



Neah-Kah-Nie School District **Construction Excise Tax** **INFORMATION**



What is the Construction Excise Tax for the Neah-Kah-Nie School District?

The Oregon Legislature passed a law (SB 1036) that provides a financial tool to help school districts pay for a portion of the cost for new, updated or expanded facilities as it relates to residential and business development in the community. 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 in an existing structure.

What does the tax pay for?

The excise tax revenue can only be used for “capital improvements” which includes:

- Acquisition of land
- Construction, reconstruction or improvement of school facilities
- Acquisition or installation of equipment, furnishings or other tangible property
- Payment for architectural, engineering, legal or similar costs related to capital improvements or any other expenditure for assets that have a useful life of more than one year
- Payment of obligations and related costs of issuance that are issued to finance or refinance capital improvements
- Payment of obligations issued to finance or refinance capital improvements as defined above.

Who has to pay and when?

The tax is required to be paid by the developer or property owner who is developing property within the Neah-Kah-Nie School District boundaries at the time they wish to have a permit issued by either the County or City. A permit will not be issued unless the tax is paid or 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:

- Private school improvements;
- Public improvements as defined in ORS 279A.010
- 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)

- Habitat for Humanity housing
- Public or private hospital improvements
- Improvements to religious facilities primarily used for worship or education associated with worship
- Agricultural building as defined by 455.315
- Approved direct appeal from the Neah-Kah-Nie District Board of Directors.

How much is the tax?

The tax is \$1 per square foot on residential construction and 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.

Who can I contact for more information?

If you have additional questions, you may contact the Neah-Kah-Nie School District Superintendent via e-mail at jayk@neahkahnie.k12.or.us or by phone: (503) 355-2222 ext. 4001.

Neah-Kah-Nie School District No. 56
Construction Excise Tax
Quick lookup sheet

Subject to the following
per Square Foot Rates

Description	per Square Foot Rates		
	\$1.00	\$0.50	Exempt
Gross living area of Residential Single & multi-unit houses	X		
Sunroom - openings into house without doors/windows that can be closed	X		
Unfinished basements	X		
Bonus rooms	X		
Garage			X
Carport			X
Covered walkway			X
Exterior deck			X
Covered Exterior porch			X
Patio cover (screened or open)			X
Accessory structures: garden shed, shops, ramadas			X
Sunroom - with closing doors/windows between it and a house			X
Residential structure moved from a different property	X		
Structure moved on same property			X
Manufactured dwelling	X		
Sunroom - openings into house without doors/windows that can be closed	X		
Cabanas	X		
Garage			X
Carport			X
Covered walkway			X
Exterior deck			X
Covered Exterior porch			X
Patio cover (screened or open)			X
Accessory structures: garden shed, shops, ramadas			X
Sunroom - with closing doors/windows between it and a house			X
Manufactured dwelling replacing existing dwelling in a manufactured home park			X
Hotel, Motel, Transient Boarding Houses, Convents, College Dormitories, Fraternity and Sorority uses		X	
Other commercial, industrial or non-residential structures		X	
Roof replacement - residential or commercial/non-residential			X
Habitat for Humanity homes			X
Private School Improvements - ORS 320.173 (1)			X
Public Improvements as defined in ORS 279A.010 - ORS 320.173 (2)			X
HUD affordable housing - ORS 320.173 (3)			X
Public or private hospital improvements - ORS 320.173 (4)			X
Improvements to religious facilities - ORS 320.173 (5)			X
Agricultural buildings, as defined in ORS 455.315 (2)(a) - ORS 320.173 (6)			X
Replacement residential or non-residential structure up to same square footage on record			X
Replacement residential structure over same square footage on record	X		
Replacement non-residential structure over same square footage on record		X	

For other items, please see two page Construction Excise Tax Implementation Information sheet.

Neah-Kah-Nie School District No. 56
Construction Excise Tax Implementation Information

The following method is to be used to determine if the Construction Excise Tax (CET) is applicable and how it is to be calculated:

- Square footage of residential uses shall include single-unit and multiple-unit houses including non-transient boarding houses, adult foster homes, and congregate living facilities; and dormitories (as defined in the State Building Code) shall include the gross floor area of the building or addition measured from the outside of the wall to the outside of the wall and shall include the square footage of unfinished basements or bonus rooms, but shall not include the gross floor area of a garage, carport, covered walkway, exterior deck, covered exterior porch, patio cover (screened or open), sunroom (unless the sunroom has openings into the house that are without doors or windows that can be closed), and accessory structures such as garden sheds or shops and ramadas.
- Square footage of residential use shall include the gross floor area of a manufactured dwelling or an addition thereto measured from the outside of the wall to the outside of the wall and include the area of cabanas, but shall not include the gross floor area of a garage, carport, covered walkway, exterior deck, covered exterior porch, patio cover (screened or open), sunroom (unless the sunroom has openings into the house that are without doors or windows that can be closed), and accessory structures such as garden sheds or shops and ramadas. Square footage of residential use shall not include a manufactured home that replaces an existing manufactured home located in a manufactured home park.
- Square footage of a residential use shall include the gross floor area of a moved residential building (unless it is moved to a different location on the same property) measured from the outside of the wall to the outside of the wall and shall include the square footage of unfinished basements or bonus rooms but shall not include the gross floor area of a garage, carport, covered walkway, exterior deck, covered exterior porch, patio cover (screened or open), sunroom (unless the sunroom has openings into the house that are without doors or windows that can be closed), and accessory structures such as garden sheds or shops and ramadas.
- Square footage of hotel, motel, transient boarding houses, convents, college dormitories, fraternity, and sorority uses shall be considered nonresidential uses.
- Square footage of non-residential uses shall include the gross floor area of the building or addition measured from the outside of the wall to the outside of the wall or where no wall exist shall include the useable area under the horizontal projection of the roof or floor above.
- Where an existing residential or non-residential use is removed from a property (in part to in total), a credit towards the CET for a new use shall be applied based on the square footage and use of existing building. No CET credit shall be applied if there is no record of the square footage of the existing use. Unless authorized by the District, credits are non-transferable to other properties.
- The CET shall be applicable to building permit applications received on or after the effective date of the Intergovernmental Agreement (IGA) between the District and the

City and or County that will be collecting the CET. Should an increase in the CET be authorized, the new rate shall be applicable to all building permit applications received on or after the effective date of the increase. Any building permit application received prior to the effective date of the IGA or increase shall be subject to the CET or increase if the fee has not been paid or the building permit issued within six months of the effective date of the IGS or increase.

- The CET shall not apply to structures that do not require a building permit, cell towers, water tanks, retaining walls, swimming pools, private bridges, roof replacements, or covered play structures.
- CET fees may be refunded if they are collected in error or the CET is paid for a development that will not be constructed. Requests for refund must be in writing and submitted to the District at Neah-Kah-Nie School District No. 56, P.O. Box 28, Rockaway Beach, OR 97136-0028, not more than 12 months from the date the CET was paid.