

119TH CONGRESS
2D SESSION

H. R. 6979

To amend the Internal Revenue Code of 1986 to provide for youth sports, to establish a grant program for recreational youth sports, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 8, 2026

Mr. GOTTHEIMER (for himself and Mr. LAWLER) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Education and Workforce, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide for youth sports, to establish a grant program for recreational youth sports, and for other purposes.

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 “Promoting Lifelong
5 Activity for Youth Act of 2026” or the “PLAY Act of
6 2026”.

1 **SEC. 2. MODIFICATION OF CHILD AND DEPENDENT CARE**

2 **TAX CREDIT.**

3 (a) ALLOWANCE OF EXPENSES FOR YOUTH PHYS-
4 ICAL ACTIVITIES.—Section 21(b)(2)(A) of the Internal
5 Revenue Code of 1986 is amended by striking “and” at
6 the end of clause (i), by striking the period at the end
7 of clause (ii) and inserting “, and”, and by inserting after
8 clause (ii) the following:

9 “(iii) expenses for youth physical ac-
10 tivities (within the meaning of section
11 213(d)(12)).”.

12 (b) EXCEPTION TO CAMP RULE.—Section
13 21(b)(2)(A) of such Code (as amended by subsection (a))
14 is amended by striking “Such term” and inserting “Ex-
15 cept in the case of expenses described in clause (iii), such
16 term”.

17 (c) DOLLAR LIMITATIONS.—Section 21(c) of such
18 Code is amended to read as follows:

19 “(c) DOLLAR LIMIT ON AMOUNT CREDITABLE.—

20 “(1) IN GENERAL.—The amount of the employ-
21 ment-related expenses incurred during any taxable
22 year which may be taken into account under sub-
23 section (a) shall not exceed—

24 “(A) if there is 1 qualifying individual with
25 respect to the taxpayer for such taxable year,
26 \$4,000, or

1 “(B) if there are 2 or more qualifying indi-
 2 viduals with respect to the taxpayer for such
 3 taxable year, \$7,000.

4 “(2) REDUCTION.—The amount determined
 5 under paragraph (1) shall be reduced by the aggre-
 6 gate amount excludable from gross income under
 7 section 129 for the taxable year.”.

8 (d) EFFECTIVE DATE.—The amendments made by
 9 this section shall apply to taxable years beginning after
 10 December 31, 2025.

11 **SEC. 3. INCREASE IN DOLLAR AMOUNT OF ELECTION FOR**
 12 **DEPENDENT CARE FLEXIBLE SPENDING AR-**
 13 **RANGEMENTS.**

14 (a) IN GENERAL.—Section 125 of the Internal Rev-
 15 enue Code of 1986 is amended by redesignating sub-
 16 sections (k) and (l) as subsections (l) and (m) and insert-
 17 ing after subsection (j) the following:

18 “(k) LIMITATION ON DEPENDENT CARE FLEXIBLE
 19 SPENDING ARRANGEMENTS.—

20 “(1) IN GENERAL.—For purposes of this sec-
 21 tion, if a benefit is provided under a cafeteria plan
 22 through employer contributions to a dependent care
 23 flexible spending arrangement, such benefit shall not
 24 be treated as a qualified benefit unless the cafeteria
 25 plan provides that an employee may not elect for

1 any taxable year to have salary reduction contribu-
 2 tions in excess of \$10,000 made to such arrange-
 3 ment for each dependent under such arrangement.

4 “(2) SINGLE PARENT.—In the case that the
 5 employee is an individual who is not married as of
 6 the beginning of the taxable year for which the em-
 7 ployee elects to participate in the arrangement,
 8 paragraph (1) shall be applied by substituting
 9 ‘\$12,000’ for ‘\$10,000’.”.

10 (b) EFFECTIVE DATE.—The amendments made by
 11 this section shall apply to taxable years beginning after
 12 December 31, 2025.

13 **SEC. 4. YOUTH PHYSICAL ACTIVITIES.**

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

20 “(E) for youth physical activities.”.

21 (b) YOUTH PHYSICAL ACTIVITIES.—Subsection (d)
 22 of section 213 of the Internal Revenue Code of 1986 is
 23 amended by adding at the end the following new para-
 24 graph:

25 “(12) YOUTH PHYSICAL ACTIVITIES.—

“(A) IN GENERAL.—The term ‘youth physical activities’ means registration costs, fees, and expenses associated with the participation by dependents of the taxpayer (as defined in section 152) who have attained age 4 but not age 18 in the following:

“(i) Membership at a fitness facility.

“(ii) Participation or instruction in physical exercise or physical activity.

“(iii) Equipment used in a program (including a self-directed program) of physical exercise or physical activity.

“(B) OVERALL DOLLAR LIMITATION.—The aggregate amount treated as youth physical activities with respect to any taxpayer for any taxable year shall not exceed \$1,000 (\$2,000 in the case of a joint return or a head of household (as defined in section 2(b))).

“(C) FITNESS FACILITY.—For purposes of subparagraph (A)(i), the term ‘fitness facility’ means a facility—

“(i) which provides instruction in a program of physical exercise, offers facilities for the preservation, maintenance, encouragement, or development of physical

1 fitness, or serves 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) the health or fitness component
8 of which is not incidental to its overall
9 function and purpose, and

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

13 “(D) TREATMENT OF EXERCISE VIDEOS,
14 ETC.—Videos, books, and similar materials
15 shall be treated as described in subparagraph
16 (A)(ii) if the content of such materials con-
17 stitutes instruction in a program of physical ex-
18 ercise or physical activity.

19 “(E) LIMITATIONS.—

20 “(i) USE OF FUNDS.—Amounts paid
21 for costs, fees, or expenses described in
22 subparagraph (A)(ii) shall be treated as
23 paid for youth physical activities only if
24 such amounts are not paid for—

25 “(I) tournament entries, or

1 “(II) private lessons, training, or
2 camps.

3 “(ii) SPORTS AND FITNESS EQUIP-
4 MENT.—Amounts paid for equipment de-
5 scribed in subparagraph (A)(iii) shall be
6 treated as paid for youth physical activities
7 only—

8 “(I) if such equipment is used
9 exclusively for participation in fitness,
10 exercise, sport, or other physical activ-
11 ity,

12 “(II) in the case of amounts paid
13 for apparel or footwear, if such ap-
14 parel or footwear is of a type that is
15 necessary for, and is not used for any
16 purpose other than, a specific physical
17 activity, and

18 “(III) in the case of amounts
19 paid for any single item of sports
20 equipment (other than exercise equip-
21 ment), to the extent such amounts do
22 not exceed \$250.

23 “(F) PROGRAMS WHICH INCLUDE COMPO-
24 NENTS OTHER THAN PHYSICAL EXERCISE AND
25 PHYSICAL ACTIVITY.—Rules similar to the rules

1 of paragraph (6) shall apply in the case of any
2 program that includes physical exercise or phys-
3 ical activity and also other components. For
4 purposes of the preceding sentence, travel and
5 accommodations shall be treated as a separate
6 component.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2025.

10 **SEC. 5. RECREATIONAL YOUTH SPORTS HHS GRANT PRO-**
11 **GRAM.**

12 (a) ESTABLISHMENT.—Not later than 1 year after
13 the date of enactment of this Act, the Secretary of Health
14 and Human Services (in this section referred to as the
15 “Secretary”) shall establish a program to award grants,
16 on a competitive basis, to eligible entities for the purposes
17 of expanding access to, and increasing the participation
18 capacity of, recreational youth sports—

19 (1) to decrease the costs of such participation
20 for families; and

21 (2) to promote healthy habits, physical activity,
22 and socialization.

23 (b) APPLICATIONS.—To be eligible for a grant under
24 this section, an entity shall submit to the Secretary an
25 application at such time, in such manner, and containing

1 such information as the Secretary determines is appro-
2 priate, which shall include an attestation that the entity
3 will use the grant only for the purposes described in sub-
4 section (a).

5 (c) USE OF FUNDS.—

6 (1) IN GENERAL.—A grant awarded under this
7 section may not be used—

8 (A) to construct or upgrade a facility; or

9 (B) to fund a component of a sports pro-
10 gram that is competitive, elite, or selective (in-
11 cluding such a component that involves travel).

12 (2) RULE OF CONSTRUCTION.—For the pur-
13 poses of paragraph (1), a component of a sports pro-
14 gram shall not be construed as competitive, elite, or
15 selective solely because such component includes
16 games or matches in which a score is kept.

17 (3) SUPPLEMENT, NOT SUPPLANT.—

18 (A) IN GENERAL.—Subject to subpara-
19 graph (B), a grant awarded under this section
20 shall be used to supplement, not supplant,
21 funds from other sources.

22 (B) EXCEPTION.—A grant awarded under
23 this section may be used to supplant funds from
24 other sources to remove fees for families for the

1 purpose of expanding access to recreational
2 youth sports.

3 (d) GRANT PERIOD.—A grant awarded under this
4 section shall be for a period of 2 years.

5 (e) AMOUNT.—A grant awarded under this section
6 shall be for an amount—

7 (1) not less than \$5,000; and

8 (2) not more than \$50,000.

9 (f) REPORT.—Not later than 3 years after the date
10 of enactment of this Act, the Secretary shall submit to
11 Congress a report containing an assessment of how grants
12 awarded under this section fulfilled the purposes described
13 in subsection (a).

14 (g) DEFINITIONS.—In this section:

15 (1) ELIGIBLE ENTITY.—The term “eligible enti-
16 ty”—

17 (A) means—

18 (i) a local government;

19 (ii) a nonprofit organization;

20 (iii) a Tribal organization; and

21 (iv) a veterans organization; and

22 (B) does not include any entity or organi-
23 zation of—

24 (i) an elementary school, a secondary
25 school, or a local educational agency (as

1 such terms are defined in section 8101 of
2 the Elementary and Secondary Education
3 Act of 1965 (20 U.S.C. 7801)); or

4 (ii) an institution of higher education
5 (as defined in section 101 of the Higher
6 Education Act of 1965 (20 U.S.C. 1001)).

7 (2) NONPROFIT ORGANIZATION.—The term
8 “nonprofit organization” means an organization that
9 is described in section 501(c)(3) of the Internal Rev-
10 enue Code of 1986 and that is exempt from taxation
11 under section 501(a) of such Code.

12 (3) TRIBAL ORGANIZATION.—The term “Tribal
13 organization” has the meaning given the term in
14 section 4 of the Indian Self-Determination and Edu-
15 cation Assistance Act (25 U.S.C. 5304).

16 (4) VETERANS ORGANIZATION.—The term “vet-
17 erans organization” means an organization that is
18 described in section 501(c)(19) of the Internal Rev-
19 enue Code of 1986 and that is exempt from taxation
20 under section 501(a) of such Code.

21 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
22 authorized to be appropriated to carry out this section
23 \$200,000,000 for the period of fiscal years 2026 through
24 2030.

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