



Rep. David A. Welter

**Filed: 11/26/2018**

10000SB0514ham001

LRB100 05211 LNS 43570 a

1 AMENDMENT TO SENATE BILL 514

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 514 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Peer-to-Peer Car Sharing Program Act.

6 Section 5. Definitions. As used in this Act:

7 "Car sharing delivery period" means the period during which  
8 a shared vehicle is being delivered to the location of the car  
9 sharing start time, if applicable, as documented by the  
10 governing car sharing program agreement.

11 "Car sharing period" means the period that commences with  
12 the car sharing delivery period or, if there is no car sharing  
13 delivery period, that commences with the car sharing start time  
14 and in either case ends at the car sharing termination time.

15 "Car sharing program agreement" means the terms and  
16 conditions applicable to a shared vehicle owner and a shared

1 vehicle driver that govern the use of a shared vehicle through  
2 a peer-to-peer car sharing program.

3 "Car sharing start time" means the time when the shared  
4 vehicle becomes subject to the control of the shared vehicle  
5 driver at or after the time the reservation of a shared vehicle  
6 is scheduled to begin as documented in the records of a  
7 peer-to-peer car sharing program.

8 "Car sharing termination time" means the earliest  
9 occurring event of the following:

10 (i) the expiration of the agreed period established for  
11 the use of a shared vehicle in the governing car sharing  
12 program agreement;

13 (ii) the intent to terminate the use of the shared  
14 vehicle is verifiably communicated by the shared vehicle  
15 driver to the shared vehicle owner using the peer-to-peer  
16 car sharing program; or

17 (iii) the shared vehicle owner or the shared vehicle  
18 owner's authorized designee takes possession and control  
19 of the shared vehicle.

20 "Motor vehicle" means a passenger car as defined in Section  
21 1-157 of the Illinois Vehicle Code.

22 "Peer-to-peer car sharing" means the authorized use of a  
23 motor vehicle by an individual other than the vehicle's owner  
24 through a peer-to-peer car sharing program.

25 "Peer-to-peer car sharing program" means a business  
26 platform that connects vehicle owners with drivers to enable

1 the sharing of motor vehicles for financial consideration.

2 "Shared vehicle" means a motor vehicle that is available  
3 for sharing through a peer-to-peer car sharing program.

4 "Shared vehicle driver" means an individual who has been  
5 authorized to drive the shared vehicle by the shared vehicle  
6 owner under a car sharing program agreement.

7 "Shared vehicle owner" means the registered owner of a  
8 vehicle made available for sharing to shared vehicle drivers  
9 through a peer-to-peer car sharing program.

10 Section 10. Insurance.

11 (a) Except as provided in this subsection, a peer-to-peer  
12 car sharing program shall assume the liability of a shared  
13 vehicle owner for any bodily injury or property damage to third  
14 parties or uninsured and underinsured motorist or personal  
15 injury protection losses during the car sharing period in an  
16 amount stated in the car sharing program agreement which amount  
17 may not be less than those set forth in Section 7-203 of the  
18 Illinois Insurance Code.

19 The assumption of liability under this subsection does not  
20 apply if the shared vehicle owner made an intentional or  
21 fraudulent material misrepresentation to the peer-to-peer car  
22 sharing program before the car sharing period in which the loss  
23 occurred.

24 (b) Nothing in subsection (a) limits:

25 (1) the liability of the peer-to-peer car sharing

1 program for any act or omission of the peer-to-peer car  
2 sharing program itself that results in injury to any person  
3 as a result of the use of a shared vehicle through a  
4 peer-to-peer car sharing program; or

5 (2) the ability of the peer-to-peer car sharing program  
6 to, by contract, seek indemnification from the shared  
7 vehicle owner or the shared vehicle driver for economic  
8 loss sustained by the peer-to-peer car sharing program  
9 resulting from a breach of the terms and conditions of the  
10 car sharing program agreement.

11 (c) At the time a vehicle owner registers as a shared  
12 vehicle owner on a peer-to-peer car sharing program and before  
13 the shared vehicle owner makes a shared vehicle available for  
14 car sharing on the peer-to-peer car sharing program, the  
15 peer-to-peer car sharing program shall notify the shared  
16 vehicle owner that, if the shared vehicle has a lien against  
17 it, the use of the shared vehicle through a peer-to-peer car  
18 sharing program, including use without physical damage  
19 coverage, may violate the terms of the contract with the  
20 lienholder.

21 (d) A peer-to-peer car sharing program shall ensure that,  
22 during each car sharing period, the shared vehicle owner and  
23 the shared vehicle driver are insured under a motor vehicle  
24 liability insurance policy that:

25 (1) recognizes that the vehicle insured under the  
26 policy is made available and used through a peer-to-peer

1 car sharing program; and

2 (2) provides insurance coverage in amounts no less than  
3 the minimum amounts set forth in Section 7-203 of the  
4 Illinois Insurance Code.

5 (e) The insurance described under subsection (d) of this  
6 Section may be satisfied by motor vehicle liability insurance  
7 maintained by:

8 (1) a shared vehicle owner;

9 (2) a shared vehicle driver;

10 (3) a peer-to-peer car sharing program; or

11 (4) both a shared vehicle owner, a shared vehicle  
12 driver, and a peer-to-peer car sharing program.

13 The insurance described in this subsection that is  
14 satisfying the insurance requirement of subsection (d) shall be  
15 primary during each car sharing period.

16 (f) An authorized insurer that writes motor vehicle  
17 liability insurance in this State may exclude any and all  
18 coverage and the duty to defend or indemnify for any claim  
19 afforded under a shared vehicle owner's personal motor vehicle  
20 liability insurance policy. Nothing in this Act invalidates or  
21 limits an exclusion contained in a motor vehicle liability  
22 insurance policy, including any insurance policy in use or  
23 approved for use that excludes coverage for motor vehicles made  
24 available for rent, sharing, or hire or for any business use.

25 (g) No policy of personal private passenger automobile  
26 liability insurance shall be canceled, voided, terminated,

1 rescinded, or nonrenewed solely on the basis that the vehicle  
2 has been made available for car sharing pursuant to a  
3 peer-to-peer car sharing program that is in compliance with the  
4 provisions of this Section.

5 (h) A peer-to-peer car sharing program shall collect and  
6 verify records pertaining to the use of a vehicle, including,  
7 but not limited to, times used, fees paid by the shared vehicle  
8 driver, and revenues received by the shared vehicle owner and  
9 provide that information upon request to the shared vehicle  
10 owner, the shared vehicle owner's insurer, or the shared  
11 vehicle driver's insurer to facilitate a claim coverage  
12 investigation. The peer-to-peer car sharing program shall  
13 retain the records for a period not less than the applicable  
14 personal injury statute of limitations.

15 (i) A peer-to-peer car sharing program and a shared vehicle  
16 owner is exempt from vicarious liability in accordance with 49  
17 U.S.C. 30106 and under any State or local law that imposes  
18 liability solely based on vehicle ownership.

19 (j) A motor vehicle insurer that defends or indemnifies a  
20 claim against a shared vehicle that is excluded under the terms  
21 of its policy shall have the right to seek contribution against  
22 the motor vehicle insurer of the peer-to-peer car sharing  
23 program if the claim is:

24 (1) made against the shared vehicle owner or the shared  
25 vehicle driver for loss or injury that occurs during the  
26 car sharing period; and

1 (2) excluded under the terms of its policy.

2 (k) Notwithstanding any other law, statute, rule, or  
3 regulation to the contrary, a peer-to-peer car sharing program  
4 shall have an insurable interest in a shared vehicle during the  
5 car sharing period.

6 Section 15. Disclosure. Each car sharing program agreement  
7 made in this State shall disclose to the shared vehicle owner  
8 and the shared vehicle driver:

9 (1) any right of the peer-to-peer car sharing program to  
10 seek indemnification from the shared vehicle owner or the  
11 shared vehicle driver for economic loss sustained by the  
12 peer-to-peer car sharing program resulting from a breach of the  
13 terms and conditions of the car sharing program agreement;

14 (2) that a motor vehicle liability insurance policy issued  
15 to the shared vehicle owner for the shared vehicle or to the  
16 shared vehicle driver does not provide a defense or  
17 indemnification for any claim asserted by the peer-to-peer car  
18 sharing program;

19 (3) that the peer-to-peer car sharing program's insurance  
20 coverage on the shared vehicle owner and the shared vehicle  
21 driver is in effect only during each car sharing period and  
22 that, for any use of the shared vehicle by the shared vehicle  
23 driver after the car sharing termination time, the shared  
24 vehicle driver and the shared vehicle owner should contact the  
25 shared vehicle driver's or the shared vehicle owner's insurer

1 regarding insurance coverage;

2 (4) the daily rate, fees, and if applicable, any insurance  
3 or protection package costs that are charged to the shared  
4 vehicle owner or the shared vehicle driver.

5 (5) that the shared vehicle owner's motor vehicle liability  
6 insurance may not provide coverage for a shared vehicle.

7 (6) an emergency telephone number to personnel capable of  
8 fielding roadside assistance and other customer service  
9 inquiries.

10 Section 20. Responsibilities.

11 (a) A peer-to-peer car sharing program may not enter into a  
12 car sharing program agreement authorizing an individual to be a  
13 shared vehicle driver unless the individual is duly licensed  
14 under Chapter 6 of the Illinois Vehicle Code or, in the case of  
15 a nonresident, then duly licensed under the laws of the State  
16 or country of the individual's residence unless the State or  
17 country of his residence does not require that a driver be  
18 licensed.

19 (b) A peer-to-peer car sharing program shall keep a record  
20 of the registration number of the shared vehicle, the name and  
21 address of the shared vehicle driver, the number of the  
22 driver's license, if any, of the shared vehicle driver, and the  
23 date and place when and where the license, if any, was issued.  
24 Such record shall be open to inspection by any officer or  
25 designated agent of the Secretary of State.



1           (c) A peer-to-peer car sharing program shall have sole  
2 responsibility for any equipment, such as a GPS system or other  
3 special equipment that is put in or on the vehicle to monitor  
4 or facilitate the car sharing transaction, and shall agree to  
5 indemnify and hold harmless the vehicle owner for any damage to  
6 or theft of such equipment during the sharing period not caused  
7 by the vehicle owner. The peer-to-peer car sharing program has  
8 the right to seek indemnity from the shared vehicle driver for  
9 any loss or damage to such equipment that occurs during the  
10 sharing period.

11           Section 25. Safety recalls.

12           (a) At the time when a vehicle owner registers as a shared  
13 vehicle owner on a peer-to-peer car sharing program and prior  
14 to the time when the shared vehicle owner makes a shared  
15 vehicle available for car sharing on the peer-to-peer car  
16 sharing program, the peer-to-peer car sharing program shall:

17                 (1) verify that the shared vehicle does not have any  
18 safety recalls on the vehicle for which the repairs have  
19 not been made; and

20                 (2) notify the shared vehicle owner of the requirements  
21 under subsection (b) of this Section.

22           (b) If the shared vehicle owner has received an actual  
23 notice of a safety recall on the vehicle, a shared vehicle  
24 owner may not make a vehicle available as a shared vehicle on a  
25 peer-to-peer car sharing program until the safety recall repair

1 has been made.

2 (c) If a shared vehicle owner receives an actual notice of  
3 a safety recall on a shared vehicle while the shared vehicle is  
4 made available on the peer-to-peer car sharing program, the  
5 shared vehicle owner shall remove the shared vehicle as  
6 available on the peer-to-peer car sharing program, as soon as  
7 practicably possible but no later than 72 hours after receiving  
8 the notice of the safety recall and until the safety recall  
9 repair has been made.

10 (d) If a shared vehicle owner receives an actual notice of  
11 a safety recall while the shared vehicle is being used in the  
12 possession of a shared vehicle driver, as soon as practicably  
13 possible but no later than 72 hours after receiving the notice  
14 of the safety recall, the shared vehicle owner shall notify the  
15 peer-to-peer car sharing program about the safety recall so  
16 that the shared vehicle owner may address the safety recall  
17 repair.

18 Section 30. Uniform Traffic Citations.

19 (a) A Uniform Traffic Citation issued under the Automated  
20 Traffic Control Systems in Highway Construction or Maintenance  
21 Zones Act to a peer-to-peer car sharing program, or, shared  
22 vehicle owner, shall be dismissed with respect to the  
23 peer-to-peer car sharing program, or, shared vehicle owner, if:

24 (1) the peer-to-peer car sharing program, or, shared  
25 vehicle owner responds to the Uniform Traffic Citation by

1 submitting, within 30 days of the mailing of the citation,  
2 an affidavit of non-liability stating that, at the time of  
3 the alleged speeding or other traffic violation, the  
4 vehicle was in the custody and control of a shared vehicle  
5 driver under the terms of a car sharing program agreement;  
6 and

7 (2) the driver's license number, name, and last known  
8 address of the shared driver is provided.

9 (b) A Uniform Traffic Citation dismissed with respect to a  
10 peer-to-peer car sharing program, or, shared vehicle owner in  
11 accordance with subsection (a) may then be issued and delivered  
12 by mail or other means to the shared vehicle driver identified  
13 in the affidavit of non-liability.

14 Section 35. The Use Tax Act is amended by changing Section  
15 3-5 as follows:

16 (35 ILCS 105/3-5)

17 Sec. 3-5. Exemptions. Use of the following tangible  
18 personal property is exempt from the tax imposed by this Act:

19 (1) Personal property purchased from a corporation,  
20 society, association, foundation, institution, or  
21 organization, other than a limited liability company, that is  
22 organized and operated as a not-for-profit service enterprise  
23 for the benefit of persons 65 years of age or older if the  
24 personal property was not purchased by the enterprise for the

1 purpose of resale by the enterprise.

2 (2) Personal property purchased by a not-for-profit  
3 Illinois county fair association for use in conducting,  
4 operating, or promoting the county fair.

5 (3) Personal property purchased by a not-for-profit arts or  
6 cultural organization that establishes, by proof required by  
7 the Department by rule, that it has received an exemption under  
8 Section 501(c)(3) of the Internal Revenue Code and that is  
9 organized and operated primarily for the presentation or  
10 support of arts or cultural programming, activities, or  
11 services. These organizations include, but are not limited to,  
12 music and dramatic arts organizations such as symphony  
13 orchestras and theatrical groups, arts and cultural service  
14 organizations, local arts councils, visual arts organizations,  
15 and media arts organizations. On and after July 1, 2001 (the  
16 effective date of Public Act 92-35), however, an entity  
17 otherwise eligible for this exemption shall not make tax-free  
18 purchases unless it has an active identification number issued  
19 by the Department.

20 (4) Personal property purchased by a governmental body, by  
21 a corporation, society, association, foundation, or  
22 institution organized and operated exclusively for charitable,  
23 religious, or educational purposes, or by a not-for-profit  
24 corporation, society, association, foundation, institution, or  
25 organization that has no compensated officers or employees and  
26 that is organized and operated primarily for the recreation of

1 persons 55 years of age or older. A limited liability company  
2 may qualify for the exemption under this paragraph only if the  
3 limited liability company is organized and operated  
4 exclusively for educational purposes. On and after July 1,  
5 1987, however, no entity otherwise eligible for this exemption  
6 shall make tax-free purchases unless it has an active exemption  
7 identification number issued by the Department.

8 (5) Until July 1, 2003, a passenger car that is a  
9 replacement vehicle to the extent that the purchase price of  
10 the car is subject to the Replacement Vehicle Tax.

11 (6) Until July 1, 2003 and beginning again on September 1,  
12 2004 through August 30, 2014, graphic arts machinery and  
13 equipment, including repair and replacement parts, both new and  
14 used, and including that manufactured on special order,  
15 certified by the purchaser to be used primarily for graphic  
16 arts production, and including machinery and equipment  
17 purchased for lease. Equipment includes chemicals or chemicals  
18 acting as catalysts but only if the chemicals or chemicals  
19 acting as catalysts effect a direct and immediate change upon a  
20 graphic arts product. Beginning on July 1, 2017, graphic arts  
21 machinery and equipment is included in the manufacturing and  
22 assembling machinery and equipment exemption under paragraph  
23 (18).

24 (7) Farm chemicals.

25 (8) Legal tender, currency, medallions, or gold or silver  
26 coinage issued by the State of Illinois, the government of the

1 United States of America, or the government of any foreign  
2 country, and bullion.

3 (9) Personal property purchased from a teacher-sponsored  
4 student organization affiliated with an elementary or  
5 secondary school located in Illinois.

6 (10) A motor vehicle that is:

7 (a) used for automobile renting, as defined in the  
8 Automobile Renting Occupation and Use Tax Act; ~~or-~~

9 (b) used exclusively for peer-to-peer car sharing, as  
10 defined in Peer-to-Peer Car Sharing Program Act, if at the  
11 time of purchase, the purchaser makes a formal election to  
12 obtain the tax exemption set forth in this paragraph.

13 Notwithstanding any law, rule, or regulation to the  
14 contrary, any person who elects to accept the tax exemption set  
15 forth in this paragraph thereby irrevocably elects that all  
16 proceeds from the use of the vehicle in automobile renting, as  
17 defined in the Automobile Renting Occupation and Use Tax Act,  
18 or peer-to-peer car sharing, as defined in the Peer-to-Peer Car  
19 Sharing Program Act, are subject to taxation pursuant to:

20 (i) the Retailers' Occupation Tax Act;

21 (ii) the Home Rule County Use Tax Law;

22 (iii) the County Automobile Renting Occupation Tax  
23 Law;

24 (iv) the County Automobile Renting Use Tax Law;

25 (v) the Municipal Automobile Renting Occupation  
26 Tax Act;

1           (vi) the Municipal Automobile Renting Use Tax Act;

2           (vii) Section 13 of the Metropolitan Pier and  
3           Exposition Authority Act;

4           (viii) Section 5.02 of the Local Mass Transit  
5           District Act; and

6           (ix) Section 4.03.1 of the Regional Transportation  
7           Authority Act.

8           A person electing to obtain the exemption set forth in this  
9           paragraph (10) shall annually confirm in writing to the  
10           Department of Revenue that the vehicle is used in automobile  
11           renting, as defined in the Automobile Renting Occupation and  
12           Use Tax Act, or used exclusively for peer-to-peer car sharing,  
13           as defined in the Peer-to-Peer Car Sharing Program Act.

14           The Department of Revenue is authorized to engage in audit,  
15           assessment, and other enforcement activities to ensure  
16           compliance with this paragraph (10).

17           The Department of Revenue is authorized to adopt any other  
18           rules, policies, and procedures to enforce this paragraph (10).

19           (11) Farm machinery and equipment, both new and used,  
20           including that manufactured on special order, certified by the  
21           purchaser to be used primarily for production agriculture or  
22           State or federal agricultural programs, including individual  
23           replacement parts for the machinery and equipment, including  
24           machinery and equipment purchased for lease, and including  
25           implements of husbandry defined in Section 1-130 of the  
26           Illinois Vehicle Code, farm machinery and agricultural

1 chemical and fertilizer spreaders, and nurse wagons required to  
2 be registered under Section 3-809 of the Illinois Vehicle Code,  
3 but excluding other motor vehicles required to be registered  
4 under the Illinois Vehicle Code. Horticultural polyhouses or  
5 hoop houses used for propagating, growing, or overwintering  
6 plants shall be considered farm machinery and equipment under  
7 this item (11). Agricultural chemical tender tanks and dry  
8 boxes shall include units sold separately from a motor vehicle  
9 required to be licensed and units sold mounted on a motor  
10 vehicle required to be licensed if the selling price of the  
11 tender is separately stated.

12 Farm machinery and equipment shall include precision  
13 farming equipment that is installed or purchased to be  
14 installed on farm machinery and equipment including, but not  
15 limited to, tractors, harvesters, sprayers, planters, seeders,  
16 or spreaders. Precision farming equipment includes, but is not  
17 limited to, soil testing sensors, computers, monitors,  
18 software, global positioning and mapping systems, and other  
19 such equipment.

20 Farm machinery and equipment also includes computers,  
21 sensors, software, and related equipment used primarily in the  
22 computer-assisted operation of production agriculture  
23 facilities, equipment, and activities such as, but not limited  
24 to, the collection, monitoring, and correlation of animal and  
25 crop data for the purpose of formulating animal diets and  
26 agricultural chemicals. This item (11) is exempt from the



1 provisions of Section 3-90.

2 (12) Until June 30, 2013, fuel and petroleum products sold  
3 to or used by an air common carrier, certified by the carrier  
4 to be used for consumption, shipment, or storage in the conduct  
5 of its business as an air common carrier, for a flight destined  
6 for or returning from a location or locations outside the  
7 United States without regard to previous or subsequent domestic  
8 stopovers.

9 Beginning July 1, 2013, fuel and petroleum products sold to  
10 or used by an air carrier, certified by the carrier to be used  
11 for consumption, shipment, or storage in the conduct of its  
12 business as an air common carrier, for a flight that (i) is  
13 engaged in foreign trade or is engaged in trade between the  
14 United States and any of its possessions and (ii) transports at  
15 least one individual or package for hire from the city of  
16 origination to the city of final destination on the same  
17 aircraft, without regard to a change in the flight number of  
18 that aircraft.

19 (13) Proceeds of mandatory service charges separately  
20 stated on customers' bills for the purchase and consumption of  
21 food and beverages purchased at retail from a retailer, to the  
22 extent that the proceeds of the service charge are in fact  
23 turned over as tips or as a substitute for tips to the  
24 employees who participate directly in preparing, serving,  
25 hosting or cleaning up the food or beverage function with  
26 respect to which the service charge is imposed.

1           (14) Until July 1, 2003, oil field exploration, drilling,  
2 and production equipment, including (i) rigs and parts of rigs,  
3 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
4 tubular goods, including casing and drill strings, (iii) pumps  
5 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
6 individual replacement part for oil field exploration,  
7 drilling, and production equipment, and (vi) machinery and  
8 equipment purchased for lease; but excluding motor vehicles  
9 required to be registered under the Illinois Vehicle Code.

10           (15) Photoprocessing machinery and equipment, including  
11 repair and replacement parts, both new and used, including that  
12 manufactured on special order, certified by the purchaser to be  
13 used primarily for photoprocessing, and including  
14 photoprocessing machinery and equipment purchased for lease.

15           (16) Until July 1, 2023, coal and aggregate exploration,  
16 mining, off-highway hauling, processing, maintenance, and  
17 reclamation equipment, including replacement parts and  
18 equipment, and including equipment purchased for lease, but  
19 excluding motor vehicles required to be registered under the  
20 Illinois Vehicle Code. The changes made to this Section by  
21 Public Act 97-767 apply on and after July 1, 2003, but no claim  
22 for credit or refund is allowed on or after August 16, 2013  
23 (the effective date of Public Act 98-456) for such taxes paid  
24 during the period beginning July 1, 2003 and ending on August  
25 16, 2013 (the effective date of Public Act 98-456).

26           (17) Until July 1, 2003, distillation machinery and

1 equipment, sold as a unit or kit, assembled or installed by the  
2 retailer, certified by the user to be used only for the  
3 production of ethyl alcohol that will be used for consumption  
4 as motor fuel or as a component of motor fuel for the personal  
5 use of the user, and not subject to sale or resale.

6 (18) Manufacturing and assembling machinery and equipment  
7 used primarily in the process of manufacturing or assembling  
8 tangible personal property for wholesale or retail sale or  
9 lease, whether that sale or lease is made directly by the  
10 manufacturer or by some other person, whether the materials  
11 used in the process are owned by the manufacturer or some other  
12 person, or whether that sale or lease is made apart from or as  
13 an incident to the seller's engaging in the service occupation  
14 of producing machines, tools, dies, jigs, patterns, gauges, or  
15 other similar items of no commercial value on special order for  
16 a particular purchaser. The exemption provided by this  
17 paragraph (18) does not include machinery and equipment used in  
18 (i) the generation of electricity for wholesale or retail sale;  
19 (ii) the generation or treatment of natural or artificial gas  
20 for wholesale or retail sale that is delivered to customers  
21 through pipes, pipelines, or mains; or (iii) the treatment of  
22 water for wholesale or retail sale that is delivered to  
23 customers through pipes, pipelines, or mains. The provisions of  
24 Public Act 98-583 are declaratory of existing law as to the  
25 meaning and scope of this exemption. Beginning on July 1, 2017,  
26 the exemption provided by this paragraph (18) includes, but is

1 not limited to, graphic arts machinery and equipment, as  
2 defined in paragraph (6) of this Section.

3 (19) Personal property delivered to a purchaser or  
4 purchaser's donee inside Illinois when the purchase order for  
5 that personal property was received by a florist located  
6 outside Illinois who has a florist located inside Illinois  
7 deliver the personal property.

8 (20) Semen used for artificial insemination of livestock  
9 for direct agricultural production.

10 (21) Horses, or interests in horses, registered with and  
11 meeting the requirements of any of the Arabian Horse Club  
12 Registry of America, Appaloosa Horse Club, American Quarter  
13 Horse Association, United States Trotting Association, or  
14 Jockey Club, as appropriate, used for purposes of breeding or  
15 racing for prizes. This item (21) is exempt from the provisions  
16 of Section 3-90, and the exemption provided for under this item  
17 (21) applies for all periods beginning May 30, 1995, but no  
18 claim for credit or refund is allowed on or after January 1,  
19 2008 for such taxes paid during the period beginning May 30,  
20 2000 and ending on January 1, 2008.

21 (22) Computers and communications equipment utilized for  
22 any hospital purpose and equipment used in the diagnosis,  
23 analysis, or treatment of hospital patients purchased by a  
24 lessor who leases the equipment, under a lease of one year or  
25 longer executed or in effect at the time the lessor would  
26 otherwise be subject to the tax imposed by this Act, to a

1 hospital that has been issued an active tax exemption  
2 identification number by the Department under Section 1g of the  
3 Retailers' Occupation Tax Act. If the equipment is leased in a  
4 manner that does not qualify for this exemption or is used in  
5 any other non-exempt manner, the lessor shall be liable for the  
6 tax imposed under this Act or the Service Use Tax Act, as the  
7 case may be, based on the fair market value of the property at  
8 the time the non-qualifying use occurs. No lessor shall collect  
9 or attempt to collect an amount (however designated) that  
10 purports to reimburse that lessor for the tax imposed by this  
11 Act or the Service Use Tax Act, as the case may be, if the tax  
12 has not been paid by the lessor. If a lessor improperly  
13 collects any such amount from the lessee, the lessee shall have  
14 a legal right to claim a refund of that amount from the lessor.  
15 If, however, that amount is not refunded to the lessee for any  
16 reason, the lessor is liable to pay that amount to the  
17 Department.

18 (23) Personal property purchased by a lessor who leases the  
19 property, under a lease of one year or longer executed or in  
20 effect at the time the lessor would otherwise be subject to the  
21 tax imposed by this Act, to a governmental body that has been  
22 issued an active sales tax exemption identification number by  
23 the Department under Section 1g of the Retailers' Occupation  
24 Tax Act. If the property is leased in a manner that does not  
25 qualify for this exemption or used in any other non-exempt  
26 manner, the lessor shall be liable for the tax imposed under

1 this Act or the Service Use Tax Act, as the case may be, based  
2 on the fair market value of the property at the time the  
3 non-qualifying use occurs. No lessor shall collect or attempt  
4 to collect an amount (however designated) that purports to  
5 reimburse that lessor for the tax imposed by this Act or the  
6 Service Use Tax Act, as the case may be, if the tax has not been  
7 paid by the lessor. If a lessor improperly collects any such  
8 amount from the lessee, the lessee shall have a legal right to  
9 claim a refund of that amount from the lessor. If, however,  
10 that amount is not refunded to the lessee for any reason, the  
11 lessor is liable to pay that amount to the Department.

12 (24) Beginning with taxable years ending on or after  
13 December 31, 1995 and ending with taxable years ending on or  
14 before December 31, 2004, personal property that is donated for  
15 disaster relief to be used in a State or federally declared  
16 disaster area in Illinois or bordering Illinois by a  
17 manufacturer or retailer that is registered in this State to a  
18 corporation, society, association, foundation, or institution  
19 that has been issued a sales tax exemption identification  
20 number by the Department that assists victims of the disaster  
21 who reside within the declared disaster area.

22 (25) Beginning with taxable years ending on or after  
23 December 31, 1995 and ending with taxable years ending on or  
24 before December 31, 2004, personal property that is used in the  
25 performance of infrastructure repairs in this State, including  
26 but not limited to municipal roads and streets, access roads,

1 bridges, sidewalks, waste disposal systems, water and sewer  
2 line extensions, water distribution and purification  
3 facilities, storm water drainage and retention facilities, and  
4 sewage treatment facilities, resulting from a State or  
5 federally declared disaster in Illinois or bordering Illinois  
6 when such repairs are initiated on facilities located in the  
7 declared disaster area within 6 months after the disaster.

8 (26) Beginning July 1, 1999, game or game birds purchased  
9 at a "game breeding and hunting preserve area" as that term is  
10 used in the Wildlife Code. This paragraph is exempt from the  
11 provisions of Section 3-90.

12 (27) A motor vehicle, as that term is defined in Section  
13 1-146 of the Illinois Vehicle Code, that is donated to a  
14 corporation, limited liability company, society, association,  
15 foundation, or institution that is determined by the Department  
16 to be organized and operated exclusively for educational  
17 purposes. For purposes of this exemption, "a corporation,  
18 limited liability company, society, association, foundation,  
19 or institution organized and operated exclusively for  
20 educational purposes" means all tax-supported public schools,  
21 private schools that offer systematic instruction in useful  
22 branches of learning by methods common to public schools and  
23 that compare favorably in their scope and intensity with the  
24 course of study presented in tax-supported schools, and  
25 vocational or technical schools or institutes organized and  
26 operated exclusively to provide a course of study of not less

1 than 6 weeks duration and designed to prepare individuals to  
2 follow a trade or to pursue a manual, technical, mechanical,  
3 industrial, business, or commercial occupation.

4 (28) Beginning January 1, 2000, personal property,  
5 including food, purchased through fundraising events for the  
6 benefit of a public or private elementary or secondary school,  
7 a group of those schools, or one or more school districts if  
8 the events are sponsored by an entity recognized by the school  
9 district that consists primarily of volunteers and includes  
10 parents and teachers of the school children. This paragraph  
11 does not apply to fundraising events (i) for the benefit of  
12 private home instruction or (ii) for which the fundraising  
13 entity purchases the personal property sold at the events from  
14 another individual or entity that sold the property for the  
15 purpose of resale by the fundraising entity and that profits  
16 from the sale to the fundraising entity. This paragraph is  
17 exempt from the provisions of Section 3-90.

18 (29) Beginning January 1, 2000 and through December 31,  
19 2001, new or used automatic vending machines that prepare and  
20 serve hot food and beverages, including coffee, soup, and other  
21 items, and replacement parts for these machines. Beginning  
22 January 1, 2002 and through June 30, 2003, machines and parts  
23 for machines used in commercial, coin-operated amusement and  
24 vending business if a use or occupation tax is paid on the  
25 gross receipts derived from the use of the commercial,  
26 coin-operated amusement and vending machines. This paragraph



1 is exempt from the provisions of Section 3-90.

2 (30) Beginning January 1, 2001 and through June 30, 2016,  
3 food for human consumption that is to be consumed off the  
4 premises where it is sold (other than alcoholic beverages, soft  
5 drinks, and food that has been prepared for immediate  
6 consumption) and prescription and nonprescription medicines,  
7 drugs, medical appliances, and insulin, urine testing  
8 materials, syringes, and needles used by diabetics, for human  
9 use, when purchased for use by a person receiving medical  
10 assistance under Article V of the Illinois Public Aid Code who  
11 resides in a licensed long-term care facility, as defined in  
12 the Nursing Home Care Act, or in a licensed facility as defined  
13 in the ID/DD Community Care Act, the MC/DD Act, or the  
14 Specialized Mental Health Rehabilitation Act of 2013.

15 (31) Beginning on August 2, 2001 (the effective date of  
16 Public Act 92-227), computers and communications equipment  
17 utilized for any hospital purpose and equipment used in the  
18 diagnosis, analysis, or treatment of hospital patients  
19 purchased by a lessor who leases the equipment, under a lease  
20 of one year or longer executed or in effect at the time the  
21 lessor would otherwise be subject to the tax imposed by this  
22 Act, to a hospital that has been issued an active tax exemption  
23 identification number by the Department under Section 1g of the  
24 Retailers' Occupation Tax Act. If the equipment is leased in a  
25 manner that does not qualify for this exemption or is used in  
26 any other nonexempt manner, the lessor shall be liable for the

1 tax imposed under this Act or the Service Use Tax Act, as the  
2 case may be, based on the fair market value of the property at  
3 the time the nonqualifying use occurs. No lessor shall collect  
4 or attempt to collect an amount (however designated) that  
5 purports to reimburse that lessor for the tax imposed by this  
6 Act or the Service Use Tax Act, as the case may be, if the tax  
7 has not been paid by the lessor. If a lessor improperly  
8 collects any such amount from the lessee, the lessee shall have  
9 a legal right to claim a refund of that amount from the lessor.  
10 If, however, that amount is not refunded to the lessee for any  
11 reason, the lessor is liable to pay that amount to the  
12 Department. This paragraph is exempt from the provisions of  
13 Section 3-90.

14 (32) Beginning on August 2, 2001 (the effective date of  
15 Public Act 92-227), personal property purchased by a lessor who  
16 leases the property, under a lease of one year or longer  
17 executed or in effect at the time the lessor would otherwise be  
18 subject to the tax imposed by this Act, to a governmental body  
19 that has been issued an active sales tax exemption  
20 identification number by the Department under Section 1g of the  
21 Retailers' Occupation Tax Act. If the property is leased in a  
22 manner that does not qualify for this exemption or used in any  
23 other nonexempt manner, the lessor shall be liable for the tax  
24 imposed under this Act or the Service Use Tax Act, as the case  
25 may be, based on the fair market value of the property at the  
26 time the nonqualifying use occurs. No lessor shall collect or

1 attempt to collect an amount (however designated) that purports  
2 to reimburse that lessor for the tax imposed by this Act or the  
3 Service Use Tax Act, as the case may be, if the tax has not been  
4 paid by the lessor. If a lessor improperly collects any such  
5 amount from the lessee, the lessee shall have a legal right to  
6 claim a refund of that amount from the lessor. If, however,  
7 that amount is not refunded to the lessee for any reason, the  
8 lessor is liable to pay that amount to the Department. This  
9 paragraph is exempt from the provisions of Section 3-90.

10 (33) On and after July 1, 2003 and through June 30, 2004,  
11 the use in this State of motor vehicles of the second division  
12 with a gross vehicle weight in excess of 8,000 pounds and that  
13 are subject to the commercial distribution fee imposed under  
14 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July  
15 1, 2004 and through June 30, 2005, the use in this State of  
16 motor vehicles of the second division: (i) with a gross vehicle  
17 weight rating in excess of 8,000 pounds; (ii) that are subject  
18 to the commercial distribution fee imposed under Section  
19 3-815.1 of the Illinois Vehicle Code; and (iii) that are  
20 primarily used for commercial purposes. Through June 30, 2005,  
21 this exemption applies to repair and replacement parts added  
22 after the initial purchase of such a motor vehicle if that  
23 motor vehicle is used in a manner that would qualify for the  
24 rolling stock exemption otherwise provided for in this Act. For  
25 purposes of this paragraph, the term "used for commercial  
26 purposes" means the transportation of persons or property in

1 furtherance of any commercial or industrial enterprise,  
2 whether for-hire or not.

3 (34) Beginning January 1, 2008, tangible personal property  
4 used in the construction or maintenance of a community water  
5 supply, as defined under Section 3.145 of the Environmental  
6 Protection Act, that is operated by a not-for-profit  
7 corporation that holds a valid water supply permit issued under  
8 Title IV of the Environmental Protection Act. This paragraph is  
9 exempt from the provisions of Section 3-90.

10 (35) Beginning January 1, 2010, materials, parts,  
11 equipment, components, and furnishings incorporated into or  
12 upon an aircraft as part of the modification, refurbishment,  
13 completion, replacement, repair, or maintenance of the  
14 aircraft. This exemption includes consumable supplies used in  
15 the modification, refurbishment, completion, replacement,  
16 repair, and maintenance of aircraft, but excludes any  
17 materials, parts, equipment, components, and consumable  
18 supplies used in the modification, replacement, repair, and  
19 maintenance of aircraft engines or power plants, whether such  
20 engines or power plants are installed or uninstalled upon any  
21 such aircraft. "Consumable supplies" include, but are not  
22 limited to, adhesive, tape, sandpaper, general purpose  
23 lubricants, cleaning solution, latex gloves, and protective  
24 films. This exemption applies only to the use of qualifying  
25 tangible personal property by persons who modify, refurbish,  
26 complete, repair, replace, or maintain aircraft and who (i)

1 hold an Air Agency Certificate and are empowered to operate an  
2 approved repair station by the Federal Aviation  
3 Administration, (ii) have a Class IV Rating, and (iii) conduct  
4 operations in accordance with Part 145 of the Federal Aviation  
5 Regulations. The exemption does not include aircraft operated  
6 by a commercial air carrier providing scheduled passenger air  
7 service pursuant to authority issued under Part 121 or Part 129  
8 of the Federal Aviation Regulations. The changes made to this  
9 paragraph (35) by Public Act 98-534 are declarative of existing  
10 law.

11 (36) Tangible personal property purchased by a  
12 public-facilities corporation, as described in Section  
13 11-65-10 of the Illinois Municipal Code, for purposes of  
14 constructing or furnishing a municipal convention hall, but  
15 only if the legal title to the municipal convention hall is  
16 transferred to the municipality without any further  
17 consideration by or on behalf of the municipality at the time  
18 of the completion of the municipal convention hall or upon the  
19 retirement or redemption of any bonds or other debt instruments  
20 issued by the public-facilities corporation in connection with  
21 the development of the municipal convention hall. This  
22 exemption includes existing public-facilities corporations as  
23 provided in Section 11-65-25 of the Illinois Municipal Code.  
24 This paragraph is exempt from the provisions of Section 3-90.

25 (37) Beginning January 1, 2017, menstrual pads, tampons,  
26 and menstrual cups.

1           (38) Merchandise that is subject to the Rental Purchase  
2 Agreement Occupation and Use Tax. The purchaser must certify  
3 that the item is purchased to be rented subject to a rental  
4 purchase agreement, as defined in the Rental Purchase Agreement  
5 Act, and provide proof of registration under the Rental  
6 Purchase Agreement Occupation and Use Tax Act. This paragraph  
7 is exempt from the provisions of Section 3-90.

8           (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
9 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; 100-594, eff.  
10 6-29-18; 100-863, eff. 8-14-18.)

11           Section 40. The Retailers' Occupation Tax Act is amended by  
12 changing Section 2-5 as follows:

13           (35 ILCS 120/2-5)

14           Sec. 2-5. Exemptions. Gross receipts from proceeds from the  
15 sale of the following tangible personal property are exempt  
16 from the tax imposed by this Act:

17           (1) Farm chemicals.

18           (2) Farm machinery and equipment, both new and used,  
19 including that manufactured on special order, certified by  
20 the purchaser to be used primarily for production  
21 agriculture or State or federal agricultural programs,  
22 including individual replacement parts for the machinery  
23 and equipment, including machinery and equipment purchased  
24 for lease, and including implements of husbandry defined in

1 Section 1-130 of the Illinois Vehicle Code, farm machinery  
2 and agricultural chemical and fertilizer spreaders, and  
3 nurse wagons required to be registered under Section 3-809  
4 of the Illinois Vehicle Code, but excluding other motor  
5 vehicles required to be registered under the Illinois  
6 Vehicle Code. Horticultural polyhouses or hoop houses used  
7 for propagating, growing, or overwintering plants shall be  
8 considered farm machinery and equipment under this item  
9 (2). Agricultural chemical tender tanks and dry boxes shall  
10 include units sold separately from a motor vehicle required  
11 to be licensed and units sold mounted on a motor vehicle  
12 required to be licensed, if the selling price of the tender  
13 is separately stated.

14 Farm machinery and equipment shall include precision  
15 farming equipment that is installed or purchased to be  
16 installed on farm machinery and equipment including, but  
17 not limited to, tractors, harvesters, sprayers, planters,  
18 seeders, or spreaders. Precision farming equipment  
19 includes, but is not limited to, soil testing sensors,  
20 computers, monitors, software, global positioning and  
21 mapping systems, and other such equipment.

22 Farm machinery and equipment also includes computers,  
23 sensors, software, and related equipment used primarily in  
24 the computer-assisted operation of production agriculture  
25 facilities, equipment, and activities such as, but not  
26 limited to, the collection, monitoring, and correlation of

1 animal and crop data for the purpose of formulating animal  
2 diets and agricultural chemicals. This item (2) is exempt  
3 from the provisions of Section 2-70.

4 (3) Until July 1, 2003, distillation machinery and  
5 equipment, sold as a unit or kit, assembled or installed by  
6 the retailer, certified by the user to be used only for the  
7 production of ethyl alcohol that will be used for  
8 consumption as motor fuel or as a component of motor fuel  
9 for the personal use of the user, and not subject to sale  
10 or resale.

11 (4) Until July 1, 2003 and beginning again September 1,  
12 2004 through August 30, 2014, graphic arts machinery and  
13 equipment, including repair and replacement parts, both  
14 new and used, and including that manufactured on special  
15 order or purchased for lease, certified by the purchaser to  
16 be used primarily for graphic arts production. Equipment  
17 includes chemicals or chemicals acting as catalysts but  
18 only if the chemicals or chemicals acting as catalysts  
19 effect a direct and immediate change upon a graphic arts  
20 product. Beginning on July 1, 2017, graphic arts machinery  
21 and equipment is included in the manufacturing and  
22 assembling machinery and equipment exemption under  
23 paragraph (14).

24 (5) A motor vehicle that is used:

25 (i) for automobile renting, as defined in the  
26 Automobile Renting Occupation and Use Tax Act; or



1           (ii) exclusively for peer-to-peer car sharing as  
2           defined in the Peer-to-Peer Car Sharing Program Act, if  
3           at the time of purchase, the purchaser makes a formal  
4           election to obtain the tax exemption set forth in this  
5           paragraph (5).

6           Notwithstanding any law, rule, or regulation to the  
7           contrary, any person who elects to accept the tax exemption set  
8           forth in this Section thereby irrevocably elects that all  
9           proceeds from the use of the vehicle in automobile renting, as  
10           defined in the Automobile Renting Occupation and Use Tax Act,  
11           or peer-to-peer car sharing, as defined in the Peer-to-Peer Car  
12           Sharing Program Act, are subject to taxation pursuant to:

13           (i) the Retailers' Occupation Tax Act;

14           (ii) the Home Rule County Use Tax Law;

15           (iii) the County Automobile Renting Occupation Tax  
16           Law;

17           (iv) the County Automobile Renting Use Tax Law;

18           (v) the Municipal Automobile Renting Occupation  
19           Tax Act;

20           (vi) the Municipal Automobile Renting Use Tax Act;

21           (vii) Section 13 of the Metropolitan Pier and  
22           Exposition Authority Act;

23           (viii) Section 5.02 of the Local Mass Transit  
24           District Act; and

25           (ix) Section 4.03.1 of the Regional Transportation  
26           Authority Act.

1           This paragraph is exempt from the provisions of Section  
2 2-70.

3           A person electing to obtain the exemption set forth in this  
4 paragraph (5) shall annually confirm in writing to the  
5 Department of Revenue that the vehicle is used in automobile  
6 renting, as defined in the Automobile Renting Occupation and  
7 Use Tax Act, or exclusively used for peer-to-peer car sharing,  
8 as defined in the Peer-to-Peer Car Sharing Program Act.

9           The Department of Revenue is authorized to engage in audit,  
10 assessment, and other enforcement activities to ensure  
11 compliance with this paragraph (5).

12           The Department of Revenue is authorized to adopt any other  
13 rules, policies, and procedures to enforce this paragraph (5).

14           (6) Personal property sold by a teacher-sponsored  
15 student organization affiliated with an elementary or  
16 secondary school located in Illinois.

17           (7) Until July 1, 2003, proceeds of that portion of the  
18 selling price of a passenger car the sale of which is  
19 subject to the Replacement Vehicle Tax.

20           (8) Personal property sold to an Illinois county fair  
21 association for use in conducting, operating, or promoting  
22 the county fair.

23           (9) Personal property sold to a not-for-profit arts or  
24 cultural organization that establishes, by proof required  
25 by the Department by rule, that it has received an  
26 exemption under Section 501(c)(3) of the Internal Revenue

1 Code and that is organized and operated primarily for the  
2 presentation or support of arts or cultural programming,  
3 activities, or services. These organizations include, but  
4 are not limited to, music and dramatic arts organizations  
5 such as symphony orchestras and theatrical groups, arts and  
6 cultural service organizations, local arts councils,  
7 visual arts organizations, and media arts organizations.  
8 On and after July 1, 2001 (the effective date of Public Act  
9 92-35), however, an entity otherwise eligible for this  
10 exemption shall not make tax-free purchases unless it has  
11 an active identification number issued by the Department.

12 (10) Personal property sold by a corporation, society,  
13 association, foundation, institution, or organization,  
14 other than a limited liability company, that is organized  
15 and operated as a not-for-profit service enterprise for the  
16 benefit of persons 65 years of age or older if the personal  
17 property was not purchased by the enterprise for the  
18 purpose of resale by the enterprise.

19 (11) Personal property sold to a governmental body, to  
20 a corporation, society, association, foundation, or  
21 institution organized and operated exclusively for  
22 charitable, religious, or educational purposes, or to a  
23 not-for-profit corporation, society, association,  
24 foundation, institution, or organization that has no  
25 compensated officers or employees and that is organized and  
26 operated primarily for the recreation of persons 55 years

1 of age or older. A limited liability company may qualify  
2 for the exemption under this paragraph only if the limited  
3 liability company is organized and operated exclusively  
4 for educational purposes. On and after July 1, 1987,  
5 however, no entity otherwise eligible for this exemption  
6 shall make tax-free purchases unless it has an active  
7 identification number issued by the Department.

8 (12) (Blank).

9 (12-5) On and after July 1, 2003 and through June 30,  
10 2004, motor vehicles of the second division with a gross  
11 vehicle weight in excess of 8,000 pounds that are subject  
12 to the commercial distribution fee imposed under Section  
13 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
14 2004 and through June 30, 2005, the use in this State of  
15 motor vehicles of the second division: (i) with a gross  
16 vehicle weight rating in excess of 8,000 pounds; (ii) that  
17 are subject to the commercial distribution fee imposed  
18 under Section 3-815.1 of the Illinois Vehicle Code; and  
19 (iii) that are primarily used for commercial purposes.  
20 Through June 30, 2005, this exemption applies to repair and  
21 replacement parts added after the initial purchase of such  
22 a motor vehicle if that motor vehicle is used in a manner  
23 that would qualify for the rolling stock exemption  
24 otherwise provided for in this Act. For purposes of this  
25 paragraph, "used for commercial purposes" means the  
26 transportation of persons or property in furtherance of any

1 commercial or industrial enterprise whether for-hire or  
2 not.

3 (13) Proceeds from sales to owners, lessors, or  
4 shippers of tangible personal property that is utilized by  
5 interstate carriers for hire for use as rolling stock  
6 moving in interstate commerce and equipment operated by a  
7 telecommunications provider, licensed as a common carrier  
8 by the Federal Communications Commission, which is  
9 permanently installed in or affixed to aircraft moving in  
10 interstate commerce.

11 (14) Machinery and equipment that will be used by the  
12 purchaser, or a lessee of the purchaser, primarily in the  
13 process of manufacturing or assembling tangible personal  
14 property for wholesale or retail sale or lease, whether the  
15 sale or lease is made directly by the manufacturer or by  
16 some other person, whether the materials used in the  
17 process are owned by the manufacturer or some other person,  
18 or whether the sale or lease is made apart from or as an  
19 incident to the seller's engaging in the service occupation  
20 of producing machines, tools, dies, jigs, patterns,  
21 gauges, or other similar items of no commercial value on  
22 special order for a particular purchaser. The exemption  
23 provided by this paragraph (14) does not include machinery  
24 and equipment used in (i) the generation of electricity for  
25 wholesale or retail sale; (ii) the generation or treatment  
26 of natural or artificial gas for wholesale or retail sale

1 that is delivered to customers through pipes, pipelines, or  
2 mains; or (iii) the treatment of water for wholesale or  
3 retail sale that is delivered to customers through pipes,  
4 pipelines, or mains. The provisions of Public Act 98-583  
5 are declaratory of existing law as to the meaning and scope  
6 of this exemption. Beginning on July 1, 2017, the exemption  
7 provided by this paragraph (14) includes, but is not  
8 limited to, graphic arts machinery and equipment, as  
9 defined in paragraph (4) of this Section.

10 (15) Proceeds of mandatory service charges separately  
11 stated on customers' bills for purchase and consumption of  
12 food and beverages, to the extent that the proceeds of the  
13 service charge are in fact turned over as tips or as a  
14 substitute for tips to the employees who participate  
15 directly in preparing, serving, hosting or cleaning up the  
16 food or beverage function with respect to which the service  
17 charge is imposed.

18 (16) Petroleum products sold to a purchaser if the  
19 seller is prohibited by federal law from charging tax to  
20 the purchaser.

21 (17) Tangible personal property sold to a common  
22 carrier by rail or motor that receives the physical  
23 possession of the property in Illinois and that transports  
24 the property, or shares with another common carrier in the  
25 transportation of the property, out of Illinois on a  
26 standard uniform bill of lading showing the seller of the

1 property as the shipper or consignor of the property to a  
2 destination outside Illinois, for use outside Illinois.

3 (18) Legal tender, currency, medallions, or gold or  
4 silver coinage issued by the State of Illinois, the  
5 government of the United States of America, or the  
6 government of any foreign country, and bullion.

7 (19) Until July 1, 2003, oil field exploration,  
8 drilling, and production equipment, including (i) rigs and  
9 parts of rigs, rotary rigs, cable tool rigs, and workover  
10 rigs, (ii) pipe and tubular goods, including casing and  
11 drill strings, (iii) pumps and pump-jack units, (iv)  
12 storage tanks and flow lines, (v) any individual  
13 replacement part for oil field exploration, drilling, and  
14 production equipment, and (vi) machinery and equipment  
15 purchased for lease; but excluding motor vehicles required  
16 to be registered under the Illinois Vehicle Code.

17 (20) Photoprocessing machinery and equipment,  
18 including repair and replacement parts, both new and used,  
19 including that manufactured on special order, certified by  
20 the purchaser to be used primarily for photoprocessing, and  
21 including photoprocessing machinery and equipment  
22 purchased for lease.

23 (21) Until July 1, 2023, coal and aggregate  
24 exploration, mining, off-highway hauling, processing,  
25 maintenance, and reclamation equipment, including  
26 replacement parts and equipment, and including equipment

1 purchased for lease, but excluding motor vehicles required  
2 to be registered under the Illinois Vehicle Code. The  
3 changes made to this Section by Public Act 97-767 apply on  
4 and after July 1, 2003, but no claim for credit or refund  
5 is allowed on or after August 16, 2013 (the effective date  
6 of Public Act 98-456) for such taxes paid during the period  
7 beginning July 1, 2003 and ending on August 16, 2013 (the  
8 effective date of Public Act 98-456).

9 (22) Until June 30, 2013, fuel and petroleum products  
10 sold to or used by an air carrier, certified by the carrier  
11 to be used for consumption, shipment, or storage in the  
12 conduct of its business as an air common carrier, for a  
13 flight destined for or returning from a location or  
14 locations outside the United States without regard to  
15 previous or subsequent domestic stopovers.

16 Beginning July 1, 2013, fuel and petroleum products  
17 sold to or used by an air carrier, certified by the carrier  
18 to be used for consumption, shipment, or storage in the  
19 conduct of its business as an air common carrier, for a  
20 flight that (i) is engaged in foreign trade or is engaged  
21 in trade between the United States and any of its  
22 possessions and (ii) transports at least one individual or  
23 package for hire from the city of origination to the city  
24 of final destination on the same aircraft, without regard  
25 to a change in the flight number of that aircraft.

26 (23) A transaction in which the purchase order is



1 received by a florist who is located outside Illinois, but  
2 who has a florist located in Illinois deliver the property  
3 to the purchaser or the purchaser's donee in Illinois.

4 (24) Fuel consumed or used in the operation of ships,  
5 barges, or vessels that are used primarily in or for the  
6 transportation of property or the conveyance of persons for  
7 hire on rivers bordering on this State if the fuel is  
8 delivered by the seller to the purchaser's barge, ship, or  
9 vessel while it is afloat upon that bordering river.

10 (25) Except as provided in item (25-5) of this Section,  
11 a motor vehicle sold in this State to a nonresident even  
12 though the motor vehicle is delivered to the nonresident in  
13 this State, if the motor vehicle is not to be titled in  
14 this State, and if a drive-away permit is issued to the  
15 motor vehicle as provided in Section 3-603 of the Illinois  
16 Vehicle Code or if the nonresident purchaser has vehicle  
17 registration plates to transfer to the motor vehicle upon  
18 returning to his or her home state. The issuance of the  
19 drive-away permit or having the out-of-state registration  
20 plates to be transferred is prima facie evidence that the  
21 motor vehicle will not be titled in this State.

22 (25-5) The exemption under item (25) does not apply if  
23 the state in which the motor vehicle will be titled does  
24 not allow a reciprocal exemption for a motor vehicle sold  
25 and delivered in that state to an Illinois resident but  
26 titled in Illinois. The tax collected under this Act on the

1 sale of a motor vehicle in this State to a resident of  
2 another state that does not allow a reciprocal exemption  
3 shall be imposed at a rate equal to the state's rate of tax  
4 on taxable property in the state in which the purchaser is  
5 a resident, except that the tax shall not exceed the tax  
6 that would otherwise be imposed under this Act. At the time  
7 of the sale, the purchaser shall execute a statement,  
8 signed under penalty of perjury, of his or her intent to  
9 title the vehicle in the state in which the purchaser is a  
10 resident within 30 days after the sale and of the fact of  
11 the payment to the State of Illinois of tax in an amount  
12 equivalent to the state's rate of tax on taxable property  
13 in his or her state of residence and shall submit the  
14 statement to the appropriate tax collection agency in his  
15 or her state of residence. In addition, the retailer must  
16 retain a signed copy of the statement in his or her  
17 records. Nothing in this item shall be construed to require  
18 the removal of the vehicle from this state following the  
19 filing of an intent to title the vehicle in the purchaser's  
20 state of residence if the purchaser titles the vehicle in  
21 his or her state of residence within 30 days after the date  
22 of sale. The tax collected under this Act in accordance  
23 with this item (25-5) shall be proportionately distributed  
24 as if the tax were collected at the 6.25% general rate  
25 imposed under this Act.

26 (25-7) Beginning on July 1, 2007, no tax is imposed

1 under this Act on the sale of an aircraft, as defined in  
2 Section 3 of the Illinois Aeronautics Act, if all of the  
3 following conditions are met:

4 (1) the aircraft leaves this State within 15 days  
5 after the later of either the issuance of the final  
6 billing for the sale of the aircraft, or the authorized  
7 approval for return to service, completion of the  
8 maintenance record entry, and completion of the test  
9 flight and ground test for inspection, as required by  
10 14 C.F.R. 91.407;

11 (2) the aircraft is not based or registered in this  
12 State after the sale of the aircraft; and

13 (3) the seller retains in his or her books and  
14 records and provides to the Department a signed and  
15 dated certification from the purchaser, on a form  
16 prescribed by the Department, certifying that the  
17 requirements of this item (25-7) are met. The  
18 certificate must also include the name and address of  
19 the purchaser, the address of the location where the  
20 aircraft is to be titled or registered, the address of  
21 the primary physical location of the aircraft, and  
22 other information that the Department may reasonably  
23 require.

24 For purposes of this item (25-7):

25 "Based in this State" means hangared, stored, or  
26 otherwise used, excluding post-sale customizations as

1 defined in this Section, for 10 or more days in each  
2 12-month period immediately following the date of the sale  
3 of the aircraft.

4 "Registered in this State" means an aircraft  
5 registered with the Department of Transportation,  
6 Aeronautics Division, or titled or registered with the  
7 Federal Aviation Administration to an address located in  
8 this State.

9 This paragraph (25-7) is exempt from the provisions of  
10 Section 2-70.

11 (26) Semen used for artificial insemination of  
12 livestock for direct agricultural production.

13 (27) Horses, or interests in horses, registered with  
14 and meeting the requirements of any of the Arabian Horse  
15 Club Registry of America, Appaloosa Horse Club, American  
16 Quarter Horse Association, United States Trotting  
17 Association, or Jockey Club, as appropriate, used for  
18 purposes of breeding or racing for prizes. This item (27)  
19 is exempt from the provisions of Section 2-70, and the  
20 exemption provided for under this item (27) applies for all  
21 periods beginning May 30, 1995, but no claim for credit or  
22 refund is allowed on or after January 1, 2008 (the  
23 effective date of Public Act 95-88) for such taxes paid  
24 during the period beginning May 30, 2000 and ending on  
25 January 1, 2008 (the effective date of Public Act 95-88).

26 (28) Computers and communications equipment utilized

1 for any hospital purpose and equipment used in the  
2 diagnosis, analysis, or treatment of hospital patients  
3 sold to a lessor who leases the equipment, under a lease of  
4 one year or longer executed or in effect at the time of the  
5 purchase, to a hospital that has been issued an active tax  
6 exemption identification number by the Department under  
7 Section 1g of this Act.

8 (29) Personal property sold to a lessor who leases the  
9 property, under a lease of one year or longer executed or  
10 in effect at the time of the purchase, to a governmental  
11 body that has been issued an active tax exemption  
12 identification number by the Department under Section 1g of  
13 this Act.

14 (30) Beginning with taxable years ending on or after  
15 December 31, 1995 and ending with taxable years ending on  
16 or before December 31, 2004, personal property that is  
17 donated for disaster relief to be used in a State or  
18 federally declared disaster area in Illinois or bordering  
19 Illinois by a manufacturer or retailer that is registered  
20 in this State to a corporation, society, association,  
21 foundation, or institution that has been issued a sales tax  
22 exemption identification number by the Department that  
23 assists victims of the disaster who reside within the  
24 declared disaster area.

25 (31) Beginning with taxable years ending on or after  
26 December 31, 1995 and ending with taxable years ending on

1 or before December 31, 2004, personal property that is used  
2 in the performance of infrastructure repairs in this State,  
3 including but not limited to municipal roads and streets,  
4 access roads, bridges, sidewalks, waste disposal systems,  
5 water and sewer line extensions, water distribution and  
6 purification facilities, storm water drainage and  
7 retention facilities, and sewage treatment facilities,  
8 resulting from a State or federally declared disaster in  
9 Illinois or bordering Illinois when such repairs are  
10 initiated on facilities located in the declared disaster  
11 area within 6 months after the disaster.

12 (32) Beginning July 1, 1999, game or game birds sold at  
13 a "game breeding and hunting preserve area" as that term is  
14 used in the Wildlife Code. This paragraph is exempt from  
15 the provisions of Section 2-70.

16 (33) A motor vehicle, as that term is defined in  
17 Section 1-146 of the Illinois Vehicle Code, that is donated  
18 to a corporation, limited liability company, society,  
19 association, foundation, or institution that is determined  
20 by the Department to be organized and operated exclusively  
21 for educational purposes. For purposes of this exemption,  
22 "a corporation, limited liability company, society,  
23 association, foundation, or institution organized and  
24 operated exclusively for educational purposes" means all  
25 tax-supported public schools, private schools that offer  
26 systematic instruction in useful branches of learning by

1 methods common to public schools and that compare favorably  
2 in their scope and intensity with the course of study  
3 presented in tax-supported schools, and vocational or  
4 technical schools or institutes organized and operated  
5 exclusively to provide a course of study of not less than 6  
6 weeks duration and designed to prepare individuals to  
7 follow a trade or to pursue a manual, technical,  
8 mechanical, industrial, business, or commercial  
9 occupation.

10 (34) Beginning January 1, 2000, personal property,  
11 including food, purchased through fundraising events for  
12 the benefit of a public or private elementary or secondary  
13 school, a group of those schools, or one or more school  
14 districts if the events are sponsored by an entity  
15 recognized by the school district that consists primarily  
16 of volunteers and includes parents and teachers of the  
17 school children. This paragraph does not apply to  
18 fundraising events (i) for the benefit of private home  
19 instruction or (ii) for which the fundraising entity  
20 purchases the personal property sold at the events from  
21 another individual or entity that sold the property for the  
22 purpose of resale by the fundraising entity and that  
23 profits from the sale to the fundraising entity. This  
24 paragraph is exempt from the provisions of Section 2-70.

25 (35) Beginning January 1, 2000 and through December 31,  
26 2001, new or used automatic vending machines that prepare

1 and serve hot food and beverages, including coffee, soup,  
2 and other items, and replacement parts for these machines.  
3 Beginning January 1, 2002 and through June 30, 2003,  
4 machines and parts for machines used in commercial,  
5 coin-operated amusement and vending business if a use or  
6 occupation tax is paid on the gross receipts derived from  
7 the use of the commercial, coin-operated amusement and  
8 vending machines. This paragraph is exempt from the  
9 provisions of Section 2-70.

10 (35-5) Beginning August 23, 2001 and through June 30,  
11 2016, food for human consumption that is to be consumed off  
12 the premises where it is sold (other than alcoholic  
13 beverages, soft drinks, and food that has been prepared for  
14 immediate consumption) and prescription and  
15 nonprescription medicines, drugs, medical appliances, and  
16 insulin, urine testing materials, syringes, and needles  
17 used by diabetics, for human use, when purchased for use by  
18 a person receiving medical assistance under Article V of  
19 the Illinois Public Aid Code who resides in a licensed  
20 long-term care facility, as defined in the Nursing Home  
21 Care Act, or a licensed facility as defined in the ID/DD  
22 Community Care Act, the MC/DD Act, or the Specialized  
23 Mental Health Rehabilitation Act of 2013.

24 (36) Beginning August 2, 2001, computers and  
25 communications equipment utilized for any hospital purpose  
26 and equipment used in the diagnosis, analysis, or treatment



1 of hospital patients sold to a lessor who leases the  
2 equipment, under a lease of one year or longer executed or  
3 in effect at the time of the purchase, to a hospital that  
4 has been issued an active tax exemption identification  
5 number by the Department under Section 1g of this Act. This  
6 paragraph is exempt from the provisions of Section 2-70.

7 (37) Beginning August 2, 2001, personal property sold  
8 to a lessor who leases the property, under a lease of one  
9 year or longer executed or in effect at the time of the  
10 purchase, to a governmental body that has been issued an  
11 active tax exemption identification number by the  
12 Department under Section 1g of this Act. This paragraph is  
13 exempt from the provisions of Section 2-70.

14 (38) Beginning on January 1, 2002 and through June 30,  
15 2016, tangible personal property purchased from an  
16 Illinois retailer by a taxpayer engaged in centralized  
17 purchasing activities in Illinois who will, upon receipt of  
18 the property in Illinois, temporarily store the property in  
19 Illinois (i) for the purpose of subsequently transporting  
20 it outside this State for use or consumption thereafter  
21 solely outside this State or (ii) for the purpose of being  
22 processed, fabricated, or manufactured into, attached to,  
23 or incorporated into other tangible personal property to be  
24 transported outside this State and thereafter used or  
25 consumed solely outside this State. The Director of Revenue  
26 shall, pursuant to rules adopted in accordance with the

1 Illinois Administrative Procedure Act, issue a permit to  
2 any taxpayer in good standing with the Department who is  
3 eligible for the exemption under this paragraph (38). The  
4 permit issued under this paragraph (38) shall authorize the  
5 holder, to the extent and in the manner specified in the  
6 rules adopted under this Act, to purchase tangible personal  
7 property from a retailer exempt from the taxes imposed by  
8 this Act. Taxpayers shall maintain all necessary books and  
9 records to substantiate the use and consumption of all such  
10 tangible personal property outside of the State of  
11 Illinois.

12 (39) Beginning January 1, 2008, tangible personal  
13 property used in the construction or maintenance of a  
14 community water supply, as defined under Section 3.145 of  
15 the Environmental Protection Act, that is operated by a  
16 not-for-profit corporation that holds a valid water supply  
17 permit issued under Title IV of the Environmental  
18 Protection Act. This paragraph is exempt from the  
19 provisions of Section 2-70.

20 (40) Beginning January 1, 2010, materials, parts,  
21 equipment, components, and furnishings incorporated into  
22 or upon an aircraft as part of the modification,  
23 refurbishment, completion, replacement, repair, or  
24 maintenance of the aircraft. This exemption includes  
25 consumable supplies used in the modification,  
26 refurbishment, completion, replacement, repair, and

1 maintenance of aircraft, but excludes any materials,  
2 parts, equipment, components, and consumable supplies used  
3 in the modification, replacement, repair, and maintenance  
4 of aircraft engines or power plants, whether such engines  
5 or power plants are installed or uninstalled upon any such  
6 aircraft. "Consumable supplies" include, but are not  
7 limited to, adhesive, tape, sandpaper, general purpose  
8 lubricants, cleaning solution, latex gloves, and  
9 protective films. This exemption applies only to the sale  
10 of qualifying tangible personal property to persons who  
11 modify, refurbish, complete, replace, or maintain an  
12 aircraft and who (i) hold an Air Agency Certificate and are  
13 empowered to operate an approved repair station by the  
14 Federal Aviation Administration, (ii) have a Class IV  
15 Rating, and (iii) conduct operations in accordance with  
16 Part 145 of the Federal Aviation Regulations. The exemption  
17 does not include aircraft operated by a commercial air  
18 carrier providing scheduled passenger air service pursuant  
19 to authority issued under Part 121 or Part 129 of the  
20 Federal Aviation Regulations. The changes made to this  
21 paragraph (40) by Public Act 98-534 are declarative of  
22 existing law.

23 (41) Tangible personal property sold to a  
24 public-facilities corporation, as described in Section  
25 11-65-10 of the Illinois Municipal Code, for purposes of  
26 constructing or furnishing a municipal convention hall,

1 but only if the legal title to the municipal convention  
2 hall is transferred to the municipality without any further  
3 consideration by or on behalf of the municipality at the  
4 time of the completion of the municipal convention hall or  
5 upon the retirement or redemption of any bonds or other  
6 debt instruments issued by the public-facilities  
7 corporation in connection with the development of the  
8 municipal convention hall. This exemption includes  
9 existing public-facilities corporations as provided in  
10 Section 11-65-25 of the Illinois Municipal Code. This  
11 paragraph is exempt from the provisions of Section 2-70.

12 (42) Beginning January 1, 2017, menstrual pads,  
13 tampons, and menstrual cups.

14 (43) Merchandise that is subject to the Rental Purchase  
15 Agreement Occupation and Use Tax. The purchaser must  
16 certify that the item is purchased to be rented subject to  
17 a rental purchase agreement, as defined in the Rental  
18 Purchase Agreement Act, and provide proof of registration  
19 under the Rental Purchase Agreement Occupation and Use Tax  
20 Act. This paragraph is exempt from the provisions of  
21 Section 2-70.

22 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
23 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff.  
24 1-1-18; 100-594, eff. 6-29-18; 100-863, eff. 8-14-18.)

25 Section 45. The Automobile Renting Occupation and Use Tax

1 Act is amended by changing Sections 2 and 3 as follows:

2 (35 ILCS 155/2) (from Ch. 120, par. 1702)

3 Sec. 2. Definitions. "Renting" means any transfer of the  
4 possession or right to possession of an automobile to a user  
5 for a valuable consideration for a period of one year or less,  
6 excluding car sharing conducted through a peer-to-peer car  
7 sharing program as defined in the Peer-to-Peer Car Sharing  
8 Program Act.

9 "Renting" does not include making a charge for the use of  
10 an automobile where the rentor, either himself or through an  
11 agent, furnishes a service of operating an automobile so that  
12 the rentor remains in possession of the automobile, because  
13 this does not constitute a transfer of possession or right to  
14 possession of the automobile.

15 "Renting" does not include the making of a charge by an  
16 automobile dealer for the use of an automobile as a  
17 demonstrator in connection with the dealer's business of  
18 selling, where the charge is merely made to recover the costs  
19 of operating the automobile as a demonstrator and is not  
20 intended as a rental or leasing charge in the ordinary sense.

21 "Automobile" means (1) any motor vehicle of the first  
22 division, or (2) a motor vehicle of the second division which:  
23 (A) is a self-contained motor vehicle designed or permanently  
24 converted to provide living quarters for recreational, camping  
25 or travel use, with direct walk through access to the living

1 quarters from the driver's seat; (B) is of the van  
2 configuration designed for the transportation of not less than  
3 7 nor more than 16 passengers, as defined in Section 1-146 of  
4 the Illinois Vehicle Code; or (C) has a Gross Vehicle Weight  
5 Rating, as defined in Section 1-124.5 of the Illinois Vehicle  
6 Code, of 8,000 pounds or less.

7 "Department" means the Department of Revenue.

8 "Person" means any natural individual, firm, partnership,  
9 association, joint stock company, joint adventure, public or  
10 private corporation, limited liability company, or a receiver,  
11 executor, trustee, conservator or other representative  
12 appointed by order of any court.

13 "Rentor" means any person, firm, corporation or  
14 association engaged in the business of renting or leasing  
15 automobiles to users. For this purpose, the objective of making  
16 a profit is not necessary to make the renting activity a  
17 business "Rentor" does not mean a person, firm, corporation, or  
18 association that facilitates car sharing as part of a  
19 peer-to-peer car sharing program as defined in the Peer-to-Peer  
20 Car Sharing Program Act.

21 "Rentee" means any user to whom the possession, or the  
22 right to possession, of an automobile is transferred for a  
23 valuable consideration for a period of one year or less,  
24 whether paid for by the "rentee" or by someone else.

25 "Gross receipts" from the renting of tangible personal  
26 property or "rent" means the total rental price or leasing

1 price. In the case of rental transactions in which the  
2 consideration is paid to the rentor on an installment basis,  
3 the amounts of such payments shall be included by the rentor in  
4 gross receipts or rent only as and when payments are received  
5 by the rentor.

6 "Gross receipts" does not include receipts received by an  
7 automobile dealer from a manufacturer or service contract  
8 provider for the use of an automobile by a person while that  
9 person's automobile is being repaired by that automobile dealer  
10 and the repair is made pursuant to a manufacturer's warranty or  
11 a service contract where a manufacturer or service contract  
12 provider reimburses that automobile dealer pursuant to a  
13 manufacturer's warranty or a service contract and the  
14 reimbursement is merely made to recover the costs of operating  
15 the automobile as a loaner vehicle.

16 "Rental price" means the consideration for renting or  
17 leasing an automobile valued in money, whether received in  
18 money or otherwise, including cash credits, property and  
19 services, and shall be determined without any deduction on  
20 account of the cost of the property rented, the cost of  
21 materials used, labor or service cost, or any other expense  
22 whatsoever, but does not include charges that are added by a  
23 rentor on account of the rentor's tax liability under this Act  
24 or on account of the rentor's duty to collect, from the rentee,  
25 the tax that is imposed by Section 4 of this Act. The phrase  
26 "rental price" does not include compensation paid to a rentor

1 by a rentee in consideration of the waiver by the rentor of any  
2 right of action or claim against the rentee for loss or damage  
3 to the automobile rented and also does not include a separately  
4 stated charge for insurance or recovery of refueling costs or  
5 other separately stated charges that are not for the use of  
6 tangible personal property.

7 "Peer-to-peer car sharing program" has the meaning  
8 ascribed to it in the Peer-to-Peer Car Sharing Program Act.

9 (Source: P.A. 98-574, eff. 1-1-14.)

10 (35 ILCS 155/3) (from Ch. 120, par. 1703)

11 Sec. 3. Automobile renting and peer-to-peer car sharing.

12 (a) A tax is imposed upon: (i) persons engaged in this  
13 State in the business of renting automobiles in Illinois; and  
14 (ii) upon only those shared vehicle owners engaged in car  
15 sharing conducted through a peer-to-peer car sharing program  
16 whose vehicles used for car sharing are used exclusively for  
17 car sharing and that received the tangible personal property  
18 tax exemption pursuant to subsection (5) of Section 2-5 of the  
19 Retailers' Occupation Tax Act at the rate of 5% of the gross  
20 receipts received from such business. The tax herein imposed  
21 does not apply to the renting of automobiles to or to car  
22 sharing transactions involving any governmental body, nor to  
23 any corporation, society, association, foundation or  
24 institution organized and operated exclusively for charitable,  
25 religious or educational purposes, nor to any not for profit



1 corporation, society, association, foundation, institution or  
2 organization which has no compensated officers or employees and  
3 which is organized and operated primarily for the recreation of  
4 persons 55 years of age or older. The tax herein imposed does  
5 not apply to any person engaged in the renting of automobiles,  
6 or to peer-to-peer car sharing transactions, with respect to  
7 vehicles the purchase of which was subject to taxation pursuant  
8 to Section 2-5 of the Retailer's Occupation Tax Act and Section  
9 3-5 of the Use Tax Act as a result of a purchaser not electing  
10 exemption at the time of purchase. Every person engaged in this  
11 State in the business of renting automobiles and each  
12 peer-to-peer car sharing program shall apply to the Department  
13 (upon a form prescribed and furnished by the Department) for a  
14 certificate of registration under this Act. The certificate of  
15 registration which is issued by the Department to a retailer  
16 under the Retailers' Occupation Tax Act shall permit such  
17 rentor to engage in a business which is taxable under this  
18 Section without registering separately with the Department. A  
19 registered peer-to-peer car sharing program may collect and  
20 remit the taxes imposed by this Section to the Department on  
21 behalf of shared vehicle owners engaged in car sharing  
22 conducted through the registered peer-to-peer car sharing  
23 program.

24 The Department shall have full power to administer and  
25 enforce this Section, to collect all taxes and penalties due  
26 hereunder, to dispose of taxes and penalties so collected in

1 the manner hereinafter provided, and to determine all rights to  
2 credit memoranda, arising on account of the erroneous payment  
3 of tax or penalty hereunder. In the administration of, and  
4 compliance with, this Section, the Department and persons who  
5 are subject to this Section shall have the same rights,  
6 remedies, privileges, immunities, powers and duties, and be  
7 subject to the same conditions, restrictions, limitations,  
8 penalties and definitions of terms, and employ the same modes  
9 of procedure, as are prescribed in Sections 1, 1a, 2 through  
10 2-65 (in respect to all provisions therein other than the State  
11 rate of tax), 2a, 2b, 2c, 3 (except provisions relating to  
12 transaction returns, electronic filing of returns, and quarter  
13 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6,  
14 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12 and 13 of the Retailers'  
15 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
16 Interest Act as fully as if those provisions were set forth  
17 herein.

18 (b) With respect to the tax imposed upon shared vehicle  
19 owners engaged in car sharing conducted through a peer-to-peer  
20 car sharing program, no home rule unit of government has any  
21 authority to impose, pursuant to its home rule jurisdiction, a  
22 tax upon shared vehicle owners engaged in car sharing, whose  
23 vehicles are used exclusively or non-exclusively for  
24 peer-to-peer car sharing, as defined in the Peer-to-Peer Car  
25 Sharing Program Act; however, this tax is applicable with  
26 respect to vehicles purchased by individuals who elected to

1 claim the exemptions set forth in paragraph (5) of Section 2-5  
2 of the Retailer's Occupation Tax Act and paragraph (10) of  
3 Section 3-5 of the Use Tax Act. This Section is a denial and  
4 limitation of home rule powers and functions under subsection  
5 (g) of Section 6 of Article VII of the Illinois Constitution.

6 (Source: P.A. 100-303, eff. 8-24-17.)

7 Section 50. The Renter's Financial Responsibility and  
8 Protection Act is amended by changing Section 10 as follows:

9 (625 ILCS 27/10)

10 Sec. 10. Definitions. As used in this Act:

11 "Rental Company" means a person or entity that rents  
12 private passenger vehicles to the public for 30 days or less.

13 "Rental Company" does not mean a peer-to-peer car sharing  
14 program or shared vehicle owner as defined in the Peer-to-Peer  
15 Car Sharing Program Act.

16 "Renter" means a person or entity that obtains the use of a  
17 private passenger vehicle from a rental company under terms of  
18 a rental agreement.

19 "Rental Agreement" means an agreement for 30 days or less  
20 setting forth the terms and conditions governing the use of a  
21 private passenger vehicle provided by a rental company.

22 "Authorized Driver" means: the renter; the renter's spouse  
23 if the spouse is a licensed driver and satisfies the rental  
24 company's minimum age requirement; the renter's employer,

1 employee, or co-worker if that person is a licensed driver,  
2 satisfies the rental company's minimum age requirement, and at  
3 the time of the rental is engaged in a business activity with  
4 the renter; any person who is expressly listed by the rental  
5 company on the rental agreement as an authorized driver; and  
6 any person driving directly to a medical or police facility  
7 under circumstances reasonably believed to constitute an  
8 emergency and who is a licensed driver.

9 "Damage Waiver" means a rental company's agreement not to  
10 hold an authorized driver liable for all or a part of any  
11 damage to or loss of a rented vehicle for which the renter may  
12 be liable pursuant to Section 6-305.2. "Damage Waiver" shall  
13 encompass within its meaning other similar terms used by rental  
14 companies, such as "Collision Damage Waiver", "Loss Damage  
15 Waiver", "Physical Damage Waiver", and the like.

16 (Source: P.A. 90-113, eff. 7-14-97.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law."