

51st House District

Portions of Butler County, including Hamilton and Fairfield, Ross Township and portions of Fairfield, Hanover and St. Clair townships

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House Bill 595 Sponsor Testimony **House Ways and Means Committee** **March 29, 2022**

Chairman Merrin, Vice Chairman Riedel, Ranking Member Sobecki and members of the House Ways and Means Committee, thank you for the opportunity to provide sponsor testimony for House Bill 595.

This bill relates to non-profit fitness membership and the sales tax being collected. The history behind this tax being collected first began in 1992; non-profit fitness memberships were inadvertently included in a tax code change. Ohio is currently one of three states (Nebraska and Idaho) that tax non-profit fitness memberships. This change has been brought up in the past, had bipartisan support, but hasn't gotten all the way through.

House Bill 595 would remove the current tax and allow the non-profit fitness memberships to receive full tax exempt status; this is exactly what they should be as a 501(c)(3). Ohio exempts other 501(c)(3) from sales tax. YMCAs are charitable, nonprofit, tax-exempt organizations that are dedicated to youth development, healthy living, and social responsibility. Every day they take on challenges that will shape our communities' futures - challenges like the academic achievement gap, chronic disease, and social isolation.

In the pandemic, YMCAs stepped into the fray to provide even more community supports such as emergency shelter for first responders, child care for first responders' children, and feeding programs.

Like nonprofit hospitals, YMCAs provide immense community benefit. In 2021, YMCAs contributed over \$23 million in financial assistance to those who could not otherwise afford a membership. The dollars YMCAs collect from members and remit for sales tax could be used to provide more financial assistance to those who cannot afford to be a member and participate in programs, or allow YMCAs to lower their rates.

Chairman Merrin and members of the Ways and Means Committee, thank you for allowing me to speak on this issue. It is never too late to correct a wrong, especially if it involves non-profit entities. I would be happy to answer any questions.