

Superintendent
Lee W. Loving



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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:

- \$1.56 per square foot on residential construction;
- \$0.78 per square foot on non-residential construction. For non-residential construction only, the excise tax is limited to \$39,100 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

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**North Santiam School District
Construction Excise Tax Calculation Form**

Building Permit Applicant:

Name (printed): _____

Address: _____

Phone Number: _____

Construction Address: _____

See Exemptions Form for the exceptions to this tax.

Construction Category:

- Residential.** Construction excise tax of \$1.56 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 \$0.78 per square foot for all new or replacement nonresidential structures or additions. Nonresidential construction excise tax is limited to \$39,100 per building permit.

Construction Excise Tax Calculation:

Taxable square footage of construction.

Times \$1.56 per square foot for residential or \$0.78 per square foot for nonresidential

Equals total Construction Excise Tax due (maximum \$39,100 for nonresidential).

Jurisdiction Issuing Building Permit: _____ Permit No. _____

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**Claim for Exemption
North Santiam School District
Construction Excise Tax**

Claimant Requesting an Exemption is:

Person: _____
(name)

Entity: _____
(name)

If an entity, please circle the correct entity: LLC, Partnership, Corporation, Other _____

The claim for exemption is because the construction project is for:

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 of the residential housing.

Public or private hospital improvements.

Improvements to religious facilities primarily used for worship or education associated with worship.

Agricultural buildings as defined in ORS 455.315(2)(a).

Improvements involving a detached non-occupied residentially related building (such as a garage, shop, or barn) on a lot with an existing residential structure. (attach supporting information).

The square footage of a replacement residential structure that is equal to or less than the square footage of the residential structure being removed. (supporting information confirming the square footage of both residential structures must be provided).

The term "residential structure" means single-family dwelling.

The purpose of the construction is to: _____

Certification: Under penalties of perjury, I hereby certify that the above-referenced project is not subject to the construction excise tax. With this certification, I am avoiding paying the construction excise tax, or I am paying a reduced square footage under the allowance of the last exemption. If this application is false, not only will I be subject to prosecution for the felony of perjury, I am guilty of the crime of theft.

Date: _____

Signature: _____

The North Santiam School District has the right to contest the claim of exemption and the claim of exemption will be tried in the Circuit Court for the County in which the real property is located. If the applicant is not successful, the school district shall be entitled to recover the tax due at the rate of 1% per month, or any portion of a month, together with all costs, including but not limited to, any expert witness fees, attorney fees and all other costs and expenses as allowed by law, whether by administrative rule, statute or rule of civil procedure.

Address and project description of construction for which exemption is claimed: _____

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