



TaxNewsFlash

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Notice 2025-71: Interim guidance on tax benefit for lenders on loans secured by rural or agricultural real property under section 139L

The IRS today released [Notice 2025-71](#), providing interim rules under section 139L, enacted under Pub. L. No. 119-21 (known as the “One Big Beautiful Bill Act” (OBBBA)), which allows certain lenders to exclude from gross income 25% of the interest they receive from loans secured by rural or agricultural real property.

As explained in the related IRS release—[IR-2025-113](#) (November 20, 2025)—the interim guidance defines key terms in section 139L, establishes standards for determining whether a loan is secured by rural or agricultural property, and provides rules regarding refinancings. The interim guidance also includes a safe harbor, which allows qualified lenders to treat a loan as secured by rural or agricultural property if certain parameters are met.

Notice 2025-71 states that the Treasury Department and IRS intend to issue proposed regulations similar to the guidance provided in the notice and that the proposed regulations, when finalized, will apply for tax years beginning after final regulations are published in the Federal Register. Nonetheless, taxpayers may rely on the interim guidance in the notice for loans made after July 4, 2025, and on or before the date that is 30 days after the forthcoming proposed regulations are published in the Federal Register.

The notice also requests comments on the issues addressed in the notice and certain additional issues, as well as other issues on which taxpayers believe guidance would be helpful.

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