

116TH CONGRESS
2D SESSION

H. R. 7242

To amend the Internal Revenue Code of 1986 to permit expenditures from health savings accounts for gym memberships and costs of home gym equipment, to repeal the requirement that health plan be high deductible, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2020

Mr. CURTIS (for himself and Ms. KENDRA S. HORN of Oklahoma) 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 permit expenditures from health savings accounts for gym memberships and costs of home gym equipment, to repeal the requirement that health plan be high deductible, and for other purposes.

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. HEALTH SAVINGS ACCOUNTS.**

4 (a) **REPEAL OF LIMITATION ON MEDICARE-ELIGIBLE**
5 **INDIVIDUALS.**—Section 223(b) of the Internal Revenue
6 Code of 1986 is amended by striking paragraph (7).

7 (b) **QUALIFIED MEDICAL EXPENSES.**—

1 (1) GYM MEMBERSHIPS AND HOME GYM EQUIP-
2 MENT.—Section 223(d)(2) of the Internal Revenue
3 Code of 1986 is amended by adding at the end the
4 following new subparagraph:

5 “(E) FITNESS FACILITY MEMBERSHIPS
6 AND HOME GYM EQUIPMENT.—

7 “(i) IN GENERAL.—Amounts paid for
8 medical care include—

9 “(I) amounts paid for member-
10 ship at a fitness facility, and

11 “(II) amounts paid for home gym
12 equipment.

13 “(ii) LIMITATION.—The amount taken
14 into account under clause (i) for any tax-
15 able year shall not exceed—

16 “(I) \$100 for membership at a
17 fitness facility, and

18 “(II) \$500 for home gym equip-
19 ment.

20 “(iii) FITNESS FACILITY DEFINED.—
21 The term ‘fitness facility’ means a facil-
22 ity—

23 “(I) providing instruction in a
24 program of physical exercise, offering
25 facilities for the preservation, mainte-

1 nance, encouragement, or development
2 of physical fitness, or serving as the
3 site of such a program of a State or
4 local government,

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

7 “(III) which does not offer golf,
8 hunting, sailing, or riding facilities,

9 “(IV) whose health or fitness fa-
10 cility is not incidental to its overall
11 function and purpose, and

12 “(V) which is fully compliant
13 with the State of jurisdiction and
14 Federal anti-discrimination laws.

15 “(iv) HOME GYM EQUIPMENT.—The
16 term ‘home gym equipment’ means equip-
17 ment that—

18 “(I) can be purchased for the
19 preservation, maintenance, encourage-
20 ment, or development of physical fit-
21 ness in an individual’s home resi-
22 dence, and

23 “(II) is used exclusively at a resi-
24 dence of the individual for the pur-
25 poses of promoting physical exercise.”.

1 (2) DIETARY NUTRITIONAL SUPPLEMENTS.—
2 Section 223(d)(2) of such Code, as amended by
3 paragraph (1), is amended by adding at the end the
4 following:

5 “(F) DIETARY NUTRITIONAL SUPPLE-
6 MENT.—Amounts paid for a dietary supplement
7 (as defined in section 201(ff) of the Federal
8 Food, Drug, and Cosmetic Act (21 U.S.C.
9 321(ff)) shall be treated as amounts paid for
10 medical care.”.

11 (c) PREMIUMS FOR CERTAIN EXCHANGE HEALTH
12 PLANS.—Subparagraph (B) of section 223(d)(2) of such
13 Code is amended to read as follows:

14 “(B) HEALTH INSURANCE MAY NOT BE
15 PURCHASED FROM ACCOUNT.—

16 “(i) IN GENERAL.—Subparagraph (A)
17 shall not apply to any payment for insur-
18 ance.

19 “(ii) EXCEPTION RELATING TO PRE-
20 MIUMS FOR CERTAIN EXCHANGE HEALTH
21 PLANS.—

22 “(I) IN GENERAL.—Clause (i)
23 shall not apply in the case of a tax-
24 payer who, but for the limitation re-
25 lating to household income, would be

1 an applicable taxpayer for purposes of
2 the premium assistance credit under
3 section 36B.

4 “(II) LIMITATION.—The amount
5 taken into account under this clause
6 for any coverage month (as defined in
7 section 36B(c)(2)) may not exceed the
8 amount specified in section
9 36B(b)(2)(A).”.

10 (d) REPEAL OF REQUIREMENT THAT HEALTH PLAN
11 BE HIGH DEDUCTIBLE.—

12 (1) ELIGIBLE INDIVIDUAL.—Paragraph (1) of
13 section 223(c) of such Code is amended to read as
14 follows:

15 “(1) ELIGIBLE INDIVIDUAL.—

16 “(A) IN GENERAL.—The term ‘eligible in-
17 dividual’ means, with respect to any month, any
18 individual if such individual is covered under a
19 health plan as of the first day of such month.

20 “(B) EXCLUSION OF CERTAIN PLANS.—

21 Such term does not include a health plan if
22 substantially all of its coverage is—

23 “(i) coverage for any benefit provided
24 by permitted insurance,

1 “(ii) coverage (whether through insur-
2 ance or otherwise) for accidents, disability,
3 dental care, vision care, long-term care, or
4 (in the case of plan years beginning on or
5 before December 31, 2021) telehealth and
6 other remote care, and

7 “(iii) for taxable years beginning after
8 December 31, 2006, coverage under a
9 health flexible spending arrangement dur-
10 ing any period immediately following the
11 end of a plan year of such arrangement
12 during which unused benefits or contribu-
13 tions remaining at the end of such plan
14 year may be paid or reimbursed to plan
15 participants for qualified benefit expenses
16 incurred during such period if—

17 “(I) the balance in such arrange-
18 ment at the end of such plan year is
19 zero, or

20 “(II) the individual is making a
21 qualified HSA distribution (as defined
22 in section 106(e)) in an amount equal
23 to the remaining balance in such ar-
24 rangement as of the end of such plan

1 year, in accordance with rules pre-
2 scribed by the Secretary.

3 “(C) SPECIAL RULE FOR INDIVIDUALS ELI-
4 GIBLE FOR CERTAIN VETERANS BENEFITS.—An
5 individual shall not fail to be treated as an eli-
6 gible individual for any period merely because
7 the individual receives hospital care or medical
8 services under any law administered by the Sec-
9 retary of Veterans Affairs for a service-con-
10 nected disability (within the meaning of section
11 101(16) of title 38, United States Code).”.

12 (2) DEFINITION.—Section 223(c) of such Code
13 is amended by striking paragraph (2) and redesign-
14 ating paragraphs (3), (4), and (5) as paragraphs
15 (2), (3), and (4), respectively.

16 (e) DEDUCTIBLE AMOUNT; MONTHLY LIMITA-
17 TION.—Section 223(b)(2) of such Code is amended to read
18 as follows:

19 “(2) MONTHLY LIMITATION.—The monthly lim-
20 itation for any month is $\frac{1}{12}$ of the deductible
21 amount in effect under section 219(b) for the tax-
22 able year in which the month occurs.”.

23 (f) SPECIAL RULE RELATING TO DEPENDENTS.—
24 Paragraph (6) of section 223(b) of such Code is amended
25 to read as follows:

1 “(6) SPECIAL RULE RELATING TO DEPEND-
2 ENTS.—A contribution to a health savings account
3 of a dependent of the individual to whom a deduc-
4 tion under section 151(e) is allowable for the taxable
5 year shall be treated as an amount paid to the
6 health savings account of the individual to whom a
7 deduction is allowable under this section.”.

8 (g) CONFORMING AMENDMENTS.—

9 (1) Section 223(b) of such Code is amended—

10 (A) by striking paragraph (3) (relating to
11 additional contributions for individuals 55 or
12 older);

13 (B) by striking paragraph (5) (relating to
14 special rule for married individuals);

15 (C) in paragraph (8)(A)(ii) by striking
16 “high deductible”; and

17 (D) in the heading for paragraph (8)(B)
18 by striking “HIGH DEDUCTIBLE”.

19 (2) Section 223(b) of such Code, as amended by
20 paragraph (1) and the preceding subsections of this
21 section, is further amended by redesignating para-
22 graphs (4), (6), and (8), as paragraphs (3), (4), and
23 (5), respectively.

24 (3) Section 224(d)(1)(A)(ii) of such Code is
25 amended by striking “exceeds the sum of—” and all

1 that follows and inserting “exceeds the dollar
2 amount in effect under subsection (b)(2).”.

3 (4) Section 223 of such Code is amended by
4 striking subsection (g) and redesignating subsection
5 (h) as subsection (g).

6 (5) Section 223(g)(2) of such Code, as redesignig-
7 nated by paragraph (4), is amended by striking
8 “high deductible”.

9 (h) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 the date of the enactment of this Act.

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