



Sen. Jil Tracy

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1 AMENDMENT TO SENATE BILL 3505

2 AMENDMENT NO. _____. Amend Senate Bill 3505 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Use Tax Act is amended by changing Section
5 3-55 as follows:

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or
8 likely multistate taxation, the tax imposed by this Act does
9 not apply to the use of tangible personal property in this
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal property
12 acquired outside this State by a nonresident individual and
13 brought into this State by the individual for his or her own
14 use while temporarily within this State or while passing
15 through this State.

16 (b) (Blank).

1 (c) The use, in this State, by owners, lessors, or shippers
2 of tangible personal property that is utilized by interstate
3 carriers for hire for use as rolling stock moving in interstate
4 commerce as long as so used by the interstate carriers for
5 hire, and equipment operated by a telecommunications provider,
6 licensed as a common carrier by the Federal Communications
7 Commission, which is permanently installed in or affixed to
8 aircraft moving in interstate commerce.

9 (d) The use, in this State, of tangible personal property
10 that is acquired outside this State and caused to be brought
11 into this State by a person who has already paid a tax in
12 another State in respect to the sale, purchase, or use of that
13 property, to the extent of the amount of the tax properly due
14 and paid in the other State.

15 (e) The temporary storage, in this State, of tangible
16 personal property that is acquired outside this State and that,
17 after being brought into this State and stored here
18 temporarily, is used solely outside this State or is physically
19 attached to or incorporated into other tangible personal
20 property that is used solely outside this State, or is altered
21 by converting, fabricating, manufacturing, printing,
22 processing, or shaping, and, as altered, is used solely outside
23 this State.

24 (f) The temporary storage in this State of building
25 materials and fixtures that are acquired either in this State
26 or outside this State by an Illinois registered combination

1 retailer and construction contractor, and that the purchaser
2 thereafter uses outside this State by incorporating that
3 property into real estate located outside this State.

4 (g) The use or purchase of tangible personal property by a
5 common carrier by rail or motor that receives the physical
6 possession of the property in Illinois, and that transports the
7 property, or shares with another common carrier in the
8 transportation of the property, out of Illinois on a standard
9 uniform bill of lading showing the seller of the property as
10 the shipper or consignor of the property to a destination
11 outside Illinois, for use outside Illinois.

12 (h) Except as provided in subsection (h-1), the use, in
13 this State, of a motor vehicle that was sold in this State to a
14 nonresident, even though the motor vehicle is delivered to the
15 nonresident in this State, if the motor vehicle is not to be
16 titled in this State, and if a drive-away permit is issued to
17 the motor vehicle as provided in Section 3-603 of the Illinois
18 Vehicle Code or if the nonresident purchaser has vehicle
19 registration plates to transfer to the motor vehicle upon
20 returning to his or her home state. The issuance of the
21 drive-away permit or having the out-of-state registration
22 plates to be transferred shall be prima facie evidence that the
23 motor vehicle will not be titled in this State.

24 (h-1) The exemption under subsection (h) does not apply if
25 the state in which the motor vehicle will be titled does not
26 allow a reciprocal exemption for the use in that state of a

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

1 (h-2) The following exemptions apply with respect to
2 certain aircraft:

3 (1) Beginning on July 1, 2007, no tax is imposed under
4 this Act on the purchase of an aircraft, as defined in
5 Section 3 of the Illinois Aeronautics Act, if all of the
6 following conditions are met:

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

14 (B) the aircraft is not based or registered in this
15 State after the purchase of the aircraft; and

16 (C) the purchaser provides the Department with a
17 signed and dated certification, on a form prescribed by
18 the Department, certifying that the requirements of
19 this item (1) are met. The certificate must also
20 include the name and address of the purchaser, the
21 address of the location where the aircraft is to be
22 titled or registered, the address of the primary
23 physical location of the aircraft, and other
24 information that the Department may reasonably
25 require.

26 (2) Beginning on July 1, 2007, no tax is imposed under

1 this Act on the use of an aircraft, as defined in Section 3
2 of the Illinois Aeronautics Act, that is temporarily
3 located in this State for the purpose of a prepurchase
4 evaluation if all of the following conditions are met:

5 (A) the aircraft is not based or registered in this
6 State after the prepurchase evaluation; and

7 (B) the purchaser provides the Department with a
8 signed and dated certification, on a form prescribed by
9 the Department, certifying that the requirements of
10 this item (2) are met. The certificate must also
11 include the name and address of the purchaser, the
12 address of the location where the aircraft is to be
13 titled or registered, the address of the primary
14 physical location of the aircraft, and other
15 information that the Department may reasonably
16 require.

17 (3) Beginning on July 1, 2007, no tax is imposed under
18 this Act on the use of an aircraft, as defined in Section 3
19 of the Illinois Aeronautics Act, that is temporarily
20 located in this State for the purpose of a post-sale
21 customization if all of the following conditions are met:

22 (A) the aircraft leaves this State within 15 days
23 after the authorized approval for return to service,
24 completion of the maintenance record entry, and
25 completion of the test flight and ground test for
26 inspection, as required by 14 C.F.R. 91.407;

1 (B) the aircraft is not based or registered in this
2 State either before or after the post-sale
3 customization; and

4 (C) the purchaser provides the Department with a
5 signed and dated certification, on a form prescribed by
6 the Department, certifying that the requirements of
7 this item (3) are met. The certificate must also
8 include the name and address of the purchaser, the
9 address of the location where the aircraft is to be
10 titled or registered, the address of the primary
11 physical location of the aircraft, and other
12 information that the Department may reasonably
13 require.

14 If tax becomes due under this subsection (h-2) because of
15 the purchaser's use of the aircraft in this State, the
16 purchaser shall file a return with the Department and pay the
17 tax on the fair market value of the aircraft. This return and
18 payment of the tax must be made no later than 30 days after the
19 aircraft is used in a taxable manner in this State. The tax is
20 based on the fair market value of the aircraft on the date that
21 it is first used in a taxable manner in this State.

22 For purposes of this subsection (h-2):

23 "Based in this State" means hangared, stored, or otherwise
24 used, excluding post-sale customizations as defined in this
25 Section, for 10 or more days in each 12-month period
26 immediately following the date of the sale of the aircraft.

1 "Post-sale customization" means any improvement,
2 maintenance, or repair that is performed on an aircraft
3 following a transfer of ownership of the aircraft.

4 "Prepurchase evaluation" means an examination of an
5 aircraft to provide a potential purchaser with information
6 relevant to the potential purchase.

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

11 This subsection (h-2) is exempt from the provisions of
12 Section 3-90.

13 (i) Beginning July 1, 1999, the use, in this State, of fuel
14 acquired outside this State and brought into this State in the
15 fuel supply tanks of locomotives engaged in freight hauling and
16 passenger service for interstate commerce. This subsection is
17 exempt from the provisions of Section 3-90.

18 (j) Beginning on January 1, 2002 and through June 30, 2016,
19 and beginning again on the first day of the first month to
20 occur on or after the effective date of this amendatory Act of
21 the 100th General Assembly and through June 30, 2021, the use
22 of tangible personal property purchased from an Illinois
23 retailer by a taxpayer engaged in centralized purchasing
24 activities in Illinois who will, upon receipt of the property
25 in Illinois, temporarily store the property in Illinois (i) for
26 the purpose of subsequently transporting it outside this State

1 for use or consumption thereafter solely outside this State or
2 (ii) for the purpose of being processed, fabricated, or
3 manufactured into, attached to, or incorporated into other
4 tangible personal property to be transported outside this State
5 and thereafter used or consumed solely outside this State. The
6 Director of Revenue shall, pursuant to rules adopted in
7 accordance with the Illinois Administrative Procedure Act,
8 issue a permit to any taxpayer in good standing with the
9 Department who is eligible for the exemption under this
10 subsection (j). The permit issued under this subsection (j)
11 shall authorize the holder, to the extent and in the manner
12 specified in the rules adopted under this Act, to purchase
13 tangible personal property from a retailer exempt from the
14 taxes imposed by this Act. Taxpayers shall maintain all
15 necessary books and records to substantiate the use and
16 consumption of all such tangible personal property outside of
17 the State of Illinois.

18 (Source: P.A. 100-321, eff. 8-24-17.)

19 Section 10. The Service Use Tax Act is amended by changing
20 Section 3-45 as follows:

21 (35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

22 Sec. 3-45. Multistate exemption. To prevent actual or
23 likely multistate taxation, the tax imposed by this Act does
24 not apply to the use of tangible personal property in this

1 State under the following circumstances:

2 (a) The use, in this State, of property acquired outside
3 this State by a nonresident individual and brought into this
4 State by the individual for his or her own use while
5 temporarily within this State or while passing through this
6 State.

7 (b) The use, in this State, of property that is acquired
8 outside this State and that is moved into this State for use as
9 rolling stock moving in interstate commerce.

10 (c) The use, in this State, of property that is acquired
11 outside this State and caused to be brought into this State by
12 a person who has already paid a tax in another state in respect
13 to the sale, purchase, or use of that property, to the extent
14 of the amount of the tax properly due and paid in the other
15 state.

16 (d) The temporary storage, in this State, of property that
17 is acquired outside this State and that after being brought
18 into this State and stored here temporarily, is used solely
19 outside this State or is physically attached to or incorporated
20 into other property that is used solely outside this State, or
21 is altered by converting, fabricating, manufacturing,
22 printing, processing, or shaping, and, as altered, is used
23 solely outside this State.

24 (e) Beginning July 1, 1999, the use, in this State, of fuel
25 acquired outside this State and brought into this State in the
26 fuel supply tanks of locomotives engaged in freight hauling and

1 passenger service for interstate commerce. This subsection is
2 exempt from the provisions of Section 3-75.

3 (f) Beginning on January 1, 2002 and through June 30, 2016,
4 and beginning again on the first day of the first month to
5 occur on or after the effective date of this amendatory Act of
6 the 100th General Assembly and through June 30, 2021, the use
7 of tangible personal property purchased from an Illinois
8 retailer by a taxpayer engaged in centralized purchasing
9 activities in Illinois who will, upon receipt of the property
10 in Illinois, temporarily store the property in Illinois (i) for
11 the purpose of subsequently transporting it outside this State
12 for use or consumption thereafter solely outside this State or
13 (ii) for the purpose of being processed, fabricated, or
14 manufactured into, attached to, or incorporated into other
15 tangible personal property to be transported outside this State
16 and thereafter used or consumed solely outside this State. The
17 Director of Revenue shall, pursuant to rules adopted in
18 accordance with the Illinois Administrative Procedure Act,
19 issue a permit to any taxpayer in good standing with the
20 Department who is eligible for the exemption under this
21 subsection (f). The permit issued under this subsection (f)
22 shall authorize the holder, to the extent and in the manner
23 specified in the rules adopted under this Act, to purchase
24 tangible personal property from a retailer exempt from the
25 taxes imposed by this Act. Taxpayers shall maintain all
26 necessary books and records to substantiate the use and

1 consumption of all such tangible personal property outside of
2 the State of Illinois.

3 (Source: P.A. 97-73, eff. 6-30-11.)

4 Section 15. The Service Occupation Tax Act is amended by
5 changing Section 3-5 as follows:

6 (35 ILCS 115/3-5)

7 Sec. 3-5. Exemptions. The following tangible personal
8 property is exempt from the tax imposed by this Act:

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

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

19 (3) Personal property purchased by any not-for-profit arts
20 or cultural organization that establishes, by proof required by
21 the Department by rule, that it has received an exemption under
22 Section 501(c)(3) of the Internal Revenue Code and that is
23 organized and operated primarily for the presentation or
24 support of arts or cultural programming, activities, or

1 services. These organizations include, but are not limited to,
2 music and dramatic arts organizations such as symphony
3 orchestras and theatrical groups, arts and cultural service
4 organizations, local arts councils, visual arts organizations,
5 and media arts organizations. On and after the effective date
6 of this amendatory Act of the 92nd General Assembly, however,
7 an entity otherwise eligible for this exemption shall not make
8 tax-free purchases unless it has an active identification
9 number issued by the Department.

10 (4) Legal tender, currency, medallions, or gold or silver
11 coinage issued by the State of Illinois, the government of the
12 United States of America, or the government of any foreign
13 country, and bullion.

14 (5) Until July 1, 2003 and beginning again on September 1,
15 2004 through August 30, 2014, graphic arts machinery and
16 equipment, including repair and replacement parts, both new and
17 used, and including that manufactured on special order or
18 purchased for lease, certified by the purchaser to be used
19 primarily for graphic arts production. Equipment includes
20 chemicals or chemicals acting as catalysts but only if the
21 chemicals or chemicals acting as catalysts effect a direct and
22 immediate change upon a graphic arts product. Beginning on July
23 1, 2017, graphic arts machinery and equipment is included in
24 the manufacturing and assembling machinery and equipment
25 exemption under Section 2 of this Act.

26 (6) Personal property sold by a teacher-sponsored student

1 organization affiliated with an elementary or secondary school
2 located in Illinois.

3 (7) Farm machinery and equipment, both new and used,
4 including that manufactured on special order, certified by the
5 purchaser to be used primarily for production agriculture or
6 State or federal agricultural programs, including individual
7 replacement parts for the machinery and equipment, including
8 machinery and equipment purchased for lease, and including
9 implements of husbandry defined in Section 1-130 of the
10 Illinois Vehicle Code, farm machinery and agricultural
11 chemical and fertilizer spreaders, and nurse wagons required to
12 be registered under Section 3-809 of the Illinois Vehicle Code,
13 but excluding other motor vehicles required to be registered
14 under the Illinois Vehicle Code. Horticultural polyhouses or
15 hoop houses used for propagating, growing, or overwintering
16 plants shall be considered farm machinery and equipment under
17 this item (7). Agricultural chemical tender tanks and dry boxes
18 shall include units sold separately from a motor vehicle
19 required to be licensed and units sold mounted on a motor
20 vehicle required to be licensed if the selling price of the
21 tender is separately stated.

22 Farm machinery and equipment shall include precision
23 farming equipment that is installed or purchased to be
24 installed on farm machinery and equipment including, but not
25 limited to, tractors, harvesters, sprayers, planters, seeders,
26 or spreaders. Precision farming equipment includes, but is not

1 limited to, soil testing sensors, computers, monitors,
2 software, global positioning and mapping systems, and other
3 such equipment.

4 Farm machinery and equipment also includes computers,
5 sensors, software, and related equipment used primarily in the
6 computer-assisted operation of production agriculture
7 facilities, equipment, and activities such as, but not limited
8 to, the collection, monitoring, and correlation of animal and
9 crop data for the purpose of formulating animal diets and
10 agricultural chemicals. This item (7) is exempt from the
11 provisions of Section 3-55.

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

19 Beginning July 1, 2013, fuel and petroleum products sold to
20 or used by an air carrier, certified by the carrier to be used
21 for consumption, shipment, or storage in the conduct of its
22 business as an air common carrier, for a flight that (i) is
23 engaged in foreign trade or is engaged in trade between the
24 United States and any of its possessions and (ii) transports at
25 least one individual or package for hire from the city of
26 origination to the city of final destination on the same

1 aircraft, without regard to a change in the flight number of
2 that aircraft.

3 (9) Proceeds of mandatory service charges separately
4 stated on customers' bills for the purchase and consumption of
5 food and beverages, to the extent that the proceeds of the
6 service charge are in fact turned over as tips or as a
7 substitute for tips to the employees who participate directly
8 in preparing, serving, hosting or cleaning up the food or
9 beverage function with respect to which the service charge is
10 imposed.

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

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

25 (12) Coal and aggregate exploration, mining, off-highway
26 hauling, processing, maintenance, and reclamation equipment,

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

10 (13) Beginning January 1, 1992 and through June 30, 2016,
11 food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic beverages, soft
13 drinks and food that has been prepared for immediate
14 consumption) and prescription and non-prescription medicines,
15 drugs, medical appliances, and insulin, urine testing
16 materials, syringes, and needles used by diabetics, for human
17 use, when purchased for use by a person receiving medical
18 assistance under Article V of the Illinois Public Aid Code who
19 resides in a licensed long-term care facility, as defined in
20 the Nursing Home Care Act, or in a licensed facility as defined
21 in the ID/DD Community Care Act, the MC/DD Act, or the
22 Specialized Mental Health Rehabilitation Act of 2013.

23 (14) Semen used for artificial insemination of livestock
24 for direct agricultural production.

25 (15) Horses, or interests in horses, registered with and
26 meeting the requirements of any of the Arabian Horse Club

1 Registry of America, Appaloosa Horse Club, American Quarter
2 Horse Association, United States Trotting Association, or
3 Jockey Club, as appropriate, used for purposes of breeding or
4 racing for prizes. This item (15) is exempt from the provisions
5 of Section 3-55, and the exemption provided for under this item
6 (15) applies for all periods beginning May 30, 1995, but no
7 claim for credit or refund is allowed on or after January 1,
8 2008 (the effective date of Public Act 95-88) for such taxes
9 paid during the period beginning May 30, 2000 and ending on
10 January 1, 2008 (the effective date of Public Act 95-88).

11 (16) Computers and communications equipment utilized for
12 any hospital purpose and equipment used in the diagnosis,
13 analysis, or treatment of hospital patients sold to a lessor
14 who leases the equipment, under a lease of one year or longer
15 executed or in effect at the time of the purchase, to a
16 hospital that has been issued an active tax exemption
17 identification number by the Department under Section 1g of the
18 Retailers' Occupation Tax Act.

19 (17) Personal property sold to a lessor who leases the
20 property, under a lease of one year or longer executed or in
21 effect at the time of the purchase, to a governmental body that
22 has been issued an active tax exemption identification number
23 by the Department under Section 1g of the Retailers' Occupation
24 Tax Act.

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

1 before December 31, 2004, personal property that is donated for
2 disaster relief to be used in a State or federally declared
3 disaster area in Illinois or bordering Illinois by a
4 manufacturer or retailer that is registered in this State to a
5 corporation, society, association, foundation, or institution
6 that has been issued a sales tax exemption identification
7 number by the Department that assists victims of the disaster
8 who reside within the declared disaster area.

9 (19) Beginning with taxable years ending on or after
10 December 31, 1995 and ending with taxable years ending on or
11 before December 31, 2004, personal property that is used in the
12 performance of infrastructure repairs in this State, including
13 but not limited to municipal roads and streets, access roads,
14 bridges, sidewalks, waste disposal systems, water and sewer
15 line extensions, water distribution and purification
16 facilities, storm water drainage and retention facilities, and
17 sewage treatment facilities, resulting from a State or
18 federally declared disaster in Illinois or bordering Illinois
19 when such repairs are initiated on facilities located in the
20 declared disaster area within 6 months after the disaster.

21 (20) Beginning July 1, 1999, game or game birds sold at a
22 "game breeding and hunting preserve area" as that term is used
23 in the Wildlife Code. This paragraph is exempt from the
24 provisions of Section 3-55.

25 (21) A motor vehicle, as that term is defined in Section
26 1-146 of the Illinois Vehicle Code, that is donated to a

1 corporation, limited liability company, society, association,
2 foundation, or institution that is determined by the Department
3 to be organized and operated exclusively for educational
4 purposes. For purposes of this exemption, "a corporation,
5 limited liability company, society, association, foundation,
6 or institution organized and operated exclusively for
7 educational purposes" means all tax-supported public schools,
8 private schools that offer systematic instruction in useful
9 branches of learning by methods common to public schools and
10 that compare favorably in their scope and intensity with the
11 course of study presented in tax-supported schools, and
12 vocational or technical schools or institutes organized and
13 operated exclusively to provide a course of study of not less
14 than 6 weeks duration and designed to prepare individuals to
15 follow a trade or to pursue a manual, technical, mechanical,
16 industrial, business, or commercial occupation.

17 (22) Beginning January 1, 2000, personal property,
18 including food, purchased through fundraising events for the
19 benefit of a public or private elementary or secondary school,
20 a group of those schools, or one or more school districts if
21 the events are sponsored by an entity recognized by the school
22 district that consists primarily of volunteers and includes
23 parents and teachers of the school children. This paragraph
24 does not apply to fundraising events (i) for the benefit of
25 private home instruction or (ii) for which the fundraising
26 entity purchases the personal property sold at the events from

1 another individual or entity that sold the property for the
2 purpose of resale by the fundraising entity and that profits
3 from the sale to the fundraising entity. This paragraph is
4 exempt from the provisions of Section 3-55.

5 (23) Beginning January 1, 2000 and through December 31,
6 2001, new or used automatic vending machines that prepare and
7 serve hot food and beverages, including coffee, soup, and other
8 items, and replacement parts for these machines. Beginning
9 January 1, 2002 and through June 30, 2003, machines and parts
10 for machines used in commercial, coin-operated amusement and
11 vending business if a use or occupation tax is paid on the
12 gross receipts derived from the use of the commercial,
13 coin-operated amusement and vending machines. This paragraph
14 is exempt from the provisions of Section 3-55.

15 (24) Beginning on the effective date of this amendatory Act
16 of the 92nd General Assembly, computers and communications
17 equipment utilized for any hospital purpose and equipment used
18 in the diagnosis, analysis, or treatment of hospital patients
19 sold to a lessor who leases the equipment, under a lease of one
20 year or longer executed or in effect at the time of the
21 purchase, to a hospital that has been issued an active tax
22 exemption identification number by the Department under
23 Section 1g of the Retailers' Occupation Tax Act. This paragraph
24 is exempt from the provisions of Section 3-55.

25 (25) Beginning on the effective date of this amendatory Act
26 of the 92nd General Assembly, personal property sold to a

1 lessor who leases the property, under a lease of one year or
2 longer executed or in effect at the time of the purchase, to a
3 governmental body that has been issued an active tax exemption
4 identification number by the Department under Section 1g of the
5 Retailers' Occupation Tax Act. This paragraph is exempt from
6 the provisions of Section 3-55.

7 (26) Beginning on January 1, 2002 and through June 30,
8 2016, and beginning again on the first day of the first month
9 to occur on or after the effective date of this amendatory Act
10 of the 100th General Assembly and through June 30, 2021,
11 tangible personal property purchased from an Illinois retailer
12 by a taxpayer engaged in centralized purchasing activities in
13 Illinois who will, upon receipt of the property in Illinois,
14 temporarily store the property in Illinois (i) for the purpose
15 of subsequently transporting it outside this State for use or
16 consumption thereafter solely outside this State or (ii) for
17 the purpose of being processed, fabricated, or manufactured
18 into, attached to, or incorporated into other tangible personal
19 property to be transported outside this State and thereafter
20 used or consumed solely outside this State. The Director of
21 Revenue shall, pursuant to rules adopted in accordance with the
22 Illinois Administrative Procedure Act, issue a permit to any
23 taxpayer in good standing with the Department who is eligible
24 for the exemption under this paragraph (26). The permit issued
25 under this paragraph (26) shall authorize the holder, to the
26 extent and in the manner specified in the rules adopted under

1 this Act, to purchase tangible personal property from a
2 retailer exempt from the taxes imposed by this Act. Taxpayers
3 shall maintain all necessary books and records to substantiate
4 the use and consumption of all such tangible personal property
5 outside of the State of Illinois.

6 (27) Beginning January 1, 2008, tangible personal property
7 used in the construction or maintenance of a community water
8 supply, as defined under Section 3.145 of the Environmental
9 Protection Act, that is operated by a not-for-profit
10 corporation that holds a valid water supply permit issued under
11 Title IV of the Environmental Protection Act. This paragraph is
12 exempt from the provisions of Section 3-55.

13 (28) Tangible personal property sold to a
14 public-facilities corporation, as described in Section
15 11-65-10 of the Illinois Municipal Code, for purposes of
16 constructing or furnishing a municipal convention hall, but
17 only if the legal title to the municipal convention hall is
18 transferred to the municipality without any further
19 consideration by or on behalf of the municipality at the time
20 of the completion of the municipal convention hall or upon the
21 retirement or redemption of any bonds or other debt instruments
22 issued by the public-facilities corporation in connection with
23 the development of the municipal convention hall. This
24 exemption includes existing public-facilities corporations as
25 provided in Section 11-65-25 of the Illinois Municipal Code.
26 This paragraph is exempt from the provisions of Section 3-55.

1 (29) Beginning January 1, 2010, materials, parts,
2 equipment, components, and furnishings incorporated into or
3 upon an aircraft as part of the modification, refurbishment,
4 completion, replacement, repair, or maintenance of the
5 aircraft. This exemption includes consumable supplies used in
6 the modification, refurbishment, completion, replacement,
7 repair, and maintenance of aircraft, but excludes any
8 materials, parts, equipment, components, and consumable
9 supplies used in the modification, replacement, repair, and
10 maintenance of aircraft engines or power plants, whether such
11 engines or power plants are installed or uninstalled upon any
12 such aircraft. "Consumable supplies" include, but are not
13 limited to, adhesive, tape, sandpaper, general purpose
14 lubricants, cleaning solution, latex gloves, and protective
15 films. This exemption applies only to the transfer of
16 qualifying tangible personal property incident to the
17 modification, refurbishment, completion, replacement, repair,
18 or maintenance of an aircraft by persons who (i) hold an Air
19 Agency Certificate and are empowered to operate an approved
20 repair station by the Federal Aviation Administration, (ii)
21 have a Class IV Rating, and (iii) conduct operations in
22 accordance with Part 145 of the Federal Aviation Regulations.
23 The exemption does not include aircraft operated by a
24 commercial air carrier providing scheduled passenger air
25 service pursuant to authority issued under Part 121 or Part 129
26 of the Federal Aviation Regulations. The changes made to this

1 paragraph (29) by Public Act 98-534 are declarative of existing
2 law.

3 (30) Beginning January 1, 2017, menstrual pads, tampons,
4 and menstrual cups.

5 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;
6 100-22, eff. 7-6-17.)

7 Section 20. The Retailers' Occupation Tax Act is amended by
8 changing Section 2-5 as follows:

9 (35 ILCS 120/2-5)

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

13 (1) Farm chemicals.

14 (2) Farm machinery and equipment, both new and used,
15 including that manufactured on special order, certified by
16 the purchaser to be used primarily for production
17 agriculture or State or federal agricultural programs,
18 including individual replacement parts for the machinery
19 and equipment, including machinery and equipment purchased
20 for lease, and including implements of husbandry defined in
21 Section 1-130 of the Illinois Vehicle Code, farm machinery
22 and agricultural chemical and fertilizer spreaders, and
23 nurse wagons required to be registered under Section 3-809
24 of the Illinois Vehicle Code, but excluding other motor

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

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

18 Farm machinery and equipment also includes computers,
19 sensors, software, and related equipment used primarily in
20 the computer-assisted operation of production agriculture
21 facilities, equipment, and activities such as, but not
22 limited to, the collection, monitoring, and correlation of
23 animal and crop data for the purpose of formulating animal
24 diets and agricultural chemicals. This item (2) is exempt
25 from the provisions of Section 2-70.

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

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

7 (4) Until July 1, 2003 and beginning again September 1,
8 2004 through August 30, 2014, graphic arts machinery and
9 equipment, including repair and replacement parts, both
10 new and used, and including that manufactured on special
11 order or purchased for lease, certified by the purchaser to
12 be used primarily for graphic arts production. Equipment
13 includes chemicals or chemicals acting as catalysts but
14 only if the chemicals or chemicals acting as catalysts
15 effect a direct and immediate change upon a graphic arts
16 product. Beginning on July 1, 2017, graphic arts machinery
17 and equipment is included in the manufacturing and
18 assembling machinery and equipment exemption under
19 paragraph (14).

20 (5) A motor vehicle that is used for automobile
21 renting, as defined in the Automobile Renting Occupation
22 and Use Tax Act. This paragraph is exempt from the
23 provisions of Section 2-70.

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

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

4 (8) Personal property sold to an Illinois county fair
5 association for use in conducting, operating, or promoting
6 the county fair.

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

23 (10) Personal property sold by a corporation, society,
24 association, foundation, institution, or organization,
25 other than a limited liability company, that is organized
26 and operated as a not-for-profit service enterprise for the

1 benefit of persons 65 years of age or older if the personal
2 property was not purchased by the enterprise for the
3 purpose of resale by the enterprise.

4 (11) Personal property sold to a governmental body, to
5 a corporation, society, association, foundation, or
6 institution organized and operated exclusively for
7 charitable, religious, or educational purposes, or to a
8 not-for-profit corporation, society, association,
9 foundation, institution, or organization that has no
10 compensated officers or employees and that is organized and
11 operated primarily for the recreation of persons 55 years
12 of age or older. A limited liability company may qualify
13 for the exemption under this paragraph only if the limited
14 liability company is organized and operated exclusively
15 for educational purposes. On and after July 1, 1987,
16 however, no entity otherwise eligible for this exemption
17 shall make tax-free purchases unless it has an active
18 identification number issued by the Department.

19 (12) (Blank).

20 (12-5) On and after July 1, 2003 and through June 30,
21 2004, motor vehicles of the second division with a gross
22 vehicle weight in excess of 8,000 pounds that are subject
23 to the commercial distribution fee imposed under Section
24 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
25 2004 and through June 30, 2005, the use in this State of
26 motor vehicles of the second division: (i) with a gross

1 vehicle weight rating in excess of 8,000 pounds; (ii) that
2 are subject to the commercial distribution fee imposed
3 under Section 3-815.1 of the Illinois Vehicle Code; and
4 (iii) that are primarily used for commercial purposes.
5 Through June 30, 2005, this exemption applies to repair and
6 replacement parts added after the initial purchase of such
7 a motor vehicle if that motor vehicle is used in a manner
8 that would qualify for the rolling stock exemption
9 otherwise provided for in this Act. For purposes of this
10 paragraph, "used for commercial purposes" means the
11 transportation of persons or property in furtherance of any
12 commercial or industrial enterprise whether for-hire or
13 not.

14 (13) Proceeds from sales to owners, lessors, or
15 shippers of tangible personal property that is utilized by
16 interstate carriers for hire for use as rolling stock
17 moving in interstate commerce and equipment operated by a
18 telecommunications provider, licensed as a common carrier
19 by the Federal Communications Commission, which is
20 permanently installed in or affixed to aircraft moving in
21 interstate commerce.

22 (14) Machinery and equipment that will be used by the
23 purchaser, or a lessee of the purchaser, primarily in the
24 process of manufacturing or assembling tangible personal
25 property for wholesale or retail sale or lease, whether the
26 sale or lease is made directly by the manufacturer or by

1 some other person, whether the materials used in the
2 process are owned by the manufacturer or some other person,
3 or whether the sale or lease is made apart from or as an
4 incident to the seller's engaging in the service occupation
5 of producing machines, tools, dies, jigs, patterns,
6 gauges, or other similar items of no commercial value on
7 special order for a particular purchaser. The exemption
8 provided by this paragraph (14) does not include machinery
9 and equipment used in (i) the generation of electricity for
10 wholesale or retail sale; (ii) the generation or treatment
11 of natural or artificial gas for wholesale or retail sale
12 that is delivered to customers through pipes, pipelines, or
13 mains; or (iii) the treatment of water for wholesale or
14 retail sale that is delivered to customers through pipes,
15 pipelines, or mains. The provisions of Public Act 98-583
16 are declaratory of existing law as to the meaning and scope
17 of this exemption. Beginning on July 1, 2017, the exemption
18 provided by this paragraph (14) includes, but is not
19 limited to, graphic arts machinery and equipment, as
20 defined in paragraph (4) of this Section.

21 (15) Proceeds of mandatory service charges separately
22 stated on customers' bills for purchase and consumption of
23 food and beverages, to the extent that the proceeds of the
24 service charge are in fact turned over as tips or as a
25 substitute for tips to the employees who participate
26 directly in preparing, serving, hosting or cleaning up the

1 food or beverage function with respect to which the service
2 charge is imposed.

3 (16) Petroleum products sold to a purchaser if the
4 seller is prohibited by federal law from charging tax to
5 the purchaser.

6 (17) Tangible personal property sold to a common
7 carrier by rail or motor that receives the physical
8 possession of the property in Illinois and that transports
9 the property, or shares with another common carrier in the
10 transportation of the property, out of Illinois on a
11 standard uniform bill of lading showing the seller of the
12 property as the shipper or consignor of the property to a
13 destination outside Illinois, for use outside Illinois.

14 (18) Legal tender, currency, medallions, or gold or
15 silver coinage issued by the State of Illinois, the
16 government of the United States of America, or the
17 government of any foreign country, and bullion.

18 (19) Until July 1, 2003, oil field exploration,
19 drilling, and production equipment, including (i) rigs and
20 parts of rigs, rotary rigs, cable tool rigs, and workover
21 rigs, (ii) pipe and tubular goods, including casing and
22 drill strings, (iii) pumps and pump-jack units, (iv)
23 storage tanks and flow lines, (v) any individual
24 replacement part for oil field exploration, drilling, and
25 production equipment, and (vi) machinery and equipment
26 purchased for lease; but excluding motor vehicles required

1 to be registered under the Illinois Vehicle Code.

2 (20) Photoprocessing machinery and equipment,
3 including repair and replacement parts, both new and used,
4 including that manufactured on special order, certified by
5 the purchaser to be used primarily for photoprocessing, and
6 including photoprocessing machinery and equipment
7 purchased for lease.

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

20 (22) Until June 30, 2013, fuel and petroleum products
21 sold to or used by an air carrier, certified by the carrier
22 to be used for consumption, shipment, or storage in the
23 conduct of its business as an air common carrier, for a
24 flight destined for or returning from a location or
25 locations outside the United States without regard to
26 previous or subsequent domestic stopovers.

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

11 (23) A transaction in which the purchase order is
12 received by a florist who is located outside Illinois, but
13 who has a florist located in Illinois deliver the property
14 to the purchaser or the purchaser's donee in Illinois.

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

21 (25) Except as provided in item (25-5) of this Section,
22 a motor vehicle sold in this State to a nonresident even
23 though the motor vehicle is delivered to the nonresident in
24 this State, if the motor vehicle is not to be titled in
25 this State, and if a drive-away permit is issued to the
26 motor vehicle as provided in Section 3-603 of the Illinois

1 Vehicle Code or if the nonresident purchaser has vehicle
2 registration plates to transfer to the motor vehicle upon
3 returning to his or her home state. The issuance of the
4 drive-away permit or having the out-of-state registration
5 plates to be transferred is prima facie evidence that the
6 motor vehicle will not be titled in this State.

7 (25-5) The exemption under item (25) does not apply if
8 the state in which the motor vehicle will be titled does
9 not allow a reciprocal exemption for a motor vehicle sold
10 and delivered in that state to an Illinois resident but
11 titled in Illinois. The tax collected under this Act on the
12 sale of a motor vehicle in this State to a resident of
13 another state that does not allow a reciprocal exemption
14 shall be imposed at a rate equal to the state's rate of tax
15 on taxable property in the state in which the purchaser is
16 a resident, except that the tax shall not exceed the tax
17 that would otherwise be imposed under this Act. At the time
18 of the sale, the purchaser shall execute a statement,
19 signed under penalty of perjury, of his or her intent to
20 title the vehicle in the state in which the purchaser is a
21 resident within 30 days after the sale and of the fact of
22 the payment to the State of Illinois of tax in an amount
23 equivalent to the state's rate of tax on taxable property
24 in his or her state of residence and shall submit the
25 statement to the appropriate tax collection agency in his
26 or her state of residence. In addition, the retailer must

1 retain a signed copy of the statement in his or her
2 records. Nothing in this item shall be construed to require
3 the removal of the vehicle from this state following the
4 filing of an intent to title the vehicle in the purchaser's
5 state of residence if the purchaser titles the vehicle in
6 his or her state of residence within 30 days after the date
7 of sale. The tax collected under this Act in accordance
8 with this item (25-5) shall be proportionately distributed
9 as if the tax were collected at the 6.25% general rate
10 imposed under this Act.

11 (25-7) Beginning on July 1, 2007, no tax is imposed
12 under this Act on the sale of an aircraft, as defined in
13 Section 3 of the Illinois Aeronautics Act, if all of the
14 following conditions are met:

15 (1) the aircraft leaves this State within 15 days
16 after the later of either the issuance of the final
17 billing for the sale of the aircraft, or the authorized
18 approval for return to service, completion of the
19 maintenance record entry, and completion of the test
20 flight and ground test for inspection, as required by
21 14 C.F.R. 91.407;

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

24 (3) the seller retains in his or her books and
25 records and provides to the Department a signed and
26 dated certification from the purchaser, on a form

1 prescribed by the Department, certifying that the
2 requirements of this item (25-7) are met. The
3 certificate must also include the name and address of
4 the purchaser, the address of the location where the
5 aircraft is to be titled or registered, the address of
6 the primary physical location of the aircraft, and
7 other information that the Department may reasonably
8 require.

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

10 "Based in this State" means hangared, stored, or
11 otherwise used, excluding post-sale customizations as
12 defined in this Section, for 10 or more days in each
13 12-month period immediately following the date of the sale
14 of the aircraft.

15 "Registered in this State" means an aircraft
16 registered with the Department of Transportation,
17 Aeronautics Division, or titled or registered with the
18 Federal Aviation Administration to an address located in
19 this State.

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

22 (26) Semen used for artificial insemination of
23 livestock for direct agricultural production.

24 (27) Horses, or interests in horses, registered with
25 and meeting the requirements of any of the Arabian Horse
26 Club Registry of America, Appaloosa Horse Club, American

1 Quarter Horse Association, United States Trotting
2 Association, or Jockey Club, as appropriate, used for
3 purposes of breeding or racing for prizes. This item (27)
4 is exempt from the provisions of Section 2-70, and the
5 exemption provided for under this item (27) applies for all
6 periods beginning May 30, 1995, but no claim for credit or
7 refund is allowed on or after January 1, 2008 (the
8 effective date of Public Act 95-88) for such taxes paid
9 during the period beginning May 30, 2000 and ending on
10 January 1, 2008 (the effective date of Public Act 95-88).

11 (28) Computers and communications equipment utilized
12 for any hospital purpose and equipment used in the
13 diagnosis, analysis, or treatment of hospital patients
14 sold to a lessor who leases the equipment, under a lease of
15 one year or longer executed or in effect at the time of the
16 purchase, to a hospital that has been issued an active tax
17 exemption identification number by the Department under
18 Section 1g of this Act.

19 (29) Personal property sold to a lessor who leases the
20 property, under a lease of one year or longer executed or
21 in effect at the time of the purchase, to a governmental
22 body that has been issued an active tax exemption
23 identification number by the Department under Section 1g of
24 this Act.

25 (30) 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
2 donated for disaster relief to be used in a State or
3 federally declared disaster area in Illinois or bordering
4 Illinois by a manufacturer or retailer that is registered
5 in this State to a corporation, society, association,
6 foundation, or institution that has been issued a sales tax
7 exemption identification number by the Department that
8 assists victims of the disaster who reside within the
9 declared disaster area.

10 (31) Beginning with taxable years ending on or after
11 December 31, 1995 and ending with taxable years ending on
12 or before December 31, 2004, personal property that is used
13 in the performance of infrastructure repairs in this State,
14 including but not limited to municipal roads and streets,
15 access roads, bridges, sidewalks, waste disposal systems,
16 water and sewer line extensions, water distribution and
17 purification facilities, storm water drainage and
18 retention facilities, and sewage treatment facilities,
19 resulting from a State or federally declared disaster in
20 Illinois or bordering Illinois when such repairs are
21 initiated on facilities located in the declared disaster
22 area within 6 months after the disaster.

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

1 (33) A motor vehicle, as that term is defined in
2 Section 1-146 of the Illinois Vehicle Code, that is donated
3 to a corporation, limited liability company, society,
4 association, foundation, or institution that is determined
5 by the Department to be organized and operated exclusively
6 for educational purposes. For purposes of this exemption,
7 "a corporation, limited liability company, society,
8 association, foundation, or institution organized and
9 operated exclusively for educational purposes" means all
10 tax-supported public schools, private schools that offer
11 systematic instruction in useful branches of learning by
12 methods common to public schools and that compare favorably
13 in their scope and intensity with the course of study
14 presented in tax-supported schools, and vocational or
15 technical schools or institutes organized and operated
16 exclusively to provide a course of study of not less than 6
17 weeks duration and designed to prepare individuals to
18 follow a trade or to pursue a manual, technical,
19 mechanical, industrial, business, or commercial
20 occupation.

21 (34) Beginning January 1, 2000, personal property,
22 including food, purchased through fundraising events for
23 the benefit of a public or private elementary or secondary
24 school, a group of those schools, or one or more school
25 districts if the events are sponsored by an entity
26 recognized by the school district that consists primarily

1 of volunteers and includes parents and teachers of the
2 school children. This paragraph does not apply to
3 fundraising events (i) for the benefit of private home
4 instruction or (ii) for which the fundraising entity
5 purchases the personal property sold at the events from
6 another individual or entity that sold the property for the
7 purpose of resale by the fundraising entity and that
8 profits from the sale to the fundraising entity. This
9 paragraph is exempt from the provisions of Section 2-70.

10 (35) Beginning January 1, 2000 and through December 31,
11 2001, new or used automatic vending machines that prepare
12 and serve hot food and beverages, including coffee, soup,
13 and other items, and replacement parts for these machines.
14 Beginning January 1, 2002 and through June 30, 2003,
15 machines and parts for machines used in commercial,
16 coin-operated amusement and vending business if a use or
17 occupation tax is paid on the gross receipts derived from
18 the use of the commercial, coin-operated amusement and
19 vending machines. This paragraph is exempt from the
20 provisions of Section 2-70.

21 (35-5) Beginning August 23, 2001 and through June 30,
22 2016, food for human consumption that is to be consumed off
23 the premises where it is sold (other than alcoholic
24 beverages, soft drinks, and food that has been prepared for
25 immediate consumption) and prescription and
26 nonprescription medicines, drugs, medical appliances, and

1 insulin, urine testing materials, syringes, and needles
2 used by diabetics, for human use, when purchased for use by
3 a person receiving medical assistance under Article V of
4 the Illinois Public Aid Code who resides in a licensed
5 long-term care facility, as defined in the Nursing Home
6 Care Act, or a licensed facility as defined in the ID/DD
7 Community Care Act, the MC/DD Act, or the Specialized
8 Mental Health Rehabilitation Act of 2013.

9 (36) Beginning August 2, 2001, computers and
10 communications equipment utilized for any hospital purpose
11 and equipment used in the diagnosis, analysis, or treatment
12 of hospital patients sold to a lessor who leases the
13 equipment, under a lease of one year or longer executed or
14 in effect at the time of the purchase, to a hospital that
15 has been issued an active tax exemption identification
16 number by the Department under Section 1g of this Act. This
17 paragraph is exempt from the provisions of Section 2-70.

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

25 (38) Beginning on January 1, 2002 and through June 30,
26 2016, and beginning again on the first day of the first

1 month to occur on or after the effective date of this
2 amendatory Act of the 100th General Assembly and through
3 June 30, 2021, tangible personal property purchased from an
4 Illinois retailer by a taxpayer engaged in centralized
5 purchasing activities in Illinois who will, upon receipt of
6 the property in Illinois, temporarily store the property in
7 Illinois (i) for the purpose of subsequently transporting
8 it outside this State for use or consumption thereafter
9 solely outside this State or (ii) for the purpose of being
10 processed, fabricated, or manufactured into, attached to,
11 or incorporated into other tangible personal property to be
12 transported outside this State and thereafter used or
13 consumed solely outside this State. The Director of Revenue
14 shall, pursuant to rules adopted in accordance with the
15 Illinois Administrative Procedure Act, issue a permit to
16 any taxpayer in good standing with the Department who is
17 eligible for the exemption under this paragraph (38). The
18 permit issued under this paragraph (38) shall authorize the
19 holder, to the extent and in the manner specified in the
20 rules adopted under this Act, to purchase tangible personal
21 property from a retailer exempt from the taxes imposed by
22 this Act. Taxpayers shall maintain all necessary books and
23 records to substantiate the use and consumption of all such
24 tangible personal property outside of the State of
25 Illinois.

26 (39) Beginning January 1, 2008, tangible personal

1 property used in the construction or maintenance of a
2 community water supply, as defined under Section 3.145 of
3 the Environmental Protection Act, that is operated by a
4 not-for-profit corporation that holds a valid water supply
5 permit issued under Title IV of the Environmental
6 Protection Act. This paragraph is exempt from the
7 provisions of Section 2-70.

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

1 empowered to operate an approved repair station by the
2 Federal Aviation Administration, (ii) have a Class IV
3 Rating, and (iii) conduct operations in accordance with
4 Part 145 of the Federal Aviation Regulations. The exemption
5 does not include aircraft operated by a commercial air
6 carrier providing scheduled passenger air service pursuant
7 to authority issued under Part 121 or Part 129 of the
8 Federal Aviation Regulations. The changes made to this
9 paragraph (40) by Public Act 98-534 are declarative of
10 existing law.

11 (41) Tangible personal property sold to 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,
15 but only if the legal title to the municipal convention
16 hall is transferred to the municipality without any further
17 consideration by or on behalf of the municipality at the
18 time of the completion of the municipal convention hall or
19 upon the retirement or redemption of any bonds or other
20 debt instruments issued by the public-facilities
21 corporation in connection with the development of the
22 municipal convention hall. This exemption includes
23 existing public-facilities corporations as provided in
24 Section 11-65-25 of the Illinois Municipal Code. This
25 paragraph is exempt from the provisions of Section 2-70.

26 (42) Beginning January 1, 2017, menstrual pads,

1 tampons, and menstrual cups.

2 (43) Merchandise that is subject to the Rental Purchase
3 Agreement Occupation and Use Tax. The purchaser must
4 certify that the item is purchased to be rented subject to
5 a rental purchase agreement, as defined in the Rental
6 Purchase Agreement Act, and provide proof of registration
7 under the Rental Purchase Agreement Occupation and Use Tax
8 Act. This paragraph is exempt from the provisions of
9 Section 2-70.

10 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;
11 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff.
12 1-1-18; revised 9-26-17.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.".