>				
AFR	4.69%	4.64%	4.61%	4.60%
110% AFR	5.17%	5.10%	5.07%	5.05%
120% AFR	5.65%	5.57%	5.53%	5.51%
130% AFR	6.12%	6.03%	5.99%	5.96%
150% AFR	7.08%	6.96%	6.90%	6.86%
175% AFR	8.28%	8.12%	8.04%	7.99%
<u>Long-term</u>				
AFR	4.83%	4.77%	4.74%	4.72%
110% AFR	5.32%	5.25%	5.22%	5.19%
120% AFR	5.80%	5.72%	5.68%	5.65%
130% AFR	6.30%	6.20%	6.15%	6.12%

REV. RUL. 2023-20 TABLE 2

Adjusted AFR for November 2023

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	4.01%	3.97%	3.95%	3.94%
Mid-term adjusted AFR	3.55%	3.52%	3.50%	3.49%
Long-term adjusted AFR	3.65%	3.62%	3.60%	3.59%

REV. RUL. 2023-20 TABLE 3

Rates Under Section 382 for November 2023

Adjusted federal long-term rate for the current month	3.65%
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.)	3.65%

REV. RUL. 2023-20 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for November 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	8.11%
Appropriate percentage for the 30% present value low-income housing credit	3.47%

REV. RUL. 2023-20 TABLE 5

Rate Under Section 7520 for November 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	5.60%
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