## <sup>115TH CONGRESS</sup> 1ST SESSION H.R. 1267

AUTHENTICATED U.S. GOVERNMENT INFORMATION

> To amend the Internal Revenue Code of 1986 to treat certain amounts paid for physical activity, fitness, and exercise as amounts paid for medical care.

### IN THE HOUSE OF REPRESENTATIVES

#### March 1, 2017

Mr. SMITH of Missouri (for himself, Mr. KIND, Mr. KELLY of Pennsylvania, Mr. BLUMENAUER, Mr. MEEHAN, Mr. PASCRELL, Mr. BISHOP of Michigan, Ms. SEWELL of Alabama, Mr. SESSIONS, Ms. DELBENE, Mr. FITZPATRICK, and Ms. SINEMA) introduced the following bill; which was referred to the Committee on Ways and Means

# A BILL

- To amend the Internal Revenue Code of 1986 to treat certain amounts paid for physical activity, fitness, and exercise as amounts paid for medical care.
  - 1 Be it enacted by the Senate and House of Representa-
  - 2 tives of the United States of America in Congress assembled,

### **3** SECTION 1. SHORT TITLE.

4 This Act may be cited as the "Personal Health In-

5 vestment Today Act" or the "PHIT Act."

### 6 SEC. 2. FINDINGS AND PURPOSE.

7 (a) FINDINGS.—Congress finds that—

| 1  | (1) almost 20 percent of American children be-        |
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| 2  | tween the ages of 2 and 19 are overweight or suffer   |
| 3  | from obesity;   |
| 4  | (2) 8 of the 9 most expensive illnesses in the        |
| 5  | United States are more common among overweight        |
| 6  | and obese individuals;                                |
| 7  | (3) according to the Centers for Disease Con-         |
| 8  | trol and Prevention, the increase in the number of    |
| 9  | overweight and obese Americans between 1987 and       |
| 10 | 2001 resulted in a 27 percent increase in per capita  |
| 11 | health care costs;                                    |
| 12 | (4) the World Health Organization determined          |
| 13 | that in the United States a \$1 investment in phys-   |
| 14 | ical activity alone (in time and equipment) would re- |
| 15 | duce medical expenses by \$3.20;                      |
| 16 | (5) research indicates that 2 in 5 Americans          |
| 17 | would become more physically active if offered a fi-  |
| 18 | nancial incentive;                                    |
| 19 | (6) the United States ranks last in the world in      |
| 20 | reducing the number of preventable deaths resulting   |
| 21 | from obesity-related chronic illnesses; and           |
| 22 | (7) engaging in physical activities at young ages     |
| 23 | when children are learning lifelong behaviors can     |
| 24 | have a significant impact on their long-term health.  |

(b) PURPOSE.—The purpose of this Act is to promote
 health and prevent disease, particularly diseases related
 to being overweight and obese, by—

(1) encouraging healthier lifestyles;

5 (2) providing financial incentives to ease the fi6 nancial burden of engaging in healthy behavior; and
7 (3) increasing the ability of individuals and
8 families to participate in physical fitness activities.

9 SEC. 3. CERTAIN AMOUNTS PAID FOR PHYSICAL ACTIVITY,

10FITNESS, AND EXERCISE TREATED AS11AMOUNTS PAID FOR MEDICAL CARE.

(a) IN GENERAL.—Section 213(d)(1) of the Internal
Revenue Code of 1986 is amended by striking "or" at the
end of subparagraph (C), by striking the period at the end
of subparagraph (D) and inserting ", or", and by adding
at the end the following new subparagraph:

17 "(E) for qualified sports and fitness expenses.".

(b) QUALIFIED SPORTS AND FITNESS EXPENSES.—
20 Section 213(d) of such Code is amended by adding at the
21 end the following paragraph:

22 "(12) QUALIFIED SPORTS AND FITNESS EX23 PENSES.—

24 "(A) IN GENERAL.—The term 'qualified
25 sports and fitness expenses' means amounts

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| 1  | paid exclusively for the sole purpose of partici- |
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| 2  | pating in a physical activity including—          |
| 3  | "(i) for membership at a fitness facil-           |
| 4  | ity,  |
| 5  | "(ii) for participation or instruction in         |
| 6  | a program of physical exercise or physical        |
| 7  | activity, and                                     |
| 8  | "(iii) for equipment for use in a pro-            |
| 9  | gram (including a self-directed program) of       |
| 10 | physical exercise or physical activity.           |
| 11 | "(B) Overall dollar limitation.—The               |
| 12 | aggregate amount treated as qualified sports      |
| 13 | and fitness expenses with respect to any tax-     |
| 14 | payer for any taxable year shall not exceed       |
| 15 | \$1,000 (\$2,000 in the case of a joint return or |
| 16 | a head of household (as defined in section        |
| 17 | 2(b))).   |
| 18 | "(C) FITNESS FACILITY DEFINED.—For                |
| 19 | purposes of subparagraph (A)(i), the term 'fit-   |
| 20 | ness facility' means a facility—                  |
| 21 | "(i) providing instruction in a pro-              |
| 22 | gram of physical exercise, offering facilities    |
| 23 | for the preservation, maintenance, encour-        |
| 24 | agement, or development of physical fit-          |

| 1  | ness, or serving as the site of such a pro-        |
|----|--|
| 2  | gram of a State or local government,               |
| 3  | "(ii) which is not a private club owned            |
| 4  | and operated by its members,                       |
| 5  | "(iii) which does not offer golf, hunt-            |
| 6  | ing, sailing, or riding facilities,                |
| 7  | "(iv) whose health or fitness facility is          |
| 8  | not incidental to its overall function and         |
| 9  | purpose, and                                       |
| 10 | "(v) which is fully compliant with the             |
| 11 | State of jurisdiction and Federal anti-dis-        |
| 12 | crimination laws.                                  |
| 13 | "(D) TREATMENT OF EXERCISE VIDEOS,                 |
| 14 | ETC.—Videos, books, and similar materials          |
| 15 | shall be treated as described in subparagraph      |
| 16 | (A)(ii) if the content of such materials con-      |
| 17 | stitute instruction in a program of physical ex-   |
| 18 | ercise or physical activity.                       |
| 19 | "(E) LIMITATIONS RELATED TO SPORTS                 |
| 20 | AND FITNESS EQUIPMENT.—Amounts paid for            |
| 21 | equipment described in subparagraph (A)(iii)       |
| 22 | shall be treated as a qualified sports and fitness |
| 23 | expense only—                                      |
| 24 | "(i) if such equipment is utilized ex-             |
| 25 | clusively for participation in fitness, exer-      |
|    |  |

| 1  | cise, sport, or other physical activity pro-              |
|----|---|
| 2  | grams,  |
| 3  | "(ii) if such equipment is not apparel                    |
| 4  | or footwear, and  |
| 5  | "(iii) in the case of any item of sports                  |
| 6  | equipment (other than exercise equip-                     |
| 7  | ment), with respect to so much of the                     |
| 8  | amount paid for such item as does not ex-                 |
| 9  | ceed \$250.   |
| 10 | "(F) Programs which include compo-                        |
| 11 | NENTS OTHER THAN PHYSICAL EXERCISE AND                    |
| 12 | PHYSICAL ACTIVITY.—Rules similar to the rules             |
| 13 | of section $213(d)(6)$ shall apply in the case of         |
| 14 | any program that includes physical exercise or            |
| 15 | physical activity and also other components.              |
| 16 | For purposes of the preceding sentence, travel            |
| 17 | and accommodations shall be treated as an                 |
| 18 | other component.".  |
| 19 | (c) EFFECTIVE DATE.—The amendments made by                |
| 20 | this section shall apply to taxable years beginning after |
| 21 | the date of the enactment of this Act.                    |

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