

TIMEVALUE SOFTWARE

APPLICABLE FEDERAL RATES

AFR SUBSCRIPTION SERVICE

AFR RATES FOR SEPTEMBER 2021

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. 2021-16

This revenue ruling provides various prescribed rates for federal income tax purposes for September 2021 (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. 2021-16 TABLE 1

Applicable Federal Rates (AFR) for September 2021

| | <u>Annual</u> | <u>Period for Compounding</u> | | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
| | | <u>Semiannual</u> | <u>Quarterly</u> | |
| <u>Short-term</u> | | | | |
| AFR | 0.17% | 0.17% | 0.17% | 0.17% |
| 110% AFR | 0.19% | 0.19% | 0.19% | 0.19% |
| 120% AFR | 0.20% | 0.20% | 0.20% | 0.20% |
| 130% AFR | 0.22% | 0.22% | 0.22% | 0.22% |
| <u>Mid-term</u> | | | | |
| AFR | 0.86% | 0.86% | 0.86% | 0.86% |
| 110% AFR | 0.95% | 0.95% | 0.95% | 0.95% |
| 120% AFR | 1.03% | 1.03% | 1.03% | 1.03% |
| 130% AFR | 1.12% | 1.12% | 1.12% | 1.12% |
| 150% AFR | 1.29% | 1.29% | 1.29% | 1.29% |
| 175% AFR | 1.52% | 1.51% | 1.51% | 1.51% |
| <u>Long-term</u> | | | | |
| AFR | 1.73% | 1.72% | 1.72% | 1.71% |
| 110% AFR | 1.90% | 1.89% | 1.89% | 1.88% |
| 120% AFR | 2.07% | 2.06% | 2.05% | 2.05% |
| 130% AFR | 2.25% | 2.24% | 2.23% | 2.23% |

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REV. RUL. 2021-16 TABLE 2

Adjusted AFR for September 2021

| | <u>Period for Compounding</u> | | | |
|-------------------------|-------------------------------|-------------------|------------------|----------------|
| | <u>Annual</u> | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term adjusted AFR | 0.13% | 0.13% | 0.13% | 0.13% |
| Mid-term adjusted AFR | 0.65% | 0.65% | 0.65% | 0.65% |
| Long-term adjusted AFR | 1.31% | 1.31% | 1.31% | 1.31% |

REV. RUL. 2021-16 TABLE 3

Rates Under Section 382 for September 2021

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 1.31% |
| 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.) | 1.57% |

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REV. RUL. 2021-16 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for September 2021
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 | 7.30% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.13% |

REV. RUL. 2021-16 TABLE 5

Rate Under Section 7520 for September 2021

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

1.0%