



**International  
Health, Racquet &  
Sportsclub Association**

October 8, 2019

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

**RE: House Bill 196 - Exempts from sales tax membership to gyms operated by a nonprofit**

Dear Members of the House Ways and Means Committee,

My name is Joe Moore, and I am the President and CEO of the International Health, Racquet and Sportsclub Association (IHRSA), the leader in education, research, and advocacy for the health and fitness industry, representing health clubs and fitness businesses worldwide, including 1,039 businesses in Ohio.

I am writing in reference to HOUSE BILL 196, recently referred to your committee, which would exempt memberships to gyms or other recreational facilities operated by organizations with IRS 501(c)3 status from Ohio's sales and use taxation. On behalf of the 1,039 health clubs located throughout Ohio (serving over 2,055,744 residents), I respectfully request that the General Assembly expands the scope of House Bill 196 to encompass private fitness facilities operating in Ohio. Making this adjustment would be a wise investment in Ohio's health and promote consumer choice and free-market principles.

Ohio's sales tax on fitness services serves as a penalty on healthy lifestyles and sends the wrong message to Ohio residents. Consider, for instance, that according to the Robert Wood Johnson Foundation, 33.8 percent of Ohio adults are obese, making it the 11th highest adult obesity rate in the country. Meanwhile, numerous studies have consistently shown that people who exercise regularly are significantly less likely to suffer from obesity-related illnesses such as heart disease, hypertension, diabetes, arthritis, stroke, various forms of cancer, osteoporosis, depression and anxiety. Increased physical activity also leads to greater worker productivity, less absenteeism and decreased workers' compensation filings, and insurance costs. Conversely, a physically inactive population is a major strain on the state economy, contributing heavily to high state health insurance costs.

House bill 196 proposes to leave the penalty in place for one set of consumers and creates an unlevel playing field for businesses. As currently written, HB 196 would remove a disincentive to exercise for consumers at nonprofit facilities such as YMCAs, YWCAs, and JCCs but not for consumers at for-profit fitness facilities. At either a nonprofit or for-profit gym, the sales tax is passed to the consumer. A financial penalty, specifically the



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5.75 percent sales tax on fitness services, thus punishes individuals attempting to live healthier lives. According to industry research, over 50% of health club members in the United States belong to for-profit multipurpose or fitness-only facilities, while less than 43% of health club members belong to nonprofit fitness facilities. Applying this incentive exclusively to nonprofit fitness facilities would place an unnecessary and inequitable financial burden for health club businesses and treat consumers differently according to their choice of business.

Consumer investment in health clubs and physical fitness services helps to minimize the devastating impact of obesity on Ohio's physical and fiscal health. I strongly believe that public policy should encourage citizens to invest in their health while respecting their consumer choices. I look forward to working with you on this issue as we get closer to the new session and addressing the increasingly serious trend toward obesity and physical inactivity among Americans.

Thank you in advance for considering our concerns. We welcome any comments and questions you might have to Jeff Perkins, Assistant Vice President of Government Relations, at [jdp@ihrsa.org](mailto:jdp@ihrsa.org) or (617) 951-0055.

Sincerely,

A handwritten signature in black ink that reads "Joe". The signature is fluid and cursive, with a long horizontal stroke at the end.

Joe Moore  
IHRSA President & CEO