STATE OF OKLAHOMA

2nd Session of the 51st Legislature (2008)

HOUSE BILL 2506 By: Shumate

AS INTRODUCED

An Act relating to revenue and taxation; creating an income tax credit for health club dues; providing calculation of credit; defining terms; limiting credit; providing for carryover; allowing for promulgation of rules; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2357.105 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. For tax years beginning after December 31, 2008, there shall be allowed against the tax imposed by Section 2355 of Title 68 of the Oklahoma Statutes, a credit equal to twenty percent (20%) of eligible fees required for membership in a health or fitness club.

B. As used in this section:

1. "Fees" means any dues, membership application or initiation fees, admission fees, class and training fees, and all other similar fees or charges and interest to be paid by a taxpayer as a condition

of membership and to gain access to a health or fitness club facility and its services; and

2. “Health or fitness club” means any person, firm, corporation, organization, club or association engaged in the sale of a program of physical exercise or the sale of the right or privilege to use exercise equipment or facilities. The term "health or fitness club" shall also include programs operated as follows:

a. bona fide nonprofit organizations whose functions as health or fitness clubs are only incidental to their overall functions and purposes,

b. any organization solely operated for the purpose of teaching a particular form of physical exercise,

c. any facility owned or operated by the federal, state or local government or a government agency and requiring payment of fees for membership for use of facilities, and

d. any facility operated solely for aerobics or toning.

C. In no event shall the amount of the credit exceed the amount of any tax liability of the taxpayer.

D. Any credits allowed but not used in any tax year may be carried over in order to each of the four (4) tax years following the year of qualification.

E. The Oklahoma Tax Commission may promulgate such rules as may be necessary to implement the provisions of this section.

SECTION 2. This act shall become effective January 1, 2009.

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