Environmental Program Fact Sheet

2025 ANNUAL INFLATION FACTOR CALCULATION GUIDANCE

Use this guidance if you are making an annual adjustment of your cost estimate to account for inflation and you choose to do so by using an inflation factor. The option to completely recalculate the cost estimate is not covered here.

Annual inflationary adjustments should be determined using the most recent Implicit Price Deflator ("IPD") for Gross National Product ("GNP") as published by the U.S. Department of Commerce ("DOC"). Please note that IPD's are revised several times each year and the values shared here may be slightly different from what would be used later.

Note: Since data necessary to calculate the inflation factor is released around April 1 each year, it is appropriate to use the previous year's factor when inflation adjusting cost estimates that are due between January 1 and March 31.

Step 1 – Adjust cost estimate within: 1) 60 days prior to anniversary date of the financial assurance instrument; or 2) 30 days of the end of your fiscal year [40 CFR 264.142, .144 or 40 CFR 265.142, .144].

Step 2 – Go to the DOC Bureau of Economic Analysis' web site to find the tables referenced below. You may find the information at: National GDP & Personal Income | U.S. Bureau of Economic Analysis (BEA) .

Step 3 (Option A) – Look to Line 39 ('GNP'), under column 5 ('2024'), on Table 4 titled "Price Indexes for Gross Domestic Product and Related Measures: Percent Change from Preceding Period" (page 11 of the linked PDF) for current annual GNP Implicit Price Deflator *[Note: Do not use seasonally adjusted/quarterly figures for adjusted cost estimates].*

2024 Implicit Price Deflator for GNP = **2.4%**

Step 3 (Option B) – Look to Line 27 ('Gross national product') on Table 1.1.9 titled "Implicit Price Deflators for Gross Domestic Product" *[Note: Do not use seasonally adjusted/quarterly figures for adjusted cost estimates].*

- Calculate inflation factor using this formula: (current year price index / previous year price index)

2024 Inflation Factor

$$(125.139/122.185) = \textbf{1.024} \text{ (rounded to nearest one thousandths)}$$

- Calculate inflation as a % using this formula: 100 x ((current year price index / previous year price index) – 1)

Percent Change to 2024 (from 2023):

$$100 \times ((125.139/122.185) - 1) = \textbf{2.4\%} \text{ (rounded to nearest tenth)}$$

Step 4 – To adjust the cost estimate in current dollars, multiply the estimate by inflation factor (or reported percent change, and then add it to last year's cost estimate).

Example Calculations (assume last year's cost estimate is $350,000):
Inflation Factor Method: $350,000 x 1.024 = $358,400   OR
Percent Change Method: $350,000 x 2.4% = $8,400 + $350,000 = $358,400

Step 5 – Document all calculations used to derive the newly adjusted cost estimate and submit to DEEP within 30 days of its completion including all supporting documentation pursuant to RCSA 22a-449(c)-104(b) & 105(d) or other permit requirement.

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The following table lists the current inflation factor and inflation factors for past years as an aide for users that might find this information helpful. Users are still responsible for ensuring that any inflation factors used in the adjustment of cost estimates, or the associated financial instruments are properly calculated.

Prior Year Gross National Product Inflation Factors[1]

Year to Calculate[2]	IPD values used in calculation (as of 3/27/2025)		Annual Inflation Factor	Annual Percent Change
	Recent year price index	*Previous year price index*		
2025	2024 IPD = 125.139	2023 IPD = 122.185	**1.024**	**2.4%**
2024	2023 IPD = 122.185	2022 IPD = 117.943	**1.036**	**3.6%**
2023	2022 IPD = 117.943	2021 IPD = 110.094	**1.071**	**7.1%**
2022	2021 IPD = 110.094	2020 IPD = 105.289	**1.046**	**4.6%**
2021	2020 IPD = 105.289	2019 IPD = 103.909	**1.013**	**1.3%**
2020	2019 IPD = 103.909	2018 IPD = 102.225	**1.016**	**1.6%**
2019	2018 IPD = 102.225	2017 IPD = 100.000	**1.022**	**2.2%**
2018	2017 IPD = 100.000	2016 IPD = 98.262	**1.018**	**1.8%**
2017	2016 IPD = 98.262	2015 IPD = 97.339	**1.009**	**0.9%**
2016	2015 IPD = 97.339	2014 IPD = 96.452	**1.009**	**0.9%**
2015	2014 IPD = 96.452	2013 IPD = 94.801	**1.017**	**1.7%**
2014	2013 IPD = 94.801	2012 IPD = 93.217	**1.017**	**1.7%**
2013	2012 IPD = 93.217	2011 IPD = 91.514	**1.019**	**1.9%**
2012	2011 IPD = 91.514	2010 IPD = 89.660	**1.021**	**2.1%**
2011	2010 IPD = 89.660	2009 IPD = 88.581	**1.012**	**1.2%**
2010	2009 IPD = 88.581	2008 IPD = 88.046	**1.006**	**0.6%**
2009	2008 IPD = 88.046	2007 IPD = 86.377	**1.019**	**1.9%**
2008	2007 IPD = 86.377	2006 IPD = 84.096	**1.027**	**2.7%**
2007	2006 IPD = 84.096	2005 IPD = 81.580	**1.031**	**3.1%**
2006	2005 IPD = 81.580	2004 IPD = 79.098	**1.031**	**3.1%**
2005	2004 IPD = 79.098	2003 IPD = 77.027	**1.027**	**2.7%**

[1]Recalculated using the most recently updated data from U.S. Bureau of Economic Analysis, "Table 1.1.9. Implicit Price Deflators for Gross Domestic Product" (accessed Thursday, March 27, 2025).

[2]Since data necessary to calculate the inflation factor is released around April 1 each year, it is appropriate to use the previous year's factor when inflation adjusting cost estimates that are due between January 1 and March 31.