



State Representative Thomas E. West
State Representative Ron Young
Sponsor Testimony – House Bill 177

Young

Good Morning Chairman Schaffer, Vice Chair Scherer, Ranking Member Rogers, and members of the House Ways and Means Committee. Thank you for the opportunity to provide sponsor testimony this morning on House Bill 177, legislation that will align Ohio with nearly every other state by removing the sales tax burden from non-profit gym memberships.

This issue first began in 1992, when non-profit fitness memberships were seemingly accidentally included in the tax code rewrite. This increased the tax burden of Ohioans seeking a healthier lifestyle by taxing facilities like the YMCA for the first time. This made Ohio one of only five states in the nation to tax non-profit fitness memberships. At the time the mistake was discovered, many legislators on both sides of the aisle opposed this new tax. Our bill would simply remove this tax and would not add any taxes to any individual or industry. Because gym memberships are financially unattainable for many Ohioans, promoting access to non-profit gyms, which offer membership “scholarships” to financially strained families, can lead to a healthier lifestyle for thousands.

This tax cut amounts to less than \$10 million, which is a small sum when compared to the over \$23 million in financial assistance programs that the YMCA alone provides to low-income Ohioans who can't afford access to the YMCA and the many other programs and services that they provide. Other programs such as the Diabetes Prevention Program (which saves over \$2000 per person in healthcare costs such as Medicaid), before and aftercare school services, (the YMCA is Ohio and the Nation's largest provider of before and after-care services), and summer-care (a very helpful program that increases kindergarten and 3rd grade reading readiness, and help reduce the “summer slide”).

West

This diabetes prevention program is just one of many that these organizations around the state offer. They provide early childhood education, before and after school care, job training programs, physical fitness courses, food assistance programs, and so much more. Every single one of these services is one that the government currently does work with in some form. This bill doesn't only invest in our communities.

Early childhood education and before & after school programs are both linked with success throughout an individual's life. Job training courses help to close the skill gap in our state and can create middle-class opportunities in our communities. Physical fitness courses help establish healthy habits in children that can improve health outcomes later in life. Food assistance programs provide nourishment for our neighbors who need it the most. Every one of these programs is an investment being made by these community organizations and is an investment that will improve Ohioans lives while saving the state some money.

Non-profit organizations operate for the good of the public and provide needed services to more than 750,000 well beyond access to a weight room and treadmills. These organizations provide an incredible array of services and opportunities to our communities that might not otherwise be available. Every day, these organizations take on challenges that will shape our communities' futures – challenges like the academic achievement gap, chronic disease prevention, and social isolation.

In places like my hometown of Canton, these organizations grow into so much more than just a gym; they are non-profit community centers that neighborhoods can build around. By subsidizing membership costs for the most economically vulnerable Ohioans, organizations like the YMCA and JCC make our state healthier.

This is legislation that had been introduced in the 131st General Assembly by former Representative Jim Buchy, and which passed 92-2 through the House of Representatives with 57 co-sponsors. In this 132nd General Assembly, the bill currently has a strong, bi-partisan group of co-sponsors, several of whom are in this room today. We thank them for their support and look forward to taking your questions.