



# School Construction Excise Tax (CET) Facts

**Q What is the School Construction Excise Tax (CET)?**

**A** 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. School CET may be imposed only on improvements to real property that result in a new structure or additional square footage in an existing structure. The tax is assessed per square foot on structures or portions of structures intended for residential or nonresidential use.

**Q What does this tax pay for?**

**A** 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.

**Q Why is this tax needed?**

**A** 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.

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

**A** The tax applies to construction permits on properties located within the City of Portland, Bureau of Development Services jurisdiction. 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; agricultural buildings as defined in ORS 455.315 (2)(a); and #7 from exemption form. Please see the School CET Exemption Application for additional information.

**Q Who can I contact for assistance?**

**A** Bureau of Development Services Finance Manager Kyle O’Brien (email is the best way to contact him) at Kyle.OBrien@portlandoregon.gov or by phone 503-823-7323.

| School District                 | Rate per square foot on structures intended for residential use | Rate per square foot on structures intended for nonresidential use | Maximum for nonresidential use |
|---------------------------------|---|--|--------------------------------|
| Beaverton School District       | \$ 1.41   | \$ 0.70  | \$35,200                       |
| Centennial School District      | \$ 1.41   | \$ 0.70  | \$35,200                       |
| David Douglas School District   | \$ 1.41   | \$ 0.70  | \$35,200                       |
| Lake Oswego School District     | \$ 1.41   | \$ 0.70  | \$35,200                       |
| Parkrose School District        | \$ 1.39   | \$ 0.69  | \$34,600                       |
| Portland Public School District | \$ 1.41   | \$ 0.70  | \$35,200                       |
| Riverdale School District       | \$ 1.00   | \$ 0.50  | \$25,000                       |
| Scappoose School District       | \$ 1.23   | \$ 0.61  | \$30,700                       |

Rates are as of July 1, 2021 and are subject to change.