



Rep. Kambium Buckner

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1 AMENDMENT TO HOUSE BILL 1511

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 1511 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois State Auditing Act is amended by  
5 adding Section 6z-130 as follows:

6 (30 ILCS 5/6z-130 new)

7 Sec. 6z-130. Diversity, Equity, and Inclusion, Capital  
8 Investment, Job Growth, and Opportunities Fund.

9 (a) The Diversity, Equity, and Inclusion, Capital  
10 Investment, Job Growth, and Opportunities Fund is hereby  
11 created as a special fund in the State Treasury.

12 (b) On and after the effective date of this amendatory Act  
13 of the 102nd General Assembly, the tax receipts generated from  
14 the taxes imposed under the Use Tax Act, the Service Use Tax  
15 Act, the Service Occupation Tax Act, and the Retailers'  
16 Occupation Tax Act on the purchase by any rentor of any vehicle

1 to be used for renting shall be transferred into the  
2 Diversity, Equity, and Inclusion, Capital Investment, Job  
3 Growth, and Opportunities Fund on a monthly basis. Not later  
4 than the 10th day of each month, the Department of Revenue  
5 shall certify to the State Comptroller the amount of money  
6 required to be transferred from the General Revenue Fund into  
7 the Diversity, Equity, and Inclusion, Capital Investment, Job  
8 Growth, and Opportunities Fund for the period of the  
9 immediately preceding full calendar month. Not later than the  
10 15th day of each calendar month, the State Comptroller shall  
11 direct and the State Treasurer shall transfer the amount  
12 specified in the Department of Revenue's certification from  
13 the General Revenue Fund into the Diversity, Equity, and  
14 Inclusion, Capital Investment, Job Growth, and Opportunities  
15 Fund. For purposes of this Section, the terms "rentor" and  
16 "renting" shall have the same meaning as provided in Section 2  
17 of the Automobile Renting Occupation and Use Tax Act.

18 (c) Moneys in the Fund shall be used by the Department of  
19 Commerce and Economic Opportunity for the purposes specified  
20 in this subsection:

21 (1) to support airport and other transportation  
22 infrastructure projects, which shall be selected according  
23 to policies and practices, including new, innovative or  
24 pilot programs, to ensure that the projects that receive  
25 funding enable increased job opportunities in skilled  
26 trades for historically underrepresented minority groups;

1 and to achieve other objective milestones that the  
2 demonstrate increased business and job opportunities for  
3 historically underrepresented minority groups; and

4 (2) to support programs and curricula at State  
5 universities and community colleges in Illinois that  
6 provide training, education, apprenticeships, and related  
7 services and programs that train students for future work  
8 in the skilled trades with an emphasis on increasing  
9 opportunities for historically underrepresented minority  
10 groups.

11 Section 10. The Use Tax Act is amended by changing Section  
12 3-5 as follows:

13 (35 ILCS 105/3-5)

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

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

23 (2) Personal property purchased by a not-for-profit  
24 Illinois county fair association for use in conducting,

1 operating, or promoting the county fair.

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

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

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

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

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

21 (7) Farm chemicals.

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

26 (9) Personal property purchased from a teacher-sponsored

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

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

6 (11) Farm machinery and equipment, both new and used,  
7 including that manufactured on special order, certified by the  
8 purchaser to be used primarily for production agriculture or  
9 State or federal agricultural programs, including individual  
10 replacement parts for the machinery and equipment, including  
11 machinery and equipment purchased for lease, and including  
12 implements of husbandry defined in Section 1-130 of the  
13 Illinois Vehicle Code, farm machinery and agricultural  
14 chemical and fertilizer spreaders, and nurse wagons required  
15 to be registered under Section 3-809 of the Illinois Vehicle  
16 Code, but excluding other motor vehicles required to be  
17 registered under the Illinois Vehicle Code. Horticultural  
18 polyhouses or hoop houses used for propagating, growing, or  
19 overwintering plants shall be considered farm machinery and  
20 equipment under this item (11). Agricultural chemical tender  
21 tanks and dry boxes shall include units sold separately from a  
22 motor vehicle required to be licensed and units sold mounted  
23 on a motor vehicle required to be licensed if the selling price  
24 of the tender 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 not  
2 limited to, tractors, harvesters, sprayers, planters, seeders,  
3 or spreaders. Precision farming equipment includes, but is not  
4 limited to, soil testing sensors, computers, monitors,  
5 software, global positioning and mapping systems, and other  
6 such equipment.

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

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

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

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

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

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

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



1 to be 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  
4 for 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  
12 through pipes, pipelines, or mains; or (iii) the treatment of  
13 water for wholesale or retail sale that is delivered to  
14 customers through pipes, pipelines, or mains. The provisions  
15 of Public Act 98-583 are declaratory of existing law as to the  
16 meaning and scope of this exemption. Beginning on July 1,  
17 2017, the exemption provided by this paragraph (18) includes,  
18 but is not limited to, graphic arts machinery and equipment,  
19 as defined in 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  
7 provisions of Section 3-90, and the exemption provided for  
8 under this item (21) applies for all periods beginning May 30,  
9 1995, but no claim for credit or refund is allowed on or after  
10 January 1, 2008 for such taxes paid during the period  
11 beginning May 30, 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  
20 the Retailers' Occupation Tax Act. If the equipment is leased  
21 in a manner that does not qualify for this exemption or is used  
22 in any other non-exempt manner, the lessor shall be liable for  
23 the tax imposed under this Act or the Service Use Tax Act, as  
24 the case may be, based on the fair market value of the property  
25 at the time the non-qualifying use occurs. No lessor shall  
26 collect or attempt to collect an amount (however designated)

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

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

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

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

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

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

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

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

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

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

22 (30) Beginning January 1, 2001 and through June 30, 2016,  
23 food for human consumption that is to be consumed off the  
24 premises where it is sold (other than alcoholic beverages,  
25 soft drinks, and food that has been prepared for immediate  
26 consumption) and prescription and nonprescription medicines,

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

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



1 tax has not been paid by the lessor. If a lessor improperly  
2 collects any such amount from the lessee, the lessee shall  
3 have a legal right to claim a refund of that amount from the  
4 lessor. If, however, that amount is not refunded to the lessee  
5 for any reason, the lessor is liable to pay that amount to the  
6 Department. This paragraph is exempt from the provisions of  
7 Section 3-90.

8 (32) Beginning on August 2, 2001 (the effective date of  
9 Public Act 92-227), personal property purchased by a lessor  
10 who leases the property, under a lease of one year or longer  
11 executed or in effect at the time the lessor would otherwise be  
12 subject to the tax imposed by this Act, to a governmental body  
13 that has been issued an active sales tax exemption  
14 identification number by the Department under Section 1g of  
15 the Retailers' Occupation Tax Act. If the property is leased  
16 in a manner that does not qualify for this exemption or 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  
26 have a legal right to claim a refund of that amount from the

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

24 (34) Beginning January 1, 2008, tangible personal property  
25 used in the construction or maintenance of a community water  
26 supply, as defined under Section 3.145 of the Environmental

1 Protection Act, that is operated by a not-for-profit  
2 corporation that holds a valid water supply permit issued  
3 under Title IV of the Environmental Protection Act. This  
4 paragraph is exempt from the provisions of Section 3-90.

5 (35) 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  
10 includes consumable supplies used in the modification,  
11 refurbishment, completion, replacement, repair, and  
12 maintenance of aircraft, but excludes any materials, parts,  
13 equipment, components, and consumable supplies used in the  
14 modification, replacement, repair, and maintenance of aircraft  
15 engines or power plants, whether such engines or power plants  
16 are installed or uninstalled upon any such aircraft.  
17 "Consumable supplies" include, but are not limited to,  
18 adhesive, tape, sandpaper, general purpose lubricants,  
19 cleaning solution, latex gloves, and protective films. This  
20 exemption applies only to the use of qualifying tangible  
21 personal property by persons who modify, refurbish, complete,  
22 repair, replace, or maintain aircraft and who (i) hold an Air  
23 Agency Certificate and are empowered to operate an approved  
24 repair station by the Federal Aviation Administration, (ii)  
25 have a Class IV Rating, and (iii) conduct operations in  
26 accordance with Part 145 of the Federal Aviation Regulations.

1 The exemption does not include aircraft operated by a  
2 commercial air carrier providing scheduled passenger air  
3 service pursuant to authority issued under Part 121 or Part  
4 129 of the Federal Aviation Regulations. The changes made to  
5 this paragraph (35) by Public Act 98-534 are declarative of  
6 existing law. It is the intent of the General Assembly that the  
7 exemption under this paragraph (35) 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 (36) Tangible personal property purchased by a  
14 public-facilities corporation, as described in Section  
15 11-65-10 of the Illinois Municipal Code, for purposes of  
16 constructing or furnishing a municipal convention hall, but  
17 only if the legal title to the municipal convention hall is  
18 transferred to the municipality without any further  
19 consideration by or on behalf of the municipality at the time  
20 of the completion of the municipal convention hall or upon the  
21 retirement or redemption of any bonds or other debt  
22 instruments issued by the public-facilities corporation in  
23 connection with the development of the municipal convention  
24 hall. This exemption includes existing public-facilities  
25 corporations as provided in Section 11-65-25 of the Illinois  
26 Municipal Code. This paragraph is exempt from the provisions

1 of Section 3-90.

2 (37) Beginning January 1, 2017 and through December 31,  
3 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

1 purchased or leased in the original investment that would have  
2 qualified.

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

8 For the purposes of this item (40):

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

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

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

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

16 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;  
17 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.  
18 6-17-21.)

19 (35 ILCS 105/1a rep.)

20 Section 15. The Use Tax Act is amended by repealing  
21 Section 1a.

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

1 (35 ILCS 120/2-5)

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

5 (1) Farm chemicals.

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



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

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

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

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

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

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

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

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

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

24 (9) Personal property sold to a not-for-profit arts or  
25 cultural organization that establishes, by proof required  
26 by the Department by rule, that it has received an

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

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

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

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

9 (12) (Blank).

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

1 transportation of persons or property in furtherance of  
2 any commercial or industrial enterprise whether for-hire  
3 or not.

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

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

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

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

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

24 (17) Tangible personal property sold to a common  
25 carrier by rail or motor that receives the physical  
26 possession of the property in Illinois and that transports

1 the property, or shares with another common carrier in the  
2 transportation of the property, out of Illinois on a  
3 standard uniform bill of lading showing the seller of the  
4 property as the shipper or consignor of the property to a  
5 destination outside Illinois, for use outside Illinois.

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

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

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

26 (21) Until July 1, 2023, coal and aggregate

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

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

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



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

3 (23) A transaction in which the purchase order is  
4 received by a florist who is located outside Illinois, but  
5 who has a florist located in Illinois deliver the property  
6 to the purchaser or the purchaser's donee in Illinois.

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

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

26 (25-5) The exemption under item (25) does not apply if

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

1           accordance with this item (25-5) shall be proportionately  
2           distributed as if the tax were collected at the 6.25%  
3           general rate imposed under this Act.

4           (25-7) Beginning on July 1, 2007, no tax is imposed  
5           under this Act on the sale of an aircraft, as defined in  
6           Section 3 of the Illinois Aeronautics Act, if all of the  
7           following conditions are met:

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

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

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

1           require.

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

3           "Based in this State" means hangared, stored, or  
4 otherwise used, excluding post-sale customizations as  
5 defined in this Section, for 10 or more days in each  
6 12-month period immediately following the date of the sale  
7 of the aircraft.

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

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

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

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

1 (the effective date of Public Act 95-88) for such taxes  
2 paid during the period beginning May 30, 2000 and ending  
3 on January 1, 2008 (the effective date of Public Act  
4 95-88).

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

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

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

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

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

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

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

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

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

1 the purpose of resale by the fundraising entity and that  
2 profits from the sale to the fundraising entity. This  
3 paragraph is exempt from the provisions of Section 2-70.

4 (35) Beginning January 1, 2000 and through December  
5 31, 2001, new or used automatic vending machines that  
6 prepare and serve hot food and beverages, including  
7 coffee, soup, and other items, and replacement parts for  
8 these machines. Beginning January 1, 2002 and through June  
9 30, 2003, machines and parts for machines used in  
10 commercial, coin-operated amusement and vending business  
11 if a use or occupation tax is paid on the gross receipts  
12 derived from the use of the commercial, coin-operated  
13 amusement and vending machines. This paragraph is exempt  
14 from the provisions of Section 2-70.

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



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

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

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

20 (38) Beginning on January 1, 2002 and through June 30,  
21 2016, tangible personal property purchased from an  
22 Illinois retailer by a taxpayer engaged in centralized  
23 purchasing activities in Illinois who will, upon receipt  
24 of the property in Illinois, temporarily store the  
25 property in Illinois (i) for the purpose of subsequently  
26 transporting it outside this State for use or consumption

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

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

26                 (40) Beginning January 1, 2010 and continuing through

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

1 The changes made to this paragraph (40) by Public Act  
2 98-534 are declarative of existing law. It is the intent  
3 of the General Assembly that the exemption under this  
4 paragraph (40) applies continuously from January 1, 2010  
5 through December 31, 2024; however, no claim for credit or  
6 refund is allowed for taxes paid as a result of the  
7 disallowance of this exemption on or after January 1, 2015  
8 and prior to the effective date of this amendatory Act of  
9 the 101st General Assembly.

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

25 (42) Beginning January 1, 2017 and through December  
26 31, 2026, menstrual pads, tampons, and menstrual cups.

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

9           (44) 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  
15 subcontractor of the owner, operator, or tenant. Data  
16 centers that would have qualified for a certificate of  
17 exemption prior to January 1, 2020 had this amendatory Act  
18 of the 101st General Assembly been in effect, may apply  
19 for and obtain an exemption for subsequent purchases of  
20 computer equipment or enabling software purchased or  
21 leased to upgrade, supplement, or replace computer  
22 equipment or enabling software purchased or leased in the  
23 original investment that would have qualified.

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

1           605-1025 of the Department of Commerce and Economic  
2           Opportunity Law of the Civil Administrative Code of  
3           Illinois.

4           For the purposes of this item (44):

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

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

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

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

13          (45) Beginning January 1, 2020 and through December  
14          31, 2020, sales of tangible personal property made by a  
15          marketplace seller over a marketplace for which tax is due  
16          under this Act but for which use tax has been collected and  
17          remitted to the Department by a marketplace facilitator  
18          under Section 2d of the Use Tax Act are exempt from tax  
19          under this Act. A marketplace seller claiming this  
20          exemption shall maintain books and records demonstrating  
21          that the use tax on such sales has been collected and  
22          remitted by a marketplace facilitator. Marketplace sellers  
23          that have properly remitted tax under this Act on such  
24          sales may file a claim for credit as provided in Section 6  
25          of this Act. No claim is allowed, however, for such taxes  
26          for which a credit or refund has been issued to the

1 marketplace facilitator under the Use Tax Act, or for  
2 which the marketplace facilitator has filed a claim for  
3 credit or refund under the Use Tax Act.

4 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
5 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.  
6 8-27-21; revised 11-9-21.)".