



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

September 19, 2011

Dear County Assessors:

What is the rate of inflation (IPD rate) for 2012?

The rate of inflation (IPD rate) for property taxes due in 2012 is **2.755 percent**.

What is the limit factor for 2012 (provided the taxing district adopts a resolution/ordinance authorizing an increase over the prior year's levy)?

For the state and taxing districts with populations over 10,000, the limit factor for property taxes due in 2012 is **101 percent**. The limit factor for these districts is defined as 100 percent plus the lesser of the rate of inflation or 1 percent.

For taxing districts with populations under 10,000, the limit factor for property taxes due in 2012 is **101 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*.

The percent change is calculated by dividing the July 2011 number by the July 2010 number, subtracting one, and then multiplying by 100. The values used in the calculation this year were as follows:

July 2010	110.971
July 2011	114.028

If you have any questions, please contact me.

Sincerely,

Valerie L. Torres
Tax Policy Specialist
Research & Fiscal Analysis
Department of Revenue

cc: County Treasurers