



International
Health, Racquet &
Sportsclub Association

Connecticut Sales Tax Panel Public Hearing

Written Testimony of Joe Moore of the International Health, Racquet & Sportsclub Association (IHRSA)

September 16, 2015

Members of the panel, thank you for the opportunity to submit testimony on this important issue. My name is Joe Moore, and I am the President and CEO of the International Health, Racquet & Sportsclub Association (IHRSA). On behalf of the more than 7,000 health and fitness businesses represented by IHRSA, 88 of which are located throughout Connecticut, I ask that the following testimony regarding the current application of the state's sales tax to health club services be entered into the record and considered when the panel makes its recommendations to the Governor and to the Legislature's Finance, Revenue and Bonding Committee.

Connecticut's sales tax on health club dues serves as a penalty on healthy lifestyles and is harmful public policy. The current sales tax on health club services sends the wrong message to the citizens of Connecticut. The government should be working to encourage physical activity and healthy eating. Instead, taxing health club services makes engaging in a healthy lifestyle less accessible.

A tax on healthy lifestyles sends the wrong message to Connecticut residents at a crucial time. Currently, Connecticut is engaged in a critical fight to combat the leading consequence of physical inactivity: obesity. In 2013, more than a quarter of Connecticut adults were obese (25.6%) and almost two-thirds of the population (62.3%) was considered at least overweight.¹ As you are no doubt aware, the health effects of obesity and overweight are devastating; including an increased risk for heart disease, cancer, diabetes, stroke, high blood pressure, obesity, and osteoporosis.

Obesity has serious economic and fiscal consequences for the state. In Connecticut, for example, the Center for Disease Control estimates that 4.3% of adult medical expenditures, or \$856 million, are attributable to obesity, 78% of which is financed by Medicare and Medicaid.²

Health club services are proven, effective means to combat obesity. People who exercise in a health club are more successful at losing weight than people who exercise outside or at home: a recent study found that, of the Americans who considered their efforts to lose weight to be extremely/very successful, 23% exercised at a health club (100+ days per year), 19% exercised outside and 17.4% exercised at home.³

¹ Trust for America's Health. *F as in Fat*. August 2013.

² The Obesity Challenge in Connecticut-Obesity Fact Sheet, Connecticut Department of Public Health.

³ IHRSA/American Sports Data Inc., The Health Club Trend Report. 2004.



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Consumer investment in health club and physical fitness services help to minimize the devastating impact of obesity on Connecticut's physical and fiscal health. I strongly believe that policies need to encourage citizens to invest in their health; in primary prevention of chronic disease.

In conclusion, there is a demonstrated need for Connecticut to do everything to encourage physical activity. I respectfully request the panel to consider the role of health club services, and the promotion of physical activity, in the state's efforts to decrease health care costs, reduce government spending, and improve the quality of life for thousands of Connecticut residents.

We would welcome the opportunity to serve as a resource to the panel going forward. If you have any questions, please contact me at 800-228-4772 or IHRSA's Senior Legislative Analyst, Tim Sullivan, at ts@ihrsa.org.

Sincerely,

Joe Moore
IHRSA President & CEO