

# TIMEVALUE SOFTWARE APPLICABLE FEDERAL RATES AFR SUBSCRIPTION SERVICE

## AFR RATES FOR JANUARY 2022

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. 2022-1

This revenue ruling provides various prescribed rates for federal income tax purposes for January 2022 (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 2022 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 periods ending December 31, 2019, December 31, 2020, and December 31, 2021, for purposes of section 7702(f)(11).

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## REV. RUL. 2022-1 TABLE 1

### Applicable Federal Rates (AFR) for January 2022

	<u>Annual</u>	<u>Period for Compounding</u>		
		<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
<u>Short-term</u>				
AFR	0.44%	0.44%	0.44%	0.44%
110% AFR	0.48%	0.48%	0.48%	0.48%
120% AFR	0.53%	0.53%	0.53%	0.53%
130% AFR	0.57%	0.57%	0.57%	0.57%
<u>Mid-term</u>				
AFR	1.30%	1.30%	1.30%	1.30%
110% AFR	1.44%	1.43%	1.43%	1.43%
120% AFR	1.57%	1.56%	1.56%	1.55%
130% AFR	1.70%	1.69%	1.69%	1.68%
150% AFR	1.96%	1.95%	1.95%	1.94%
175% AFR	2.29%	2.28%	2.27%	2.27%
<u>Long-term</u>				
AFR	1.82%	1.81%	1.81%	1.80%
110% AFR	2.00%	1.99%	1.99%	1.98%
120% AFR	2.18%	2.17%	2.16%	2.16%
130% AFR	2.36%	2.35%	2.34%	2.34%

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## REV. RUL. 2022-1 TABLE 2

### Adjusted AFR for January 2022

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	0.33%	0.33%	0.33%	0.33%
Mid-term adjusted AFR	0.99%	0.99%	0.99%	0.99%
Long-term adjusted AFR	1.37%	1.37%	1.37%	1.37%

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## REV. RUL. 2022-1 TABLE 3

### Rates Under Section 382 for January 2022

Adjusted federal long-term rate for the current month	1.37%
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.)	1.45%

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## REV. RUL. 2022-1 TABLE 4

### Appropriate Percentages Under Section 42(b)(1) for January 2022

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	7.36%
Appropriate percentage for the 30% present value low-income housing credit	3.15%

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REV. RUL. 2022-1 TABLE 5

Rate Under Section 7520 for January 2022

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  
1.6%

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REV. RUL. 2022-1 TABLE 6

Deemed Rate for Transfers to Pooled Income Funds During 2022

Deemed rate of return for transfers during 2022 to pooled income funds that have been in existence for less than 3 taxable years  
1.6%

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REV. RUL. 2022-1 TABLE 7

Average of the Applicable Federal Mid-Term Rates for 2019, 2020, 2021

For purposes of section 7702(f)(11), the average of the applicable federal mid-term rates (based on annual compounding) for the 60-month periods ending December 31, 2019, December 31, 2020, and December 31, 2021, are:

60-month period ending December 31, 2019	2.00%	rounded to 2%
60-month period ending December 31, 2020	1.82%	rounded to 2%
60-month period ending December 31, 2021	1.72%	rounded to 2%