

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2027 Session of
2007

INTRODUCED BY MILNE, McGEEHAN, BARRAR, BEAR, BOYD, BRENNAN,
CUTLER, D. EVANS, FRANKEL, GEIST, GILLESPIE, HARHART,
HENNESSEY, HORNAMAN, KILLION, KOTIK, MAJOR, McILHATTAN,
MOYER, MURT, MUSTIO, MYERS, PICKETT, READSHAW, REICHLEY,
ROSS, RUBLEY, SANTONI, SAYLOR, STERN, SWANGER, WATSON AND
YOUNGBLOOD, DECEMBER 13, 2007

REFERRED TO COMMITTEE ON FINANCE, DECEMBER 13, 2007

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," providing for wellness and healthy living tax
11 credit.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
15 the Tax Reform Code of 1971, is amended by adding an article to
16 read:

ARTICLE XVII-F

WELLNESS AND HEALTHY LIVING TAX CREDIT

19 Section 1701-F. Scope of article.

20 This article relates to tax incentives for the purchase of

1 wellness services and healthy living equipment or products.

2 Section 1702-F. Findings and legislative intent.

3 It is the goal of this article to encourage personal
4 responsibility for healthy living for the citizens of this
5 Commonwealth. Maximizing preventive care and improving lifestyle
6 by eating right, staying fit and getting adequate rest will be a
7 short-term investment for long-term gain.

8 Section 1703-F. Definitions.

9 The following words and phrases when used in this article
10 shall have the meanings given to them in this section unless the
11 context clearly indicates otherwise:

12 "Annual limitation." \$1,000.

13 "Annual personal income tax return." The return required to
14 be filed under section 330 of the act of March 4, 1971 (P.L.6,
15 No.2), known as the Tax Reform Code of 1971.

16 "Code." The act of March 4, 1971 (P.L.6, No.2), known as the
17 Tax Reform Code of 1971.

18 "Department." The Department of Revenue of the Commonwealth.

19 "Healthy living product." Exercise equipment used in a
20 residential property, nutritional supplements purchased by a
21 taxpayer, a membership to a gym, exercise facility or a similar
22 facility, the cost of a class or a course providing for the
23 instruction of a physical activity, including martial arts,
24 sports, dance or similar activities.

25 "Qualified expense." The cost incurred for the purchase at
26 the sale at retail or use of a healthy living product or a
27 wellness service.

28 "Tax credit." The healthy living and wellness tax credit.

29 "Taxable income." The term shall have the same meaning as
30 given to it in section 301 of the act of March 4, 1971 (P.L.6,

No.2), known as the Tax Reform Code of 1971.

"Taxpayer." The term shall have the same meaning as given to it in section 301 of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971.

"Wellness services." Include, but are not limited to, pregnancy care, fitness centers, weight management, nicotine cessation, stress management and other similar services.

Section 1704-F. Healthy living and wellness tax credit.

(a) Application.--A taxpayer may apply on the annual personal income tax return for a tax credit for qualified expenses as provided under this chapter.

(b) Department duties.--The following apply:

(1) The department shall provide a form by which a taxpayer may apply for the tax credit.

(2) The department shall make the form available with the annual personal income tax return.

(3) The department shall not grant a tax credit for a qualified expense that was not incurred by the taxpayer.

(4) The department shall prescribe a method by which a taxpayer may apply for the tax credit, including making available a method by which a taxpayer may claim and provide proof of qualified expenses when applying for the tax credit.

(5) The department shall grant a tax credit to a taxpayer who satisfies the requirements of this section.

(c) Computation.--A taxpayer who applies under subsection (a) shall be eligible to receive a tax credit for the taxable year equal to the amount of qualified expenses incurred by the taxpayer.

(d) Limitations.--The following apply:

(1) The amount of a tax credit awarded to a taxpayer

1 under this section shall not exceed the annual limitation.

2 (2) A taxpayer shall be ineligible for a tax credit if
3 the taxpayer is not up to date with all tax payments for tax
4 liabilities prior to the tax year for which a taxpayer is
5 applying for a tax credit.

6 (3) The amount of a tax credit awarded to a taxpayer
7 under this section shall not result in taxable income being
8 less than zero.

9 Section 1705-F. Sales and use tax exclusion.

10 In addition to the exclusions from tax provided for under
11 section 204 of the code, the sale at retail or use of healthy
12 living products and wellness services shall not be subject to
13 the tax imposed under Article II of the code.

14 Section 2. This act shall take effect in 60 days.