

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

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

6 (35 ILCS 105/3-5)

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

9 (1) Personal property purchased from a corporation,
10 society, association, foundation, institution, or
11 organization, other than a limited liability company, that is
12 organized and operated as a not-for-profit service enterprise
13 for the benefit of persons 65 years of age or older if the
14 personal property was not purchased by the enterprise for the
15 purpose of resale 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 a not-for-profit arts or
20 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

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

11 (4) Personal property purchased by a governmental body, by
12 a corporation, society, association, foundation, or
13 institution organized and operated exclusively for charitable,
14 religious, or educational purposes, or by a not-for-profit
15 corporation, society, association, foundation, institution, or
16 organization that has no compensated officers or employees and
17 that is organized and operated primarily for the recreation of
18 persons 55 years of age or older. A limited liability company
19 may qualify for the exemption under this paragraph only if the
20 limited liability company is organized and operated
21 exclusively for educational purposes. On and after July 1,
22 1987, however, no entity otherwise eligible for this exemption
23 shall make tax-free purchases unless it has an active exemption
24 identification number issued by the Department.

25 (5) Until July 1, 2003, a passenger car that is a
26 replacement vehicle to the extent that the purchase price of

1 the car is subject to the Replacement Vehicle Tax.

2 (6) Until July 1, 2003 and beginning again on September 1,
3 2004 through August 30, 2014, graphic arts machinery and
4 equipment, including repair and replacement parts, both new and
5 used, and including that manufactured on special order,
6 certified by the purchaser to be used primarily for graphic
7 arts production, and including machinery and equipment
8 purchased for lease. Equipment includes chemicals or chemicals
9 acting as catalysts but only if the chemicals or chemicals
10 acting as catalysts effect a direct and immediate change upon a
11 graphic arts product. Beginning on July 1, 2017, graphic arts
12 machinery and equipment is included in the manufacturing and
13 assembling machinery and equipment exemption under paragraph
14 (18).

15 (7) Farm chemicals.

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

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

23 (10) A motor vehicle that is used for automobile renting,
24 as defined in the Automobile Renting Occupation and Use Tax
25 Act.

26 (11) Farm machinery and equipment, both new and used,

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

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

1 Farm machinery and equipment also includes computers,
2 sensors, software, and related equipment used primarily in the
3 computer-assisted operation of production agriculture
4 facilities, equipment, and activities such as, but not limited
5 to, the collection, monitoring, and correlation of animal and
6 crop data for the purpose of formulating animal diets and
7 agricultural chemicals. This item (11) is exempt from the
8 provisions of Section 3-90.

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

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

26 (13) Proceeds of mandatory service charges separately

1 stated on customers' bills for the purchase and consumption of
2 food and beverages purchased at retail from a retailer, to the
3 extent that the proceeds of the service charge are in fact
4 turned over as tips or as a substitute for tips to the
5 employees who participate directly in preparing, serving,
6 hosting or cleaning up the food or beverage function with
7 respect to which the service charge is imposed.

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

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

22 (16) Until July 1, 2023, coal ~~Coal~~ and aggregate
23 exploration, mining, off-highway hauling, processing,
24 maintenance, and reclamation equipment, including replacement
25 parts and equipment, and including equipment purchased for
26 lease, but excluding motor vehicles required to be registered

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

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

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

1 for wholesale or retail sale that is delivered to customers
2 through pipes, pipelines, or mains; or (iii) the treatment of
3 water for wholesale or retail sale that is delivered to
4 customers through pipes, pipelines, or mains. The provisions of
5 Public Act 98-583 are declaratory of existing law as to the
6 meaning and scope of this exemption. Beginning on July 1, 2017,
7 the exemption provided by this paragraph (18) includes, but is
8 not limited to, graphic arts machinery and equipment, as
9 defined in paragraph (6) of this Section.

10 (19) Personal property delivered to a purchaser or
11 purchaser's donee inside Illinois when the purchase order for
12 that personal property was received by a florist located
13 outside Illinois who has a florist located inside Illinois
14 deliver the personal property.

15 (20) Semen used for artificial insemination of livestock
16 for direct agricultural production.

17 (21) Horses, or interests in horses, registered with and
18 meeting the requirements of any of the Arabian Horse Club
19 Registry of America, Appaloosa Horse Club, American Quarter
20 Horse Association, United States Trotting Association, or
21 Jockey Club, as appropriate, used for purposes of breeding or
22 racing for prizes. This item (21) is exempt from the provisions
23 of Section 3-90, and the exemption provided for under this item
24 (21) applies for all periods beginning May 30, 1995, but no
25 claim for credit or refund is allowed on or after January 1,
26 2008 for such taxes paid during the period beginning May 30,

1 2000 and ending on January 1, 2008.

2 (22) Computers and communications equipment utilized for
3 any hospital purpose and equipment used in the diagnosis,
4 analysis, or treatment of hospital patients purchased by a
5 lessor who leases the equipment, under a lease of one year or
6 longer executed or in effect at the time the lessor would
7 otherwise be subject to the tax imposed by this Act, to a
8 hospital that has been issued an active tax exemption
9 identification number by the Department under Section 1g of the
10 Retailers' Occupation Tax Act. If the equipment is leased in a
11 manner that does not qualify for this exemption or is used in
12 any other non-exempt manner, the lessor shall be liable for the
13 tax imposed under this Act or the Service Use Tax Act, as the
14 case may be, based on the fair market value of the property at
15 the time the non-qualifying use occurs. No lessor shall collect
16 or attempt to collect an amount (however designated) that
17 purports to reimburse that lessor for the tax imposed by this
18 Act or the Service Use Tax Act, as the case may be, if the tax
19 has not been paid by the lessor. If a lessor improperly
20 collects any such amount from the lessee, the lessee shall have
21 a legal right to claim a refund of that amount from the lessor.
22 If, however, that amount is not refunded to the lessee for any
23 reason, the lessor is liable to pay that amount to the
24 Department.

25 (23) Personal property purchased by a lessor who leases the
26 property, under a lease of one year or longer executed or in

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

19 (24) Beginning with taxable years ending on or after
20 December 31, 1995 and ending with taxable years ending on or
21 before December 31, 2004, personal property that is donated for
22 disaster relief to be used in a State or federally declared
23 disaster area in Illinois or bordering Illinois by a
24 manufacturer or retailer that is registered in this State to a
25 corporation, society, association, foundation, or institution
26 that has been issued a sales tax exemption identification

1 number by the Department that assists victims of the disaster
2 who reside within the declared disaster area.

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

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

19 (27) A motor vehicle, as that term is defined in Section
20 1-146 of the Illinois Vehicle Code, that is donated to a
21 corporation, limited liability company, society, association,
22 foundation, or institution that is determined by the Department
23 to be organized and operated exclusively for educational
24 purposes. For purposes of this exemption, "a corporation,
25 limited liability company, society, association, foundation,
26 or institution organized and operated exclusively for

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

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

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

1 serve hot food and beverages, including coffee, soup, and other
2 items, and replacement parts for these machines. Beginning
3 January 1, 2002 and through June 30, 2003, machines and parts
4 for machines used in commercial, coin-operated amusement and
5 vending business if a use or occupation tax is paid on the
6 gross receipts derived from the use of the commercial,
7 coin-operated amusement and vending machines. This paragraph
8 is exempt from the provisions of Section 3-90.

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

22 (31) Beginning on August 2, 2001 (the effective date of
23 Public Act 92-227) ~~this amendatory Act of the 92nd General~~
24 ~~Assembly~~, computers and communications equipment utilized for
25 any hospital purpose and equipment used in the diagnosis,
26 analysis, or treatment of hospital patients purchased by a

1 lessor who leases the equipment, under a lease of one year or
2 longer executed or in effect at the time the lessor would
3 otherwise be subject to the tax imposed by this Act, to a
4 hospital that has been issued an active tax exemption
5 identification number by the Department under Section 1g of the
6 Retailers' Occupation Tax Act. If the equipment is leased in a
7 manner that does not qualify for this exemption or is used in
8 any other nonexempt manner, the lessor shall be liable for the
9 tax imposed under this Act or the Service Use Tax Act, as the
10 case may be, based on the fair market value of the property at
11 the time the nonqualifying use occurs. No lessor shall collect
12 or attempt to collect an amount (however designated) that
13 purports to reimburse that lessor for the tax imposed by this
14 Act or the Service Use Tax Act, as the case may be, if the tax
15 has not been paid by the lessor. If a lessor improperly
16 collects any such amount from the lessee, the lessee shall have
17 a legal right to claim a refund of that amount from the lessor.
18 If, however, that amount is not refunded to the lessee for any
19 reason, the lessor is liable to pay that amount to the
20 Department. This paragraph is exempt from the provisions of
21 Section 3-90.

22 (32) Beginning on August 2, 2001 (the effective date of
23 Public Act 92-227) ~~this amendatory Act of the 92nd General~~
24 ~~Assembly~~, personal property purchased by a lessor who leases
25 the property, under a lease of one year or longer executed or
26 in effect at the time the lessor would otherwise be subject to

1 the tax imposed by this Act, to a governmental body that has
2 been issued an active sales tax exemption identification number
3 by the Department under Section 1g of the Retailers' Occupation
4 Tax Act. If the property is leased in a manner that does not
5 qualify for this exemption or used in any other nonexempt
6 manner, the lessor shall be liable for the tax imposed under
7 this Act or the Service Use Tax Act, as the case may be, based
8 on the fair market value of the property at the time the
9 nonqualifying use occurs. No lessor shall collect or attempt to
10 collect an amount (however designated) that purports to
11 reimburse that lessor for the tax imposed by this Act or the
12 Service Use Tax Act, as the case may be, if the tax has not been
13 paid by the lessor. If a lessor improperly collects any such
14 amount from the lessee, the lessee shall have a legal right to
15 claim a refund of that amount from the lessor. If, however,
16 that amount is not refunded to the lessee for any reason, the
17 lessor is liable to pay that amount to the Department. This
18 paragraph is exempt from the provisions of Section 3-90.

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

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

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

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

1 supplies used in the modification, replacement, repair, and
2 maintenance of aircraft engines or power plants, whether such
3 engines or power plants are installed or uninstalled upon any
4 such aircraft. "Consumable supplies" include, but are not
5 limited to, adhesive, tape, sandpaper, general purpose
6 lubricants, cleaning solution, latex gloves, and protective
7 films. This exemption applies only to the use of qualifying
8 tangible personal property by persons who modify, refurbish,
9 complete, repair, replace, or maintain aircraft and who (i)
10 hold an Air Agency Certificate and are empowered to operate an
11 approved repair station by the Federal Aviation
12 Administration, (ii) have a Class IV Rating, and (iii) conduct
13 operations in accordance with Part 145 of the Federal Aviation
14 Regulations. The exemption does not include aircraft operated
15 by a commercial air carrier providing scheduled passenger air
16 service pursuant to authority issued under Part 121 or Part 129
17 of the Federal Aviation Regulations. The changes made to this
18 paragraph (35) by Public Act 98-534 are declarative of existing
19 law.

20 (36) Tangible personal property purchased by a
21 public-facilities corporation, as described in Section
22 11-65-10 of the Illinois Municipal Code, for purposes of
23 constructing or furnishing a municipal convention hall, but
24 only if the legal title to the municipal convention hall is
25 transferred to the municipality without any further
26 consideration by or on behalf of the municipality at the time

1 of the completion of the municipal convention hall or upon the
2 retirement or redemption of any bonds or other debt instruments
3 issued by the public-facilities corporation in connection with
4 the development of the municipal convention hall. This
5 exemption includes existing public-facilities corporations as
6 provided in Section 11-65-25 of the Illinois Municipal Code.
7 This paragraph is exempt from the provisions of Section 3-90.

8 (37) Beginning January 1, 2017, menstrual pads, tampons,
9 and menstrual cups.

10 (38) Merchandise that is subject to the Rental Purchase
11 Agreement Occupation and Use Tax. The purchaser must certify
12 that the item is purchased to be rented subject to a rental
13 purchase agreement, as defined in the Rental Purchase Agreement
14 Act, and provide proof of registration under the Rental
15 Purchase Agreement Occupation and Use Tax Act. This paragraph
16 is exempt from the provisions of Section 3-90.

17 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;
18 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; revised 9-27-17.)

19 Section 10. The Service Use Tax Act is amended by changing
20 Section 3-5 as follows:

21 (35 ILCS 110/3-5)

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

24 (1) Personal property purchased from a corporation,

1 society, association, foundation, institution, or
2 organization, other than a limited liability company, that is
3 organized and operated as a not-for-profit service enterprise
4 for the benefit of persons 65 years of age or older if the
5 personal property was not purchased by the enterprise for the
6 purpose of resale by the enterprise.

7 (2) Personal property purchased by a non-profit Illinois
8 county fair association for use in conducting, operating, or
9 promoting the county fair.

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

25 (4) 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 (5) Until July 1, 2003 and beginning again on September 1,
4 2004 through August 30, 2014, graphic arts machinery and
5 equipment, including repair and replacement parts, both new and
6 used, and including that manufactured on special order or
7 purchased for lease, certified by the purchaser to be used
8 primarily for graphic arts production. Equipment includes
9 chemicals or chemicals acting as catalysts but only if the
10 chemicals or chemicals acting as catalysts effect a direct and
11 immediate change upon a graphic arts product. Beginning on July
12 1, 2017, graphic arts machinery and equipment is included in
13 the manufacturing and assembling machinery and equipment
14 exemption under Section 2 of this Act.

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

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

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

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

19 Farm machinery and equipment also includes computers,
20 sensors, software, and related equipment used primarily in the
21 computer-assisted operation of production agriculture
22 facilities, equipment, and activities such as, but not limited
23 to, the collection, monitoring, and correlation of animal and
24 crop data for the purpose of formulating animal diets and
25 agricultural chemicals. This item (7) is exempt from the
26 provisions of Section 3-75.

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

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

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

1 (10) 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 (11) Proceeds from the sale of photoprocessing machinery
11 and equipment, including repair and replacement parts, both new
12 and used, including that manufactured on special order,
13 certified by the purchaser to be used primarily for
14 photoprocessing, and including photoprocessing machinery and
15 equipment purchased for lease.

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

1 (13) Semen used for artificial insemination of livestock
2 for direct agricultural production.

3 (14) Horses, or interests in horses, registered with and
4 meeting the requirements of any of the Arabian Horse Club
5 Registry of America, Appaloosa Horse Club, American Quarter
6 Horse Association, United States Trotting Association, or
7 Jockey Club, as appropriate, used for purposes of breeding or
8 racing for prizes. This item (14) is exempt from the provisions
9 of Section 3-75, and the exemption provided for under this item
10 (14) applies for all periods beginning May 30, 1995, but no
11 claim for credit or refund is allowed on or after the effective
12 date of this amendatory Act of the 95th General Assembly for
13 such taxes paid during the period beginning May 30, 2000 and
14 ending on the effective date of this amendatory Act of the 95th
15 General Assembly.

16 (15) Computers and communications equipment utilized for
17 any hospital purpose and equipment used in the diagnosis,
18 analysis, or treatment of hospital patients purchased by a
19 lessor who leases the equipment, under a lease of one year or
20 longer executed or in effect at the time the lessor would
21 otherwise be subject to the tax imposed by this Act, to a
22 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 non-exempt manner, the lessor shall be liable for the

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

12 (16) Personal property purchased by a lessor who leases the
13 property, under a lease of one year or longer executed or in
14 effect at the time the lessor would otherwise be subject to the
15 tax imposed by this Act, to a governmental body that has been
16 issued an active tax exemption identification number by the
17 Department under Section 1g of the Retailers' Occupation Tax
18 Act. If the property is leased in a manner that does not
19 qualify for this exemption or is used in any other non-exempt
20 manner, the lessor shall be liable for the tax imposed under
21 this Act or the Use Tax Act, as the case may be, based on the
22 fair market value of the property at the time the
23 non-qualifying use occurs. No lessor shall collect or attempt
24 to collect an amount (however designated) that purports to
25 reimburse that lessor for the tax imposed by this Act or the
26 Use Tax Act, as the case may be, if the tax has not been paid by

1 the lessor. If a lessor improperly collects any such amount
2 from the lessee, the lessee shall have a legal right to claim a
3 refund of that amount from the lessor. If, however, that amount
4 is not refunded to the lessee for any reason, the lessor is
5 liable to pay that amount to the Department.

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

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

1 declared disaster area within 6 months after the disaster.

2 (19) Beginning July 1, 1999, game or game birds purchased
3 at a "game breeding and hunting preserve area" as that term is
4 used in the Wildlife Code. This paragraph is exempt from the
5 provisions of Section 3-75.

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

24 (21) Beginning January 1, 2000, personal property,
25 including food, purchased through fundraising events for the
26 benefit of a public or private elementary or secondary school,

1 a group of those schools, or one or more school districts if
2 the events are sponsored by an entity recognized by the school
3 district that consists primarily of volunteers and includes
4 parents and teachers of the school children. This paragraph
5 does not apply to fundraising events (i) for the benefit of
6 private home instruction or (ii) for which the fundraising
7 entity purchases the personal property sold at the events from
8 another individual or entity that sold the property for the
9 purpose of resale by the fundraising entity and that profits
10 from the sale to the fundraising entity. This paragraph is
11 exempt from the provisions of Section 3-75.

12 (22) Beginning January 1, 2000 and through December 31,
13 2001, new or used automatic vending machines that prepare and
14 serve hot food and beverages, including coffee, soup, and other
15 items, and replacement parts for these machines. Beginning
16 January 1, 2002 and through June 30, 2003, machines and parts
17 for machines used in commercial, coin-operated amusement and
18 vending business if a use or occupation tax is paid on the
19 gross receipts derived from the use of the commercial,
20 coin-operated amusement and vending machines. This paragraph
21 is exempt from the provisions of Section 3-75.

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

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

9 (24) Beginning on the effective date of this amendatory Act
10 of the 92nd General Assembly, computers and communications
11 equipment utilized for any hospital purpose and equipment used
12 in the diagnosis, analysis, or treatment of hospital patients
13 purchased by a lessor who leases the equipment, under a lease
14 of one year or longer executed or in effect at the time the
15 lessor would otherwise be subject to the tax imposed by this
16 Act, to a 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. If the equipment is leased in a
19 manner that does not qualify for this exemption or is used in
20 any other nonexempt manner, the lessor shall be liable for the
21 tax imposed under this Act or the Use Tax Act, as the case may
22 be, based on the fair market value of the property at the time
23 the nonqualifying use occurs. No lessor shall collect or
24 attempt to collect an amount (however designated) that purports
25 to reimburse that lessor for the tax imposed by this Act or the
26 Use Tax Act, as the case may be, if the tax has not been paid by

1 the lessor. If a lessor improperly collects any such amount
2 from the lessee, the lessee shall have a legal right to claim a
3 refund of that amount from the lessor. If, however, that amount
4 is not refunded to the lessee for any reason, the lessor is
5 liable to pay that amount to the Department. This paragraph is
6 exempt from the provisions of Section 3-75.

7 (25) Beginning on the effective date of this amendatory Act
8 of the 92nd General Assembly, personal property purchased by a
9 lessor who leases the property, under a lease of one year or
10 longer executed or in effect at the time the lessor would
11 otherwise be subject to the tax imposed by this Act, to a
12 governmental body that has been issued an active tax exemption
13 identification number by the Department under Section 1g of the
14 Retailers' Occupation Tax Act. If the property is leased in a
15 manner that does not qualify for this exemption or is used in
16 any other nonexempt manner, the lessor shall be liable for the
17 tax imposed under this Act or the Use Tax Act, as the case may
18 be, based on the fair market value of the property at the time
19 the nonqualifying use occurs. No lessor shall collect or
20 attempt to collect an amount (however designated) that purports
21 to reimburse that lessor for the tax imposed by this Act or the
22 Use Tax Act, as the case may be, if the tax has not been paid by
23 the lessor. If a lessor improperly collects any such amount
24 from the lessee, the lessee shall have a legal right to claim a
25 refund of that amount from the lessor. If, however, that amount
26 is not refunded to the lessee for any reason, the lessor is

1 liable to pay that amount to the Department. This paragraph is
2 exempt from the provisions of Section 3-75.

3 (26) 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 3-75.

10 (27) 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 transferred incident to the
26 modification, refurbishment, completion, replacement, repair,

1 or maintenance of aircraft by persons who (i) hold an Air
2 Agency Certificate and are empowered to operate an approved
3 repair station by the Federal Aviation Administration, (ii)
4 have a Class IV Rating, and (iii) conduct operations in
5 accordance with Part 145 of the Federal Aviation Regulations.
6 The exemption does not include aircraft operated by a
7 commercial air carrier providing scheduled passenger air
8 service pursuant to authority issued under Part 121 or Part 129
9 of the Federal Aviation Regulations. The changes made to this
10 paragraph (27) by Public Act 98-534 are declarative of existing
11 law.

12 (28) Tangible personal property purchased by a
13 public-facilities corporation, as described in Section
14 11-65-10 of the Illinois Municipal Code, for purposes of
15 constructing or furnishing a municipal convention hall, but
16 only if the legal title to the municipal convention hall is
17 transferred to the municipality without any further
18 consideration by or on behalf of the municipality at the time
19 of the completion of the municipal convention hall or upon the
20 retirement or redemption of any bonds or other debt instruments
21 issued by the public-facilities corporation in connection with
22 the development of the municipal convention hall. This
23 exemption includes existing public-facilities corporations as
24 provided in Section 11-65-25 of the Illinois Municipal Code.
25 This paragraph is exempt from the provisions of Section 3-75.

26 (29) Beginning January 1, 2017, menstrual pads, tampons,

1 and menstrual cups.

2 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;
3 100-22, eff. 7-6-17.)

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) Until July 1, 2023, coal ~~Coal~~ and aggregate
26 exploration, mining, off-highway hauling, processing,

1 maintenance, and reclamation equipment, including replacement
2 parts and equipment, and including equipment purchased for
3 lease, but excluding motor vehicles required to be registered
4 under the Illinois Vehicle Code. The changes made to this
5 Section by Public Act 97-767 apply on and after July 1, 2003,
6 but no claim for credit or refund is allowed on or after August
7 16, 2013 (the effective date of Public Act 98-456) for such
8 taxes paid during the period beginning July 1, 2003 and ending
9 on August 16, 2013 (the 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, tangible personal property purchased from an Illinois
9 retailer by a taxpayer engaged in centralized purchasing
10 activities in Illinois who will, upon receipt of the property
11 in Illinois, temporarily store the property in Illinois (i) for
12 the purpose of subsequently transporting it outside this State
13 for use or consumption thereafter solely outside this State or
14 (ii) for the purpose of being processed, fabricated, or
15 manufactured into, attached to, or incorporated into other
16 tangible personal property to be transported outside this State
17 and thereafter used or consumed solely outside this State. The
18 Director of Revenue shall, pursuant to rules adopted in
19 accordance with the Illinois Administrative Procedure Act,
20 issue a permit to any taxpayer in good standing with the
21 Department who is eligible for the exemption under this
22 paragraph (26). The permit issued under this paragraph (26)
23 shall authorize the holder, to the extent and in the manner
24 specified in the rules adopted under this Act, to purchase
25 tangible personal property from a retailer exempt from the
26 taxes imposed by this Act. Taxpayers shall maintain all

1 necessary books and records to substantiate the use and
2 consumption of all such tangible personal property outside of
3 the State of Illinois.

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

11 (28) 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, 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 3-55.

25 (29) Beginning January 1, 2010, materials, parts,
26 equipment, components, and furnishings incorporated into or

1 upon an aircraft as part of the modification, refurbishment,
2 completion, replacement, repair, or maintenance of the
3 aircraft. This exemption includes consumable supplies used in
4 the modification, refurbishment, completion, replacement,
5 repair, and maintenance of aircraft, but excludes any
6 materials, parts, equipment, components, and consumable
7 supplies used in the modification, replacement, repair, and
8 maintenance of aircraft engines or power plants, whether such
9 engines or power plants are installed or uninstalled upon any
10 such aircraft. "Consumable supplies" include, but are not
11 limited to, adhesive, tape, sandpaper, general purpose
12 lubricants, cleaning solution, latex gloves, and protective
13 films. This exemption applies only to the transfer of
14 qualifying tangible personal property incident to the
15 modification, refurbishment, completion, replacement, repair,
16 or maintenance of an aircraft by persons who (i) hold an Air
17 Agency Certificate and are empowered to operate an approved
18 repair station by the Federal Aviation Administration, (ii)
19 have a Class IV Rating, and (iii) conduct operations in
20 accordance with Part 145 of the Federal Aviation Regulations.
21 The exemption does not include aircraft operated by a
22 commercial air carrier providing scheduled passenger air
23 service pursuant to authority issued under Part 121 or Part 129
24 of the Federal Aviation Regulations. The changes made to this
25 paragraph (29) by Public Act 98-534 are declarative of existing
26 law.

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

3 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;
4 100-22, eff. 7-6-17.)

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

7 (35 ILCS 120/2-5)

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

11 (1) Farm chemicals.

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

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

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

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

24 (3) Until July 1, 2003, distillation machinery and
25 equipment, sold as a unit or kit, assembled or installed by
26 the retailer, certified by the user to be used only for the

1 production of ethyl alcohol that will be used for
2 consumption as motor fuel or as a component of motor fuel
3 for the personal use of the user, and not subject to sale
4 or resale.

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

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

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

25 (7) Until July 1, 2003, proceeds of that portion of the
26 selling price of a passenger car the sale of which is

1 subject to the Replacement Vehicle Tax.

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

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

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

1 purpose of resale by the enterprise.

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

17 (12) (Blank).

18 (12-5) On and after July 1, 2003 and through June 30,
19 2004, motor vehicles of the second division with a gross
20 vehicle weight in excess of 8,000 pounds that are subject
21 to the commercial distribution fee imposed under Section
22 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
23 2004 and through June 30, 2005, the use in this State of
24 motor vehicles of the second division: (i) with a gross
25 vehicle weight rating in excess of 8,000 pounds; (ii) that
26 are subject to the commercial distribution fee imposed

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

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

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

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

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

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

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

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

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

26 (20) Photoprocessing machinery and equipment,

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

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

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

25 Beginning July 1, 2013, fuel and petroleum products
26 sold to or used by an air carrier, certified by the carrier

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

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

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

19 (25) Except as provided in item (25-5) of this Section,
20 a motor vehicle sold in this State to a nonresident even
21 though the motor vehicle is delivered to the nonresident in
22 this State, if the motor vehicle is not to be titled in
23 this State, and if a drive-away permit is issued to the
24 motor vehicle as provided in Section 3-603 of the Illinois
25 Vehicle Code or if the nonresident purchaser has vehicle
26 registration plates to transfer to the motor vehicle upon

1 returning to his or her home state. The issuance of the
2 drive-away permit or having the out-of-state registration
3 plates to be transferred is prima facie evidence that the
4 motor vehicle will not be titled in this State.

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

1 the removal of the vehicle from this state following the
2 filing of an intent to title the vehicle in the purchaser's
3 state of residence if the purchaser titles the vehicle in
4 his or her state of residence within 30 days after the date
5 of sale. The tax collected under this Act in accordance
6 with this item (25-5) shall be proportionately distributed
7 as if the tax were collected at the 6.25% general rate
8 imposed under this Act.

9 (25-7) Beginning on July 1, 2007, no tax is imposed
10 under this Act on the sale of an aircraft, as defined in
11 Section 3 of the Illinois Aeronautics Act, if all of the
12 following conditions are met:

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

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

22 (3) the seller retains in his or her books and
23 records and provides to the Department a signed and
24 dated certification from the purchaser, on a form
25 prescribed by the Department, certifying that the
26 requirements of this item (25-7) are met. The

1 certificate must also include the name and address of
2 the purchaser, the address of the location where the
3 aircraft is to be titled or registered, the address of
4 the primary physical location of the aircraft, and
5 other information that the Department may reasonably
6 require.

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

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

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

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

20 (26) Semen used for artificial insemination of
21 livestock for direct agricultural production.

22 (27) Horses, or interests in horses, registered with
23 and meeting the requirements of any of the Arabian Horse
24 Club Registry of America, Appaloosa Horse Club, American
25 Quarter Horse Association, United States Trotting
26 Association, or Jockey Club, as appropriate, used for

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

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

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

23 (30) Beginning with taxable years ending on or after
24 December 31, 1995 and ending with taxable years ending on
25 or before December 31, 2004, personal property that is
26 donated for disaster relief to be used in a State or

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

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

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

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

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

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

1 fundraising events (i) for the benefit of private home
2 instruction or (ii) for which the fundraising entity
3 purchases the personal property sold at the events from
4 another individual or entity that sold the property for the
5 purpose of resale by the fundraising entity and that
6 profits from the sale to the fundraising entity. This
7 paragraph is exempt from the provisions of Section 2-70.

8 (35) Beginning January 1, 2000 and through December 31,
9 2001, new or used automatic vending machines that prepare
10 and serve hot food and beverages, including coffee, soup,
11 and other items, and replacement parts for these machines.
12 Beginning January 1, 2002 and through June 30, 2003,
13 machines and parts for machines used in commercial,
14 coin-operated amusement and vending business if a use or
15 occupation tax is paid on the gross receipts derived from
16 the use of the commercial, coin-operated amusement and
17 vending machines. This paragraph is exempt from the
18 provisions of Section 2-70.

19 (35-5) Beginning August 23, 2001 and through June 30,
20 2016, food for human consumption that is to be consumed off
21 the premises where it is sold (other than alcoholic
22 beverages, soft drinks, and food that has been prepared for
23 immediate consumption) and prescription and
24 nonprescription medicines, drugs, medical appliances, and
25 insulin, urine testing materials, syringes, and needles
26 used by diabetics, for human use, when purchased for use by

1 a person receiving medical assistance under Article V of
2 the Illinois Public Aid Code who resides in a licensed
3 long-term care facility, as defined in the Nursing Home
4 Care Act, or a licensed facility as defined in the ID/DD
5 Community Care Act, the MC/DD Act, or the Specialized
6 Mental Health Rehabilitation Act of 2013.

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

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

23 (38) Beginning on January 1, 2002 and through June 30,
24 2016, tangible personal property purchased from an
25 Illinois retailer by a taxpayer engaged in centralized
26 purchasing activities in Illinois who will, upon receipt of

1 the property in Illinois, temporarily store the property in
2 Illinois (i) for the purpose of subsequently transporting
3 it outside this State for use or consumption thereafter
4 solely outside this State or (ii) for the purpose of being
5 processed, fabricated, or manufactured into, attached to,
6 or incorporated into other tangible personal property to be
7 transported outside this State and thereafter used or
8 consumed solely outside this State. The Director of Revenue
9 shall, pursuant to rules adopted in accordance with the
10 Illinois Administrative Procedure Act, issue a permit to
11 any taxpayer in good standing with the Department who is
12 eligible for the exemption under this paragraph (38). The
13 permit issued under this paragraph (38) shall authorize the
14 holder, to the extent and in the manner specified in the
15 rules adopted under this Act, to purchase tangible personal
16 property from a retailer exempt from the taxes imposed by
17 this Act. Taxpayers shall maintain all necessary books and
18 records to substantiate the use and consumption of all such
19 tangible personal property outside of the State of
20 Illinois.

21 (39) Beginning January 1, 2008, tangible personal
22 property used in the construction or maintenance of a
23 community water supply, as defined under Section 3.145 of
24 the Environmental Protection Act, that is operated by a
25 not-for-profit corporation that holds a valid water supply
26 permit issued under Title IV of the Environmental

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

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

1 carrier providing scheduled passenger air service pursuant
2 to authority issued under Part 121 or Part 129 of the
3 Federal Aviation Regulations. The changes made to this
4 paragraph (40) by Public Act 98-534 are declarative of
5 existing law.

6 (41) Tangible personal property sold to a
7 public-facilities corporation, as described in Section
8 11-65-10 of the Illinois Municipal Code, for purposes of
9 constructing or furnishing a municipal convention hall,
10 but only if the legal title to the municipal convention
11 hall is transferred to the municipality without any further
12 consideration by or on behalf of the municipality at the
13 time of the completion of the municipal convention hall or
14 upon the retirement or redemption of any bonds or other
15 debt instruments issued by the public-facilities
16 corporation in connection with the development of the
17 municipal convention hall. This exemption includes
18 existing public-facilities corporations as provided in
19 Section 11-65-25 of the Illinois Municipal Code. This
20 paragraph is exempt from the provisions of Section 2-70.

21 (42) Beginning January 1, 2017, menstrual pads,
22 tampons, and menstrual cups.

23 (43) Merchandise that is subject to the Rental Purchase
24 Agreement Occupation and Use Tax. The purchaser must
25 certify that the item is purchased to be rented subject to
26 a rental purchase agreement, as defined in the Rental

1 Purchase Agreement Act, and provide proof of registration
2 under the Rental Purchase Agreement Occupation and Use Tax
3 Act. This paragraph is exempt from the provisions of
4 Section 2-70.

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

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.