

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2452 Session of 2024

INTRODUCED BY GUENST, WEBSTER, SANCHEZ, HILL-EVANS, PROBST, SOLOMON, MADSEN, HANBIDGE, GIRAL, BURGOS, SCHLOSSBERG, PARKER, DONAHUE, GILLEN, D. WILLIAMS, DELLOSO, NEILSON, KHAN, CERRATO, DALEY AND GREEN, JUNE 26, 2024

AS REPORTED FROM COMMITTEE ON VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS, HOUSE OF REPRESENTATIVES, AS AMENDED, SEPTEMBER 30, 2024

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," in personal income tax, further providing for
11 classes of income; in corporate net income tax, further
12 providing for definitions; and providing for personal health
13 investment tax credit.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. Section 303 of the act of March 4, 1971 (P.L.6,
17 No.2), known as the Tax Reform Code of 1971, is amended by
18 adding a subsection to read:

19 Section 303. Classes of Income.--\* \* \*

20 ~~(a.11)~~ (A.13) The following apply:

<--

21 (1) An amount paid by a business that incurs costs by

1 offering free OR DISCOUNTED membership at a fitness facility to <--  
2 a qualified individual shall be allowed as a deduction from  
3 taxable income on the annual personal income tax return. The  
4 amount paid as a free OR DISCOUNTED membership at a fitness <--  
5 facility to a qualified individual may not exceed the dollar  
6 amount paid as a membership at a fitness facility to any other  
7 individual. The deduction shall not result in taxable income  
8 being less than zero.

9 (2) For purposes of this subsection, the term "qualified  
10 individual" means an individual who is on active and full-time  
11 duty in the United States Armed Forces, a member of the  
12 Pennsylvania National Guard or a member of a reserve component  
13 of the armed forces as defined in 51 Pa.C.S. § 7301 (relating to  
14 definitions).

15 \* \* \*

16 Section 2. Section 401(3)1 of the act is amended by adding a  
17 phrase to read:

18 Section 401. Definitions.--The following words, terms, and  
19 phrases, when used in this article, shall have the meaning  
20 ascribed to them in this section, except where the context  
21 clearly indicates a different meaning:

22 \* \* \*

23 (3) "Taxable income." 1. \* \* \*

24 ~~(u)~~ (V) (1) An additional deduction shall be allowed from <--  
25 taxable income in an amount equal to the amount paid for costs  
26 by offering free OR DISCOUNTED membership at a fitness facility <--  
27 to a qualified individual. The amount paid as a free OR <--  
28 DISCOUNTED membership at a fitness facility to a qualified  
29 individual shall not exceed the dollar amount paid as a  
30 membership at a fitness facility to any other individual.

1 (2) For purposes of this paragraph, the term "qualified  
2 individual" means an individual who is on active and full-time  
3 duty in the United States Armed Forces, a member of the  
4 Pennsylvania National Guard or a member of a reserve component  
5 of the armed forces as defined in 51 Pa.C.S. § 7301 (relating to  
6 definitions).

7 \* \* \*

8 Section 3. The act is amended by adding an article to read:

9 ARTICLE XVIII-I

10 PERSONAL HEALTH INVESTMENT TAX CREDIT

11 Section 1801-I. Scope of article.

12 This article relates to personal health investment tax  
13 credits.

14 Section 1802-I. Definitions.

15 The following words and phrases when used in this article  
16 shall have the meanings given to them in this section unless the  
17 context clearly indicates otherwise:

18 "Department." The Department of Revenue of the Commonwealth.

19 "Qualified individual." An individual who is on active and  
20 full-time duty in the United States Armed Forces, a member of  
21 the Pennsylvania National Guard or a member of a reserve  
22 component of the armed forces as defined in 51 Pa.C.S. § 7301  
23 (relating to definitions).

24 "Qualified sports and fitness expenses." Amounts paid for  
25 the sole purpose of participating in a physical activity,  
26 including membership at a fitness facility, participation or  
27 instruction in physical exercise or physical activity or  
28 equipment used in a program, including a self-directed program,  
29 of physical exercise or physical activity.

30 "Resident individual." As defined in section 301.

1 "Tax credit." A personal health investment tax credit  
2 provided for under this article.

3 "Tax liability." The liability for taxes imposed under  
4 Article III, excluding any tax withheld by an employer under  
5 Article III.

6 "Taxpayer." A resident individual subject to the tax imposed  
7 under Article III.

8 Section 1803-I. Tax credit.

9 (a) Eligibility.--A taxpayer who is a qualified individual  
10 and incurs qualified sports and fitness expenses in a taxable  
11 year may claim a tax credit against the taxpayer's tax  
12 liability.

13 (b) Amount of tax credit.--The amount of the tax credit may  
14 not exceed \$600 per taxpayer per taxable year.

15 (c) Claim of tax credit.--A taxpayer may claim a tax credit  
16 on a return filed under section 330.

17 (d) Applicability of tax credit.--A tax credit shall be  
18 applied against the taxpayer's tax liability.

19 Section 1804-I. Prohibitions.

20 The following apply:

21 (1) A taxpayer may not carry over, carry back, obtain a  
22 refund of or sell, assign or transfer a tax credit.

23 (2) A taxpayer may not claim a tax credit for the same  
24 qualified sports and fitness expenses used to claim a tax  
25 credit on a return filed by another taxpayer.

26 Section 1805-I. Duties of department.

27 The department shall publish guidelines and may promulgate  
28 regulations necessary for the implementation and administration  
29 of this article.

30 Section 4. The addition of sections ~~303(a.11)~~ 303(A.13) and <--

1 ~~401(3)1(u)~~ 401(3)1(V) and Article XVIII-I of the act shall apply <--  
2 to taxable years commencing after December 31, 2023.  
3 Section 5. This act shall take effect immediately.