



# Senate

General Assembly

**File No. 384**

February Session, 2008

Senate Bill No. 593

*Senate, April 1, 2008*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

## **AN ACT CONCERNING THE SALES TAX ON HEALTH CLUB SERVICES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subparagraph (FF) of subdivision (37) of subsection (a) of  
2 section 12-407 of the 2008 supplement to the general statutes is  
3 repealed and the following is substituted in lieu thereof (*Effective*  
4 *October 1, 2008, and applicable to sales occurring on or after said date*):

5 (FF) Health and athletic club services, exclusive of (i) any such  
6 services provided without any additional charge which are included in  
7 any dues or initiation fees paid to any such club, which dues or fees  
8 are subject to tax under section 12-543, (ii) any such services provided  
9 by a municipality or an organization that is described in Section 501(c)  
10 of the Internal Revenue Code of 1986, or any subsequent  
11 corresponding internal revenue code of the United States, as from time  
12 to time amended, and (iii) yoga instruction provided at a yoga studio,  
13 or Pilates instruction provided at a Pilates studio.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2008, and applicable to sales occurring on or after said date</i>	12-407(a)(37)(FF)
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**FIN**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

<b>Agency Affected</b>	<b>Fund-Effect</b>	<b>FY 09 \$</b>	<b>FY 10 \$</b>
Department of Revenue Services	GF - Revenue Loss	500,000	500,000

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill is expected to result in a General Fund revenue loss to the sales tax of approximately \$500,000 beginning in FY 09.

**The Out Years**

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

**OLR Bill Analysis****SB 593*****AN ACT CONCERNING THE SALES TAX ON HEALTH CLUB SERVICES.*****SUMMARY:**

The bill exempts charges for Pilates instruction provided by a Pilates studio from the 6% sales tax on health and athletic club services. Current law exempts charges for health and athletic club services that are (1) provided by a municipality or nonprofit organization or (2) included in club dues or fees already subject to the dues tax. Yoga instruction provided at a yoga studio is also exempt.

“Pilates” generally refers to an exercise discipline, founded by Dr. Joseph Pilates in the 1920s, that combines synchronized stretch and breathing techniques to strengthen the body. The bill does not define “Pilates studio.”

EFFECTIVE DATE: October 1, 2008 and applicable to sales on or after than date.

**COMMITTEE ACTION**

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 35      Nay 15      (03/14/2008)