

2017 Farm Credit System Bank Interest Rate

Revenue Ruling 2017–16

This revenue ruling contains a list of the average annual effective interest rates on new loans under the Farm Credit System. This revenue ruling also contains a list of the states within each Farm Credit System Bank Territory.

Under § 2032A(e)(7)(A)(ii) of the Internal Revenue Code, rates on new Farm Credit System Bank loans are used in computing the special use value of real property used as a farm for which an election is made under § 2032A. The rates in Table 1 of this revenue ruling may be used by estates that value farmland under § 2032A as of a date in 2017.

Average annual effective interest rates, calculated in accordance with § 2032A(e)(7)(A) and § 20.2032A–4(e) of the Estate Tax Regulations, to be used under § 2032A(e)(7)(A)(ii), are set forth in the accompanying Table of Interest Rates (Table 1). The states within each Farm Credit System Bank Territory are set forth in the accompanying Table of Farm Credit System Bank Territories (Table 2).

Rev. Rul. 81–170, 1981–1 C.B. 454, contains an illustrative computation of an average annual effective interest rate. The rates applicable for valuation in 2016 are in Rev. Rul. 2016–19, 2016–35 I.R.B. 273. For rate information for years prior to 2016, see Rev. Rul. 2015–18, 2015–34 I.R.B. 209, and other revenue rulings that are referenced therein.

DRAFTING INFORMATION

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REV. RUL. 2017–16 TABLE 1	
TABLE OF INTEREST RATES(Year of Valuation 2017)	
Farm Credit System Bank Servicing State in Which Property is Located	Rate
AgFirst, FCB	5.08
AgriBank, FCB	4.34
CoBank, ACB	4.00
Texas, FCB	4.67

REV. RUL. 2017–16 TABLE 2	
TABLE OF FARM CREDIT SYSTEM BANK TERRITORIES	
Farm Credit System Bank	Location of Property
AgFirst, FCB.....	Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, Pennsylvania, South Carolina, Virginia, West Virginia.
AgriBank, FCB.....	Arkansas, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Tennessee, Wisconsin, Wyoming.
CoBank, ACB.....	Alaska, Arizona, California, Colorado, Connecticut, Hawaii, Idaho, Kansas, Maine, Massachusetts, Montana, New Hampshire, New Jersey, New Mexico, New York, Nevada, Oklahoma, Oregon, Rhode Island, Utah, Vermont, Washington.
Texas, FCB.....	Alabama, Louisiana, Mississippi, Texas.