

114TH CONGRESS
1ST SESSION

S. 2296

To amend the Internal Revenue Code of 1986 to expand workplace health incentives by equalizing the tax consequences of employee athletic facility use.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 18, 2015

Mr. CORNYN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to expand workplace health incentives by equalizing the tax consequences of employee athletic facility use.

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 “Workforce Health Im-
5 provement Program Act of 2015”.

1 **SEC. 2. EMPLOYER-PROVIDED OFF-PREMISES ATHLETIC**
 2 **AND FITNESS FACILITY SERVICES.**

3 (a) TREATMENT AS FRINGE BENEFIT.—Subpara-
 4 graph (A) of section 132(j)(4) of the Internal Revenue
 5 Code of 1986 is amended to read as follows:

6 “(A) IN GENERAL.—Gross income shall
 7 not include—

8 “(i) the value of any on-premises ath-
 9 letic facility provided by an employer to the
 10 employees of the employer, and

11 “(ii) so much of the fees, dues, or
 12 other membership expenses paid by an em-
 13 ployer on behalf of the employees of the
 14 employer for membership in or use of an
 15 athletic or fitness facility described in sub-
 16 paragraph (C) as does not exceed \$900 per
 17 year per employee on behalf of whom such
 18 amounts are paid.”.

19 (b) ATHLETIC OR FITNESS FACILITIES.—Paragraph
 20 (4) of section 132(j) of the Internal Revenue Code of 1986
 21 is amended by adding at the end the following new sub-
 22 paragraph:

23 “(C) ATHLETIC OR FITNESS FACILITY.—
 24 For purposes of subparagraph (A)(ii), an ath-
 25 letic or fitness facility described in this subpara-
 26 graph is a facility—

1 “(i) which provides instruction in a
 2 program of physical exercise, offers facili-
 3 ties for the preservation, maintenance, en-
 4 couragement, or development of physical
 5 fitness, or serves as the site of such a pro-
 6 gram of a State or local government,

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

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

11 “(iv) the health or fitness component
 12 of which is not incidental to its overall
 13 function and purpose, and

14 “(v) which is fully compliant with ap-
 15 plicable Federal and State anti-discrimina-
 16 tion laws.”.

17 (c) EXCLUSION APPLIES TO HIGHLY COMPENSATED
 18 EMPLOYEES ONLY IF NO DISCRIMINATION.—Paragraph
 19 (1) of section 132(j) of the Internal Revenue Code of 1986
 20 is amended—

21 (1) by striking “Paragraphs (1) and (2) of sub-
 22 section (a)” and inserting “Subsections (a)(1),
 23 (a)(2), and (j)(4)”, and

1 (2) by striking “EXCLUSIONS UNDER SUB-
 2 SECTION (A)(1) AND (2)” in the heading and inserting
 3 “CERTAIN EXCLUSIONS”.

4 (d) EMPLOYER DEDUCTION.—

5 (1) IN GENERAL.—Paragraph (3) of section
 6 274(a) of the Internal Revenue Code of 1986 is
 7 amended by adding at the end the following new
 8 sentence: “The preceding sentence shall not apply to
 9 amounts to which section 132(j)(4)(A)(ii) applies.”.

10 (2) CONFORMING AMENDMENT.—The last sen-
 11 tence of paragraph (4) of section 274(e) of such
 12 Code is amended by striking “subsection (a)(3)” and
 13 inserting “the first sentence of subsection (a)(3)”.

14 (e) EFFECTIVE DATE.—The amendments made by
 15 this section shall apply to taxable years beginning after
 16 the date of the enactment of this Act.

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