

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. 2018-06

This revenue ruling provides various prescribed rates for federal income tax purposes for March 2018 (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. 2018-06 TABLE 1

Applicable Federal Rates (AFR) for March 2018

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	1.96%	1.95%	1.95%	1.94%
110% AFR	2.16%	2.15%	2.14%	2.14%
120% AFR	2.35%	2.34%	2.33%	2.33%
130% AFR	2.56%	2.54%	2.53%	2.53%
<u>Mid-term</u>				
AFR	2.57%	2.55%	2.54%	2.54%
110% AFR	2.83%	2.81%	2.80%	2.79%
120% AFR	3.08%	3.06%	3.05%	3.04%
130% AFR	3.35%	3.32%	3.31%	3.30%
150% AFR	3.87%	3.83%	3.81%	3.80%
175% AFR	4.51%	4.46%	4.44%	4.42%
<u>Long-term</u>				
AFR	2.88%	2.86%	2.85%	2.84%
110% AFR	3.17%	3.15%	3.14%	3.13%
120% AFR	3.46%	3.43%	3.42%	3.41%
130% AFR	3.75%	3.72%	3.70%	3.69%

REV. RUL. 2018-06 TABLE 2

Adjusted AFR for March 2018

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	1.49%	1.48%	1.48%	1.48%
Mid-term adjusted AFR	1.95%	1.94%	1.94%	1.93%
Long-term adjusted AFR	2.18%	2.17%	2.16%	2.16%

REV. RUL. 2018-06 TABLE 3

Rates Under Section 382 for March 2018

Adjusted federal long-term rate for the current month	2.18%
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.)	2.18%

REV. RUL. 2018-06 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for March 2018

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	7.63%
Appropriate percentage for the 30% present value low-income housing credit	3.27%

REV. RUL. 2018-06 TABLE 5

Rate Under Section 7520 for March 2018

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	3.0%
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