

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 7/14/2025, the tax will be assessed at \$1.67 per square foot on residential construction and \$0.84 per square foot for non-residential construction, not to exceed \$41,800 per building permit or \$41,800 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	2025-26
Residential	1.35	1.39	1.41	1.45	1.56	1.63	1.67
Non-Residential	0.67	0.69	0.70	0.72	0.78	0.82	0.84
Non-Residential Max	33,700	34,600	35,200	36,100	39,100	40,800	41,800



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: _____

