

# **TIMEVALUE SOFTWARE**

## **APPLICABLE FEDERAL RATES**

### AFR SUBSCRIPTION SERVICE

#### **AFR RATES FOR OCTOBER 2020**

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. 2020-20

This revenue ruling provides various prescribed rates for federal income tax purposes for October 2020 (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.

# TIMEVALUE SOFTWARE AFR SUBSCRIPTION SERVICE

## REV. RUL. 2020-20 TABLE 1

### Applicable Federal Rates (AFR) for October 2020

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	0.14%	0.14%	0.14%	0.14%
110% AFR	0.15%	0.15%	0.15%	0.15%
120% AFR	0.17%	0.17%	0.17%	0.17%
130% AFR	0.18%	0.18%	0.18%	0.18%
<u>Mid-term</u>				
AFR	0.38%	0.38%	0.38%	0.38%
110% AFR	0.42%	0.42%	0.42%	0.42%
120% AFR	0.46%	0.46%	0.46%	0.46%
130% AFR	0.49%	0.49%	0.49%	0.49%
150% AFR	0.57%	0.57%	0.57%	0.57%
175% AFR	0.67%	0.67%	0.67%	0.67%
<u>Long-term</u>				
AFR	1.12%	1.12%	1.12%	1.12%
110% AFR	1.23%	1.23%	1.23%	1.23%
120% AFR	1.34%	1.34%	1.34%	1.34%
130% AFR	1.47%	1.46%	1.46%	1.46%

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## REV. RUL. 2020-20 TABLE 2

### Adjusted AFR for October 2020

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	0.11%	0.11%	0.11%	0.11%
Mid-term adjusted AFR	0.29%	0.29%	0.29%	0.29%
Long-term adjusted AFR	0.85%	0.85%	0.85%	0.85%

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## REV. RUL. 2020-20 TABLE 3

### Rates Under Section 382 for October 2020

Adjusted federal long-term rate for the current month	.85%
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.)	.85%

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## REV. RUL. 2020-20 TABLE 4

### Appropriate Percentages Under Section 42(b)(1) for October 2020

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	7.17%
Appropriate percentage for the 30% present value low-income housing credit	3.07%

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## REV. RUL. 2020-20 TABLE 5

### Rate Under Section 7520 for October 2020

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%
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