

## 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, 7702, 7872.)

Rev. Rul. 2024-02

This revenue ruling provides various prescribed rates for federal income tax purposes for January 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%. 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. Table 6 contains the deemed rate of return for transfers made during calendar year 2024 to pooled income funds described in section 642(c)(5) that have been in existence for less than 3 taxable years immediately preceding the taxable year in which the transfer was made. Finally, Table 7 contains the average of the applicable federal mid-term rates (based on annual compounding) for the 60-month period ending December 31, 2023, for purposes of section 7702(f)(11).

## REV. RUL. 2024-02 TABLE 1

## Applicable Federal Rates (AFR) for January 2024

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | 5.00%         | 4.94%                         | 4.91%            | 4.89%          |
| 110% AFR          | 5.50%         | 5.43%                         | 5.39%            | 5.37%          |
| 120% AFR          | 6.02%         | 5.93%                         | 5.89%            | 5.86%          |
| 130% AFR          | 6.52%         | 6.42%                         | 6.37%            | 6.34%          |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | 4.37%         | 4.32%                         | 4.30%            | 4.28%          |
| 110% AFR          | 4.81%         | 4.75%                         | 4.72%            | 4.70%          |
| 120% AFR          | 5.25%         | 5.18%                         | 5.15%            | 5.12%          |
| 130% AFR          | 5.70%         | 5.62%                         | 5.58%            | 5.56%          |
| 150% AFR          | 6.58%         | 6.48%                         | 6.43%            | 6.39%          |
| 175% AFR          | 7.70%         | 7.56%                         | 7.49%            | 7.44%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 4.54%         | 4.49%                         | 4.47%            | 4.45%          |
| 110% AFR          | 5.00%         | 4.94%                         | 4.91%            | 4.89%          |
| 120% AFR          | 5.46%         | 5.39%                         | 5.35%            | 5.33%          |
| 130% AFR          | 5.93%         | 5.84%                         | 5.80%            | 5.77%          |

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## REV. RUL. 2024-02 TABLE 2

## Adjusted AFR for January 2024

|                         | <u>Period for Compounding</u> |                   |                  |                |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
|                         | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | 3.79%                         | 3.75%             | 3.73%            | 3.72%          |
| Mid-term adjusted AFR   | 3.31%                         | 3.28%             | 3.27%            | 3.26%          |
| Long-term adjusted AFR  | 3.44%                         | 3.41%             | 3.40%            | 3.39%          |

## REV. RUL. 2024-02 TABLE 3

## Rates Under Section 382 for January 2024

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 3.44% |
| 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. 2024-02 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for January 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 | 8.04% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.44% |

## REV. RUL. 2024-02 TABLE 5

## Rate Under Section 7520 for January 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 | 5.20% |
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REV. RUL. 2024-02 TABLE 6

## Deemed Rate for Transfers to New Pooled Income Funds During 2024

|  |      |
|--|------|
| Deemed rate of return for transfers during 2024 to pooled income funds that have been in existence for less than 3 taxable years | 3.8% |
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REV. RUL. 2024-02 TABLE 7

## Average of the Applicable Federal Mid-Term Rates for 2023

For purposes of section 7702(f)(11), the average of the applicable federal mid-term rates (based on annual compounding) for the 60-month period ending December 31, 2023, is 2.12%, rounded to 2%.