



Rep. Monica Bristow

Filed: 11/14/2019

10100HB0141ham001

LRB101 02916 HLH 64793 a

1 AMENDMENT TO HOUSE BILL 141

2 AMENDMENT NO. _____. Amend House Bill 141 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Use Tax Act is amended by changing Section
5 3-5 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

1 Illinois county fair association for use in conducting,
2 operating, or promoting the county fair.

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

18 (4) Personal property purchased by a governmental body, by
19 a corporation, society, association, foundation, or
20 institution organized and operated exclusively for charitable,
21 religious, or educational purposes, or by a not-for-profit
22 corporation, society, association, foundation, institution, or
23 organization that has no compensated officers or employees and
24 that is organized and operated primarily for the recreation of
25 persons 55 years of age or older. A limited liability company
26 may qualify for the exemption under this paragraph only if the

1 limited liability company is organized and operated
2 exclusively for educational purposes. On and after July 1,
3 1987, however, no entity otherwise eligible for this exemption
4 shall make tax-free purchases unless it has an active exemption
5 identification number issued by the Department.

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

9 (6) Until July 1, 2003 and beginning again on September 1,
10 2004 through August 30, 2014, graphic arts machinery and
11 equipment, including repair and replacement parts, both new and
12 used, and including that manufactured on special order,
13 certified by the purchaser to be used primarily for graphic
14 arts production, and including machinery and equipment
15 purchased for lease. Equipment includes chemicals or chemicals
16 acting as catalysts but only if the chemicals or chemicals
17 acting as catalysts effect a direct and immediate change upon a
18 graphic arts product. Beginning on July 1, 2017, graphic arts
19 machinery and equipment is included in the manufacturing and
20 assembling machinery and equipment exemption under paragraph
21 (18).

22 (7) Farm chemicals.

23 (8) Legal tender, currency, medallions, or gold or silver
24 coinage issued by the State of Illinois, the government of the
25 United States of America, or the government of any foreign
26 country, and bullion.

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

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

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

26 Farm machinery and equipment shall include precision

1 farming equipment that is installed or purchased to be
2 installed on farm machinery and equipment including, but not
3 limited to, tractors, harvesters, sprayers, planters, seeders,
4 or spreaders. Precision farming equipment includes, but is not
5 limited to, soil testing sensors, computers, monitors,
6 software, global positioning and mapping systems, and other
7 such equipment.

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

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

23 Beginning July 1, 2013, fuel and petroleum products sold to
24 or used by an air carrier, certified by the carrier to be used
25 for consumption, shipment, or storage in the conduct of its
26 business as an air common carrier, for a flight that (i) is

1 engaged in foreign trade or is engaged in trade between the
2 United States and any of its possessions and (ii) transports at
3 least one individual or package for hire from the city of
4 origination to the city of final destination on the same
5 aircraft, without regard to a change in the flight number of
6 that aircraft.

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

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

24 (15) Photoprocessing machinery and equipment, including
25 repair and replacement parts, both new and used, including that
26 manufactured on special order, certified by the purchaser to be

1 used primarily for photoprocessing, and including
2 photoprocessing machinery and equipment purchased for lease.

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

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

20 (18) Manufacturing and assembling machinery and equipment
21 used primarily in the process of manufacturing or assembling
22 tangible personal property for wholesale or retail sale or
23 lease, whether that sale or lease is made directly by the
24 manufacturer or by some other person, whether the materials
25 used in the process are owned by the manufacturer or some other
26 person, or whether that sale or lease is made apart from or as

1 an incident to the seller's engaging in the service occupation
2 of producing machines, tools, dies, jigs, patterns, gauges, or
3 other similar items of no commercial value on special order for
4 a particular purchaser. The exemption provided by this
5 paragraph (18) includes production related tangible personal
6 property, as defined in Section 3-50, purchased on or after
7 July 1, 2019. The exemption provided by this paragraph (18)
8 does not include machinery and equipment used in (i) the
9 generation of electricity for wholesale or retail sale; (ii)
10 the generation or treatment of natural or artificial gas for
11 wholesale or retail sale that is delivered to customers through
12 pipes, pipelines, or mains; or (iii) the treatment of water for
13 wholesale or retail sale that is delivered to customers through
14 pipes, pipelines, or mains. The provisions of Public Act 98-583
15 are declaratory of existing law as to the meaning and scope of
16 this exemption. Beginning on July 1, 2017, the exemption
17 provided by this paragraph (18) includes, but is not limited
18 to, graphic arts machinery and equipment, as defined in
19 paragraph (6) of this Section.

20 (19) Personal property delivered to a purchaser or
21 purchaser's donee inside Illinois when the purchase order for
22 that personal property was received by a florist located
23 outside Illinois who has a florist located inside Illinois
24 deliver the personal property.

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

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

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

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

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

1 that amount is not refunded to the lessee for any reason, the
2 lessor is liable to pay that amount to the Department.

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

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

25 (26) Beginning July 1, 1999, game or game birds purchased
26 at a "game breeding and hunting preserve area" as that term is

1 used in the Wildlife Code. This paragraph is exempt from the
2 provisions of Section 3-90.

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

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

1 parents and teachers of the school children. This paragraph
2 does not apply to fundraising events (i) for the benefit of
3 private home instruction or (ii) for which the fundraising
4 entity purchases the personal property sold at the events from
5 another individual or entity that sold the property for the
6 purpose of resale by the fundraising entity and that profits
7 from the sale to the fundraising entity. This paragraph is
8 exempt from the provisions of Section 3-90.

9 (29) Beginning January 1, 2000 and through December 31,
10 2001, new or used automatic vending machines that prepare and
11 serve hot food and beverages, including coffee, soup, and other
12 items, and replacement parts for these machines. Beginning
13 January 1, 2002 and through June 30, 2003, machines and parts
14 for machines used in commercial, coin-operated amusement and
15 vending business if a use or occupation tax is paid on the
16 gross receipts derived from the use of the commercial,
17 coin-operated amusement and vending machines. This paragraph
18 is exempt from the provisions of Section 3-90.

19 (30) Beginning January 1, 2001 and through June 30, 2016,
20 food for human consumption that is to be consumed off the
21 premises where it is sold (other than alcoholic beverages, soft
22 drinks, and food that has been prepared for immediate
23 consumption) and prescription and nonprescription medicines,
24 drugs, medical appliances, and insulin, urine testing
25 materials, syringes, and needles used by diabetics, for human
26 use, when purchased for use by a person receiving medical

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

6 (31) Beginning on August 2, 2001 (the effective date of
7 Public Act 92-227), computers and communications equipment
8 utilized for any hospital purpose and equipment used in the
9 diagnosis, analysis, or treatment of hospital patients
10 purchased by a lessor who leases the equipment, under a lease
11 of one year or longer executed or in effect at the time the
12 lessor would otherwise be subject to the tax imposed by this
13 Act, to a hospital that has been issued an active tax exemption
14 identification number by the Department under Section 1g of the
15 Retailers' Occupation Tax Act. If the equipment is leased in a
16 manner that does not qualify for this exemption or is used in
17 any other nonexempt manner, the lessor shall be liable for the
18 tax imposed under this Act or the Service Use Tax Act, as the
19 case may be, based on the fair market value of the property at
20 the time the nonqualifying use occurs. No lessor shall collect
21 or attempt to collect an amount (however designated) that
22 purports to reimburse that lessor for the tax imposed by this
23 Act or the Service Use Tax Act, as the case may be, if the tax
24 has not been paid by the lessor. If a lessor improperly
25 collects any such amount from the lessee, the lessee shall have
26 a legal right to claim a refund of that amount from the lessor.

1 If, however, that amount is not refunded to the lessee for any
2 reason, the lessor is liable to pay that amount to the
3 Department. This paragraph is exempt from the provisions of
4 Section 3-90.

5 (32) Beginning on August 2, 2001 (the effective date of
6 Public Act 92-227), personal property purchased by a lessor who
7 leases the property, under a lease of one year or longer
8 executed or in effect at the time the lessor would otherwise be
9 subject to the tax imposed by this Act, to a governmental body
10 that has been issued an active sales tax exemption
11 identification number by the Department under Section 1g of the
12 Retailers' Occupation Tax Act. If the property is leased in a
13 manner that does not qualify for this exemption or used in any
14 other nonexempt manner, the lessor shall be liable for the tax
15 imposed under this Act or the Service Use Tax Act, as the case
16 may be, based on the fair market value of the property at the
17 time the nonqualifying use occurs. No lessor shall collect or
18 attempt to collect an amount (however designated) that purports
19 to reimburse that lessor for the tax imposed by this Act or the
20 Service Use Tax Act, as the case may be, if the tax has not been
21 paid by the lessor. If a lessor improperly collects any such
22 amount from the lessee, the lessee shall have a legal right to
23 claim a refund of that amount from the lessor. If, however,
24 that amount is not refunded to the lessee for any reason, the
25 lessor is liable to pay that amount to the Department. This
26 paragraph is exempt from the provisions of Section 3-90.

1 (33) On and after July 1, 2003 and through June 30, 2004,
2 the use in this State of motor vehicles of the second division
3 with a gross vehicle weight in excess of 8,000 pounds and that
4 are subject to the commercial distribution fee imposed under
5 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July
6 1, 2004 and through June 30, 2005, the use in this State of
7 motor vehicles of the second division: (i) with a gross vehicle
8 weight rating in excess of 8,000 pounds; (ii) that are subject
9 to the commercial distribution fee imposed under Section
10 3-815.1 of the Illinois Vehicle Code; and (iii) that are
11 primarily used for commercial purposes. Through June 30, 2005,
12 this exemption applies to repair and replacement parts added
13 after the initial purchase of such a motor vehicle if that
14 motor vehicle is used in a manner that would qualify for the
15 rolling stock exemption otherwise provided for in this Act. For
16 purposes of this paragraph, the term "used for commercial
17 purposes" means the transportation of persons or property in
18 furtherance of any commercial or industrial enterprise,
19 whether for-hire or not.

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

1 (35) Beginning January 1, 2010 and continuing through
2 December 31, 2024, materials, parts, equipment, components,
3 and furnishings incorporated into or upon an aircraft as part
4 of the modification, refurbishment, completion, replacement,
5 repair, or maintenance of the aircraft. This exemption includes
6 consumable supplies used in the modification, refurbishment,
7 completion, replacement, repair, and maintenance of aircraft,
8 but excludes any materials, parts, equipment, components, and
9 consumable supplies used in the modification, replacement,
10 repair, and maintenance of aircraft engines or power plants,
11 whether such engines or power plants are installed or
12 uninstalled upon any such aircraft. "Consumable supplies"
13 include, but are not limited to, adhesive, tape, sandpaper,
14 general purpose lubricants, cleaning solution, latex gloves,
15 and protective films. This exemption applies only to the use of
16 qualifying tangible personal property by persons who modify,
17 refurbish, complete, repair, replace, or maintain aircraft and
18 who (i) hold an Air Agency Certificate and are empowered to
19 operate an approved repair station by the Federal Aviation
20 Administration, (ii) have a Class IV Rating, and (iii) conduct
21 operations in accordance with Part 145 of the Federal Aviation
22 Regulations. The exemption does not include aircraft operated
23 by a commercial air carrier providing scheduled passenger air
24 service pursuant to authority issued under Part 121 or Part 129
25 of the Federal Aviation Regulations. The changes made to this
26 paragraph (35) by Public Act 98-534 are declarative of existing

1 law. On and after the effective date of this amendatory Act of
2 the 101st General Assembly, this exemption does not apply if
3 the qualifying tangible personal property is incorporated into
4 or upon an aircraft that is registered in the name of an
5 individual who had a federal adjusted gross income in the
6 immediately preceding taxable year for federal income tax
7 purposes that exceeded \$1,000,000. It is the intent of the
8 General Assembly that the exemption under this paragraph (35)
9 applies continuously from January 1, 2010 through December 31,
10 2024; however, no claim for credit or refund is allowed for
11 taxes paid as a result of the disallowance of this exemption on
12 or after January 1, 2015 and prior to the effective date of
13 this amendatory Act of the 101st General Assembly.

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

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

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

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

11 (39) Tangible personal property purchased by a purchaser
12 who is exempt from the tax imposed by this Act by operation of
13 federal law. This paragraph is exempt from the provisions of
14 Section 3-90.

15 (40) Qualified tangible personal property used in the
16 construction or operation of a data center that has been
17 granted a certificate of exemption by the Department of
18 Commerce and Economic Opportunity, whether that tangible
19 personal property is purchased by the owner, operator, or
20 tenant of the data center or by a contractor or subcontractor
21 of the owner, operator, or tenant. Data centers that would have
22 qualified for a certificate of exemption prior to January 1,
23 2020 had Public Act 101-31 ~~this amendatory Act of the 101st~~
24 ~~General Assembly~~ been in effect, may apply for and obtain an
25 exemption for subsequent purchases of computer equipment or
26 enabling software purchased or leased to upgrade, supplement,

1 or replace computer equipment or enabling software purchased or
2 leased in the original investment that would have qualified.

3 The Department of Commerce and Economic Opportunity shall
4 grant a certificate of exemption under this item (40) to
5 qualified data centers as defined by Section 605-1025 of the
6 Department of Commerce and Economic Opportunity Law of the
7 Civil Administrative Code of Illinois.

8 For the purposes of this item (40):

9 "Data center" means a building or a series of buildings
10 rehabilitated or constructed to house working servers in
11 one physical location or multiple sites within the State of
12 Illinois.

13 "Qualified tangible personal property" means:
14 electrical systems and equipment; climate control and
15 chilling equipment and systems; mechanical systems and
16 equipment; monitoring and secure systems; emergency
17 generators; hardware; computers; servers; data storage
18 devices; network connectivity equipment; racks; cabinets;
19 telecommunications cabling infrastructure; raised floor
20 systems; peripheral components or systems; software;
21 mechanical, electrical, or plumbing systems; battery
22 systems; cooling systems and towers; temperature control
23 systems; other cabling; and other data center
24 infrastructure equipment and systems necessary to operate
25 qualified tangible personal property, including fixtures;
26 and component parts of any of the foregoing, including

1 installation, maintenance, repair, refurbishment, and
2 replacement of qualified tangible personal property to
3 generate, transform, transmit, distribute, or manage
4 electricity necessary to operate qualified tangible
5 personal property; and all other tangible personal
6 property that is essential to the operations of a computer
7 data center. The term "qualified tangible personal
8 property" also includes building materials physically
9 incorporated in to the qualifying data center. To document
10 the exemption allowed under this Section, the retailer must
11 obtain from the purchaser a copy of the certificate of
12 eligibility issued by the Department of Commerce and
13 Economic Opportunity.

14 This item (40) is exempt from the provisions of Section
15 3-90.

16 (Source: P.A. 100-22, eff. 7-6-17; 100-437, eff. 1-1-18;
17 100-594, eff. 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff.
18 1-4-19; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19; 101-81, eff.
19 7-12-19; revised 9-23-19.)

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

22 (35 ILCS 110/3-5)

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

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

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

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

26 (4) Legal tender, currency, medallions, or gold or silver

1 coinage issued by the State of Illinois, the government of the
2 United States of America, or the government of any foreign
3 country, and bullion.

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

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

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

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

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

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

1 provisions of Section 3-75.

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

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

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

1 imposed.

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

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

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

1 16, 2013 (the effective date of Public Act 98-456).

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

4 (14) Horses, or interests in horses, registered with and
5 meeting the requirements of any of the Arabian Horse Club
6 Registry of America, Appaloosa Horse Club, American Quarter
7 Horse Association, United States Trotting Association, or
8 Jockey Club, as appropriate, used for purposes of breeding or
9 racing for prizes. This item (14) is exempt from the provisions
10 of Section 3-75, and the exemption provided for under this item
11 (14) applies for all periods beginning May 30, 1995, but no
12 claim for credit or refund is allowed on or after January 1,
13 2008 (the effective date of Public Act 95-88) for such taxes
14 paid during the period beginning May 30, 2000 and ending on
15 January 1, 2008 (the effective date of Public Act 95-88).

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 August 2, 2001 (the effective date of
10 Public Act 92-227), computers and communications equipment
11 utilized for any hospital purpose and equipment used in the
12 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 August 2, 2001 (the effective date of
8 Public Act 92-227), personal property purchased by a lessor who
9 leases the property, under a lease of one year or longer
10 executed or in effect at the time the lessor would otherwise be
11 subject to the tax imposed by this Act, to a governmental body
12 that has been issued an active tax exemption identification
13 number by the Department under Section 1g of the Retailers'
14 Occupation Tax Act. If the property is leased in a manner that
15 does not qualify for this exemption or is used in any other
16 nonexempt manner, the lessor shall be liable for the tax
17 imposed under this Act or the Use Tax Act, as the case may be,
18 based on the fair market value of the property at the time the
19 nonqualifying use occurs. No lessor shall collect or attempt to
20 collect an amount (however designated) that purports to
21 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 and continuing through
11 December 31, 2024, materials, parts, equipment, components,
12 and furnishings incorporated into or upon an aircraft as part
13 of the modification, refurbishment, completion, replacement,
14 repair, or maintenance of the aircraft. This exemption includes
15 consumable supplies used in the modification, refurbishment,
16 completion, replacement, repair, and maintenance of aircraft,
17 but excludes any materials, parts, equipment, components, and
18 consumable supplies used in the modification, replacement,
19 repair, and maintenance of aircraft engines or power plants,
20 whether such engines or power plants are installed or
21 uninstalled upon any such aircraft. "Consumable supplies"
22 include, but are not limited to, adhesive, tape, sandpaper,
23 general purpose lubricants, cleaning solution, latex gloves,
24 and protective films. This exemption applies only to the use of
25 qualifying tangible personal property transferred incident to
26 the modification, refurbishment, completion, replacement,

1 repair, or maintenance of aircraft by persons who (i) hold an
2 Air 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. On and after the effective date of this amendatory Act of
12 the 101st General Assembly, this exemption does not apply if
13 the qualifying tangible personal property is incorporated into
14 or upon an aircraft that is registered in the name of an
15 individual who had a federal adjusted gross income in the
16 immediately preceding taxable year for federal income tax
17 purposes that exceeded \$1,000,000. It is the intent of the
18 General Assembly that the exemption under this paragraph (27)
19 applies continuously from January 1, 2010 through December 31,
20 2024; however, no claim for credit or refund is allowed for
21 taxes paid as a result of the disallowance of this exemption on
22 or after January 1, 2015 and prior to the effective date of
23 this amendatory Act of the 101st General Assembly.

24 (28) Tangible personal property purchased by a
25 public-facilities corporation, as described in Section
26 11-65-10 of the Illinois Municipal Code, for purposes of

1 constructing or furnishing a municipal convention hall, but
2 only if the legal title to the municipal convention hall is
3 transferred to the municipality without any further
4 consideration by or on behalf of the municipality at the time
5 of the completion of the municipal convention hall or upon the
6 retirement or redemption of any bonds or other debt instruments
7 issued by the public-facilities corporation in connection with
8 the development of the municipal convention hall. This
9 exemption includes existing public-facilities corporations as
10 provided in Section 11-65-25 of the Illinois Municipal Code.
11 This paragraph is exempt from the provisions of Section 3-75.

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

14 (30) Tangible personal property transferred to a purchaser
15 who is exempt from the tax imposed by this Act by operation of
16 federal law. This paragraph is exempt from the provisions of
17 Section 3-75.

18 (31) Qualified tangible personal property used in the
19 construction or operation of a data center that has been
20 granted a certificate of exemption by the Department of
21 Commerce and Economic Opportunity, whether that tangible
22 personal property is purchased by the owner, operator, or
23 tenant of the data center or by a contractor or subcontractor
24 of the owner, operator, or tenant. Data centers that would have
25 qualified for a certificate of exemption prior to January 1,
26 2020 had this amendatory Act of the 101st General Assembly been

1 in effect, may apply for and obtain an exemption for subsequent
2 purchases of computer equipment or enabling software purchased
3 or leased to upgrade, supplement, or replace computer equipment
4 or enabling software purchased or leased in the original
5 investment that would have qualified.

6 The Department of Commerce and Economic Opportunity shall
7 grant a certificate of exemption under this item (31) to
8 qualified data centers as defined by Section 605-1025 of the
9 Department of Commerce and Economic Opportunity Law of the
10 Civil Administrative Code of Illinois.

11 For the purposes of this item (31):

12 "Data center" means a building or a series of buildings
13 rehabilitated or constructed to house working servers in
14 one physical location or multiple sites within the State of
15 Illinois.

16 "Qualified tangible personal property" means:
17 electrical systems and equipment; climate control and
18 chilling equipment and systems; mechanical systems and
19 equipment; monitoring and secure systems; emergency
20 generators; hardware; computers; servers; data storage
21 devices; network connectivity equipment; racks; cabinets;
22 telecommunications cabling infrastructure; raised floor
23 systems; peripheral components or systems; software;
24 mechanical, electrical, or plumbing systems; battery
25 systems; cooling systems and towers; temperature control
26 systems; other cabling; and other data center

1 infrastructure equipment and systems necessary to operate
2 qualified tangible personal property, including fixtures;
3 and component parts of any of the foregoing, including
4 installation, maintenance, repair, refurbishment, and
5 replacement of qualified tangible personal property to
6 generate, transform, transmit, distribute, or manage
7 electricity necessary to operate qualified tangible
8 personal property; and all other tangible personal
9 property that is essential to the operations of a computer
10 data center. The term "qualified tangible personal
11 property" also includes building materials physically
12 incorporated in to the qualifying data center. To document
13 the exemption allowed under this Section, the retailer must
14 obtain from the purchaser a copy of the certificate of
15 eligibility issued by the Department of Commerce and
16 Economic Opportunity.

17 This item (31) is exempt from the provisions of Section
18 3-75.

19 (Source: P.A. 100-22, eff. 7-6-17; 100-594, eff. 6-29-18;
20 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81, eff.
21 7-12-19.)

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

24 (35 ILCS 115/3-5)

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

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

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

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

1 by the Department.

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

6 (5) Until July 1, 2003 and beginning again on September 1,
7 2004 through August 30, 2014, graphic arts machinery and
8 equipment, including repair and replacement parts, both new and
9 used, and including that manufactured on special order or
10 purchased for lease, certified by the purchaser to be used
11 primarily for graphic arts production. Equipment includes
12 chemicals or chemicals acting as catalysts but only if the
13 chemicals or chemicals acting as catalysts effect a direct and
14 immediate change upon a graphic arts product. Beginning on July
15 1, 2017, graphic arts machinery and equipment is included in
16 the manufacturing and assembling machinery and equipment
17 exemption under Section 2 of this Act.

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

21 (7) Farm machinery and equipment, both new and used,
22 including that manufactured on special order, certified by the
23 purchaser to be used primarily for production agriculture or
24 State or federal agricultural programs, including individual
25 replacement parts for the machinery and equipment, including
26 machinery and equipment purchased for lease, and including

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

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

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

1 crop data for the purpose of formulating animal diets and
2 agricultural chemicals. This item (7) is exempt from the
3 provisions of Section 3-55.

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

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

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

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

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

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

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

1 16, 2013 (the effective date of Public Act 98-456).

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

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

17 (15) 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 (15) is exempt from the provisions
23 of Section 3-55, and the exemption provided for under this item
24 (15) 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 (the effective date of Public Act 95-88) for such taxes

1 paid during the period beginning May 30, 2000 and ending on
2 January 1, 2008 (the effective date of Public Act 95-88).

3 (16) Computers and communications equipment utilized for
4 any hospital purpose and equipment used in the diagnosis,
5 analysis, or treatment of hospital patients sold to a lessor
6 who leases the equipment, under a lease of one year or longer
7 executed or in effect at the time of the purchase, 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.

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

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

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

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

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

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

9 (22) Beginning January 1, 2000, personal property,
10 including food, purchased through fundraising events for the
11 benefit of a public or private elementary or secondary school,
12 a group of those schools, or one or more school districts if
13 the events are sponsored by an entity recognized by the school
14 district that consists primarily of volunteers and includes
15 parents and teachers of the school children. This paragraph
16 does not apply to fundraising events (i) for the benefit of
17 private home instruction or (ii) for which the fundraising
18 entity purchases the personal property sold at the events from
19 another individual or entity that sold the property for the
20 purpose of resale by the fundraising entity and that profits
21 from the sale to the fundraising entity. This paragraph is
22 exempt from the provisions of Section 3-55.

23 (23) Beginning January 1, 2000 and through December 31,
24 2001, new or used automatic vending machines that prepare and
25 serve hot food and beverages, including coffee, soup, and other
26 items, and replacement parts for these machines. Beginning

1 January 1, 2002 and through June 30, 2003, machines and parts
2 for machines used in commercial, coin-operated amusement and
3 vending business if a use or occupation tax is paid on the
4 gross receipts derived from the use of the commercial,
5 coin-operated amusement and vending machines. This paragraph
6 is exempt from the provisions of Section 3-55.

7 (24) Beginning on August 2, 2001 (the effective date of
8 Public Act 92-227), computers and communications equipment
9 utilized for any hospital purpose and equipment used in the
10 diagnosis, analysis, or treatment of hospital patients sold to
11 a lessor who leases the equipment, under a lease of one year or
12 longer executed or in effect at the time of the purchase, to a
13 hospital that has been issued an active tax exemption
14 identification number by the Department under Section 1g of the
15 Retailers' Occupation Tax Act. This paragraph is exempt from
16 the provisions of Section 3-55.

17 (25) Beginning on August 2, 2001 (the effective date of
18 Public Act 92-227), personal property sold to a lessor who
19 leases the property, under a lease of one year or longer
20 executed or in effect at the time of the purchase, to a
21 governmental body that has been issued an active tax exemption
22 identification number by the Department under Section 1g of the
23 Retailers' Occupation Tax Act. This paragraph is exempt from
24 the provisions of Section 3-55.

25 (26) Beginning on January 1, 2002 and through June 30,
26 2016, tangible personal property purchased from an Illinois

1 retailer by a taxpayer engaged in centralized purchasing
2 activities in Illinois who will, upon receipt of the property
3 in Illinois, temporarily store the property in Illinois (i) for
4 the purpose of subsequently transporting it outside this State
5 for use or consumption thereafter solely outside this State or
6 (ii) for the purpose of being processed, fabricated, or
7 manufactured into, attached to, or incorporated into other
8 tangible personal property to be transported outside this State
9 and thereafter used or consumed solely outside this State. The
10 Director of Revenue shall, pursuant to rules adopted in
11 accordance with the Illinois Administrative Procedure Act,
12 issue a permit to any taxpayer in good standing with the
13 Department who is eligible for the exemption under this
14 paragraph (26). The permit issued under this paragraph (26)
15 shall authorize the holder, to the extent and in the manner
16 specified in the rules adopted under this Act, to purchase
17 tangible personal property from a retailer exempt from the
18 taxes imposed by this Act. Taxpayers shall maintain all
19 necessary books and records to substantiate the use and
20 consumption of all such tangible personal property outside of
21 the State of Illinois.

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

1 Title IV of the Environmental Protection Act. This paragraph is
2 exempt from the provisions of Section 3-55.

3 (28) Tangible personal property sold to a
4 public-facilities corporation, as described in Section
5 11-65-10 of the Illinois Municipal Code, for purposes of
6 constructing or furnishing a municipal convention hall, but
7 only if the legal title to the municipal convention hall is
8 transferred to the municipality without any further
9 consideration by or on behalf of the municipality at the time
10 of the completion of the municipal convention hall or upon the
11 retirement or redemption of any bonds or other debt instruments
12 issued by the public-facilities corporation in connection with
13 the development of the municipal convention hall. This
14 exemption includes existing public-facilities corporations as
15 provided in Section 11-65-25 of the Illinois Municipal Code.
16 This paragraph is exempt from the provisions of Section 3-55.

17 (29) Beginning January 1, 2010 and continuing through
18 December 31, 2024, materials, parts, equipment, components,
19 and furnishings incorporated into or upon an aircraft as part
20 of the modification, refurbishment, completion, replacement,
21 repair, or maintenance of the aircraft. This exemption includes
22 consumable supplies used in the modification, refurbishment,
23 completion, replacement, repair, and maintenance of aircraft,
24 but excludes any materials, parts, equipment, components, and
25 consumable supplies used in the modification, replacement,
26 repair, and maintenance of aircraft engines or power plants,

1 whether such engines or power plants are installed or
2 uninstalled upon any such aircraft. "Consumable supplies"
3 include, but are not limited to, adhesive, tape, sandpaper,
4 general purpose lubricants, cleaning solution, latex gloves,
5 and protective films. This exemption applies only to the
6 transfer of qualifying tangible personal property incident to
7 the modification, refurbishment, completion, replacement,
8 repair, or maintenance of an aircraft by persons who (i) hold
9 an Air Agency Certificate and are empowered to operate an
10 approved repair station by the Federal Aviation
11 Administration, (ii) have a Class IV Rating, and (iii) conduct
12 operations in accordance with Part 145 of the Federal Aviation
13 Regulations. The exemption does not include aircraft operated
14 by a commercial air carrier providing scheduled passenger air
15 service pursuant to authority issued under Part 121 or Part 129
16 of the Federal Aviation Regulations. The changes made to this
17 paragraph (29) by Public Act 98-534 are declarative of existing
18 law. On and after the effective date of this amendatory Act of
19 the 101st General Assembly, this exemption does not apply if
20 the qualifying tangible personal property is incorporated into
21 or upon an aircraft that is registered in the name of an
22 individual who had a federal adjusted gross income in the
23 immediately preceding taxable year for federal income tax
24 purposes that exceeded \$1,000,000. It is the intent of the
25 General Assembly that the exemption under this paragraph (29)
26 applies continuously from January 1, 2010 through December 31,

1 2024; however, no claim for credit or refund is allowed for
2 taxes paid as a result of the disallowance of this exemption on
3 or after January 1, 2015 and prior to the effective date of
4 this amendatory Act of the 101st General Assembly.

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

7 (31) Tangible personal property transferred to a purchaser
8 who is exempt from tax by operation of federal law. This
9 paragraph is exempt from the provisions of Section 3-55.

10 (32) Qualified tangible personal property used in the
11 construction or operation of a data center that has been
12 granted a certificate of exemption by the Department of
13 Commerce and Economic Opportunity, whether that tangible
14 personal property is purchased by the owner, operator, or
15 tenant of the data center or by a contractor or subcontractor
16 of the owner, operator, or tenant. Data centers that would have
17 qualified for a certificate of exemption prior to January 1,
18 2020 had this amendatory Act of the 101st General Assembly been
19 in effect, may apply for and obtain an exemption for subsequent
20 purchases of computer equipment or enabling software purchased
21 or leased to upgrade, supplement, or replace computer equipment
22 or enabling software purchased or leased in the original
23 investment that would have qualified.

24 The Department of Commerce and Economic Opportunity shall
25 grant a certificate of exemption under this item (32) to
26 qualified data centers as defined by Section 605-1025 of the

1 Department of Commerce and Economic Opportunity Law of the
2 Civil Administrative Code of Illinois.

3 For the purposes of this item (32):

4 "Data center" means a building or a series of buildings
5 rehabilitated or constructed to house working servers in
6 one physical location or multiple sites within the State of
7 Illinois.

8 "Qualified tangible personal property" means:
9 electrical systems and equipment; climate control and
10 chilling equipment and systems; mechanical systems and
11 equipment; monitoring and secure systems; emergency
12 generators; hardware; computers; servers; data storage
13 devices; network connectivity equipment; racks; cabinets;
14 telecommunications cabling infrastructure; raised floor
15 systems; peripheral components or systems; software;
16 mechanical, electrical, or plumbing systems; battery
17 systems; cooling systems and towers; temperature control
18 systems; other cabling; and other data center
19 infrastructure equipment and systems necessary to operate
20 qualified tangible personal property, including fixtures;
21 and component parts of any of the foregoing, including
22 installation, maintenance, repair, refurbishment, and
23 replacement of qualified tangible personal property to
24 generate, transform, transmit, distribute, or manage
25 electricity necessary to operate qualified tangible
26 personal property; and all other tangible personal

1 property that is essential to the operations of a computer
2 data center. The term "qualified tangible personal
3 property" also includes building materials physically
4 incorporated in to the qualifying data center. To document
5 the exemption allowed under this Section, the retailer must
6 obtain from the purchaser a copy of the certificate of
7 eligibility issued by the Department of Commerce and
8 Economic Opportunity.

9 This item (32) is exempt from the provisions of Section
10 3-55.

11 (Source: P.A. 100-22, eff. 7-6-17; 100-594, eff. 6-29-18;
12 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81, eff.
13 7-12-19.)

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

16 (35 ILCS 120/2-5)

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

20 (1) Farm chemicals.

21 (2) Farm machinery and equipment, both new and used,
22 including that manufactured on special order, certified by
23 the purchaser to be used primarily for production
24 agriculture or State or federal agricultural programs,

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

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

25 Farm machinery and equipment also includes computers,
26 sensors, software, and related equipment used primarily in

1 the computer-assisted operation of production agriculture
2 facilities, equipment, and activities such as, but not
3 limited to, the collection, monitoring, and correlation of
4 animal and crop data for the purpose of formulating animal
5 diets and agricultural chemicals. This item (2) is exempt
6 from the provisions of Section 2-70.

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

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

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

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

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

11 (8) Personal property sold to an Illinois county fair
12 association for use in conducting, operating, or promoting
13 the county fair.

14 (9) Personal property sold to a not-for-profit arts or
15 cultural organization that establishes, by proof required
16 by the Department by rule, that it has received an
17 exemption under Section 501(c)(3) of the Internal Revenue
18 Code and that is organized and operated primarily for the
19 presentation or support of arts or cultural programming,
20 activities, or services. These organizations include, but
21 are not limited to, music and dramatic arts organizations
22 such as symphony orchestras and theatrical groups, arts and
23 cultural service organizations, local arts councils,
24 visual arts organizations, and media arts organizations.
25 On and after July 1, 2001 (the effective date of Public Act
26 92-35), however, an entity otherwise eligible for this

1 exemption shall not make tax-free purchases unless it has
2 an active identification number issued by the Department.

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

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

25 (12) (Blank).

26 (12-5) On and after July 1, 2003 and through June 30,

1 2004, motor vehicles of the second division with a gross
2 vehicle weight in excess of 8,000 pounds that are subject
3 to the commercial distribution fee imposed under Section
4 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
5 2004 and through June 30, 2005, the use in this State of
6 motor vehicles of the second division: (i) with a gross
7 vehicle weight rating in excess of 8,000 pounds; (ii) that
8 are subject to the commercial distribution fee imposed
9 under Section 3-815.1 of the Illinois Vehicle Code; and
10 (iii) that are primarily used for commercial purposes.
11 Through June 30, 2005, this exemption applies to repair and
12 replacement parts added after the initial purchase of such
13 a motor vehicle if that motor vehicle is used in a manner
14 that would qualify for the rolling stock exemption
15 otherwise provided for in this Act. For purposes of this
16 paragraph, "used for commercial purposes" means the
17 transportation of persons or property in furtherance of any
18 commercial or industrial enterprise whether for-hire or
19 not.

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

1 interstate commerce.

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

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

9 (16) Tangible personal property sold to a purchaser if
10 the purchaser is exempt from use tax by operation of
11 federal law. This paragraph is exempt from the provisions
12 of Section 2-70.

13 (17) Tangible personal property sold to a common
14 carrier by rail or motor that receives the physical
15 possession of the property in Illinois and that transports
16 the property, or shares with another common carrier in the
17 transportation of the property, out of Illinois on a
18 standard uniform bill of lading showing the seller of the
19 property as the shipper or consignor of the property to a
20 destination outside Illinois, for use outside Illinois.

21 (18) Legal tender, currency, medallions, or gold or
22 silver coinage issued by the State of Illinois, the
23 government of the United States of America, or the
24 government of any foreign country, and bullion.

25 (19) Until July 1, 2003, oil field exploration,
26 drilling, and production equipment, including (i) rigs and

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

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

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

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

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

18 (23) A transaction in which the purchase order is
19 received by a florist who is located outside Illinois, but
20 who has a florist located in Illinois deliver the property
21 to the purchaser or the purchaser's donee in Illinois.

22 (24) Fuel consumed or used in the operation of ships,
23 barges, or vessels that are used primarily in or for the
24 transportation of property or the conveyance of persons for
25 hire on rivers bordering on this State if the fuel is
26 delivered by the seller to the purchaser's barge, ship, or

1 vessel while it is afloat upon that bordering river.

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

14 (25-5) The exemption under item (25) does not apply if
15 the state in which the motor vehicle will be titled does
16 not allow a reciprocal exemption for a motor vehicle sold
17 and delivered in that state to an Illinois resident but
18 titled in Illinois. The tax collected under this Act on the
19 sale of a motor vehicle in this State to a resident of
20 another state that does not allow a reciprocal exemption
21 shall be imposed at a rate equal to the state's rate of tax
22 on taxable property in the state in which the purchaser is
23 a resident, except that the tax shall not exceed the tax
24 that would otherwise be imposed under this Act. At the time
25 of the sale, the purchaser shall execute a statement,
26 signed under penalty of perjury, of his or her intent to

1 title the vehicle in the state in which the purchaser is a
2 resident within 30 days after the sale and of the fact of
3 the payment to the State of Illinois of tax in an amount
4 equivalent to the state's rate of tax on taxable property
5 in his or her state of residence and shall submit the
6 statement to the appropriate tax collection agency in his
7 or her state of residence. In addition, the retailer must
8 retain a signed copy of the statement in his or her
9 records. Nothing in this item shall be construed to require
10 the removal of the vehicle from this state following the
11 filing of an intent to title the vehicle in the purchaser's
12 state of residence if the purchaser titles the vehicle in
13 his or her state of residence within 30 days after the date
14 of sale. The tax collected under this Act in accordance
15 with this item (25-5) shall be proportionately distributed
16 as if the tax were collected at the 6.25% general rate
17 imposed under this Act.

18 (25-7) Beginning on July 1, 2007, no tax is imposed
19 under this Act on the sale of an aircraft, as defined in
20 Section 3 of the Illinois Aeronautics Act, if all of the
21 following conditions are met:

22 (1) the aircraft leaves this State within 15 days
23 after the later of either the issuance of the final
24 billing for the sale of the aircraft, or the authorized
25 approval for return to service, completion of the
26 maintenance record entry, and completion of the test

1 flight and ground test for inspection, as required by
2 14 C.F.R. 91.407;

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

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

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

17 "Based in this State" means hangared, stored, or
18 otherwise used, excluding post-sale customizations as
19 defined in this Section, for 10 or more days in each
20 12-month period immediately following the date of the sale
21 of the aircraft.

22 "Registered in this State" means an aircraft
23 registered with the Department of Transportation,
24 Aeronautics Division, or titled or registered with the
25 Federal Aviation Administration to an address located in
26 this State.

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

3 (26) Semen used for artificial insemination of
4 livestock for direct agricultural production.

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

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

26 (29) Personal property sold to a lessor who leases the

1 property, under a lease of one year or longer executed or
2 in effect at the time of the purchase, to a governmental
3 body that has been issued an active tax exemption
4 identification number by the Department under Section 1g of
5 this Act.

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

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

1 Illinois or bordering Illinois when such repairs are
2 initiated on facilities located in the declared disaster
3 area within 6 months after the disaster.

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

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

1 occupation.

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

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

1 provisions of Section 2-70.

2 (35-5) Beginning August 23, 2001 and through June 30,
3 2016, food for human consumption that is to be consumed off
4 the premises where it is sold (other than alcoholic
5 beverages, soft drinks, and food that has been prepared for
6 immediate consumption) and prescription and
7 nonprescription medicines, drugs, medical appliances, and
8 insulin, urine testing materials, syringes, and needles
9 used by diabetics, for human use, when purchased for use by
10 a person receiving medical assistance under Article V of
11 the Illinois Public Aid Code who resides in a licensed
12 long-term care facility, as defined in the Nursing Home
13 Care Act, or a licensed facility as defined in the ID/DD
14 Community Care Act, the MC/DD Act, or the Specialized
15 Mental Health Rehabilitation Act of 2013.

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

25 (37) Beginning August 2, 2001, personal property sold
26 to a lessor who leases the property, under a lease of one

1 year or longer executed or in effect at the time of the
2 purchase, to a governmental body that has been issued an
3 active tax exemption identification number by the
4 Department under Section 1g of this Act. This paragraph is
5 exempt from the provisions of Section 2-70.

6 (38) Beginning on January 1, 2002 and through June 30,
7 2016, tangible personal property purchased from an
8 Illinois retailer by a taxpayer engaged in centralized
9 purchasing activities in Illinois who will, upon receipt of
10 the property in Illinois, temporarily store the property in
11 Illinois (i) for the purpose of subsequently transporting
12 it outside this State for use or consumption thereafter
13 solely outside this State or (ii) for the purpose of being
14 processed, fabricated, or manufactured into, attached to,
15 or incorporated into other tangible personal property to be
16 transported outside this State and thereafter used or
17 consumed solely outside this State. The Director of Revenue
18 shall, pursuant to rules adopted in accordance with the
19 Illinois Administrative Procedure Act, issue a permit to
20 any taxpayer in good standing with the Department who is
21 eligible for the exemption under this paragraph (38). The
22 permit issued under this paragraph (38) shall authorize the
23 holder, to the extent and in the manner specified in the
24 rules adopted under this Act, to purchase tangible personal
25 property from a retailer exempt from the taxes imposed by
26 this Act. Taxpayers shall maintain all necessary books and

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

4 (39) Beginning January 1, 2008, tangible personal
5 property used in the construction or maintenance of a
6 community water supply, as defined under Section 3.145 of
7 the Environmental Protection Act, that is operated by a
8 not-for-profit corporation that holds a valid water supply
9 permit issued under Title IV of the Environmental
10 Protection Act. This paragraph is exempt from the
11 provisions of Section 2-70.

12 (40) Beginning January 1, 2010 and continuing through
13 December 31, 2024, materials, parts, equipment,
14 components, and furnishings incorporated into or upon an
15 aircraft as part of the modification, refurbishment,
16 completion, replacement, repair, or maintenance of the
17 aircraft. This exemption includes consumable supplies used
18 in the modification, refurbishment, completion,
19 replacement, repair, and maintenance of aircraft, but
20 excludes any materials, parts, equipment, components, and
21 consumable supplies used in the modification, replacement,
22 repair, and maintenance of aircraft engines or power
23 plants, whether such engines or power plants are installed
24 or uninstalled upon any such aircraft. "Consumable
25 supplies" include, but are not limited to, adhesive, tape,
26 sandpaper, general purpose lubricants, cleaning solution,

1 latex gloves, and protective films. This exemption applies
2 only to the sale of qualifying tangible personal property
3 to persons who modify, refurbish, complete, replace, or
4 maintain an aircraft and who (i) hold an Air Agency
5 Certificate and are empowered to operate an approved repair
6 station by the Federal Aviation Administration, (ii) have a
7 Class IV Rating, and (iii) conduct operations in accordance
8 with Part 145 of the Federal Aviation Regulations. The
9 exemption does not include aircraft operated by a
10 commercial air carrier providing scheduled passenger air
11 service pursuant to authority issued under Part 121 or Part
12 129 of the Federal Aviation Regulations. The changes made
13 to this paragraph (40) by Public Act 98-534 are declarative
14 of existing law. On and after the effective date of this
15 amendatory Act of the 101st General Assembly, this
16 exemption does not apply if the qualifying tangible
17 personal property is incorporated into or upon an aircraft
18 that is registered in the name of an individual who had a
19 federal adjusted gross income in the immediately preceding
20 taxable year for federal income tax purposes that exceeded
21 \$1,000,000. It is the intent of the General Assembly that
22 the exemption under this paragraph (40) applies
23 continuously from January 1, 2010 through December 31,
24 2024; however, no claim for credit or refund is allowed for
25 taxes paid as a result of the disallowance of this
26 exemption on or after January 1, 2015 and prior to the

1 effective date of this amendatory Act of the 101st General
2 Assembly.

3 (41) Tangible personal property sold to a
4 public-facilities corporation, as described in Section
5 11-65-10 of the Illinois Municipal Code, for purposes of
6 constructing or furnishing a municipal convention hall,
7 but only if the legal title to the municipal convention
8 hall is transferred to the municipality without any further
9 consideration by or on behalf of the municipality at the
10 time of the completion of the municipal convention hall or
11 upon the retirement or redemption of any bonds or other
12 debt instruments issued by the public-facilities
13 corporation in connection with the development of the
14 municipal convention hall. This exemption includes
15 existing public-facilities corporations as provided in
16 Section 11-65-25 of the Illinois Municipal Code. This
17 paragraph is exempt from the provisions of Section 2-70.

18 (42) Beginning January 1, 2017, menstrual pads,
19 tampons, and menstrual cups.

20 (43) Merchandise that is subject to the Rental Purchase
21 Agreement Occupation and Use Tax. The purchaser must
22 certify that the item is purchased to be rented subject to
23 a rental purchase agreement, as defined in the Rental
24 Purchase Agreement Act, and provide proof of registration
25 under the Rental Purchase Agreement Occupation and Use Tax
26 Act. This paragraph is exempt from the provisions of

1 Section 2-70.

2 (44) Qualified tangible personal property used in the
3 construction or operation of a data center that has been
4 granted a certificate of exemption by the Department of
5 Commerce and Economic Opportunity, whether that tangible
6 personal property is purchased by the owner, operator, or
7 tenant of the data center or by a contractor or
8 subcontractor of the owner, operator, or tenant. Data
9 centers that would have qualified for a certificate of
10 exemption prior to January 1, 2020 had this amendatory Act
11 of the 101st General Assembly been in effect, may apply for
12 and obtain an exemption for subsequent purchases of
13 computer equipment or enabling software purchased or
14 leased to upgrade, supplement, or replace computer
15 equipment or enabling software purchased or leased in the
16 original investment that would have qualified.

17 The Department of Commerce and Economic Opportunity
18 shall grant a certificate of exemption under this item (44)
19 to qualified data centers as defined by Section 605-1025 of
20 the Department of Commerce and Economic Opportunity Law of
21 the Civil Administrative Code of Illinois.

22 For the purposes of this item (44):

23 "Data center" means a building or a series of
24 buildings rehabilitated or constructed to house
25 working servers in one physical location or multiple
26 sites within the State of Illinois.

1 "Qualified tangible personal property" means:
2 electrical systems and equipment; climate control and
3 chilling equipment and systems; mechanical systems and
4 equipment; monitoring and secure systems; emergency
5 generators; hardware; computers; servers; data storage
6 devices; network connectivity equipment; racks;
7 cabinets; telecommunications cabling infrastructure;
8 raised floor systems; peripheral components or
9 systems; software; mechanical, electrical, or plumbing
10 systems; battery systems; cooling systems and towers;
11 temperature control systems; other cabling; and other
12 data center infrastructure equipment and systems
13 necessary to operate qualified tangible personal
14 property, including fixtures; and component parts of
15 any of the foregoing, including installation,
16 maintenance, repair, refurbishment, and replacement of
17 qualified tangible personal property to generate,
18 transform, transmit, distribute, or manage electricity
19 necessary to operate qualified tangible personal
20 property; and all other tangible personal property
21 that is essential to the operations of a computer data
22 center. The term "qualified tangible personal
23 property" also includes building materials physically
24 incorporated in to the qualifying data center. To
25 document the exemption allowed under this Section, the
26 retailer must obtain from the purchaser a copy of the

1 certificate of eligibility issued by the Department of
2 Commerce and Economic Opportunity.

3 This item (44) is exempt from the provisions of Section
4 2-70.

5 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;
6 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff.
7 8-14-18; 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81,
8 eff. 7-12-19.)

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