
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1106 Session of
2024

INTRODUCED BY MUTH, SANTARSIERO, FONTANA, COSTA, CAPPELLETTI AND
KANE, MARCH 22, 2024

REFERRED TO FINANCE, MARCH 22, 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) The following apply:

21 (1) An amount paid by a business that incurs costs by
22 offering free membership at a fitness facility to a qualified
23 individual shall be allowed as a deduction from taxable income

1 on the annual personal income tax return. The amount paid as a
2 free membership at a fitness facility to a qualified individual
3 may not exceed the dollar amount paid as a membership at a
4 fitness facility to any other individual. The deduction shall
5 not result in taxable income being less than zero.

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

12 * * *

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

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

19 * * *

20 (3) "Taxable income." 1. * * *

21 (u) (1) An additional deduction shall be allowed from
22 taxable income in an amount equal to the amount paid for costs
23 by offering free membership at a fitness facility to a qualified
24 individual. The amount paid as a free membership at a fitness
25 facility to a qualified individual shall not exceed the dollar
26 amount paid as a membership at a fitness facility to any other
27 individual.

28 (2) For purposes of this paragraph, the term "qualified
29 individual" means and individual who is on active and full-time
30 duty in the United States Armed Forces, a member of the

1 Pennsylvania National Guard or a member of a reserve component
2 of the armed forces as defined in 51 Pa.C.S. § 7301 (relating to
3 definitions).

4 * * *

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

6 ARTICLE XVIII-I

7 PERSONAL HEALTH INVESTMENT TAX CREDIT

8 Section 1801-I. Scope of article.

9 This article relates to personal health investment tax
10 credits.

11 Section 1802-I. Definitions.

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

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

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

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

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

28 "Tax credit." A personal health investment tax credit
29 provided for under this article.

30 "Tax liability." The liability for taxes imposed under

1 Article III, excluding any tax withheld by an employer under
2 Article III.

3 "Taxpayer." A resident individual subject to the tax imposed
4 under Article III.

5 Section 1803-I. Tax credit.

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

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

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

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

16 Section 1804-I. Prohibitions.

17 The following apply:

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

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

23 Section 1805-I. Duties of department.

24 The department shall publish guidelines and may promulgate
25 regulations necessary for the implementation and administration
26 of this article.

27 Section 4. The addition of sections 303(a.11) and
28 401(3)1(u) and Article XVIII-I of the act shall apply to taxable
29 years commencing after December 31, 2023.

30 Section 5. This act shall take effect immediately.