

# Molalla River School District

## Construction Excise Tax Scenario Analysis for Current Fiscal Year (25-26)

### *Board Information One-Pager*

This analysis compares projected annual Construction Excise Tax (CET) collections under three potential rate scenarios using Molalla River School District FY 2025-26 data through March 31, 2026 and an estimated fourth quarter projection. This shows how much we **would have** collected under the new rate.

Scenario	Residential Rate	Commercial Rate	Projected Collections	Increase	% Increase
Current Rates	\$1.35	\$0.50	\$145,667	\$0	0.0%
Residential Increase Only	\$1.67	\$0.50	\$178,321	\$32,654	22.4%
Residential & Commercial Increase	\$1.67	\$0.84	\$183,699	\$38,032	26.1%

### **Key Observations**

- Projected FY 2025-26 annual collections at current rates are approximately \$145,667.
- Increasing only the residential rate to \$1.67 per square foot would increase annual collections by approximately \$32,654 annually.
- Increasing both residential and commercial rates to the current maximum levels would increase annual collections by approximately \$38,032 annually.
- The analysis estimates approximately 102,044 residential square feet and 15,816 commercial square feet of annual construction activity.

### **Methodology**

The fourth quarter estimate was based on the average of the first three quarters of FY 2025-26. Projected collections assume the same mix of residential and commercial development activity under each rate scenario.

Current district rates and maximum allowable rates were sourced from Clackamas County Construction Excise Tax schedules.