

QUESTION: Subpart G requires that closure/part closure cost estimates be adjusted annually for inflation. What is the latest implicit price deflator?

ANSWER: The annual implicit price deflator for 1981 is 195.51. This is the latest figure available for 1981, as revised in July 1982.

The annual implicit price deflator for 1982 is 207.15. This is the latest figure available for 1982, as revised in March 1983.

The inflation factor to be used for cost estimates in Section 265.142 (c) and 265.144 (c) is therefore:

$$\frac{207.15}{195.51} = 1.06$$

If the closure cost estimate is \$54,500, the adjusted closure cost estimate is

$$(\$54,500) \times (1.06) = \$57,700$$

The figure for the previous year is calculated first in January, then revised in February and March. In July, the figure for the previous year and several other years is revised.

Source: Lee Bernstein, editor of Survey Current Business (523-0824)
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