

Note: See also, Tax Bulletin [College Textbooks \(TB-ST-125\)](#).

Tax Bulletins are up-to-date, online, easy-to-understand explanations of tax topics. *Tax Bulletins* are updated as needed to reflect changes in the rules.

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New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

TSB-M-98(4)S
Sales Tax
June 5, 1998

Sales and Use Tax Exemption
For
College Textbooks

Governor George E. Pataki has signed into law an exemption from New York State and local sales and compensating use taxes for college textbooks purchased by full- or part-time college students. The exemption applies to eligible purchases made on or after June 1, 1998.

Section 1115(a)(34) was added to the Tax Law to exempt from sales and compensating use taxes textbooks purchased by full- or part-time students enrolled in an institution of higher education for use in their courses. To be exempt, the textbook must be required or recommended for the student's course, either by the instructor or the institution.

Where the institution of higher education, or the course instructor, has provided the vendor with a list of eligible textbooks, the vendor may sell any book on the list exempt from tax to a student at such institution who presents his or her valid student identification card at the time of purchase. Where the institution of higher education, or the course instructor, has not provided the vendor with a list of eligible textbooks, the student may obtain the institution's or instructor's list and give it to the vendor. The vendor may then sell any book on the list exempt from tax to a student at such institution who presents his or her valid student identification card at the time of purchase. Where the textbook list is not available at the time of purchase, the vendor may sell a textbook exempt from tax if the student gives the vendor a properly completed Form ST-121.4, *Textbook Exemption Certificate*, and shows his or her valid student identification card. (See *Student Identification*.)

For purposes of the exemption, *an institution of higher education* means an institution of higher education, recognized and approved by the Regents of the University of the State of New York or accredited by a nationally recognized accrediting agency or association accepted as such by the Regents of the University of the State of New York, which provides a course of study leading to the granting of a post-secondary degree, certificate, or diploma. This includes colleges, universities, professional and technical schools, and libraries or museums which conduct educational programs leading to a post-secondary degree, certificate, or diploma.

Definition of Eligible Textbooks

The exemption applies to new or used textbooks and related workbooks required or recommended for a course at an institution of higher education. The institution of higher education or the instructor of the course must have designated the book as either required or recommended. This includes course-packs and workbooks produced and required or recommended by the institution or instructor. The exemption applies whether the textbooks are printed or are on computer floppy disk or CD-ROM.

The exemption does not apply to any book (fiction or nonfiction) that is not required or recommended for a course of study at an institution of higher education.

Making Purchases of Eligible Textbooks

Purchases may be made from any bookseller, including college or university bookstores, retail bookstores, mail order, via the Internet, or by other available means.

For the sale to be exempt, the purchaser must be enrolled at an institution of higher education and, at the time of purchase, show a valid student identification card issued by such institution (except as described below).

The textbook must be for a course the student is taking at the institution. However, the course does not have to be for a particular degree, certificate, or diploma.

Student Identification

At the time of purchase, the student must show the vendor the student's valid identification card issued by an institution of higher education. Where an institution does not issue student identification cards, the student must provide other evidence of enrollment, such as:

- the student's receipt showing payment to the institution for tuition or for a course for which the textbook is required or recommended, the name of the institution, and the student's name;
- a dated registrar's statement that the person is enrolled as a full- or part-time student at the institution;
- a current list or schedule, issued by the institution to the student, which indicates the student's name, the institution's name, the courses being taken, and the period of enrollment; or
- other current documentation issued by the institution that indicates the student's name, the institution's name, and the period of enrollment.

Internet or Mail Order Purchases

If the student is purchasing an eligible textbook over the Internet or by mail order, and thus cannot present his or her valid identification card to the vendor, the student must furnish his or her name, address and valid student identification card number and the name and address of the institution. The vendor must retain and associate this information with the sales record for the transaction. However, if the student's identification number is the same as his or her social security number, the student should not furnish the number to the vendor, and the vendor should not request the student's social security number. Instead, the student should tell the vendor that his or her identification number is the same as the social security number; and the vendor should record that fact on the vendor's records for the transaction, together with the name and address of the institution.

If the institution does not issue identification cards, the student should tell that to the vendor, and give the vendor the name and address of the institution at which the student is enrolled, as well as an identification number (other than a social security number) if the institution has assigned a number to the student. The vendor should retain this information and associate it with the sales record for the transaction.

Vendor Requirements

Where a student purchases a book in person, the vendor must check the student identification to verify that the purchaser is a student at an institution of higher education. Where a student makes a purchase over the Internet or by mail order, the vendor must retain and associate the student identification card number, or other student identification information, with the sales record for the transaction.

In addition, the vendor must retain the following items, as applicable, to substantiate exempt sales to students:

- a copy of the required or recommended list of books, furnished by the course instructor(s) or the institution of higher education;
- a copy of the instructor's or institution's list furnished by the student that indicates the titles of the books that are required or recommended for the course; or
- Form ST-121.4, *Textbook Exemption Certificate*, required to be furnished by a student as previously described.