



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

September 22, 2009

Dear County Assessors:

What is the rate of inflation (IPD rate) for 2010?

The rate of inflation (IPD rate) for property taxes due in 2010 is a **negative 0.848 percent** (–0.848%).

What is the limit factor for 2010?

The limit factor for property taxes due in 2010 is **negative 0.848 percent** (–0.848%) for the state and taxing districts with populations over 10,000. The limit factor for these districts is defined as the smaller of the rate of inflation or 1 percent.

For taxing districts with populations under 10,000, the limit factor for property taxes due in 2010 is **1 percent**.

How is the rate of inflation (IPD rate) calculated?

The rate of inflation is the percent change in the implicit price deflator for personal consumption as published in the Bureau of Economic Analysis' September *Survey of Current Business*.

However, this year the September *Survey of Current Business* did not include the implicit price deflator for personal consumption due to space constraints from the publication of the 2009 Comprehensive Revision statistics. Therefore, the Department of Revenue contacted the Bureau of Economic Analysis and received the implicit price deflator for personal consumption from the 2009 Comprehensive Revision statistics. The Bureau of Economic Analysis indicated the implicit price deflator will be published in the October *Survey of Current Business*.

The percent change is calculated by dividing the July 2009 number by the July 2008 number, subtracting one, and then multiplying by 100. These numbers were updated as part of the Bureau of Economic Analysis' 2009 Comprehensive Revision to a base year of 2005. The values used in the calculation this year were as follows:

July 2008	110.205
July 2009	109.270

If you have any questions, please contact me.

Sincerely,

Valerie L. Torres
Tax Policy Specialist