H. R. 1267

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 Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “Personal Health Investment Today Act” or the “PHIT Act.”

4 SEC. 2. FINDINGS AND PURPOSE.

5 (a) FINDINGS.—Congress finds that—
(1) almost 20 percent of American children between the ages of 2 and 19 are overweight or suffer from obesity;

(2) 8 of the 9 most expensive illnesses in the United States are more common among overweight and obese individuals;

(3) according to the Centers for Disease Control and Prevention, the increase in the number of overweight and obese Americans between 1987 and 2001 resulted in a 27 percent increase in per capita health care costs;

(4) the World Health Organization determined that in the United States a $1 investment in physical activity alone (in time and equipment) would reduce medical expenses by $3.20;

(5) research indicates that 2 in 5 Americans would become more physically active if offered a financial incentive;

(6) the United States ranks last in the world in reducing the number of preventable deaths resulting from obesity-related chronic illnesses; and

(7) engaging in physical activities at young ages when children are learning lifelong behaviors can 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;

(2) providing financial incentives to ease the financial burden of engaging in healthy behavior; and

(3) increasing the ability of individuals and families to participate in physical fitness activities.

SEC. 3. CERTAIN AMOUNTS PAID FOR PHYSICAL ACTIVITY, FITNESS, AND EXERCISE TREATED AS AMOUNTS 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:

“(E) for qualified sports and fitness expenses.”.

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

“(12) QUALIFIED SPORTS AND FITNESS EXPENSES.—

“(A) IN GENERAL.—The term ‘qualified sports and fitness expenses’ means amounts
paid exclusively for the sole purpose of participating in a physical activity including—

“(i) for membership at a fitness facility,

“(ii) for participation or instruction in a program of physical exercise or physical activity, and

“(iii) for equipment for use in a program (including a self-directed program) of physical exercise or physical activity.

“(B) OVERALL DOLLAR LIMITATION.—The aggregate amount treated as qualified sports and fitness expenses with respect to any taxpayer for any taxable year shall not exceed $1,000 ($2,000 in the case of a joint return or a head of household (as defined in section 2(b))).

“(C) FITNESS FACILITY DEFINED.—For purposes of subparagraph (A)(i), the term ‘fitness facility’ means a facility—

“(i) providing instruction in a program of physical exercise, offering facilities for the preservation, maintenance, encouragement, or development of physical fit-
ness, or serving as the site of such a pro-
gram of a State or local government,

“(ii) which is not a private club owned
and operated by its members,

“(iii) which does not offer golf, hunt-
ing, sailing, or riding facilities,

“(iv) whose health or fitness facility is
not incidental to its overall function and
purpose, and

“(v) which is fully compliant with the
State of jurisdiction and Federal anti-dis-

“(D) Treatment of exercise videos,

“(E) Limitations related to sports

AND FITNESS EQUIPMENT.—Amounts paid for
equipment described in subparagraph (A)(iii)
shall be treated as a qualified sports and fitness
expense only—

“(i) if such equipment is utilized ex-
clusively for participation in fitness, exer-
exercise, sport, or other physical activity programs,

“(ii) if such equipment is not apparel or footwear, and

“(iii) in the case of any item of sports equipment (other than exercise equipment), with respect to so much of the amount paid for such item as does not exceed $250.

“(F) Programs which include components other than physical exercise and physical activity.—Rules similar to the rules of section 213(d)(6) shall apply in the case of any program that includes physical exercise or physical activity and also other components. For purposes of the preceding sentence, travel and accommodations shall be treated as an other component.”.

(c) Effective Date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.