

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. 2021-7

This revenue ruling provides various prescribed rates for federal income tax purposes for April 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.

REV. RUL. 2021-7 TABLE 1

Applicable Federal Rates (AFR) for April 2021

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
<u>Short-term</u>				
AFR	0.12%	0.12%	0.12%	0.12%
110% AFR	0.13%	0.13%	0.13%	0.13%
120% AFR	0.14%	0.14%	0.14%	0.14%
130% AFR	0.16%	0.16%	0.16%	0.16%
<u>Mid-term</u>				
AFR	0.89%	0.89%	0.89%	0.89%
110% AFR	0.98%	0.98%	0.98%	0.98%
120% AFR	1.07%	1.07%	1.07%	1.07%
130% AFR	1.16%	1.16%	1.16%	1.16%
150% AFR	1.34%	1.34%	1.34%	1.34%
175% AFR	1.57%	1.56%	1.56%	1.55%
<u>Long-term</u>				
AFR	1.98%	1.97%	1.97%	1.96%
110% AFR	2.18%	2.17%	2.16%	2.16%
120% AFR	2.37%	2.36%	2.35%	2.35%
130% AFR	2.58%	2.56%	2.55%	2.55%

REV. RUL. 2021-7 TABLE 2

Adjusted AFR for April 2021

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	0.09%	0.09%	0.09%	0.09%
Mid-term adjusted AFR	0.68%	0.68%	0.68%	0.68%
Long-term adjusted AFR	1.51%	1.50%	1.50%	1.50%

REV. RUL. 2021-7 TABLE 3

Rates Under Section 382 for April 2021

Adjusted federal long-term rate for the current month	1.51%
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.)	1.51%

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Appropriate Percentages Under Section 42(b)(1) for April 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	7.33%
Appropriate percentage for the 30% present value low-income housing credit	3.14%

REV. RUL. 2021-7 TABLE 5

Rate Under Section 7520 for April 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	1.00%
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