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Gov. Bill Lee to Repeal the Gym Tax in the Upcoming Budget

Gov. Lee's first budget to include tax cuts

NASHVILLE, Tenn. – Today, Tennessee Governor Bill Lee announced his plans to repeal the amusement tax on gym memberships in his upcoming budget.

“I’m pleased to be able to include a tax cut in my first budget,” said Lee. “Repealing the gym tax is an important step in reducing the burdens on small businesses in our state.”

The nearly 10 percent amusement tax is placed on memberships to gyms, fitness centers and health clubs and disproportionately impacts small business owners. On the books since the mid-1980s, the gym tax represents approximately \$10 million in state revenue.

“Unfortunately, we’ve discouraged Tennesseans from investing in their health and wellness by taxing their efforts,” said Lee. “The skyrocketing costs of health care and Tennessee’s high rates of obesity and diabetes means we simply cannot afford to discourage healthy habits.”

According to the Department of Health, Tennessee ranks 40th in the nation for physical activity and 35th for adult obesity. Recent estimates show that illnesses related to diabetes, hypertension and cardiovascular disease cost Tennessee more than \$5.3 billion annually in direct and indirect costs.

“I look forward to working with the legislature to modernize our tax code and prioritize the wellness of Tennesseans,” said Lee.

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