

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2452 Session of 2024

INTRODUCED BY GUENST, WEBSTER, SANCHEZ, HILL-EVANS, PROBST, SOLOMON, MADSEN, HANBIDGE, GIRAL, BURGOS, SCHLOSSBERG, PARKER, DONAHUE, GILLEN, D. WILLIAMS, DELLOSO, NEILSON, KHAN, CERRATO AND DALEY, JUNE 26, 2024

REFERRED TO COMMITTEE ON VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, JUNE 26, 2024

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," in personal income tax, further providing for
 11 classes of income; in corporate net income tax, further
 12 providing for definitions; and providing for personal health
 13 investment tax credit.

14 The General Assembly of the Commonwealth of Pennsylvania
 15 hereby enacts as follows:

16 Section 1. Section 303 of the act of March 4, 1971 (P.L.6,
 17 No.2), known as the Tax Reform Code of 1971, is amended by
 18 adding a subsection to read:

19 Section 303. Classes of Income.--* * *

20 (a.11) The following apply:

21 (1) An amount paid by a business that incurs costs by
 22 offering free membership at a fitness facility to a qualified

1 individual shall be allowed as a deduction from taxable income
2 on the annual personal income tax return. The amount paid as a
3 free membership at a fitness facility to a qualified individual
4 may not exceed the dollar amount paid as a membership at a
5 fitness facility to any other individual. The deduction shall
6 not result in taxable income being less than zero.

7 (2) For purposes of this subsection, the term "qualified
8 individual" means an individual who is on active and full-time
9 duty in the United States Armed Forces, a member of the
10 Pennsylvania National Guard or a member of a reserve component
11 of the armed forces as defined in 51 Pa.C.S. § 7301 (relating to
12 definitions).

13 * * *

14 Section 2. Section 401(3)1 of the act is amended by adding a
15 phrase to read:

16 Section 401. Definitions.--The following words, terms, and
17 phrases, when used in this article, shall have the meaning
18 ascribed to them in this section, except where the context
19 clearly indicates a different meaning:

20 * * *

21 (3) "Taxable income." 1. * * *

22 (u) (1) An additional deduction shall be allowed from
23 taxable income in an amount equal to the amount paid for costs
24 by offering free membership at a fitness facility to a qualified
25 individual. The amount paid as a free membership at a fitness
26 facility to a qualified individual shall not exceed the dollar
27 amount paid as a membership at a fitness facility to any other
28 individual.

29 (2) For purposes of this paragraph, the term "qualified
30 individual" means and individual who is on active and full-time

1 duty in the United States Armed Forces, a member of the
2 Pennsylvania National Guard or a member of a reserve component
3 of the armed forces as defined in 51 Pa.C.S. § 7301 (relating to
4 definitions).

5 * * *

6 Section 3. The act is amended by adding an article to read:

7 ARTICLE XVIII-I

8 PERSONAL HEALTH INVESTMENT TAX CREDIT

9 Section 1801-I. Scope of article.

10 This article relates to personal health investment tax
11 credits.

12 Section 1802-I. Definitions.

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

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

17 "Qualified individual." An individual who is on active and
18 full-time duty in the United States Armed Forces, a member of
19 the Pennsylvania National Guard or a member of a reserve
20 component of the armed forces as defined in 51 Pa.C.S. § 7301
21 (relating to definitions).

22 "Qualified sports and fitness expenses." Amounts paid for
23 the sole purpose of participating in a physical activity,
24 including membership at a fitness facility, participation or
25 instruction in physical exercise or physical activity or
26 equipment used in a program, including a self-directed program,
27 of physical exercise or physical activity.

28 "Resident individual." As defined in section 301.

29 "Tax credit." A personal health investment tax credit
30 provided for under this article.

1 "Tax liability." The liability for taxes imposed under
2 Article III, excluding any tax withheld by an employer under
3 Article III.

4 "Taxpayer." A resident individual subject to the tax imposed
5 under Article III.

6 Section 1803-I. Tax credit.

7 (a) Eligibility.--A taxpayer who is a qualified individual
8 and incurs qualified sports and fitness expenses in a taxable
9 year may claim a tax credit against the taxpayer's tax
10 liability.

11 (b) Amount of tax credit.--The amount of the tax credit may
12 not exceed \$600 per taxpayer per taxable year.

13 (c) Claim of tax credit.--A taxpayer may claim a tax credit
14 on a return filed under section 330.

15 (d) Applicability of tax credit.--A tax credit shall be
16 applied against the taxpayer's tax liability.

17 Section 1804-I. Prohibitions.

18 The following apply:

19 (1) A taxpayer may not carry over, carry back, obtain a
20 refund of or sell, assign or transfer a tax credit.

21 (2) A taxpayer may not claim a tax credit for the same
22 qualified sports and fitness expenses used to claim a tax
23 credit on a return filed by another taxpayer.

24 Section 1805-I. Duties of department.

25 The department shall publish guidelines and may promulgate
26 regulations necessary for the implementation and administration
27 of this article.

28 Section 4. The addition of sections 303(a.11) and
29 401(3)1(u) and Article XVIII-I of the act shall apply to taxable
30 years commencing after December 31, 2023.

1 Section 5. This act shall take effect immediately.