



## Implicit Price Deflator (IPD) for State and Local Government Consumption Expenditures and Gross Investment

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Definition: The ratio of current dollar gross domestic product (GDP) to constant dollar GDP for state and local governments. The ratio is used to account for the effects of inflation.

Quarter/Year	Implicit Price Deflator (IPD)	Percentage Change
Qtr. 1/2002	103.992	
Qtr. 1/2003	108.908	4.7%
Qtr. 1/2004	111.952	2.8%
Qtr. 1/2005	118.516	5.9%
Qtr. 1/2006	125.932	6.3%
Qtr. 1/2007	131.818*	4.7%
Qtr. 1/2008	139.854*	6.1%
Qtr. 1/2009	141.020	0.83%

Source: U.S. Department of Commerce, Bureau of Economic Analysis (BEA), June 25, 2009  
\*revised with most current release

The BEA routinely revises the implicit price deflator data as more complete data becomes available. In the table above, the most recent release from the BEA resulted in slight revisions for the 2007 and 2008 figures. As the most recent data shows, the rate of inflation for state and local governments as measured by the IPD has slowed dramatically. Compared to a one-year change of 6.1 percent from 2007 to 2008, between the first quarter of 2008 and the first quarter of 2009 the IPD grew by only 0.83 percent.

The IPD is used in the calculation of levy limits for cities over 2500 population for taxes payable in 2010 and 2011.

Implicit Price Deflator data is available at [www.bea.gov](http://www.bea.gov) in Table 1.1.9 (Implicit Price Deflators for Gross Domestic Product).

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