CENTENNIAL SCHOOL DISTRICT
18135 SE Brooklyn Street
Portland, OR 97236
(503) 760-7990

CONFIRMATION

TO: Board of Directors

FROM: Paul Southerton, Director of Business & Operations

DATE: May 27, 2026

SUBJECT: **Adopt 2026-2027 Construction Excise Tax Rates**

SB 1036 allows local school districts to impose a school Construction Excise Tax (CET) on new construction to help local school districts pay for a portion of the cost of school facility construction, reconstruction or improvement and/or the acquisition or installation of equipment, furnishings or other tangible property needed for school operations.

The law authorizes a school district, in cooperation with cities and counties, to tax new residential and non-residential construction (including additions, replacement, and new development). Specifically, the tax applies to improvements to real property that result in a new structure or additional square footage to an existing structure.

The tax is required to be paid by the developer or property owner developing the property in the Centennial School District at the time when the developer or owner requests a permit issued by the City or County.

Each year a new maximum rate is established by the Oregon Department of Revenue. The maximum rate for the 2026-2027 school year has been established at $1.70 per square foot for residential properties and $0.85 per square foot for non-residential properties, with a limit of $42,400 for each.

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The Administration recommends The Board approve the resolution to impose the new Oregon Department of Revenue maximum rates and limits for the Construction Excise Tax for the 2026-2027, school year beginning July 1, 2026, of $1.70 per square foot for residential properties and $0.85 per square foot for non-residential properties, with a limit of $42,400 for each.

Agenda Item: 6.6.1