

# TEXTBOOKS AS SCHOLARSHIP

## An Editorial

An issue that goes to the very existence of TAA involves the role that the textbook author plays in the academic community. How important is the contribution we make to our students, our colleagues, and our institution? On a more mundane level, what rewards (e.g. promotion, tenure, merit increases) can we reasonably expect for our efforts? These questions came to mind recently as I perused a couple of communications from TAA members. One was a letter from Judy Nagle suggesting a session at our next annual meeting (June 1991 in Chicago) dealing with the impact of textbooks and their authors on educational curricula. The other was a set of guidelines for textbook evaluation submitted by Kathy Heilenman, chair of the TAA committee on Text Authoring and Academic Values.

To start with, we know that many colleges and universities attach little or no academic value to textbooks written by their faculty. These institutions seem to regard textbook authorship as a relatively harmless diversion so long as it does not detract from a person's research

program. There are many reasons for this attitude, some of which are perhaps best left unstated. The reason most commonly cited is that texts do not fit readily into any of the three generally recognized categories of merit: research, teaching, or service.

This argument is patently absurd. In the arts and humanities, universities commonly assign high academic value to achievements falling into none of these categories. A friend of mine in the English department is esteemed and rewarded for the poetry she writes. Indeed she should be; her work represents *scholarship* in the finest sense.

How, one may ask, do administrators decide that a particular work is scholarly? They do it, of course, on the basis of external evidence. Scholarship, almost by definition: a) has a positive, lasting impact on the academic community and, more generally, on the intellectual world. b) establishes the reputation of the scholar and enhances the prestige of his/her institution. Clearly the research of a Nobel laureate meets these two criteria. So does my friend's poetry and so, I maintain, *does an innovative, well-written, and well-received textbook*.

Certainly textbooks have a profound impact on the academic community. In a very real sense,

they set the curriculum. The more successful the book, the greater its impact. Thirty years ago, a general chemistry text out of Cornell (Sienko and Plane) gained almost complete dominance in its field. Its emphasis on principles over descriptive chemistry established a trend that has endured for a generation. I am sure that all of you can recall pioneering textbooks that had a similar, seminal influence in your own field.

So far as the second criterion for scholarship is concerned, notice that when publishers promote a textbook, they always cite the affiliation of the author. For a college or university on the way up, this is perhaps the quickest and cheapest way to achieve favorable recognition. (Considering the high cost of equipment and facilities, establishing a respectable research program costs a school almost as much as buying a basketball team). Beyond that, examination of Who's Who in America and similar works reveals a surprisingly small number of academicians and a disproportionate ratio of textbook authors.

Let us assume, then, that we can convince our colleagues (department heads, deans, members of promotion and tenure committees) that textbooks meet the criteria for scholarship. What advice can we give them as to how much academic value to assign to a textbook and its author? How are they to distinguish between "good" and "bad" texts? Not by personally reading and evaluating the book, that's for sure. This approach is difficult to follow with research publications; for a thousand page textbook, it's totally out of the question. Instead, they should look for external evidence, testimony from knowledgeable people in the candidate's field. Interestingly, the nature of that evidence for textbooks is remarkably similar to that for research publications, as can be seen from the table at the top of page 3.

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## EXTERNAL EVIDENCE FOR SCHOLARSHIP

Research Papers, Monographs

1. Quality of the journal in which the paper is published
2. Reviews, if available
3. Funding; magnitude and nature of the source
4. Solicited references from outside experts in the field
5. Unsolicited testimonials from colleagues, research students
6. Invitations to the author to speak at professional meetings

Textbooks

1. Quality, reputation of the company publishing the textbook
2. Pre-publication and, where available, journal reviews
3. Adoptions; total number and quality of adopting institutions
4. Solicited references from other text authors
5. Unsolicited testimonials from instructors, students
6. Invitations to the author to speak at educational meetings

## TAX TREATMENT OF AUTHORS' INCOME AND EXPENSES

By Richard Ziegler TAA #51

*The information in this article has been requested by numerous members of TAA and the article was prepared by the author according to that request. Richard Ziegler is Professor of Accountancy at the University of Illinois and is a charter member of TAA.*

The purpose of this article is to describe the tax treatment of the income and expenses of an author of a textbook. IRS Code Section 263A defines an author as:

any individual whose personal efforts create or may be reasonably expected to create a literary manuscript.

**Schedule C or Schedule E?**

The royalties or other income received by a college professor from writing textbooks is ordinarily classified as self-employment income. If the author writes books on a regular basis or periodically revises an existing textbook, the author is considered to be in the trade or business of writing. In this situation, any income or royalties received from writing must be reported on Schedule C and social security tax on self-employment income must be paid.

If, however, the book is a one-time effort with no future revisions

or publications planned, the author is not considered in the trade or business of writing. In this case, the royalties received from the book are not classified as self-employment income and can be recorded on Schedule E, Rents and Royalties. Contributions to self-employment retirement plans (Keoghs) may be made from royalty income reported on Schedule C, but not from royalty income reported on Schedule E.

**Deductibility**

Any expenses incurred in the process of writing a textbook are deductible in the taxable year if they qualify as creative expenses. IRS Code Section 263A(h)(2) defines qualified "creative expenses" as:

any expense incurred in an individual's trade or business of being a writer, and are deductible to the extent that they are deductible under other provisions.

Qualified creative expenses typically include expenses incurred while researching, writing, and assembling material for a book, as well as any incidental travel expenses incurred in the process.

**Accrual Accounting**

An exception to the general rule about deducting expenses in the taxable year arises when the author is an accrual basis taxpayer rather than a cash basis taxpayer. Costs incurred by an accrual basis taxpayer in the process of writing and editing the book must be capitalized and later depreciated.

*Ed. Note: The January, 1989 issue contained a list of types of deductible expenses. That list, in part, is reproduced here. Note that dues to TAA are deductible, as are expenses in attending its conventions.*

Accounting and auditing expenses  
Advertising expenses  
Attorney fees and other legal expenses  
Auto expense for business purposes, mileage log required.  
Books required for business purposes, if the useful life is short.  
Bookkeeping services  
Breach of contract damages  
Building expenses, used for business  
Burglary losses not covered by insurance  
Business taxes, except federal income tax  
Capital assets, losses from sale or exchange  
Casualty damages  
Contracts, payment to secure  
Contracts, amount paid to cancel to prevent loss of earnings  
Convention expenses  
Copyrights, depreciation on  
Depreciation  
Donations, if as business expenses  
Dues to societies, organizations and clubs if for business purposes

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