

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. 2025-10

This revenue ruling provides various prescribed rates for federal income tax purposes for May 2025 (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. 2025-10 TABLE 1

Applicable Federal Rates (AFR) for May 2025

	<u>Annual</u>	<u>Period for Compounding</u>		<u>Monthly</u>
		<u>Semiannual</u>	<u>Quarterly</u>	
		<u>Short-term</u>		
AFR	4.05%	4.01%	3.99%	3.98%
110% AFR	4.46%	4.41%	4.39%	4.37%
120% AFR	4.87%	4.81%	4.78%	4.76%
130% AFR	5.28%	5.21%	5.18%	5.15%
		<u>Mid-term</u>		
AFR	4.10%	4.06%	4.04%	4.03%
110% AFR	4.52%	4.47%	4.45%	4.43%
120% AFR	4.93%	4.87%	4.84%	4.82%
130% AFR	5.35%	5.28%	5.25%	5.22%
150% AFR	6.18%	6.09%	6.04%	6.01%
175% AFR	7.24%	7.11%	7.05%	7.01%
		<u>Long-term</u>		
AFR	4.62%	4.57%	4.54%	4.53%
110% AFR	5.09%	5.03%	5.00%	4.98%
120% AFR	5.56%	5.48%	5.44%	5.42%
130% AFR	6.03%	5.94%	5.90%	5.87%

Adjusted AFR for May 2025

	<u>Period for Compounding</u>			
	<u>Annual</u>	<u>Semiannual</u>	<u>Quarterly</u>	<u>Monthly</u>
Short-term adjusted AFR	3.06%	3.04%	3.03%	3.02%
Mid-term adjusted AFR	3.10%	3.08%	3.07%	3.06%
Long-term adjusted AFR	3.50%	3.47%	3.46%	3.45%

REV. RUL. 2025-10 TABLE 3

Rates Under Section 382 for May 2025

Adjusted federal long-term rate for the current month	3.50%
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.)	3.64%

REV. RUL. 2025-10 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for May 2025

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	8.01%
Appropriate percentage for the 30% present value low-income housing credit	3.43%

REV. RUL. 2025-10 TABLE 5

Rate Under Section 7520 for May 2025

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 5.00%
