

## 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.)*

**Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term exempt rate.** For purposes of sections 1274, 1288, 382, and other sections of the Code, tables set forth the rates for April 1998.

### Rev. Rul. 98-18

This revenue ruling provides various prescribed rates for federal income tax purposes for April 1998 (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)(2) for buildings placed in service during the current month. 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. 98-18 TABLE 1  
Applicable Federal Rates (AFR) for April 1998

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
<i>Short-Term</i>				
AFR	5.51%	5.44%	5.40%	5.38%
110% AFR	6.07%	5.98%	5.94%	5.91%
120% AFR	6.64%	6.53%	6.48%	6.44%
130% AFR	7.19%	7.07%	7.01%	6.97%
<i>Mid-Term</i>				
AFR	5.70%	5.62%	5.58%	5.56%
110% AFR	6.28%	6.18%	6.13%	6.10%
120% AFR	6.85%	6.74%	6.68%	6.65%
130% AFR	7.44%	7.31%	7.24%	7.20%
150% AFR	8.61%	8.43%	8.34%	8.29%
175% AFR	10.08%	9.84%	9.72%	9.64%
<i>Long-Term</i>				
AFR	5.98%	5.89%	5.85%	5.82%
110% AFR	6.58%	6.48%	6.43%	6.39%
120% AFR	7.19%	7.07%	7.01%	6.97%
130% AFR	7.81%	7.66%	7.59%	7.54%

REV. RUL. 98-18 TABLE 2

Adjusted AFR for April 1998

	<i>Period for Compounding</i>			
	<i>Annual</i>	<i>Semiannual</i>	<i>Quarterly</i>	<i>Monthly</i>
Short-term adjusted AFR	3.67%	3.64%	3.62%	3.61%
Mid-term adjusted AFR	4.24%	4.20%	4.18%	4.16%
Long-term adjusted AFR	5.04%	4.98%	4.95%	4.93%

REV. RUL. 98-18 TABLE 3

Rates Under Section 382 for April 1998

Adjusted federal long-term rate for the current month	5.04%
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.)	5.04%

REV. RUL. 98-18 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for April 1998

Appropriate percentage for the 70% present value low-income housing credit	8.37%
Appropriate percentage for the 30% present value low-income housing credit	3.59%

REV. RUL. 98-18 TABLE 5

Rate Under Section 7520 for April 1998

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	6.8%
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Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 1998. See Rev. Rul. 98-18, page 22.

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Section 7520.—Valuation Tables

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 1998. See Rev. Rul. 98-18, page 22.

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Section 7872.—Treatment of Loans with Below-Market Interest Rates

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of April 1998. See Rev. Rul. 98-18, page 22.