

## Physical Fitness Facilities

### **Dues or Fees Paid to Physical Fitness Facilities Are Subject to Sales Tax**

Under Tenn. Code Ann. § 67-6-212(a)(1) and Sales Tax Rule 116, dues or fees paid to health clubs or other facilities featuring exercise or other active physical fitness conditioning are subject to sales tax, unless a specific exemption applies. This includes dues or fees paid for use of the facility and services rendered at the facility.

Such businesses include, but are not limited to, fitness centers, gyms, exercise clubs, and facilities offering exercise classes and other fitness conditioning, calorie burning, strength building, or body sculpting classes.

Taxable dues and fees include, but are not limited to, periodic membership dues or fees (e.g., weekly, monthly or annual fees), per class fees, and single charges for exercise or fitness programs lasting for a defined period of time (e.g., 15 weeks). Even if separately itemized, initial enrollment fees, initiation fees, fitness equipment instruction fees, and any other charges that are required to be paid for use of the fitness facility and its services are subject to tax.

### **Exercise and Fitness Classes Are Subject to Sales Tax**

Dues or fees for an exercise or fitness class are taxable regardless of whether the class is an introductory, beginner, regular or advanced level class, and regardless of whether the class is provided on an individual or group basis.

Examples of taxable exercise and physical fitness classes offered by fitness facilities include, but are not limited to:

- Aerobic classes (e.g., step or water aerobics, jazz, Latin, world or other dance-based classes)
- Ballet barre workout classes
- Yoga classes
- Fitness boot camps
- Spin/indoor cycling classes
- Indoor rowing classes
- Boxing and kickboxing fitness classes
- High intensity interval training (HIIT)
- Cross training

### **Providing Instruction Only in Recreational or Amusement Activity Is Not Subject to Sales Tax**

It should be noted, under Sales Tax Rule 122, that fees or charges for instruction in sports or recreational activities are not subject to sales tax. For example, fees or charges for playing tennis are subject to sales tax; however, fees or charges for tennis lessons alone are not subject to sales tax. Other examples of nontaxable instructional classes include, but are not limited to:

- Martial arts (e.g., Karate, Ju-jitsu, Tae Kwon Do)
- Dance lessons
- Gymnastics classes
- Fencing lessons
- Skiing lessons
- Yoga teacher training

Under the rule, if recreational activity that is not essential to or part of the instruction is also provided, the entire charge is subject to tax unless the charges for instruction are separately billed.

## Other Taxable Activities

Please note that various other sports, recreational, and amusement activities are subject to sales tax under Tenn. Code Ann. § 67-6-212. This notice is intended only to discuss physical fitness facilities.

Also, this notice does not discuss various exemptions that may apply under Tenn. Code Ann. § 67-6-330 or other provisions of law.

## For More Information

Visit [www.tn.gov/revenue](http://www.tn.gov/revenue). Click on Revenue Help to search for answers or to submit an information request to one of our agents.

## References

Tenn. Code Ann. §§ 67-6-212 and 67-6-330; TENN. COMP. R. & REGS. 1320-05-01-.115, 1320-05-01-.116, and 1320-05-01-.122