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## Health and Fitness Facilities and Athletic Clubs

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### Introduction

The purpose of this bulletin is to identify which fees or charges by athletic clubs and health and fitness facilities are subject to all state and local sales taxes, and which ones are subject only to the New York City local sales tax.

### New York State and local sales taxes on athletic clubs

New York State and local sales taxes are imposed on dues and membership fees paid to any *athletic club* in the state. To be considered an athletic club, the club must be organized such that its members have an extensive role in the operation of the club. For example, a club whose members:

- plan and control the club's activities,
- select and approve new members,
- participate in management of the club, or
- have a proprietary ownership interest in the club,

is an athletic club whose dues and membership fees are subject to sales tax.

Athletic clubs may include:

- tennis clubs,
- golf clubs,
- boating clubs,
- skating clubs,
- curling clubs, and
- any other organization that practices or promotes athletics or sports.

A club owned by a private operator where members pay a seasonal fee to belong to the club and do not have any role in operating the club is not considered to be an athletic club, and any fees paid for membership are not subject to sales tax. Also, a facility that provides exercise or other equipment, or that promotes exercising **solely** for health or weight reduction purposes, is not considered to be an athletic club. See [TSB-M-83\(19\)S](#), *Dues For Membership in Social or Athletic Clubs*, for more information.

### New York State and local sales taxes on health and fitness facilities

*Health and fitness facilities* are generally facilities that provide customers or members with access to exercise equipment. Pilates, aerobics, and fitness studios, weight reducing salons, spas, gyms, saunas, Turkish baths, tanning salons, and similar businesses are examples of health and fitness facilities.

Dues or membership fees paid to health and fitness facilities are **not** subject to New York State sales tax. These charges are also **not** subject to local sales taxes if the facility is located outside New York City.

New York City imposes its local sales tax on every sale of services by health and fitness facilities, including any charge for the use of these facilities. Therefore, dues, membership and initiation fees, and any charges paid for the use of these facilities located in New York City are subject to the New York City local sales tax.

Charges for the following are exempt from both state and local sales taxes if the facility is located outside of New York City. However, charges for the following are exempt from the state sales tax but are subject to the New York City local sales tax if the facility qualifies as a health and fitness facility and is located in New York City:

- aerobic, Pilates or other exercise classes;
- childcare services;
- fitness and wellness workshops;
- guest access;
- personal training services;
- use of a spa and services provided by persons who are not medical professionals (such as massage, facials, and body treatments); and
- tanning services.

Sales of food supplements, appetite suppressants, etc., are exempt from both State and local sales taxes. See Tax Bulletin [Dietary Foods and Health Supplements \(TB-ST-160\)](#) for additional information.

### **Yoga facilities in New York City**

Facilities in New York City that offer **only** instruction in various yoga disciplines are not considered to be weight control salons, health salons, or gymnasiums. As a result, charges by these facilities for yoga classes are not subject to the New York City local sales tax. See [NYT-G-12\(1\)S, Application of State and Local Sales Tax to Facilities that Provide Yoga Instruction](#). Charges to customers for the use of any tangible personal property (such as yoga mats, etc.) are subject to both state and local sales taxes.

Charges for yoga instruction by a facility that otherwise qualifies as a weight control salon, health salon, or gymnasium (e.g., a facility that also offers its customers access to exercise equipment or to Pilates or aerobics classes) **are subject** to the New York City local sales tax.

### **Other separate charges by health and fitness facilities**

In addition to dues or membership fees, health and fitness facilities may charge customers separately for other items and services. Charges for the following are examples of charges that are subject to state and local sales taxes regardless of where in New York State the facility is located:

- locker fees;
- bottles for water or other beverages;
- bottled water;
- gym bags, towels, training aids, etc.;
- food sold from a snack bar or restaurant facility; and
- certain items sold from vending machines. See Tax Bulletin [Food and Beverages Sold from Vending Machines \(TB-ST-280\)](#) for more information.

### **Purchases by health and fitness facilities**

All purchases of taxable items for use in a health or fitness facility are subject to tax unless purchased for resale to customers. If a health or fitness facility is not charged tax by a seller on purchases of taxable items not intended for resale, the facility must pay the unpaid sales tax or use tax. See Tax Bulletin [Use Tax for Businesses \(TB-ST-910\)](#).

## Coupons and discounts

The tax due on a taxable item or service is based on the price paid by the customer after deducting a discount or coupon issued by the health or fitness facility. However, if a customer uses a manufacturer's coupon to purchase a product, the tax is computed on the price for the item before subtracting the coupon. See Tax Bulletin [Coupons and Food Stamps \(TB-ST-140\)](#).

## Exempt purchasers

Certain purchasers are exempt from tax on their purchases. The seller must receive the appropriate exemption document from exempt purchasers and keep records of these exempt sales. The seller must be able to associate the exemption document with the exempt sale. In general, these records must be kept for a period of three years from the due date of the return to which they relate. See Tax Bulletin [Exemption Certificates for Sales Tax \(TB-ST-240\)](#).

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

### References

**Tax Law:** Sections 1105(f) and 1212-A(a)(2)

**Regulations:** Section 527.11

**Advisory Opinion:** [TSB-A-20\(25\)S](#), Whether Petitioner's receipts from services provided at its health and fitness facilities are subject to New York City local sales tax