

September 26, 2024

Dear County Assessors:

**What is the rate of inflation (IPD rate) for 2025?**

The rate of inflation (IPD rate) for property taxes due in 2025 is **2.57%**.

**What is the limit factor for 2025 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 2025 is **101%**. The definition of limit factor for these districts is 100% plus the lesser of the rate of inflation or 1%.

For taxing districts with populations under 10,000, the limit factor for property taxes due in 2025 is **101%**.

**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 second quarter values to calculate the percent change in implicit price deflator for personal consumption for taxes due in 2025.

We calculate the percent change by dividing the Quarter 2 2024 number by the Quarter 2 2023 number, subtracting one, and then multiplying by 100. We used the following values in the calculation this year:

Quarter 2 2023	120.044
Quarter 2 2024	123.134

If you have any questions, please contact me.

Sincerely,

Kari Kenall  
Tax Policy Specialist  
Research & Fiscal Analysis  
Department of Revenue

cc: County Treasurers