North Santiam School District 29J

Serving Lyons, Mehama, Stayton, and Sublimity

North Santiam School District
Construction Excise Tax

What is the Construction Excise Tax for the North Santiam School District?

The Oregon Legislature passed SB 1036, a law that provides a financial tool to help school districts pay for capital improvements, expanded facilities, and equipment needed as a result of community growth. The law authorizes a school district, in cooperation with cities and counties, to tax new residential and non-residential development. Specifically, the tax applies to improvements to real property that result in a new structure for additional square footage to an existing structure.

What does the tax pay for?

The excise tax revenue would be used for capital improvements such as the acquisition of land, the construction, reconstruction, or improvement of school facilities; acquisition or installation of equipment, furnishings, or other tangible property; related architectural, engineering expenses, legal expenses or similar costs related to capital improvements. The excise revenue would allow the district to purchase and prepare sites for future school facilities and/or to help defray the cost of new school facilities.

Who has to pay and when?

The tax is required to be paid by the developer or property owner who is developing property in the North Santiam School District 29J at the time when he or she wishes to have a permit issued by the City or County. A permit will not be issued unless the tax is paid or unless an approved exemption is submitted on the exemption form.

Who is exempt from paying the tax?

The following are exempt from the Construction Excise Tax:

1. Private school improvements;
2. Public improvements as defined in ORS279A.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 80% 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 for a residential house);
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 by ORS 455.315(2)(a).
7. The square footage of a residential structure that is equal to or less than the square footage of the residential structure being removed. The structure being removed has to have been currently occupied to qualify for the exemption. (Supporting information confirming the square footage of both residential structures must be provided.)

How much is the tax?

The tax may not exceed:

- $1.70 per square foot on residential construction:
- $0.85 per square foot on non-residential construction. For non-residential construction only, the excise tax is limited to $42,400 per building permit.

Whom can I contact for more information?

If you have additional questions, you may contact the North Santiam School District Business Director at 503-769-4187 or by emailing rhonda.allen@nsantiam.k12.or.us

1155 N 3rd Ave, Stayton, Oregon 97383
P: 503.769.6924 ~ F: 503.769.3578
www.nssd29j.org ~ communications@nsantiam.k12.or.us