



STATE OF WASHINGTON  
DEPARTMENT OF REVENUE

September 25, 2014

Dear County Assessors:

**What is the rate of inflation (IPD rate) for 2015?**

The rate of inflation (IPD rate) for property taxes due in 2015 is **1.591 percent**.

**What is the limit factor for 2015 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 of 10,000 or greater, the limit factor for property taxes due in 2015 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 2015 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 by the Bureau of Economic Analysis by September 25<sup>th</sup>.

The most recent publication available on September 25<sup>th</sup> was the August publication. For this reason, we used the quarterly values to calculate the percent change in implicit price deflator for personal consumption for taxes due in 2015.

We calculate the percent change by dividing the Quarter 2 2014 number by the Quarter 2 2013 number, subtracting one, and then multiplying by 100. The values used in the calculation this year were as follows:

Quarter 2 2013	107.072
Quarter 2 2014	108.775

If you have any questions, please contact me.

Sincerely,

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

cc: County Treasurers