



State Representative Mike Duffey, 21<sup>st</sup> District

## **Sponsor Testimony – Rep. Duffey HB 337 – Exempt College Textbook Purchases from Sales Tax**

Ohio House – Ways and Means Committee – October 31, 2017

Chairman Schaffer, Vice Chairman Scherer, and Ranking Member Rogers, thank you for the opportunity to testify today regarding House Bill 337, which will exempt college textbooks purchased by post-secondary students from sales tax. This bill is an important step in lowering the increasingly high cost of attending college in this state, thus helping to make college more affordable for all students and families in Ohio.

Currently there are 27 states- including our border states of Pennsylvania, Kentucky, and West Virginia- in which textbooks are exempt from sales tax as a method of making the cost of receiving a college education more affordable. Based on a study conducted by The College Board for the school year 2016-2017-- the cost for textbooks per student at a public four-year in-state institution is \$1,250 per year, which constitutes 5.07% of a student's overall budget<sup>1</sup>. Furthermore, according to the Bureau of Labor Statistics (BLS) data, from January 2006 to July 2016, consumer prices for college textbooks increased 88%.<sup>2</sup>.

Under House Bill 337, in order for students to be exempt from the sales tax imposed on their textbooks, they must be enrolled in an Ohio college or university and the textbook must be required as part of the course curriculum in which they are currently enrolled. To ensure this is enforced, for a student to purchase a textbook in-person, they must provide their student ID card and either a copy of a list of textbooks needed for the courses offered by the institution or written proof of enrollment in the course and a signed statement confirming that the student is purchasing the textbook as a requirement for the course if a textbook list is not yet available. For online purchases, the student must provide to the vendor the student's name and address, the title of the student's course, the name and address of the institution, and the identification number on the student's ID card, unless that number is the student's Social Security number.

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<sup>1</sup> *Average Estimated Undergraduate Budget, 2016-2017*, The College Board.

<https://trends.collegeboard.org/college-pricing/figures-tables/average-estimated-undergraduate-budgets-2016-17>

<sup>2</sup> Bureau of Labor Statistics, U.S. Department of Labor, *The Economics Daily*, *College tuition and fees increase 63 percent since January 2006 on the Internet* at <https://www.bls.gov/opub/td/2016/college-tuition-and-fees-increase-63-percent-since-january-2006.htm>.

The companies of Amazon and Barnes and Noble currently have procedures in place for colleges and universities which fall in tax exempt states on how students are able to enjoy tax exempt textbook orders and offer comprehensive explanations for the student on how to provide proper documentation for their tax exempt order<sup>3</sup>.

House Bill 337 will make great strides in lowering the overall cost of receiving an education which burdens many students and families in the state of Ohio. A majority of states in this country already offer tax exemptions on textbooks required for coursework in their colleges and universities and it is time that Ohio is added to the list. I believe that House Bill 337 is common sense legislation. I would be happy to take any questions at this time.

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<sup>3</sup> *Back to School 2014: A Guide to Sales Tax and Saving on Textbooks*. Value Penguin.  
<http://www.valuepenguin.com/2014/08/sales-tax-textbooks#howto>