

# CHAPTER 295

(House Bill 204)

AN ACT concerning

~~**Tax Credit – Student Textbooks**~~

~~**Task Force to Study the Cost of Textbooks for Higher Education**~~  
~~**Higher Education – Study of the Cost of Textbooks for Higher Education**~~

~~FOR the purpose of allowing certain individuals to claim a credit against the State income tax up to a certain amount for textbooks purchased for use at institutions of higher education; providing that the credit may not exceed the State income tax for that taxable year and that any unused credit for a taxable year may not be carried over to any other taxable year; defining certain terms; providing for application of this Act; and generally relating to a credit against the State income tax credit for certain textbooks.~~

~~FOR the purpose of establishing a Task Force to Study the Cost of Textbooks for Higher Education; providing for the composition of the Task Force; requiring the Maryland Higher Education Commission to provide staff for the Task Force; prohibiting a member of the Task Force from receiving compensation; providing that a member of the Task Force is entitled to reimbursement for certain expenses; requiring the Task Force to submit a certain report to the Governor and General Assembly on or before a certain date; providing for the termination of this Act; and generally relating to the establishment of a Task Force to Study the Cost of Textbooks for Higher Education.~~

FOR the purpose of requiring the Department of Legislative Services, with the assistance of certain committees, to study and compile certain information regarding certain costs associated with textbooks for higher education on or before a certain date; and generally relating to the cost of textbooks for higher education.

~~BY adding to~~

~~Article – Tax – General~~

~~Section 10 – 726~~

~~Annotated Code of Maryland~~

~~(2004 Replacement Volume and 2006 Supplement)~~

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:~~

**Article Tax General**

~~10-726.~~

~~(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.~~

~~(2) "ELIGIBLE STUDENT" MEANS AN INDIVIDUAL:~~

~~(i) WHO IS THE TAXPAYER, THE TAXPAYER'S SPOUSE, OR A DEPENDENT OF THE TAXPAYER AS DEFINED IN § 152 OF THE INTERNAL REVENUE CODE; AND~~

~~(ii) WHO QUALIFIES FOR STATE FINANCIAL ASSISTANCE ON THE BASIS OF NEED AS DETERMINED BY THE MARYLAND HIGHER EDUCATION COMMISSION.~~

~~(3) "TEXTBOOK" MEANS A BOOK:~~

~~(i) WRITTEN, DESIGNED, AND PRODUCED FOR EDUCATIONAL, INSTRUCTIONAL, OR PEDAGOGICAL PURPOSES; AND~~

~~(ii) REQUIRED FOR A COURSE AT AN INSTITUTION OF HIGHER EDUCATION AS DEFINED IN § 10-101 OF THE EDUCATION ARTICLE.~~

~~(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR THE EXPENSES ABOVE \$500 FOR THE TAXABLE YEAR FOR THE PURCHASE OF TEXTBOOKS FOR AN ELIGIBLE STUDENT'S USE AT AN INSTITUTION OF HIGHER EDUCATION AS DEFINED IN § 10-101 OF THE EDUCATION ARTICLE.~~

~~(C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE LESSER OF:~~

~~(i) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR CALCULATED BEFORE THE APPLICATION OF THE CREDITS ALLOWED~~

~~UNDER THIS SECTION AND UNDER §§ 10-701 AND 10-701.1 OF THIS SUBTITLE; OR~~

~~(iii) \$500.~~

~~(2) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.~~

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2007, and shall be applicable to all taxable years beginning after December 31, 2006.~~

~~SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:~~

(a) There is a Task Force to Study the Cost of Textbooks for Higher Education.

(b) The Task Force consists of the following members:

(1) one member of the Senate of Maryland, appointed by the President of the Senate;

(2) one member of the House of Delegates, appointed by the Speaker of the House;

(3) the Secretary of Higher Education, or the Secretary's designee;

(4) the Chancellor of the University System of Maryland, or the Chancellor's designee;

(5) the President of Morgan State University, or the President's designee;

(6) the President of St. Mary's College of Maryland, or the President's designee;

(7) the following members, appointed by the Secretary of Higher Education:

(i) one member of a board of community college trustees;

- (ii) one student who is enrolled in a constituent institution of the University System of Maryland;
- (iii) one student who is enrolled in a community college;
- (iv) one member of the faculty of a community college;
- (v) one representative of a business that contracts with the University System of Maryland or a community college to provide textbook selling services on a university or community college campus;
- (vi) one representative of a textbook publishing company whose textbooks are sold to higher education students in the State; and
- (vii) one representative of a business that buys and sells used textbooks to higher education students in the State;
- (8) one member of the faculty of a constituent institution of the University System of Maryland, appointed by the Chancellor; and
- (9) one representative of the Maryland Independent College and University Association.
- (e) The members of the Task Force shall elect a chair from the membership.
- (d) The Maryland Higher Education Commission shall provide staff for the Task Force.
- (e) A member of the Task Force:
- (1) may not receive compensation as a member of the Task Force, but
- (2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.
- (f) The Task Force shall:
- (1) examine retail prices of textbooks for higher education students in the State, including average and median prices for undergraduate, graduate, and community college student textbooks;
- (2) study factors that impact retail prices of textbooks, including:

- (i) how professors choose textbooks for their classes;
  - (ii) the amount retail booksellers increase retail prices above publishers' list prices;
  - (iii) publishers' methods of setting list prices;
  - (iv) publishers' methods of marketing textbooks to professors;  
and
  - (v) any other factors the Task Force identifies as impacting retail prices paid by higher education students for textbooks; and
- (3) develop recommendations for providing financial relief to students and families relating to the price of textbooks.

(e) In performing its duties, the Task Force may invite all interested groups and individuals to present testimony or other information to the Task Force.

(h) On or before September 1, 2008, the Task Force shall report its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

**SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That on or before November 1, 2007, the Department of Legislative Services, with the assistance of the Senate Education, Health, and Environmental Affairs Committee and the House Committee on Ways and Means, shall study and compile information on:**

- (1) retail prices of textbooks for higher education students in the State, including average and median prices for undergraduate, graduate, and community college student textbooks;
- (2) factors that impact retail prices of textbooks, including:
- (i) how professors choose textbooks for their classes;
  - (ii) the amount retail booksellers increase retail prices above publishers' list prices;
  - (iii) publishers' methods of setting list prices;

- (iv) barriers to competition; and*
  - (v) publishers' methods of marketing textbooks to professors;*
- (3) the advantages and disadvantages of posting textbook information online as proposed by Senate Bill 166 from the 2007 Legislative Session; and*
- (4) the advantages and disadvantages of requiring tuition to cover the cost of textbooks as proposed by Senate Bill 785 from the 2007 Legislative Session.*

**SECTION 2. AND BE IT FURTHER ENACTED**, That this Act shall take effect July 1, 2007. ~~It shall remain effective for a period of 2 years and, at the end of June 30, 2009, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

**Approved by the Governor, May 8, 2007.**