



Just the Facts:

Consumer Price Index (CPI)

January 2024

This fact sheet provides an overview of the Consumer Price Index (CPI) used in the Tax Increment Financing (TIF) program. For the statutory program requirements, please see Kentucky Revised Statutes (KRS) Chapters 65 and 154.30. All TIF projects established (receiving final approval) after July 14, 2018, will have the base year of December 31 of the year of preliminary approval. The calculations for the CPI used to establish “Old Revenues” are managed by the Kentucky Department of Revenue (DOR). The Cabinet for Economic Development staff monitors the TIF projects for compliance.

Calculating Base “Old Revenues”

To calculate the “Old Revenues” each year, an increase to the annual calculation based on a CPI adjustment is factored by DOR. The CPI is defined by the various iterations of the TIF statutes to mean:

KRS 154.30-010(11) version

- "CPI" means the nonseasonally adjusted Consumer Price Index for all urban consumers, all items, base year computed for 1982 to 1984 equals one hundred (100), published by the United States Department of Labor, Bureau of Labor Statistics.

KRS 65.680(9) version

- "CPI" means the nonseasonally adjusted Consumer Price Index for all urban consumers, all items (base year computed for 1982 to 1984 equals one hundred (100)), published by the United States Department of Labor, Bureau of Labor Statistics;

Special rule for projects initially under KRS 65.7045, etc.

- These projects were moved to be covered by KRS 154.30-010 – 090, including KRS 154.30-010(11).

For 2016 and prior the U. S. Department of Labor’s Bureau of Labor Statistics published the CPI data under a report entitled: CPI Detailed Report. The last such report was published for June 2017. The DOR has referenced Table 24 from that report for determining the CPI adjustment amount for “Old Revenues”.

For the 2017 CPI adjustment and forward, DOR will use the data from the “Archived Consumer Price Index Supplemental Files” at the U. S. Department of Labor’s Bureau of Labor Statistics’ website, [BLS.gov](https://www.bls.gov) for the historical CPI-U.



TIF CPI Old Revenues Adjustment Percentage	
2000	3.4
2001	2.8
2002	1.6
2003	2.3
2004	2.7
2005	3.4
2006	3.2
2007	2.8
2008	3.8
2009	-0.4
2010	1.6
2011	3.2
2012	2.1
2013	1.5
2014	1.6
2015	0.1
2016	1.3
2017	2.1
2018	2.4
2019	1.8
2020	1.2
2021	4.7
2022	8.0
2023	4.1

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