

# **TIMEVALUE SOFTWARE**

## **APPLICABLE FEDERAL RATES**

### AFR SUBSCRIPTION SERVICE

## **AFR RATES FOR FEBRUARY 2023**

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. 2023-3

This revenue ruling provides various prescribed rates for federal income tax purposes for February 2023 (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. 2023-3 TABLE 1

### Applicable Federal Rates (AFR) for February 2023

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	4.47%	4.42%	4.40%	4.38%
110% AFR	4.92%	4.86%	4.83%	4.81%
120% AFR	5.37%	5.30%	5.27%	5.24%
130% AFR	5.83%	5.75%	5.71%	5.68%
<u>Mid-term</u>				
AFR	3.82%	3.78%	3.76%	3.75%
110% AFR	4.20%	4.16%	4.14%	4.12%
120% AFR	4.59%	4.54%	4.51%	4.50%
130% AFR	4.97%	4.91%	4.88%	4.86%
150% AFR	5.75%	5.67%	5.63%	5.60%
175% AFR	6.73%	6.62%	6.57%	6.53%
<u>Long-term</u>				
AFR	3.86%	3.82%	3.80%	3.79%
110% AFR	4.24%	4.20%	4.18%	4.16%
120% AFR	4.63%	4.58%	4.55%	4.54%
130% AFR	5.03%	4.97%	4.94%	4.92%

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## REV. RUL. 2023-3 TABLE 2

### Adjusted AFR for February 2023

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	3.39%	3.36%	3.35%	3.34%
Mid-term adjusted AFR	2.89%	2.87%	2.86%	2.85%
Long-term adjusted AFR	2.92%	2.90%	2.89%	2.88%

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## REV. RUL. 2023-3 TABLE 3

### Rates Under Section 382 for February 2023

Adjusted federal long-term rate for the current month	2.92%
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.)	3.29%

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## REV. RUL. 2023-3 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for February 2023

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	7.89%
Appropriate percentage for the 30% present value low-income housing credit	3.38%

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## REV. RUL. 2023-3 TABLE 5

Rate Under Section 7520 for February 2023

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	4.60%
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