



STATE OF WASHINGTON
DEPARTMENT OF REVENUE

September 28, 2015

Dear County Assessors:

What is the rate of inflation (IPD rate) for 2016?

The rate of inflation (IPD rate) for property taxes due in 2016 is **0.251 percent**.

What is the limit factor for 2016 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 2016 is **100.251 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 2016 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 25th.

The most recent publication available on September 25th was the September 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 2015 number by the Quarter 2 2014 number, subtracting one, and then multiplying by 100. We used the following values in the calculation this year:

Quarter 2 2014	109.114
Quarter 2 2015	109.388

If you have any questions, please contact me.

Sincerely,

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

cc: County Treasurers