

TIMEVALUE SOFTWARE

APPLICABLE FEDERAL RATES

AFR SUBSCRIPTION SERVICE

AFR RATES FOR JULY 2019

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. 2019-16

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2019 (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. Finally, Table 6 contains the blended annual rate for 2019 for purposes of section 7872.

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REV. RUL. 2019-16 TABLE 1

Applicable Federal Rates (AFR) for July 2019

| | <u>Annual</u> | <u>Period for Compounding</u> | | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
| | | <u>Semiannual</u> | <u>Quarterly</u> | |
| <u>Short-term</u> | | | | |
| AFR | 2.13% | 2.12% | 2.11% | 2.11% |
| 110% AFR | 2.34% | 2.33% | 2.32% | 2.32% |
| 120% AFR | 2.56% | 2.54% | 2.53% | 2.53% |
| 130% AFR | 2.78% | 2.76% | 2.75% | 2.74% |
| <u>Mid-term</u> | | | | |
| AFR | 2.08% | 2.07% | 2.06% | 2.06% |
| 110% AFR | 2.29% | 2.28% | 2.27% | 2.27% |
| 120% AFR | 2.50% | 2.48% | 2.47% | 2.47% |
| 130% AFR | 2.71% | 2.69% | 2.68% | 2.68% |
| 150% AFR | 3.13% | 3.11% | 3.10% | 3.09% |
| 175% AFR | 3.65% | 3.62% | 3.60% | 3.59% |
| <u>Long-term</u> | | | | |
| AFR | 2.50% | 2.48% | 2.47% | 2.47% |
| 110% AFR | 2.75% | 2.73% | 2.72% | 2.71% |
| 120% AFR | 3.00% | 2.98% | 2.97% | 2.96% |
| 130% AFR | 3.25% | 3.22% | 3.21% | 3.20% |

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REV. RUL. 2019-16 TABLE 2

Adjusted AFR for July 2019

| | <u>Period for Compounding</u> | | | |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
| | <u>Annual</u> | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | 1.62% | 1.61% | 1.61% | 1.60% |
| Mid-term adjusted AFR | 1.58% | 1.57% | 1.57% | 1.56% |
| Long-term adjusted AFR | 1.89% | 1.88% | 1.88% | 1.87% |

REV. RUL. 2019-16 TABLE 3

Rates Under Section 382 for July 2019

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 1.89% |
| 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. 2019-16 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for July 2019

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 | 7.53% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.23% |

REV. RUL. 2019-16 TABLE 5

Rate Under Section 7520 for July 2019

| | |
|---|------|
| 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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Blended Annual Rate for 2019

| | |
|---|-------|
| Section 7872(e)(2) blended annual rate for 2019 | 2.42% |
|---|-------|
