

# CET Fact Sheet

## What is the Construction Excise Tax (CET)?

In the 2007 Regular Session, the Oregon State Legislature passed a law (Senate Bill 1036) that will help Oregon school districts pay for a portion of the cost of new or expanded school facilities. The bill allows school boards, in cooperation with cities and counties, to tax new residential and non-residential development. Effective 8/14/2023, the tax will be assessed at \$1.56 per square foot on residential construction and \$0.78 per square foot for non-residential construction, not to exceed \$39,100 per building permit or \$39,100 per structure, whichever is less.

## What does the tax pay for?

The tax pays for capital improvements including: land acquisition; construction, reconstruction or improvement of school facilities; acquisition or installation of equipment, furnishings or other tangible property; architectural, engineering, legal or similar costs associated related to capital improvements; or the payment of obligations and related costs of issuance that are issued to finance or refinance capital improvements.

## How Tax Rates Are Determined:

SB 1036 set initial tax rate limits and beginning in 2009, tax rates were indexed to inflation using the Engineering News-Record Construction Cost Index. As prescribed in statute, the Department of Revenue is responsible for updating the tax rate limits and notifying affected districts.

## Who has to pay this tax? Am I exempt from paying the tax?

The tax applies to construction permits on property located within Jefferson School District's jurisdiction, issued on or after December 1, 2007. Exemptions are provided for the following: private school improvements; public improvements as defined in ORS

279A.010; certain residential housing that is guaranteed to be affordable under guidelines established by the U.S. Department of Housing and Urban Development; public or private hospital improvements; improvements to certain religious facilities; and agricultural buildings as defined in ORS 455.315

(2)(a). Please see the CET Exemption Application for additional information.

## Is my property located within Jefferson School District's jurisdiction?

Jefferson School District's jurisdiction includes properties located within the City of Jefferson, as well as rural property in Marion County. If you have questions about your jurisdiction, you may call the Marion County Assessor at 503-588-5144.

## Why is the tax needed?

Oregon's fastest growing school districts are overcrowded and many older schools throughout the state are in need of repair. This tax will require developers to share the cost of growth with school districts

## Who can I contact for more information?

If you have additional questions, you may contact Jefferson School District at 541-327-3337 ext. 1051.

Fiscal Year	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Residential	1.35	1.39	1.41	1.45	1.56	1.63
Non-Residential	0.67	0.69	0.70	0.72	0.78	0.82
Non-Residential Max	33,700	34,600	35,200	36,100	39,100	40,800



# CET EXEMPTION APPLICATION FORM for Jefferson School District 14J

## Exemption Description (mark applicable exemption):

1. Private School Improvements.
2. Public Improvements as defined in ORS 279A.010.
3. Residential housing that is guaranteed to be affordable, under guidelines established by the United States Department of Housing and Urban Development, to households that earn no more than 60% of the median household income for the area in which the construction tax is imposed, for a period of at least 60 years following the date of construction of the residential housing.
4. Public or Private hospital improvements.
5. Improvements to religious facilities primarily used for worship or education associated with worship.
6. Agricultural buildings as defined in ORS 455.315(2)(a).
7. Facilities that are operated by a not-for-profit corporation and that are:
  - a. Long term care facilities, as defined in ORS 442.015;
  - b. Residential care facilities, as defined in ORS 443.400; or
  - c. Continuing care retirement communities, as defined in ORS 101.020.

*Application for any of the above exemptions provides consent for the District to audit the applicant's records to verify the legal status and compliance with the exemption prerequisites.*

*I do hereby certify that by signing I am verifying eligibility for the above Exemption to the Construction Excise Tax.*

Applicant \_\_\_\_\_

Date \_\_\_\_\_

Jurisdiction Issuing Permit \_\_\_\_\_

Address of Construction for which Exemption is Claimed: \_\_\_\_\_

Permit Holder: \_\_\_\_\_

Permit Holder Address: \_\_\_\_\_

Permit Holder Phone: \_\_\_\_\_

Permit Holder Email: \_\_\_\_\_

JSD Use:

Approved: \_\_\_\_\_

Denied: \_\_\_\_\_

Date: \_\_\_\_\_



**RESOLUTION NO. 2023-2024 (23.08.001)**

**RESOLUTION REGARDING UPDATING THE CONSTRUCTION EXCISE TAX RATE**

WHEREAS, the District has a critical need to improve existing school facilities; and

WHEREAS, the District passed The Construction Excise Tax Resolution implementing the Construction Excise Tax on April 16, 2008; and

WHEREAS, pursuant to Section 2 of ORS 320.170 the District has entered into intergovernmental agreements with Marion County, The City of Jefferson pursuant to that Resolution; and

WHEREAS, ORS 320.176 (3) allows that the limitations on the rate and maximums of the construction excise tax set for in ORS 320.176 (1) be adjusted for changes in construction costs as determined by the Oregon Department of Revenue; and

WHEREAS, The Jefferson School District has not adjusted the assessed construction excise tax rate since July 1, 2021;

BE IT RESOLVED as follows:

1. The rates of tax, imposed only on improvements to real property that result in a new structure or additional square footage in an existing structure outlined in ORS 320.176 with the exemptions outlined in ORS 320.173, are:

- (a) \$1.56 on structures or portions of structures intended for residential use, including but not limited to single-unit or multiple-unit housing; and
- (b) \$ 0.78 on structures or portions of structures intended for nonresidential use, not including multiple-unit housing of any kind.

2. In addition, a construction tax imposed on structures intended for nonresidential use will not exceed \$39,100 per building permit or \$39,100 per structure, whichever is less.

- (a) For years beginning on or after June 30, 2009, the limitations under subsections (1) and (2) of this section shall be adjusted for changes in construction costs by multiplying the limitations set forth in subsections (1) and (2) of this section by the ratio of the averaged monthly construction cost index for the 12-month period ending June 30 of the preceding calendar year over the averaged monthly construction cost index for the 12-month period ending June 30.

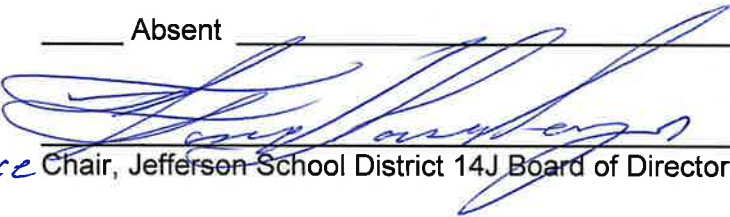
3. This resolution takes effect on August 21, 2023.

**RESOLUTION NO. 2023-2024 (23.08.001)**

**RESOLUTION REGARDING UPDATING THE CONSTRUCTION EXCISE TAX RATE,  
cont..**

**VOTE:**

4 In Favor Fred Sondermayer, Terry Kamlade, Teri Mitchell, Carole Vickery  
\_\_\_\_ Opposed \_\_\_\_\_  
\_\_\_\_ Abstention \_\_\_\_\_  
\_\_\_\_ Absent \_\_\_\_\_

  
Vice Chair, Jefferson School District 14J Board of Directors

Attest: \_\_\_\_\_