

Maryland Independent College
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TESTIMONY

Budget & Taxation Committee

SB 1103 – Sales and Use Tax – Tax-Free Period – University and College Textbooks

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Tina Bjarekull, President

March 14, 2016

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On behalf of Maryland's independent colleges and universities and the 63,000 students they serve, thank you for the opportunity to submit this written testimony in support of *Senate Bill 1103, Sales and Use Tax – Tax-Free Periods – University and College Textbooks*. Senate Bill 1103 designates a two-week tax-free period at the beginning of each fall and spring semester for students who are enrolled full-time or part-time to purchase textbooks required for a course at a public or private nonprofit higher education institution or a regional higher education center. These tax-free periods will reduce the educational costs for many students enrolled at Maryland's colleges and universities and will be an effective step in reigning in the cost of attendance.

As required by law, Maryland's colleges and universities post information on required course materials, including the title, author, publisher, edition, publication date, and the International Standard Book Number (ISBN) weeks prior to the fall and spring semesters for every academic course. It is important to note that the semester start dates vary by institution and by academic program. Therefore, a two-week tax-free period will be very beneficial to many students, but will not assist all students. We urge the Committee to consider expanding the tax-free periods to additional weeks or shift the tax-free periods back by a week.

MICUA member institutions are concerned about the rising costs of college textbooks and the impact these costs have on access and affordability. In recent years, Maryland's independent colleges and universities have established new policies and programs to reduce the costs of textbooks. Several MICUA institutions have adopted policies to encourage faculty to allow students to use older editions of textbooks. Some institutions have adopted formal policies to urge faculty not to change textbook editions unless there are mistakes in the current edition or substantial changes that warrant a new edition.

Most institutions have textbook buyback programs, which allow students to sell textbooks at the end of the spring and fall semesters. Some institutions have textbook rental programs, which have proven to be successful. A few institutions have experimented with electronic textbooks, but have had limited success with this format. Not all textbooks are available in electronic format, and most specialized materials are not available electronically. Additionally, students who use electronic textbooks need to have hand-held readers. Many students prefer print editions, particularly if they can purchase low-cost editions. Additionally, most MICUA member institutions provide need-based financial aid to students, which may be used to purchase textbooks.

I encourage the Committee to give the bill a favorable committee report.