

# 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 or 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 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 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 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 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).

## **How much is the tax?**

The tax may not exceed:

- \$1 per square foot on residential construction;
- 50 cents per square foot on non-residential construction. For non-residential construction only, the excise tax is limited to \$25,000 per building permit or \$25,000 per structure, whichever is less.

## **Is this a permanent tax?**

No. The 2007 Act is automatically repealed on January 2, 2018.

## **Whom can I contact for more information?**

If you have additional questions, you may contact the North Santiam School District business manager at (503)769-4187 or by emailing [dmiddles@nsantiam.k12.or.us](mailto:dmiddles@nsantiam.k12.or.us).

North Santiam School District  
Construction Excise Tax Calculation Form

Building Permit Applicant:

Name (Printed): \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone Number: \_\_\_\_\_

Construction Address: \_\_\_\_\_  
\_\_\_\_\_

See *Exemptions Form* for exceptions to this tax.

**Construction Category:**

- Residential.** Construction excise tax of \$1.00 per square foot of living space in new or replacement structures intended for residential use, including:
  1. All new or relocated single or multiple unit housing, including manufactured housing units.
  2. Conversion of an existing non-residential structure to a residential structure.
  3. Addition of living space to an existing residential structure.
  
- Nonresidential.** Construction excise tax of 50 cents per square foot for all new or replacement nonresidential structures or additions. Nonresidential construction excise tax is limited to \$25,000 per building permit or per structure, whichever is less.

**Construction Excise Tax Calculation:**

Taxable square footage of construction.

Times \$1.00 per square foot for residential or \$0.50 per square foot for nonresidential.

\$\_\_\_\_\_ Equals total Construction Excise Tax due (maximum \$25,000 for nonresidential).

Jurisdiction Issuing Building Permit: \_\_\_\_\_ Permit No. \_\_\_\_\_

For questions on this tax, please contact North Santiam School District Business Manager, Doug Middlestetter, (503) 769-4187.