

112TH CONGRESS  
1ST SESSION

# H. R. 2649

To amend the Internal Revenue Code of 1986 to treat certain amounts paid for physical activity, fitness, and exercise as amounts paid for medical care.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 26, 2011

Mr. BRADY of Texas (for himself, Mr. KIND, Mr. CLAY, Mr. GERLACH, Mr. BARTON of Texas, Mr. MCINTYRE, Mr. PAUL, Mr. BLUMENAUER, Mr. RUPPERSBERGER, and Mr. SHUSTER) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to treat certain amounts paid for physical activity, fitness, and exercise as amounts paid for medical care.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Personal Health In-

5       vestment Today Act of 2011” or the “PHIT Act of 2011”.

6       **SEC. 2. FINDINGS AND PURPOSE.**

7       (a) FINDINGS.—Congress finds that—

1           (1) almost 20 percent of American children be-  
2           tween the ages of 2 and 19 are overweight or suffer  
3           from obesity;

4           (2) 8 of the 9 most expensive illnesses in the  
5           United States are more common among overweight  
6           and obese individuals;

7           (3) according to the Centers for Disease Con-  
8           trol and Prevention, the increase in the number of  
9           overweight and obese Americans between 1987 and  
10          2001 resulted in a 27 percent increase in per capita  
11          health care costs;

12          (4) the World Health Organization determined  
13          that in the United States a \$1 investment in phys-  
14          ical activity alone (in time and equipment) would re-  
15          duce medical expenses by \$3.20;

16          (5) research indicates that 2 in 5 Americans  
17          would become more physically active if offered a fi-  
18          nancial incentive;

19          (6) the United States ranks last in the world in  
20          reducing the number of preventable deaths resulting  
21          from obesity-related chronic illnesses; and

22          (7) engaging in physical activities at young ages  
23          when children are learning lifelong behaviors can  
24          have a significant impact on their long-term health.

1 (b) PURPOSE.—The purpose of this Act is to promote  
2 health and prevent disease, particularly diseases related  
3 to being overweight and obese, by—

4 (1) encouraging healthier lifestyles;

5 (2) providing financial incentives to ease the fi-  
6 nancial burden of engaging in healthy behavior; and

7 (3) increasing the ability of individuals and  
8 families to participate in physical fitness activities.

9 **SEC. 3. CERTAIN AMOUNTS PAID FOR PHYSICAL ACTIVITY,**  
10 **FITNESS, AND EXERCISE TREATED AS**  
11 **AMOUNTS PAID FOR MEDICAL CARE.**

12 (a) IN GENERAL.—Paragraph (1) of section 213(d)  
13 of the Internal Revenue Code of 1986 is amended by strik-  
14 ing “or” at the end of subparagraph (C), by striking the  
15 period at the end of subparagraph (D) and inserting “,  
16 or”, and by adding at the end the following new subpara-  
17 graph:

18 “(E) for qualified sports and fitness ex-  
19 penses.”.

20 (b) QUALIFIED SPORTS AND FITNESS EXPENSES.—  
21 Subsection (d) of section 213 of such Code is amended  
22 by adding at the end the following paragraph:

23 “(12) QUALIFIED SPORTS AND FITNESS EX-  
24 PENSES.—

1           “(A) IN GENERAL.—The term ‘qualified  
2 sports and fitness expenses’ means amounts  
3 paid—

4                   “(i) for membership at a fitness cen-  
5 ter,

6                   “(ii) for participation or instruction in  
7 a program of physical exercise or physical  
8 activity, and

9                   “(iii) for equipment for use in a pro-  
10 gram (including a self-directed program) of  
11 physical exercise or physical activity.

12           “(B) OVERALL DOLLAR LIMITATION.—The  
13 aggregate amount treated as qualified sports  
14 and fitness expenses with respect to any tax-  
15 payer for any taxable year shall not exceed  
16 \$1,000 (\$2,000 in the case of a joint return or  
17 a head of household (as defined in section  
18 2(b))).

19           “(C) FITNESS FACILITY DEFINED.—For  
20 purposes of subparagraph (A)(i), the term ‘fit-  
21 ness facility’ means a facility—

22                   “(i) providing instruction in a pro-  
23 gram of physical exercise, offering facilities  
24 for the preservation, maintenance, encour-  
25 agement, or development of physical fit-

1                   ness, or serving as the site of such a pro-  
2                   gram of a State or local government,

3                   “(ii) which is not a private club owned  
4                   and operated by its members,

5                   “(iii) which does not offer golf, hunt-  
6                   ing, sailing, or riding facilities,

7                   “(iv) whose health or fitness facility is  
8                   not incidental to its overall function and  
9                   purpose, and

10                  “(v) which is fully compliant with the  
11                  State of jurisdiction and Federal anti-dis-  
12                  crimination laws.

13                  “(D) LIMITATIONS RELATED TO SPORTS  
14                  AND FITNESS EQUIPMENT.—Amounts paid for  
15                  equipment described in subparagraph (A)(iii)  
16                  shall be treated as a qualified sports and fitness  
17                  expense only—

18                  “(i) if such equipment is utilized ex-  
19                  clusively for participation in fitness, exer-  
20                  cise, sport, or other physical activity pro-  
21                  grams,

22                  “(ii) if such equipment is not apparel  
23                  or footwear, and

24                  “(iii) in the case of any item of sports  
25                  equipment (other than exercise equip-

1           ment), with respect to so much of the  
2           amount paid for such item as does not ex-  
3           ceed \$250.

4           “(E) PROGRAMS WHICH INCLUDE COMPO-  
5           NENTS OTHER THAN PHYSICAL EXERCISE AND  
6           PHYSICAL ACTIVITY.—Rules similar to the rules  
7           of section 213(d)(6) shall apply in the case of  
8           any program that includes physical exercise or  
9           physical activity and also other components.  
10          For purposes of the preceding sentence, travel  
11          and accommodations shall be treated as an  
12          other component.”.

13          (c) EXCEPTION FOR HEALTH SAVINGS ACCOUNTS.—  
14          Subparagraph (A) of section 223(d)(2) of such Code is  
15          amended by inserting “, determined without regard to  
16          paragraph (1)(E) thereof)” after “section 213(d)”.

17          (d) EFFECTIVE DATE.—The amendments made by  
18          this section shall apply to taxable years beginning after  
19          the date of the enactment of this Act.

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