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. 2019-26

This revenue ruling provides various prescribed rates for federal income tax purposes for December 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%. 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.
### Applicable Federal Rates (AFR) for December 2019

<table>
<thead>
<tr>
<th></th>
<th>Annual</th>
<th>Semiannual</th>
<th>Quarterly</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Period for Compounding</strong></td>
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<td></td>
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<tr>
<td><strong>Short-term</strong></td>
<td></td>
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</tr>
<tr>
<td>AFR</td>
<td>1.61%</td>
<td>1.60%</td>
<td>1.60%</td>
<td>1.59%</td>
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<td>1.92%</td>
<td>1.92%</td>
<td>1.91%</td>
</tr>
<tr>
<td>130% AFR</td>
<td>2.09%</td>
<td>2.08%</td>
<td>2.07%</td>
<td>2.07%</td>
</tr>
<tr>
<td><strong>Mid-term</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFR</td>
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<tr>
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<tr>
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<td>2.92%</td>
</tr>
<tr>
<td><strong>Long-term</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AFR</td>
<td>2.09%</td>
<td>2.08%</td>
<td>2.07%</td>
<td>2.07%</td>
</tr>
<tr>
<td>110% AFR</td>
<td>2.30%</td>
<td>2.29%</td>
<td>2.28%</td>
<td>2.28%</td>
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<tr>
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<td>2.52%</td>
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<td>2.49%</td>
</tr>
<tr>
<td>130% AFR</td>
<td>2.72%</td>
<td>2.70%</td>
<td>2.69%</td>
<td>2.68%</td>
</tr>
</tbody>
</table>

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**REV. RUL. 2019-26 TABLE 2**

Adjusted AFR for December 2019
<table>
<thead>
<tr>
<th></th>
<th>Annual</th>
<th>Semiannual</th>
<th>Quarterly</th>
<th>Monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term adjusted AFR</td>
<td>1.21%</td>
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<td>1.21%</td>
<td>1.21%</td>
</tr>
<tr>
<td>Mid-term adjusted AFR</td>
<td>1.28%</td>
<td>1.28%</td>
<td>1.28%</td>
<td>1.28%</td>
</tr>
<tr>
<td>Long-term adjusted AFR</td>
<td>1.59%</td>
<td>1.58%</td>
<td>1.58%</td>
<td>1.57%</td>
</tr>
</tbody>
</table>

**REV. RUL. 2019-26 TABLE 3**

Rates Under Section 382 for December 2019

- Adjusted federal long-term rate for the current month: 1.59%
- 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.): 1.59%

**REV. RUL. 2019-26 TABLE 4**

Appropriate Percentages Under Section 42(b)(1) for December 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: 7.43%
- Appropriate percentage for the 30% present value low-income housing credit: 3.19%

**REV. RUL. 2019-26 TABLE 5**

Rate Under Section 7520 for December 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 2.0%