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, 7702, 7872.)

Rev. Rul. 2026-12

This revenue ruling provides various prescribed rates for federal income tax purposes for July 2026 (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%. 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. Finally, Table 6 contains the blended annual rate for 2026 for purposes of section 7872.

REV. RUL. 2026-12 TABLE 1

Applicable Federal Rates (AFR) for July 2026

| | Period for Compounding | | | |
|---|---|---|---|---|
| | Annual | Semiannual | Quarterly | Monthly |
| | | Short-term | | |
| AFR | 4.00% | 3.96% | 3.94% | 3.93% |
| 110% AFR | 4.41% | 4.36% | 4.34% | 4.32% |
| 120% AFR | 4.81% | 4.75% | 4.72% | 4.70% |
| 130% AFR | 5.22% | 5.15% | 5.12% | 5.10% |
| | | Mid-term | | |
| AFR | 4.35% | 4.30% | 4.28% | 4.26% |
| 110% AFR | 4.79% | 4.73% | 4.70% | 4.68% |
| 120% AFR | 5.23% | 5.16% | 5.13% | 5.11% |
| 130% AFR | 5.67% | 5.59% | 5.55% | 5.53% |
| 150% AFR | 6.55% | 6.45% | 6.40% | 6.36% |
| 175% AFR | 7.67% | 7.53% | 7.46% | 7.41% |
| | | Long-term | | |
| AFR | 4.98% | 4.92% | 4.89% | 4.87% |
| 110% AFR | 5.48% | 5.41% | 5.37% | 5.35% |
| 120% AFR | 5.99% | 5.90% | 5.86% | 5.83% |
| 130% AFR | 6.50% | 6.40% | 6.35% | 6.32% |

REV. RUL. 2026-12 TABLE 2

Adjusted AFR for July 2026

| | Period for Compounding | | | |
|---|---|---|---|---|
| | Annual | Semiannual | Quarterly | Monthly |
| Short-term adjusted AFR | 3.03% | 3.01% | 3.00% | 2.99% |
| Mid-term adjusted AFR | 3.29% | 3.26% | 3.25% | 3.24% |
| Long-term adjusted AFR | 3.77% | 3.74% | 3.72% | 3.71% |

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REV. RUL. 2026-12 TABLE 3

Rates Under Section 382 for July 2026

| | |
|---|---|
| Adjusted federal long-term rate for the current month | 3.77% |
| 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.) | 3.77% |

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REV. RUL. 2026-12 TABLE 4

Appropriate Percentages Under Section 42(b)(1) for July 2026

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 | 8.09% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.47% |

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REV. RUL. 2026-12 TABLE 5

Rate Under Section 7520 for July 2026

| | |
|---|---|
| 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 | 5.20% |

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REV. RUL. 2026-12 TABLE 6

Blended Annual Rate for 2026

| | |
|---|---|
| Section 7872(e)(2) blended annual rate for 2026 | 3.82% |