

## Section 1274.--Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 412, 467, 468, 482, 483, 642, 807, 846, 1288, 7520, 7872.)

### Rev. Rul. 2015-8

This revenue ruling provides various prescribed rates for federal income tax purposes for May 2015 (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, with respect to housing credit dollar amount allocations made before January 1, 2015 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. 2015-8 TABLE 1

## Applicable Federal Rates (AFR) for May 2015

|                   | <u>Annual</u> | <u>Period for Compounding</u> |                  | <u>Monthly</u> |
|-------------------|---------------|-------------------------------|------------------|----------------|
|                   |               | <u>Semiannual</u>             | <u>Quarterly</u> |                |
| <u>Short-term</u> |               |                               |                  |                |
| AFR               | .43%          | .43%                          | .43%             | .43%           |
| 110% AFR          | .47%          | .47%                          | .47%             | .47%           |
| 120% AFR          | .52%          | .52%                          | .52%             | .52%           |
| 130% AFR          | .56%          | .56%                          | .56%             | .56%           |
| <u>Mid-term</u>   |               |                               |                  |                |
| AFR               | 1.53%         | 1.52%                         | 1.52%            | 1.52%          |
| 110% AFR          | 1.68%         | 1.67%                         | 1.67%            | 1.66%          |
| 120% AFR          | 1.83%         | 1.82%                         | 1.82%            | 1.81%          |
| 130% AFR          | 1.99%         | 1.98%                         | 1.98%            | 1.97%          |
| 150% AFR          | 2.29%         | 2.28%                         | 2.27%            | 2.27%          |
| 175% AFR          | 2.68%         | 2.66%                         | 2.65%            | 2.65%          |
| <u>Long-term</u>  |               |                               |                  |                |
| AFR               | 2.30%         | 2.29%                         | 2.28%            | 2.28%          |
| 110% AFR          | 2.54%         | 2.52%                         | 2.51%            | 2.51%          |
| 120% AFR          | 2.77%         | 2.75%                         | 2.74%            | 2.73%          |
| 130% AFR          | 3.00%         | 2.98%                         | 2.97%            | 2.96%          |

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## REV. RUL. 2015-8 TABLE 2

## Adjusted AFR for May 2015

|                            | <u>Period for Compounding</u> |                   |                  |                |
|----------------------------|-------------------------------|-------------------|------------------|----------------|
|                            | <u>Annual</u>                 | <u>Semiannual</u> | <u>Quarterly</u> | <u>Monthly</u> |
| Short-term<br>adjusted AFR | .43%                          | .43%              | .43%             | .43%           |
| Mid-term<br>adjusted AFR   | 1.43%                         | 1.42%             | 1.42%            | 1.42%          |
| Long-term<br>adjusted AFR  | 2.30%                         | 2.29%             | 2.28%            | 2.28%          |

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## REV. RUL. 2015-8 TABLE 3

## Rates Under Section 382 for May 2015

|  |       |
|--|-------|
| Adjusted federal long-term rate for the current month  | 2.30% |
| 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.) | 2.47% |

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## REV. RUL. 2015-8 TABLE 4

## Appropriate Percentages Under Section 42(b)(1) for May 2015

Note: Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, with respect to housing credit dollar amount allocations made before January 1, 2015 shall not be less than 9%.

|  |       |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 7.44% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.19% |

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## REV. RUL. 2015-8 TABLE 5

## Rate Under Section 7520 for May 2015

|   |      |
|---|------|
| 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 | 1.8% |
|---|------|