

August 1, 2018

Word Count 220

Attention editors  
and producers:

Cascade Commentaries are provided for reprint in newspapers and other publications, with credit given to author(s) and Cascade. Contact Cascade to arrange print or broadcast interviews on this commentary topic.

Please contact:

Cascade Policy Institute  
4850 SW Scholls Ferry Rd.  
Suite 103  
Portland, Oregon 97225

Phone: (503) 242-0900  
Fax: (503) 242-3822

[www.cascadepolicy.org](http://www.cascadepolicy.org)  
[info@cascadepolicy.org](mailto:info@cascadepolicy.org)

4850 SW Scholls Ferry Road  
Suite 103  
Portland, Oregon 97225

t: 503.242.0900  
f: 503.242.3822  
[info@cascadepolicy.org](mailto:info@cascadepolicy.org)  
[www.cascadepolicy.org](http://www.cascadepolicy.org)

## QuickPoint! – 23 Million Reasons for Metro to Repeal Its Construction Excise Tax

By Jakob Puckett

How much do we have to tax something to make it affordable? You might think that's counterintuitive, and you'd be right. But that's exactly what the Portland-area Metro Council is doing with affordable housing through their Construction Excise Tax. So what is this tax? For every construction project valued at over \$100,000, Metro taxes 0.12% of its value, with most of the revenue directed to fund grants to plan for affordable housing.

That number may not sound like much, but the Portland City Council also has a Construction Excise Tax, only it's eight times higher than Metro's, also for housing land-use planning. So two councils levy the same tax on the same people for the same purpose.

And the money raised rarely goes to *constructing* housing units. Metro recently approved 10 new grants; and while all of them fund more land-use planning exercises, none of them actually build new housing. This extra paperwork often leads to construction delays, creating an expensive, redundant mess for land developers.

And just how expensive has it been? Metro has renewed this tax twice, raising over \$23 million for these projects, which has just made housing construction \$23 million more expensive. And, in a city where every dollar put towards new housing counts, that's 23 million reasons why Metro should repeal its Construction Excise Tax.

---

*Jakob Puckett is Research Associate at Cascade Policy Institute, Oregon's free market public policy research organization.*

