



Legislation Text

File #: 18-271, **Version:** 1

Construction Excise Tax for Affordable Housing

RECOMMENDED ACTION (Motion):

Provide direction if staff should continue to investigate a construction excise tax for affordable housing.

BACKGROUND:

Senate Bill 1533 enabled jurisdictions to implement a construction excise tax (CET) for affordable housing.

Residential Construction:

Local jurisdictions may levy a tax of up to 1% of the permit value on residential construction. The revenue is required to be allocated toward:

- 50% Incentives for developers to create affordable housing
- 35% Affordable housing programs
- 15% Oregon Housing and Community Services to be used for programs providing down payment assistance

Commercial and Industrial:

Local jurisdictions may levy a limitless tax on the permit value of commercial and industrial development. At least half of revenues must go toward the jurisdiction's housing-related programs.