



485 S. Fifth Street, Lebanon, Oregon 97355  
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## **Lebanon Community School District Construction Excise Tax**

### **What is the Construction Excise Tax for the Lebanon Community School District?**

In 2007 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 will 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 allows 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 Lebanon Community School District at the time when he or she wishes to have a permit issued. 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 (as defined by SB 1036, Section 3[3]);
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. Non-profit organizations (501[c][3]);
8. Any remodel or expansion of an existing residential structure;
9. Any construction, remodel, or expansion of a detached non-occupied residentially related building such as a garage, shop or barn;
10. The replacement of a structure, either residential or nonresidential, which replaces an existing structure up to the square footage of the original structure.

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

- \$1.25 per square foot on residential construction;
- 62 cents per square foot on non-residential construction. For non-residential construction only, the excise tax is limited to \$33,700 per building permit or \$33,700 per structure, whichever is less.

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

If you have additional questions, you may contact the Lebanon Community School District's Business Director William Lewis via e-mail at [william.lewis@lebanon.k12.or.us](mailto:william.lewis@lebanon.k12.or.us) or by phone: (541) 259-8945.