



## 102ND GENERAL ASSEMBLY

### State of Illinois

### 2021 and 2022

#### HB1848

Introduced 2/17/2021, by Rep. Lamont J. Robinson, Jr.

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5  
35 ILCS 110/3-5  
35 ILCS 115/3-5  
35 ILCS 120/2-5

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning on January 1, 2022, meals and food products for human consumption furnished or served to low-income elderly persons at or below cost by a nonprofit organization or governmental agency under a program funded by this State or the United States are exempt from taxation under the Acts. Provides that the exemption is exempt from the Acts' automatic sunset provisions. Effective immediately.

LRB102 03949 HLH 13965 b

FISCAL NOTE ACT  
MAY APPLY

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

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

1 the car is subject to the Replacement Vehicle Tax.

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

15 (7) Farm chemicals.

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

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

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

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

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

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

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

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

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

26 (13) Proceeds of mandatory service charges separately

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

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

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

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

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

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

14 (18) Manufacturing and assembling machinery and equipment  
15 used primarily in the process of manufacturing or assembling  
16 tangible personal property for wholesale or retail sale or  
17 lease, whether that sale or lease is made directly by the  
18 manufacturer or by some other person, whether the materials  
19 used in the process are owned by the manufacturer or some other  
20 person, or whether that sale or lease is made apart from or as  
21 an incident to the seller's engaging in the service occupation  
22 of producing machines, tools, dies, jigs, patterns, gauges, or  
23 other similar items of no commercial value on special order  
24 for a particular purchaser. The exemption provided by this  
25 paragraph (18) includes production related tangible personal  
26 property, as defined in Section 3-50, purchased on or after



1 July 1, 2019. The exemption provided by this paragraph (18)  
2 does not include machinery and equipment used in (i) the  
3 generation of electricity for wholesale or retail sale; (ii)  
4 the generation or treatment of natural or artificial gas for  
5 wholesale or retail sale that is delivered to customers  
6 through pipes, pipelines, or mains; or (iii) the treatment of  
7 water for wholesale or retail sale that is delivered to  
8 customers through pipes, pipelines, or mains. The provisions  
9 of Public Act 98-583 are declaratory of existing law as to the  
10 meaning and scope of this exemption. Beginning on July 1,  
11 2017, the exemption provided by this paragraph (18) includes,  
12 but is not limited to, graphic arts machinery and equipment,  
13 as defined in paragraph (6) of this Section.

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

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

21 (21) Horses, or interests in horses, registered with and  
22 meeting the requirements of any of the Arabian Horse Club  
23 Registry of America, Appaloosa Horse Club, American Quarter  
24 Horse Association, United States Trotting Association, or  
25 Jockey Club, as appropriate, used for purposes of breeding or  
26 racing for prizes. This item (21) is exempt from the

1 provisions of Section 3-90, and the exemption provided for  
2 under this item (21) applies for all periods beginning May 30,  
3 1995, but no claim for credit or refund is allowed on or after  
4 January 1, 2008 for such taxes paid during the period  
5 beginning May 30, 2000 and ending on January 1, 2008.

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

1 for any reason, the lessor is liable to pay that amount to the  
2 Department.

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

24 (24) Beginning with taxable years ending on or after  
25 December 31, 1995 and ending with taxable years ending on or  
26 before December 31, 2004, personal property that is donated

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

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

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

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

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

18 (28) 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 3-90.

6 (29) 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  
9 other items, and replacement parts for these machines.  
10 Beginning January 1, 2002 and through June 30, 2003, machines  
11 and parts for machines used in commercial, coin-operated  
12 amusement and vending business if a use or occupation tax is  
13 paid on the gross receipts derived from the use of the  
14 commercial, coin-operated amusement and vending machines. This  
15 paragraph is exempt from the provisions of Section 3-90.

16 (30) Beginning January 1, 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,  
19 soft 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 (31) 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  
12 the Retailers' Occupation Tax Act. If the equipment is leased  
13 in a manner that does not qualify for this exemption or is used  
14 in any other nonexempt manner, the lessor shall be liable for  
15 the tax imposed under this Act or the Service Use Tax Act, as  
16 the case may be, based on the fair market value of the property  
17 at the time the nonqualifying use occurs. No lessor shall  
18 collect or attempt to collect an amount (however designated)  
19 that purports to reimburse that lessor for the tax imposed by  
20 this Act or the Service Use Tax Act, as the case may be, if the  
21 tax has not been paid by the lessor. If a lessor improperly  
22 collects any such amount from the lessee, the lessee shall  
23 have a legal right to claim a refund of that amount from the  
24 lessor. If, however, that amount is not refunded to the lessee  
25 for any reason, the lessor is liable to pay that amount to the  
26 Department. This paragraph is exempt from the provisions of

1 Section 3-90.

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

25 (33) On and after July 1, 2003 and through June 30, 2004,  
26 the use in this State of motor vehicles of the second division



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

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

25 (35) Beginning January 1, 2010 and continuing through  
26 December 31, 2024, materials, parts, equipment, components,

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

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

7 (36) Tangible personal property purchased by a  
8 public-facilities corporation, as described in Section  
9 11-65-10 of the Illinois Municipal Code, for purposes of  
10 constructing or furnishing a municipal convention hall, but  
11 only if the legal title to the municipal convention hall is  
12 transferred to the municipality without any further  
13 consideration by or on behalf of the municipality at the time  
14 of the completion of the municipal convention hall or upon the  
15 retirement or redemption of any bonds or other debt  
16 instruments issued by the public-facilities corporation in  
17 connection with the development of the municipal convention  
18 hall. This exemption includes existing public-facilities  
19 corporations as provided in Section 11-65-25 of the Illinois  
20 Municipal Code. This paragraph is exempt from the provisions  
21 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  
2 Agreement Act, and provide proof of registration under the  
3 Rental Purchase Agreement Occupation and Use Tax Act. This  
4 paragraph 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  
16 have qualified for a certificate of exemption prior to January  
17 1, 2020 had Public Act 101-31 been in effect may apply for and  
18 obtain an exemption for subsequent purchases of computer  
19 equipment or enabling software purchased or leased to upgrade,  
20 supplement, or replace computer equipment or enabling software  
21 purchased or leased in the original investment that would have  
22 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  
4 buildings rehabilitated or constructed to house working  
5 servers in one physical location or multiple sites within  
6 the State of 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  
5 must obtain from the purchaser a copy of the certificate  
6 of 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 (41) Beginning January 1, 2022, meals and food products  
11 for human consumption furnished or served to low-income  
12 elderly persons at or below cost by a nonprofit organization  
13 or governmental agency under a program funded by this State or  
14 the United States for such purposes. This paragraph is exempt  
15 from the provisions of Section 3-90.

16 (Source: P.A. 100-22, eff. 7-6-17; 100-437, eff. 1-1-18;  
17 100-594, eff. 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff.  
18 1-4-19; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19; 101-81, eff.  
19 7-12-19; 101-629, eff. 2-5-20.)

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

22 (35 ILCS 110/3-5)

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

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

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

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

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

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

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

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

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



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

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

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

1 provisions of Section 3-75.

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

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

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

1 imposed.

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

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

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

1 during the period beginning July 1, 2003 and ending on August  
2 16, 2013 (the effective date of Public Act 98-456).

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

5 (14) 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 (14) is exempt from the  
11 provisions of Section 3-75, and the exemption provided for  
12 under this item (14) applies for all periods beginning May 30,  
13 1995, but no claim for credit or refund is allowed on or after  
14 January 1, 2008 (the effective date of Public Act 95-88) for  
15 such taxes paid during the period beginning May 30, 2000 and  
16 ending on January 1, 2008 (the effective date of Public Act  
17 95-88).

18 (15) Computers and communications equipment utilized for  
19 any hospital purpose and equipment used in the diagnosis,  
20 analysis, or treatment of hospital patients purchased by a  
21 lessor who leases the equipment, under a lease of one year or  
22 longer executed or in effect at the time the lessor would  
23 otherwise be subject to the tax imposed by this Act, to a  
24 hospital that has been issued an active tax exemption  
25 identification number by the Department under Section 1g of  
26 the Retailers' Occupation Tax Act. If the equipment is leased

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

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

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

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

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

1 facilities, and sewage treatment facilities, resulting from a  
2 State or federally declared disaster in Illinois or bordering  
3 Illinois when such repairs are initiated on facilities located  
4 in the declared disaster area within 6 months after the  
5 disaster.

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

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

1 technical, mechanical, industrial, business, or commercial  
2 occupation.

3 (21) Beginning January 1, 2000, personal property,  
4 including food, purchased through fundraising events for the  
5 benefit of a public or private elementary or secondary school,  
6 a group of those schools, or one or more school districts if  
7 the events are sponsored by an entity recognized by the school  
8 district that consists primarily of volunteers and includes  
9 parents and teachers of the school children. This paragraph  
10 does not apply to fundraising events (i) for the benefit of  
11 private home instruction or (ii) for which the fundraising  
12 entity purchases the personal property sold at the events from  
13 another individual or entity that sold the property for the  
14 purpose of resale by the fundraising entity and that profits  
15 from the sale to the fundraising entity. This paragraph is  
16 exempt from the provisions of Section 3-75.

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



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

14           (24) Beginning on August 2, 2001 (the effective date of  
15 Public Act 92-227), computers and communications equipment  
16 utilized for any hospital purpose and equipment used in the  
17 diagnosis, analysis, or treatment of hospital patients  
18 purchased by a lessor who leases the equipment, under a lease  
19 of one year or longer executed or in effect at the time the  
20 lessor would otherwise be subject to the tax imposed by this  
21 Act, to a hospital that has been issued an active tax exemption  
22 identification number by the Department under Section 1g of  
23 the Retailers' Occupation Tax Act. If the equipment is leased  
24 in a manner that does not qualify for this exemption or is used  
25 in any other nonexempt manner, the lessor shall be liable for  
26 the tax imposed under this Act or the Use Tax Act, as the case

1 may be, based on the fair market value of the property at the  
2 time the nonqualifying use occurs. No lessor shall collect or  
3 attempt to collect an amount (however designated) that  
4 purports to reimburse that lessor for the tax imposed by this  
5 Act or the Use Tax Act, as the case may be, if the tax has not  
6 been paid by the lessor. If a lessor improperly collects any  
7 such amount from the lessee, the lessee shall have a legal  
8 right to claim a refund of that amount from the lessor. If,  
9 however, that amount is not refunded to the lessee for any  
10 reason, the lessor is liable to pay that amount to the  
11 Department. This paragraph is exempt from the provisions of  
12 Section 3-75.

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

1 reimburse that lessor for the tax imposed by this Act or the  
2 Use Tax Act, as the case may be, if the tax has not been paid  
3 by the lessor. If a lessor improperly collects any such amount  
4 from the lessee, the lessee shall have a legal right to claim a  
5 refund of that amount from the lessor. If, however, that  
6 amount is not refunded to the lessee for any reason, the lessor  
7 is liable to pay that amount to the Department. This paragraph  
8 is exempt from the provisions of Section 3-75.

9 (26) Beginning January 1, 2008, tangible personal property  
10 used in the construction or maintenance of a community water  
11 supply, as defined under Section 3.145 of the Environmental  
12 Protection Act, that is operated by a not-for-profit  
13 corporation that holds a valid water supply permit issued  
14 under Title IV of the Environmental Protection Act. This  
15 paragraph is exempt from the provisions of Section 3-75.

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

1 are installed or uninstalled upon any such aircraft.  
2 "Consumable supplies" include, but are not limited to,  
3 adhesive, tape, sandpaper, general purpose lubricants,  
4 cleaning solution, latex gloves, and protective films. This  
5 exemption applies only to the use of qualifying tangible  
6 personal property transferred incident to the modification,  
7 refurbishment, completion, replacement, repair, or maintenance  
8 of aircraft by persons who (i) hold an Air Agency Certificate  
9 and are empowered to operate an approved repair station by the  
10 Federal Aviation Administration, (ii) have a Class IV Rating,  
11 and (iii) conduct operations in accordance with Part 145 of  
12 the Federal Aviation Regulations. The exemption does not  
13 include aircraft operated by a commercial air carrier  
14 providing scheduled passenger air service pursuant to  
15 authority issued under Part 121 or Part 129 of the Federal  
16 Aviation Regulations. The changes made to this paragraph (27)  
17 by Public Act 98-534 are declarative of existing law. It is the  
18 intent of the General Assembly that the exemption under this  
19 paragraph (27) applies continuously from January 1, 2010  
20 through December 31, 2024; however, no claim for credit or  
21 refund is allowed for taxes paid as a result of the  
22 disallowance of this exemption on or after January 1, 2015 and  
23 prior to the effective date of this amendatory Act of the 101st  
24 General Assembly.

25 (28) Tangible personal property purchased by a  
26 public-facilities corporation, as described in Section

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

14 (29) Beginning January 1, 2017, menstrual pads, tampons,  
15 and menstrual cups.

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

20 (31) Qualified tangible personal property used in the  
21 construction or operation of a data center that has been  
22 granted a certificate of exemption by the Department of  
23 Commerce and Economic Opportunity, whether that tangible  
24 personal property is purchased by the owner, operator, or  
25 tenant of the data center or by a contractor or subcontractor  
26 of the owner, operator, or tenant. Data centers that would

1 have qualified for a certificate of exemption prior to January  
2 1, 2020 had this amendatory Act of the 101st General Assembly  
3 been in effect, may apply for and obtain an exemption for  
4 subsequent purchases of computer equipment or enabling  
5 software purchased or leased to upgrade, supplement, or  
6 replace computer equipment or enabling software purchased or  
7 leased in the original investment that would have qualified.

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

13 For the purposes of this item (31):

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

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

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

19 This item (31) is exempt from the provisions of Section  
20 3-75.

21 (32) Beginning January 1, 2022, meals and food products  
22 for human consumption furnished or served to low-income  
23 elderly persons at or below cost by a nonprofit organization  
24 or governmental agency under a program funded by this State or  
25 the United States for such purposes. This paragraph is exempt  
26 from the provisions of Section 3-75.

1 (Source: P.A. 100-22, eff. 7-6-17; 100-594, eff. 6-29-18;  
2 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81, eff.  
3 7-12-19; 101-629, eff. 2-5-20.)

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

6 (35 ILCS 115/3-5)

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (12) Until July 1, 2023, coal and aggregate exploration,

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

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

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

26 (15) Horses, or interests in horses, registered with and

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

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

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

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

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

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

1 provisions of Section 3-55.

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

21 (22) 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 3-55.

9 (23) 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  
12 other items, and replacement parts for these machines.  
13 Beginning January 1, 2002 and through June 30, 2003, machines  
14 and parts for machines used in commercial, coin-operated  
15 amusement and vending business if a use or occupation tax is  
16 paid on the gross receipts derived from the use of the  
17 commercial, coin-operated amusement and vending machines. This  
18 paragraph is exempt from the provisions of Section 3-55.

19 (24) Beginning on August 2, 2001 (the effective date of  
20 Public Act 92-227), computers and communications equipment  
21 utilized for any hospital purpose and equipment used in the  
22 diagnosis, analysis, or treatment of hospital patients sold to  
23 a lessor who leases the equipment, under a lease of one year or  
24 longer executed or in effect at the time of the purchase, to a  
25 hospital that has been issued an active tax exemption  
26 identification number by the Department under Section 1g of

1 the Retailers' Occupation Tax Act. This paragraph is exempt  
2 from the provisions of Section 3-55.

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

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

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

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

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

1 corporations as provided in Section 11-65-25 of the Illinois  
2 Municipal Code. This paragraph is exempt from the provisions  
3 of Section 3-55.

4 (29) 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  
9 includes consumable supplies used in the modification,  
10 refurbishment, completion, replacement, repair, and  
11 maintenance of aircraft, but excludes any materials, parts,  
12 equipment, components, and consumable supplies used in the  
13 modification, replacement, repair, and maintenance of aircraft  
14 engines or power plants, whether such engines or power plants  
15 are installed or uninstalled upon any such aircraft.  
16 "Consumable supplies" include, but are not limited to,  
17 adhesive, tape, sandpaper, general purpose lubricants,  
18 cleaning solution, latex gloves, and protective films. This  
19 exemption applies only to the transfer of qualifying tangible  
20 personal property incident to the modification, refurbishment,  
21 completion, replacement, repair, or maintenance of an aircraft  
22 by persons who (i) hold an Air Agency Certificate and are  
23 empowered to operate an approved repair station by the Federal  
24 Aviation Administration, (ii) have a Class IV Rating, and  
25 (iii) conduct operations in accordance with Part 145 of the  
26 Federal Aviation Regulations. The exemption does not include

1 aircraft operated by a commercial air carrier providing  
2 scheduled passenger air service pursuant to authority issued  
3 under Part 121 or Part 129 of the Federal Aviation  
4 Regulations. The changes made to this paragraph (29) by Public  
5 Act 98-534 are declarative of existing law. It is the intent of  
6 the General Assembly that the exemption under this paragraph  
7 (29) applies continuously from January 1, 2010 through  
8 December 31, 2024; however, no claim for credit or refund is  
9 allowed for taxes paid as a result of the disallowance of this  
10 exemption on or after January 1, 2015 and prior to the  
11 effective date of this amendatory Act of the 101st General  
12 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  
25 have qualified for a certificate of exemption prior to January  
26 1, 2020 had this amendatory Act of the 101st General Assembly

1 been in effect, may apply for and obtain an exemption for  
2 subsequent purchases of computer equipment or enabling  
3 software purchased or leased to upgrade, supplement, or  
4 replace computer equipment or enabling software purchased or  
5 leased in the original 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  
13 buildings rehabilitated or constructed to house working  
14 servers in one physical location or multiple sites within  
15 the State of 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  
14 must obtain from the purchaser a copy of the certificate  
15 of 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 (33) Beginning January 1, 2022, meals and food products  
20 for human consumption furnished or served to low-income  
21 elderly persons at or below cost by a nonprofit organization  
22 or governmental agency under a program funded by this State or  
23 the United States for such purposes. This paragraph is exempt  
24 from the provisions of Section 3-55.

25 (Source: P.A. 100-22, eff. 7-6-17; 100-594, eff. 6-29-18;  
26 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81, eff.

1 7-12-19; 101-629, eff. 2-5-20.)

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

4 (35 ILCS 120/2-5)

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

8 (1) Farm chemicals.

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



1 tender tanks and dry boxes shall include units sold  
2 separately from a motor vehicle required to be licensed  
3 and units sold mounted on a motor vehicle required to be  
4 licensed, if the selling price of the tender is separately  
5 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  
9 not limited to, tractors, harvesters, sprayers, planters,  
10 seeders, or spreaders. Precision farming equipment  
11 includes, but is not limited to, soil testing sensors,  
12 computers, monitors, software, global positioning and  
13 mapping systems, and other such equipment.

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

22 (3) Until July 1, 2003, distillation machinery and  
23 equipment, sold as a unit or kit, assembled or installed  
24 by the retailer, certified by the user to be used only for  
25 the production of ethyl alcohol that will be used for  
26 consumption as motor fuel or as a component of motor fuel

1 for the personal use of the user, and not subject to sale  
2 or resale.

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

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

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

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

26 (8) Personal property sold to an Illinois county fair

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

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

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

25 (11) Personal property sold to a governmental body, to  
26 a corporation, society, association, foundation, or

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

14 (12) (Blank).

15 (12-5) On and after July 1, 2003 and through June 30,  
16 2004, motor vehicles of the second division with a gross  
17 vehicle weight in excess of 8,000 pounds that are subject  
18 to the commercial distribution fee imposed under Section  
19 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
20 2004 and through June 30, 2005, the use in this State of  
21 motor vehicles of the second division: (i) with a gross  
22 vehicle weight rating in excess of 8,000 pounds; (ii) that  
23 are subject to the commercial distribution fee imposed  
24 under Section 3-815.1 of the Illinois Vehicle Code; and  
25 (iii) that are primarily used for commercial purposes.  
26 Through June 30, 2005, this exemption applies to repair

1 and replacement parts added after the initial purchase of  
2 such a motor vehicle if that motor vehicle is used in a  
3 manner that would qualify for the rolling stock exemption  
4 otherwise provided for in this Act. For purposes of this  
5 paragraph, "used for commercial purposes" means the  
6 transportation of persons or property in furtherance of  
7 any commercial or industrial enterprise whether for-hire  
8 or not.

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

17 (14) Machinery and equipment that will be used by the  
18 purchaser, or a lessee of the purchaser, primarily in the  
19 process of manufacturing or assembling tangible personal  
20 property for wholesale or retail sale or lease, whether  
21 the sale or lease is made directly by the manufacturer or  
22 by some other person, whether the materials used in the  
23 process are owned by the manufacturer or some other  
24 person, or whether the sale or lease is made apart from or  
25 as an incident to the seller's engaging in the service  
26 occupation of producing machines, tools, dies, jigs,

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

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

25 (16) Tangible personal property sold to a purchaser if  
26 the purchaser is exempt from use tax by operation of

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

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

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

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

25 (20) Photoprocessing machinery and equipment,  
26 including repair and replacement parts, both new and used,

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

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

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

24 Beginning July 1, 2013, fuel and petroleum products  
25 sold to or used by an air carrier, certified by the carrier  
26 to be used for consumption, shipment, or storage in the



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (30) Beginning with taxable years ending on or after  
25 December 31, 1995 and ending with taxable years ending on  
26 or before December 31, 2004, personal property that is

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

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

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

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

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

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

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

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

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



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

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

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

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

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

23 (39) Beginning January 1, 2008, tangible personal  
24 property used in the construction or maintenance of a  
25 community water supply, as defined under Section 3.145 of  
26 the Environmental Protection Act, that is operated by a

1 not-for-profit corporation that holds a valid water supply  
2 permit issued under Title IV of the Environmental  
3 Protection Act. This paragraph is exempt from the  
4 provisions of Section 2-70.

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

1 in accordance with Part 145 of the Federal Aviation  
2 Regulations. The exemption does not include aircraft  
3 operated by a commercial air carrier providing scheduled  
4 passenger air service pursuant to authority issued under  
5 Part 121 or Part 129 of the Federal Aviation Regulations.  
6 The changes made to this paragraph (40) by Public Act  
7 98-534 are declarative of existing law. It is the intent  
8 of the General Assembly that the exemption under this  
9 paragraph (40) applies continuously from January 1, 2010  
10 through December 31, 2024; however, no claim for credit or  
11 refund is allowed for taxes paid as a result of the  
12 disallowance of this exemption on or after January 1, 2015  
13 and prior to the effective date of this amendatory Act of  
14 the 101st General Assembly.

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

1 existing public-facilities corporations as provided in  
2 Section 11-65-25 of the Illinois Municipal Code. This  
3 paragraph is exempt from the provisions of Section 2-70.

4 (42) Beginning January 1, 2017, menstrual pads,  
5 tampons, and menstrual cups.

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

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

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

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

9 For the purposes of this item (44):

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

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

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

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

18 (45) Beginning January 1, 2022, meals and food  
19 products for human consumption furnished or served to  
20 low-income elderly persons at or below cost by a nonprofit  
21 organization or governmental agency under a program funded  
22 by this State or the United States for such purposes. This  
23 paragraph is exempt from the provisions of Section 2-70.

24 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;  
25 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff.  
26 8-14-18; 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81,

1 eff. 7-12-19; 101-629, eff. 2-5-20.)

2 Section 99. Effective date. This Act takes effect upon  
3 becoming law.