

September 26, 2022

Dear County Assessors:

What is the rate of inflation (IPD rate) for 2023?

The rate of inflation (IPD rate) for property taxes due in 2023 is **6.457 percent**.

What is the limit factor for 2023 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 2023 is **101 percent**. The limit factor for these districts is defined as 100 percent plus the lesser of the rate of inflation or one percent.

For taxing districts with populations under 10,000, the limit factor for property taxes due in 2023 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 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 2023.

We calculate the percent change by dividing the Quarter 2 2022 number by the Quarter 2 2021 number, subtracting one, and then multiplying by 100. We used the following values in the calculation this year:

Quarter 2 2021	114.753
Quarter 2 2022	122.163

If you have any questions, please contact me.

Sincerely,

Mark Studer
Tax Policy Specialist
Research & Fiscal Analysis
Department of Revenue

cc: County Treasurers