



October 28, 2019

Representative Derek Merrin  
Chair, Ohio House Ways and Means Committee  
77 S. High St  
13th Floor  
Columbus, OH 43215

**RE: House Bill 196**

Dear Representative Merrin:

I am writing you to express my concern with House Bill 196. If the bill is to be posted to the agenda, I would like the opportunity to submit testimony.

Thank you for considering additional testimony on **HOUSE BILL 196**, which would exempt memberships to gyms or other recreational facilities operated by organizations with IRS 501(c)3 status from sales and use taxation. I would respectfully request that any effort to enact a sales tax repeal apply to all fitness facilities, including for-profit health clubs.

In the history of our republic, sales taxes have long been used to raise revenue and to encourage or discourage behavior. I would surmise that if the State is considering removing a sales tax, then revenue is not an issue and that issue is to encourage behavior. If the state wishes to encourage its citizens to lead an active life then it should not matter where a citizen decides to exercise, be it a for-profit or non-profit gym. It would be tantamount to buying a gallon of milk. Ohio citizens don't pay sales tax if they buy it from Kroger's or a farm cooperative.

Many of the non-profits in the health club industry provide laudable services to the community, e.g. childcare, after school programs etc. These programs are already exempt from sales tax. Many of these programs are also provided by for-profits.

Seven years ago the Village of Fairfax and the Cincinnati Sports Club signed a partnership agreement to allow the Residents of Fairfax special membership pricing at the CSC. The pricing was consistent with the pricing of a non-profit or Rec Center in our market. This creative partnership increased the number of residents actively using the



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club from 1.5% to 30% of the Village households. The Village of Fairfax was able to provide services to its residents without the burden of maintaining the center.

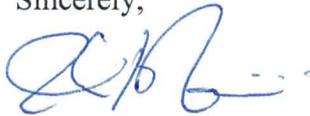
As a former CEO of non-profits and former employee of local governments I understand the role non-profits play in our society. I also understand the role that for-profits play. In the past five years a rapid expansion in Gym membership has occurred in Ohio reaching lower income demographic groups. This expansion has been a result of efforts by for-profit businesses. High Volume Low Price gyms have spread across Ohio creating membership opportunities for those previously unable to join a facility. These memberships are priced at \$10 per month (e.g. Planet Fitness, Crunch, etc).

Please don't penalize your constituents who choose to exercise at a for-profit facility.

We understand that the Committee does not intend to hear or move House Bill 196 further before the session ends. However, we respectfully request that any future efforts to exempt fitness and sports club services from the state sales tax apply to both non-profit and for-profit fitness centers.

Thank you for considering our testimony. We welcome any comments and questions you might have.

Sincerely,



Thomas Fiorini  
President & CEO

- cc. Carson Shelton, Mayor Village of Fairfax  
Thomas E. Brinkman Jr, State Representative  
Jessica E. Miranda, State Representative  
Cindy Abrams, State Representative  
Bill Seitz, State Representative  
Brigid Kelly, State Representative  
Catherine D. Ingram, State Representative  
Sedrick Denson, State Representative