



**Am. H.B. 45**

123rd General Assembly

(As Reported by H. Ways & Means)

**Reps. Mottley, Amstutz, Hood, Maier, Buchy, Schuck, Cates, Gerberry, Hartley, Lucas, Opfer, Myers, Weston, Coughlin, Evans, Metelsky, Young, Sullivan, DePiero, Jones, Haines**

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**BILL SUMMARY**

- Exempts physical fitness memberships from sales taxation if the annual fee is \$1,000 or less, and as long as the membership does not grant access to a golf course or a tennis court or other racquet sport facility, and is not primarily for access to a swimming pool.

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**CONTENT AND OPERATION**

**Physical fitness memberships exempted from sales taxation**

(sec. 5739.01(MM))

The bill exempts certain physical fitness facility memberships from sales taxation. These memberships have been subject to taxation since early 1993.

Taxable physical fitness facility service currently is defined as "all transactions by which a membership is granted, maintained, or renewed, including initiation fees, membership dues, renewal fees, monthly minimum fees, and other similar fees and dues, by a physical fitness facility such as an athletic club, health spa, or gymnasium, which entitles the member to use the facility for physical exercise."

The bill excludes from this definition, and thus exempts from the sales tax, physical fitness facility memberships if the price paid for the membership, on an annual basis, is \$1,000 or less per member. If a membership grants the member access to a golf course or to a tennis court or other racquet sport facility, or if the membership is primarily to provide access to a swimming pool, the membership continues to be taxable, even if the price is less than \$1,000.

The exemption takes effect on July 1, 1999.

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## HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-20-99	p. 92
Reported, H. Ways & Means	03-09-99	pp. 271-272

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