

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>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</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%

REV. RUL. 2024-03 TABLE 2

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%
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