

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. 2017-08

This revenue ruling provides various prescribed rates for federal income tax purposes for April 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.

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## REV. RUL. 2017-08 TABLE 1

## Applicable Federal Rates (AFR) for April 2017

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | 1.11%         | 1.11%                         | 1.11%            | 1.11%          |
| 110% AFR          | 1.22%         | 1.22%                         | 1.22%            | 1.22%          |
| 120% AFR          | 1.33%         | 1.33%                         | 1.33%            | 1.33%          |
| 130% AFR          | 1.45%         | 1.44%                         | 1.44%            | 1.44%          |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | 2.12%         | 2.11%                         | 2.10%            | 2.10%          |
| 110% AFR          | 2.33%         | 2.32%                         | 2.31%            | 2.31%          |
| 120% AFR          | 2.55%         | 2.53%                         | 2.52%            | 2.52%          |
| 130% AFR          | 2.76%         | 2.74%                         | 2.73%            | 2.72%          |
| 150% AFR          | 3.20%         | 3.17%                         | 3.16%            | 3.15%          |
| 175% AFR          | 3.72%         | 3.69%                         | 3.67%            | 3.66%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 2.82%         | 2.80%                         | 2.79%            | 2.78%          |
| 110% AFR          | 3.10%         | 3.08%                         | 3.07%            | 3.06%          |
| 120% AFR          | 3.39%         | 3.36%                         | 3.35%            | 3.34%          |
| 130% AFR          | 3.67%         | 3.64%                         | 3.62%            | 3.61%          |

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## REV. RUL. 2017-08 TABLE 2

## Adjusted AFR for April 2017

|                            | <u>Period for Compounding</u> |                   |                  |                |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
|                            | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term<br>adjusted AFR | .83%                          | .83%              | .83%             | .83%           |
| Mid-term<br>adjusted AFR   | 1.58%                         | 1.57%             | 1.57%            | 1.56%          |
| Long-term<br>adjusted AFR  | 2.09%                         | 2.08%             | 2.07%            | 2.07%          |

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## REV. RUL. 2017-08 TABLE 3

## Rates Under Section 382 for April 2017

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 2.09% |
| 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% |

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## REV. RUL. 2017-08 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for April 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 | 7.57% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.24% |

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## REV. RUL. 2017-08 TABLE 5

## Rate Under Section 7520 for April 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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