

Metro Facts



METRO

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Construction Excise Tax (CET)

What is Metro's construction excise tax?

This is a temporary tax to be assessed on construction permits issued by local cities and counties in the Metro region. The tax will be assessed at 0.12 percent of the value of the improvements for which a permit is sought. For example, on improvements valued at \$250,000, the tax will be \$300.

What does this tax pay for?

The tax pays for land use planning in areas brought into the urban growth boundary since 2002.

Why is this tax needed?

Metro's ordinances require the completion of concept and comprehensive planning for new areas brought into the urban growth boundary (UGB) within two years of a UGB expansion. Many local communities do not have sufficient funding to pay for this planning, which must be completed before development can occur. This temporary tax will help fund the required planning so that development can occur in these new expansion areas.

Who has to pay this tax? Am I exempt from paying the tax?

The tax applies to construction permits on property located within Metro's jurisdiction, issued on or after July 1, 2006. Permits for construction projects valued at \$100,000 or less will be exempted from this tax as well as permits for development of affordable housing units and permits issued to 501(c)(3) non-profit organizations for other projects aimed at serving low-income populations. Permits for construction valued at more than \$10 million will be assessed a flat \$12,000 fee (0.12 percent of \$10 million).

Is my property located within Metro's jurisdiction?

Metro's jurisdiction includes the 25 incorporated cities and unincorporated portions of Multnomah, Clackamas, and Washington Counties that lie within the Portland metropolitan region, stretching from Forest Grove to Troutdale and south to Wilsonville. Cities outside of Metro's jurisdiction include North Plains, Banks, Gaston, Canby, Estacada and Sandy. Sauvie Island is also outside Metro's boundaries, as is Corbett. A map illustrating Metro's jurisdictional boundary is included on the other side of this sheet. If you are still uncertain as to whether your property is located within Metro's jurisdiction, you can verify this with your county assessor's office or visit Metro's Web site at www.metro-region.org/constructiontax and enter your address in the search engine.

Is this a permanent tax?

No. The tax takes effect July 1, 2006, and will remain in effect until \$6.3 million is collected. This is the estimated cost of the required

Who can I contact for more information?

If you have additional questions, you may contact Metro at 503-797-1620 (TDD 503-797-1804) or at finance@metro-region.org.

