



Rep. Monica Bristow

## Adopted in House Comm. on Oct 29, 2019

10100HB3902ham001

LRB101 13854 HLH 63821 a

1 AMENDMENT TO HOUSE BILL 3902

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 3902 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. It is the intent of the General Assembly that the  
2 exemption under this paragraph (35) applies continuously from  
3 January 1, 2010 through December 31, 2024; however, no claim  
4 for credit or refund is allowed for taxes paid as a result of  
5 the disallowance of this exemption on or after January 1, 2015  
6 and prior to the effective date of this amendatory Act of the  
7 101st General Assembly.

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

22 (37) Beginning January 1, 2017, menstrual pads, tampons,  
23 and menstrual cups.

24 (38) Merchandise that is subject to the Rental Purchase  
25 Agreement Occupation and Use Tax. The purchaser must certify  
26 that the item is purchased to be rented subject to a rental

1 purchase agreement, as defined in the Rental Purchase Agreement  
2 Act, and provide proof of registration under the Rental  
3 Purchase Agreement Occupation and Use Tax Act. This paragraph  
4 is exempt from the provisions of Section 3-90.

5 (39) Tangible personal property purchased by a purchaser  
6 who is exempt from the tax imposed by this Act by operation of  
7 federal law. This paragraph is exempt from the provisions of  
8 Section 3-90.

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

23 The Department of Commerce and Economic Opportunity shall  
24 grant a certificate of exemption under this item (40) to  
25 qualified data centers as defined by Section 605-1025 of the  
26 Department of Commerce and Economic Opportunity Law of the

1 Civil Administrative Code of Illinois.

2 For the purposes of this item (40):

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

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

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

8 This item (40) is exempt from the provisions of Section  
9 3-90.

10 (Source: P.A. 100-22, eff. 7-6-17; 100-437, eff. 1-1-18;  
11 100-594, eff. 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff.  
12 1-4-19; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19; 101-81, eff.  
13 7-12-19; revised 9-23-19.)

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

16 (35 ILCS 110/3-5)

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

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

1 purpose of resale by the enterprise.

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

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

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

24 (5) Until July 1, 2003 and beginning again on September 1,  
25 2004 through August 30, 2014, graphic arts machinery and  
26 equipment, including repair and replacement parts, both new and

1 used, and including that manufactured on special order or  
2 purchased for lease, certified by the purchaser to be used  
3 primarily for graphic arts production. Equipment includes  
4 chemicals or chemicals acting as catalysts but only if the  
5 chemicals or chemicals acting as catalysts effect a direct and  
6 immediate change upon a graphic arts product. Beginning on July  
7 1, 2017, graphic arts machinery and equipment is included in  
8 the manufacturing and assembling machinery and equipment  
9 exemption under Section 2 of this Act.

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

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

1 this item (7). Agricultural chemical tender tanks and dry boxes  
2 shall include units sold separately from a motor vehicle  
3 required to be licensed and units sold mounted on a motor  
4 vehicle required to be licensed if the selling price of the  
5 tender is separately stated.

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

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

22 (8) Until June 30, 2013, fuel and petroleum products sold  
23 to or used by an air common carrier, certified by the carrier  
24 to be used for consumption, shipment, or storage in the conduct  
25 of its business as an air common carrier, for a flight destined  
26 for or returning from a location or locations outside the



1 United States without regard to previous or subsequent domestic  
2 stopovers.

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

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

22 (10) Until July 1, 2003, oil field exploration, drilling,  
23 and production equipment, including (i) rigs and parts of rigs,  
24 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
25 tubular goods, including casing and drill strings, (iii) pumps  
26 and pump-jack units, (iv) storage tanks and flow lines, (v) any

1 individual replacement part for oil field exploration,  
2 drilling, and production equipment, and (vi) machinery and  
3 equipment purchased for lease; but excluding motor vehicles  
4 required to be registered under the Illinois Vehicle Code.

5 (11) Proceeds from the sale of photoprocessing machinery  
6 and equipment, including repair and replacement parts, both new  
7 and used, including that manufactured on special order,  
8 certified by the purchaser to be used primarily for  
9 photoprocessing, and including photoprocessing machinery and  
10 equipment purchased for lease.

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

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

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

1 Horse Association, United States Trotting Association, or  
2 Jockey Club, as appropriate, used for purposes of breeding or  
3 racing for prizes. This item (14) is exempt from the provisions  
4 of Section 3-75, and the exemption provided for under this item  
5 (14) applies for all periods beginning May 30, 1995, but no  
6 claim for credit or refund is allowed on or after January 1,  
7 2008 (the effective date of Public Act 95-88) for such taxes  
8 paid during the period beginning May 30, 2000 and ending on  
9 January 1, 2008 (the effective date of Public Act 95-88).

10 (15) Computers and communications equipment utilized for  
11 any hospital purpose and equipment used in the diagnosis,  
12 analysis, or treatment of hospital patients purchased by a  
13 lessor who leases the equipment, under a lease of one year or  
14 longer executed or in effect at the time the lessor would  
15 otherwise be subject to the tax imposed by this Act, to a  
16 hospital that has been issued an active tax exemption  
17 identification number by the Department under Section 1g of the  
18 Retailers' Occupation Tax Act. If the equipment is leased in a  
19 manner that does not qualify for this exemption or is used in  
20 any other non-exempt 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 non-qualifying 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.

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

26 (17) Beginning with taxable years ending on or after

1 December 31, 1995 and ending with taxable years ending on or  
2 before December 31, 2004, personal property that is donated for  
3 disaster relief to be used in a State or federally declared  
4 disaster area in Illinois or bordering Illinois by a  
5 manufacturer or retailer that is registered in this State to a  
6 corporation, society, association, foundation, or institution  
7 that has been issued a sales tax exemption identification  
8 number by the Department that assists victims of the disaster  
9 who reside within the declared disaster area.

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

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

26 (20) A motor vehicle, as that term is defined in Section

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

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

1 entity purchases the personal property sold at the events from  
2 another individual or entity that sold the property for the  
3 purpose of resale by the fundraising entity and that profits  
4 from the sale to the fundraising entity. This paragraph is  
5 exempt from the provisions of Section 3-75.

6 (22) Beginning January 1, 2000 and through December 31,  
7 2001, new or used automatic vending machines that prepare and  
8 serve hot food and beverages, including coffee, soup, and other  
9 items, and replacement parts for these machines. Beginning  
10 January 1, 2002 and through June 30, 2003, machines and parts  
11 for machines used in commercial, coin-operated amusement and  
12 vending business if a use or occupation tax is paid on the  
13 gross receipts derived from the use of the commercial,  
14 coin-operated amusement and vending machines. This paragraph  
15 is exempt from the provisions of Section 3-75.

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

1 in the ID/DD Community Care Act, the MC/DD Act, or the  
2 Specialized Mental Health Rehabilitation Act of 2013.

3 (24) Beginning on August 2, 2001 (the effective date of  
4 Public Act 92-227), computers and communications equipment  
5 utilized for any hospital purpose and equipment used in the  
6 diagnosis, analysis, or treatment of hospital patients  
7 purchased by a lessor who leases the equipment, under a lease  
8 of one year or longer executed or in effect at the time the  
9 lessor would otherwise be subject to the tax imposed by this  
10 Act, to a hospital that has been issued an active tax exemption  
11 identification number by the Department under Section 1g of the  
12 Retailers' Occupation Tax Act. If the equipment is leased in a  
13 manner that does not qualify for this exemption or is used in  
14 any other nonexempt manner, the lessor shall be liable for the  
15 tax imposed under this Act or the Use Tax Act, as the case may  
16 be, based on the fair market value of the property at the time  
17 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 Use Tax Act, as the case may be, if the tax has not been paid by  
21 the lessor. If a lessor improperly collects any such amount  
22 from the lessee, the lessee shall have a legal right to claim a  
23 refund of that amount from the lessor. If, however, that amount  
24 is not refunded to the lessee for any reason, the lessor is  
25 liable to pay that amount to the Department. This paragraph is  
26 exempt from the provisions of Section 3-75.



1           (25) Beginning on August 2, 2001 (the effective date of  
2 Public Act 92-227), personal property purchased by a lessor who  
3 leases the property, under a lease of one year or longer  
4 executed or in effect at the time the lessor would otherwise be  
5 subject to the tax imposed by this Act, to a governmental body  
6 that has been issued an active tax exemption identification  
7 number by the Department under Section 1g of the Retailers'  
8 Occupation Tax Act. If the property is leased in a manner that  
9 does not qualify for this exemption or is used in any other  
10 nonexempt manner, the lessor shall be liable for the tax  
11 imposed under this Act or the Use Tax Act, as the case may be,  
12 based on the fair market value of the property at the time the  
13 nonqualifying use occurs. No lessor shall collect or attempt to  
14 collect an amount (however designated) that purports to  
15 reimburse that lessor for the tax imposed by this Act or the  
16 Use Tax Act, as the case may be, if the tax has not been paid by  
17 the lessor. If a lessor improperly collects any such amount  
18 from the lessee, the lessee shall have a legal right to claim a  
19 refund of that amount from the lessor. If, however, that amount  
20 is not refunded to the lessee for any reason, the lessor is  
21 liable to pay that amount to the Department. This paragraph is  
22 exempt from the provisions of Section 3-75.

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

1 corporation that holds a valid water supply permit issued under  
2 Title IV of the Environmental Protection Act. This paragraph is  
3 exempt from the provisions of Section 3-75.

4 (27) Beginning January 1, 2010 and continuing through  
5 December 31, 2024, materials, parts, equipment, components,  
6 and furnishings incorporated into or upon an aircraft as part  
7 of the modification, refurbishment, completion, replacement,  
8 repair, or maintenance of the aircraft. This exemption includes  
9 consumable supplies used in the modification, refurbishment,  
10 completion, replacement, repair, and maintenance of aircraft,  
11 but excludes any materials, parts, equipment, components, and  
12 consumable supplies used in the modification, replacement,  
13 repair, and maintenance of aircraft engines or power plants,  
14 whether such engines or power plants are installed or  
15 uninstalled upon any such aircraft. "Consumable supplies"  
16 include, but are not limited to, adhesive, tape, sandpaper,  
17 general purpose lubricants, cleaning solution, latex gloves,  
18 and protective films. This exemption applies only to the use of  
19 qualifying tangible personal property transferred incident to  
20 the modification, refurbishment, completion, replacement,  
21 repair, or maintenance of aircraft by persons who (i) hold an  
22 Air Agency Certificate and are empowered to operate an approved  
23 repair station by the Federal Aviation Administration, (ii)  
24 have a Class IV Rating, and (iii) conduct operations in  
25 accordance with Part 145 of the Federal Aviation Regulations.  
26 The exemption does not include aircraft operated by a

1 commercial air carrier providing scheduled passenger air  
2 service pursuant to authority issued under Part 121 or Part 129  
3 of the Federal Aviation Regulations. The changes made to this  
4 paragraph (27) by Public Act 98-534 are declarative of existing  
5 law. It is the intent of the General Assembly that the  
6 exemption under this paragraph (27) applies continuously from  
7 January 1, 2010 through December 31, 2024; however, no claim  
8 for credit or refund is allowed for taxes paid as a result of  
9 the disallowance of this exemption on or after January 1, 2015  
10 and prior to the effective date of this amendatory Act of the  
11 101st General Assembly.

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

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

1 and menstrual cups.

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

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

20 The Department of Commerce and Economic Opportunity shall  
21 grant a certificate of exemption under this item (31) to  
22 qualified data centers as defined by Section 605-1025 of the  
23 Department of Commerce and Economic Opportunity Law of the  
24 Civil Administrative Code of Illinois.

25 For the purposes of this item (31):

26 "Data center" means a building or a series of buildings

1 rehabilitated or constructed to house working servers in  
2 one physical location or multiple sites within the State of  
3 Illinois.

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

1 the exemption allowed under this Section, the retailer must  
2 obtain from the purchaser a copy of the certificate of  
3 eligibility issued by the Department of Commerce and  
4 Economic Opportunity.

5 This item (31) is exempt from the provisions of Section  
6 3-75.

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

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

12 (35 ILCS 115/3-5)

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

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

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

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

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

20           (5) Until July 1, 2003 and beginning again on September 1,  
21 2004 through August 30, 2014, graphic arts machinery and  
22 equipment, including repair and replacement parts, both new and  
23 used, and including that manufactured on special order or  
24 purchased for lease, certified by the purchaser to be used  
25 primarily for graphic arts production. Equipment includes  
26 chemicals or chemicals acting as catalysts but only if the

1 chemicals or chemicals acting as catalysts effect a direct and  
2 immediate change upon a graphic arts product. Beginning on July  
3 1, 2017, graphic arts machinery and equipment is included in  
4 the manufacturing and assembling machinery and equipment  
5 exemption under Section 2 of this Act.

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

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



1 tender is separately stated.

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

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

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

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

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

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

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

26 (11) Photoprocessing machinery and equipment, including

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

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

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

1 in the ID/DD Community Care Act, the MC/DD Act, or the  
2 Specialized Mental Health Rehabilitation Act of 2013.

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

5 (15) Horses, or interests in horses, registered with and  
6 meeting the requirements of any of the Arabian Horse Club  
7 Registry of America, Appaloosa Horse Club, American Quarter  
8 Horse Association, United States Trotting Association, or  
9 Jockey Club, as appropriate, used for purposes of breeding or  
10 racing for prizes. This item (15) is exempt from the provisions  
11 of Section 3-55, and the exemption provided for under this item  
12 (15) applies for all periods beginning May 30, 1995, but no  
13 claim for credit or refund is allowed on or after January 1,  
14 2008 (the effective date of Public Act 95-88) for such taxes  
15 paid during the period beginning May 30, 2000 and ending on  
16 January 1, 2008 (the effective date of Public Act 95-88).

17 (16) Computers and communications equipment utilized for  
18 any hospital purpose and equipment used in the diagnosis,  
19 analysis, or treatment of hospital patients sold to a lessor  
20 who leases the equipment, under a lease of one year or longer  
21 executed or in effect at the time of the purchase, 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.

25 (17) Personal property sold to a lessor who leases the  
26 property, under a lease of one year or longer executed or in

1 effect at the time of the purchase, to a governmental body that  
2 has been issued an active tax exemption identification number  
3 by the Department under Section 1g of the Retailers' Occupation  
4 Tax Act.

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

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

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

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

23           (22) Beginning January 1, 2000, personal property,  
24 including food, purchased through fundraising events for the  
25 benefit of a public or private elementary or secondary school,  
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school  
2 district that consists primarily of volunteers and includes  
3 parents and teachers of the school children. This paragraph  
4 does not apply to fundraising events (i) for the benefit of  
5 private home instruction or (ii) for which the fundraising  
6 entity purchases the personal property sold at the events from  
7 another individual or entity that sold the property for the  
8 purpose of resale by the fundraising entity and that profits  
9 from the sale to the fundraising entity. This paragraph is  
10 exempt from the provisions of Section 3-55.

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

21 (24) Beginning on August 2, 2001 (the effective date of  
22 Public Act 92-227), computers and communications equipment  
23 utilized for any hospital purpose and equipment used in the  
24 diagnosis, analysis, or treatment of hospital patients sold to  
25 a lessor who leases the equipment, under a lease of one year or  
26 longer executed or in effect at the time of the purchase, to a

1 hospital that has been issued an active tax exemption  
2 identification number by the Department under Section 1g of the  
3 Retailers' Occupation Tax Act. This paragraph is exempt from  
4 the provisions of Section 3-55.

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

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



1 Department who is eligible for the exemption under this  
2 paragraph (26). The permit issued under this paragraph (26)  
3 shall authorize the holder, to the extent and in the manner  
4 specified in the rules adopted under this Act, to purchase  
5 tangible personal property from a retailer exempt from the  
6 taxes imposed by this Act. Taxpayers shall maintain all  
7 necessary books and records to substantiate the use and  
8 consumption of all such tangible personal property outside of  
9 the State of Illinois.

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

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

1 the development of the municipal convention hall. This  
2 exemption includes existing public-facilities corporations as  
3 provided in Section 11-65-25 of the Illinois Municipal Code.  
4 This paragraph is exempt from the provisions of Section 3-55.

5 (29) Beginning January 1, 2010 and continuing through  
6 December 31, 2024, materials, parts, equipment, components,  
7 and furnishings incorporated into or upon an aircraft as part  
8 of the modification, refurbishment, completion, replacement,  
9 repair, or maintenance of the aircraft. This exemption includes  
10 consumable supplies used in the modification, refurbishment,  
11 completion, replacement, repair, and maintenance of aircraft,  
12 but excludes any materials, parts, equipment, components, and  
13 consumable supplies used in the modification, replacement,  
14 repair, and maintenance of aircraft engines or power plants,  
15 whether such engines or power plants are installed or  
16 uninstalled upon any such aircraft. "Consumable supplies"  
17 include, but are not limited to, adhesive, tape, sandpaper,  
18 general purpose lubricants, cleaning solution, latex gloves,  
19 and protective films. This exemption applies only to the  
20 transfer of qualifying tangible personal property incident to  
21 the modification, refurbishment, completion, replacement,  
22 repair, or maintenance of an aircraft by persons who (i) hold  
23 an Air Agency Certificate and are empowered to operate an  
24 approved repair station by the Federal Aviation  
25 Administration, (ii) have a Class IV Rating, and (iii) conduct  
26 operations in accordance with Part 145 of the Federal Aviation

1 Regulations. The exemption does not include aircraft operated  
2 by a commercial air carrier providing scheduled passenger air  
3 service pursuant to authority issued under Part 121 or Part 129  
4 of the Federal Aviation Regulations. The changes made to this  
5 paragraph (29) by Public Act 98-534 are declarative of existing  
6 law. It is the intent of the General Assembly that the  
7 exemption under this paragraph (29) applies continuously from  
8 January 1, 2010 through December 31, 2024; however, no claim  
9 for credit or refund is allowed for taxes paid as a result of  
10 the disallowance of this exemption on or after January 1, 2015  
11 and prior to the effective date of this amendatory Act of the  
12 101st General Assembly.

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

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

18 (32) 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 (32) 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 (32):

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 (32) is exempt from the provisions of Section  
18 3-55.

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

24 (35 ILCS 120/2-5)

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

4           (1) Farm chemicals.

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

25           Farm machinery and equipment shall include precision  
26 farming equipment that is installed or purchased to be

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

7 Farm machinery and equipment also includes computers,  
8 sensors, software, and related equipment used primarily in  
9 the computer-assisted operation of production agriculture  
10 facilities, equipment, and activities such as, but not  
11 limited to, the collection, monitoring, and correlation of  
12 animal and crop data for the purpose of formulating animal  
13 diets and agricultural chemicals. This item (2) is exempt  
14 from the provisions of Section 2-70.

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

22 (4) Until July 1, 2003 and beginning again September 1,  
23 2004 through August 30, 2014, graphic arts machinery and  
24 equipment, including repair and replacement parts, both  
25 new and used, and including that manufactured on special  
26 order or purchased for lease, certified by the purchaser to

1 be used primarily for graphic arts production. Equipment  
2 includes chemicals or chemicals acting as catalysts but  
3 only if the chemicals or chemicals acting as catalysts  
4 effect a direct and immediate change upon a graphic arts  
5 product. Beginning on July 1, 2017, graphic arts machinery  
6 and equipment is included in the manufacturing and  
7 assembling machinery and equipment exemption under  
8 paragraph (14).

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

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

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

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

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



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

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

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

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

7 (12) (Blank).

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

1 not.

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

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

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

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

17 (16) Tangible personal property sold to a purchaser if  
18 the purchaser is exempt from use tax by operation of  
19 federal law. This paragraph is exempt from the provisions  
20 of Section 2-70.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

26 (28) Computers and communications equipment utilized

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 replacement, repair, and maintenance of aircraft, but  
2 excludes any materials, parts, equipment, components, and  
3 consumable supplies used in the modification, replacement,  
4 repair, and maintenance of aircraft engines or power  
5 plants, whether such engines or power plants are installed  
6 or uninstalled upon any such aircraft. "Consumable  
7 supplies" include, but are not limited to, adhesive, tape,  
8 sandpaper, general purpose lubricants, cleaning solution,  
9 latex gloves, and protective films. This exemption applies  
10 only to the sale of qualifying tangible personal property  
11 to persons who modify, refurbish, complete, replace, or  
12 maintain an aircraft and who (i) hold an Air Agency  
13 Certificate and are empowered to operate an approved repair  
14 station by the Federal Aviation Administration, (ii) have a  
15 Class IV Rating, and (iii) conduct operations in accordance  
16 with Part 145 of the Federal Aviation Regulations. The  
17 exemption does not include aircraft operated by a  
18 commercial air carrier providing scheduled passenger air  
19 service pursuant to authority issued under Part 121 or Part  
20 129 of the Federal Aviation Regulations. The changes made  
21 to this paragraph (40) by Public Act 98-534 are declarative  
22 of existing law. It is the intent of the General Assembly  
23 that the exemption under this paragraph (40) applies  
24 continuously from January 1, 2010 through December 31,  
25 2024; however, no claim for credit or refund is allowed for  
26 taxes paid as a result of the disallowance of this

1       exemption on or after January 1, 2015 and prior to the  
2       effective date of this amendatory Act of the 101st General  
3       Assembly.

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

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

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

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

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

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

23 For the purposes of this item (44):

24 "Data center" means a building or a series of  
25 buildings rehabilitated or constructed to house  
26 working servers in one physical location or multiple

1 sites within the State of Illinois.

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

1           retailer must obtain from the purchaser a copy of the  
2           certificate of eligibility issued by the Department of  
3           Commerce and Economic Opportunity.

4           This item (44) is exempt from the provisions of Section  
5           2-70.

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

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