



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB3000

Introduced 2/19/2021, by Rep. Dave Severin

SYNOPSIS AS INTRODUCED:

See Index

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that if an in-State retailer or serviceman bids on a purchase order or contract to provide materials, equipment, or supplies to a municipality with a population under 1,000,000, and that purchase order or contract involves an amount in excess of \$25,000, then the municipality may apply to the Department of Revenue for a certificate of exemption from the taxes imposed under specified local provisions of the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act for the in-State retailer or serviceman, or a third-party supplier of the retailer or serviceman, with respect to the materials, equipment, or supplies covered by the bid if: at least one other bid is received from an out-of-State retailer or serviceman; the in-State retailer or serviceman demonstrates the necessity of the exemption in order to submit the lowest responsible bid, including substantive proof furnished by the retailer or serviceman to the municipality or the Department of Revenue; and the in-State retailer provides an itemized estimate of cost to the corporate authorities of the municipality. Defines terms. Makes confirming changes in the following Acts and Codes: the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Counties Code, the Illinois Municipal Code, the Salem Civic Center Law of 1997 of the Civic Center Code, the Metropolitan Pier and Exposition Authority Act, the Flood Prevention District Act, the Metro-East Park and Recreation District Act, the Local Mass Transit District Act, the Regional Transportation Authority Act, and the Water Commission Act of 1985. Effective immediately.

LRB102 14915 HLH 20270 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by adding Section
6 2505-805 as follows:

7 (20 ILCS 2505/2505-805 new)

8 Sec. 2505-805. Exemption for materials, equipment, or
9 supplies of a bid.

10 (a) As used in this Section:

11 "In-State retailer or serviceman" means a retailer or
12 serviceman with a principal place of business located in the
13 State.

14 "Local provisions of the Use Tax Act, the Service Use Tax
15 Act, the Service Occupation Tax Act, and the Retailers'
16 Occupation Tax Act" means use taxes or occupation taxes
17 imposed under the Counties Code, the Illinois Municipal Code,
18 the Salem Civic Center Law of 1997 of the Civic Center Code,
19 the Metropolitan Pier and Exposition Authority Act, the Flood
20 Prevention District Act, the Metro-East Park and Recreation
21 District Act, the Local Mass Transit District Act, the
22 Regional Transportation Authority Act, and the Water
23 Commission Act of 1985.

1 "Out-of-State retailer or serviceman" means a retailer or
2 serviceman with a principal place of business located outside
3 of the State.

4 (b) If an in-State retailer or serviceman bids on a
5 purchase order or contract to provide materials, equipment, or
6 supplies to a municipality with a population of less than
7 1,000,000, and that purchase order or contract involves an
8 amount in excess of \$25,000, then the municipality may apply
9 to the Department of Revenue for a certificate of exemption
10 from the taxes imposed under local provisions of the Use Tax
11 Act, the Service Use Tax Act, the Service Occupation Tax Act,
12 and the Retailers' Occupation Tax Act for the in-State
13 retailer or serviceman, or a third-party supplier of the
14 in-State retailer or serviceman, with respect to the
15 materials, equipment, or supplies covered by the bid if all of
16 the following conditions apply:

17 (1) at least one other bid is received from an
18 out-of-State retailer or serviceman;

19 (2) the in-State retailer or serviceman demonstrates
20 the necessity of the exemption in order to submit the
21 lowest responsible bid under the guidelines provided under
22 Division 9 or 10 of Article 8 of the Illinois Municipal
23 Code, including substantive proof furnished by the
24 retailer or serviceman to the municipality or the
25 Department of Revenue; and

26 (3) the in-State retailer provides an itemized

1 estimate of cost to the corporate authorities of the
2 municipality.

3 Section 10. The Use Tax Act is amended by changing Section
4 3-5 as follows:

5 (35 ILCS 105/3-5)

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

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

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

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

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

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

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

26 (6) Until July 1, 2003 and beginning again on September 1,

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

13 (7) Farm chemicals.

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

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

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

24 (11) Farm machinery and equipment, both new and used,
25 including that manufactured on special order, certified by the
26 purchaser to be used primarily for production agriculture or

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

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

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

1 computer-assisted operation of production agriculture
2 facilities, equipment, and activities such as, but not limited
3 to, the collection, monitoring, and correlation of animal and
4 crop data for the purpose of formulating animal diets and
5 agricultural chemicals. This item (11) is exempt from the
6 provisions of Section 3-90.

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

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

24 (13) Proceeds of mandatory service charges separately
25 stated on customers' bills for the purchase and consumption of
26 food and beverages purchased at retail from a retailer, to the

1 extent that the proceeds of the service charge are in fact
2 turned over as tips or as a substitute for tips to the
3 employees who participate directly in preparing, serving,
4 hosting or cleaning up the food or beverage function with
5 respect to which the service charge is imposed.

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

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

21 (16) Until July 1, 2023, coal and aggregate exploration,
22 mining, off-highway hauling, processing, maintenance, and
23 reclamation equipment, including replacement parts and
24 equipment, and including equipment purchased for lease, but
25 excluding motor vehicles required to be registered under the
26 Illinois Vehicle Code. The changes made to this Section by

1 Public Act 97-767 apply on and after July 1, 2003, but no claim
2 for credit or refund is allowed on or after August 16, 2013
3 (the effective date of Public Act 98-456) for such taxes paid
4 during the period beginning July 1, 2003 and ending on August
5 16, 2013 (the effective date of Public Act 98-456).

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

12 (18) Manufacturing and assembling machinery and equipment
13 used primarily in the process of manufacturing or assembling
14 tangible personal property for wholesale or retail sale or
15 lease, whether that sale or lease is made directly by the
16 manufacturer or by some other person, whether the materials
17 used in the process are owned by the manufacturer or some other
18 person, or whether that sale or lease is made apart from or as
19 an incident to the seller's engaging in the service occupation
20 of producing machines, tools, dies, jigs, patterns, gauges, or
21 other similar items of no commercial value on special order
22 for a particular purchaser. The exemption provided by this
23 paragraph (18) includes production related tangible personal
24 property, as defined in Section 3-50, purchased on or after
25 July 1, 2019. The exemption provided by this paragraph (18)
26 does not include machinery and equipment used in (i) the

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

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

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

19 (21) Horses, or interests in horses, registered with and
20 meeting the requirements of any of the Arabian Horse Club
21 Registry of America, Appaloosa Horse Club, American Quarter
22 Horse Association, United States Trotting Association, or
23 Jockey Club, as appropriate, used for purposes of breeding or
24 racing for prizes. This item (21) is exempt from the
25 provisions of Section 3-90, and the exemption provided for
26 under this item (21) applies for all periods beginning May 30,

1 1995, but no claim for credit or refund is allowed on or after
2 January 1, 2008 for such taxes paid during the period
3 beginning May 30, 2000 and ending on January 1, 2008.

4 (22) Computers and communications equipment utilized for
5 any hospital purpose and equipment used in the diagnosis,
6 analysis, or treatment of hospital patients purchased by a
7 lessor who leases the equipment, under a lease of one year or
8 longer executed or in effect at the time the lessor would
9 otherwise be subject to the tax imposed by this Act, to a
10 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 non-exempt 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 non-qualifying 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.

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

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

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

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

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

23 (27) A motor vehicle, as that term is defined in Section
24 1-146 of the Illinois Vehicle Code, that is donated to a
25 corporation, limited liability company, society, association,
26 foundation, or institution that is determined by the

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

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

1 purpose of resale by the fundraising entity and that profits
2 from the sale to the fundraising entity. This paragraph is
3 exempt from the provisions of Section 3-90.

4 (29) Beginning January 1, 2000 and through December 31,
5 2001, new or used automatic vending machines that prepare and
6 serve hot food and beverages, including coffee, soup, and
7 other items, and replacement parts for these machines.
8 Beginning January 1, 2002 and through June 30, 2003, machines
9 and parts for machines used in commercial, coin-operated
10 amusement and vending business if a use or occupation tax is
11 paid on the gross receipts derived from the use of the
12 commercial, coin-operated amusement and vending machines. This
13 paragraph is exempt from the provisions of Section 3-90.

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

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

26 (32) Beginning on August 2, 2001 (the effective date of

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

23 (33) On and after July 1, 2003 and through June 30, 2004,
24 the use in this State of motor vehicles of the second division
25 with a gross vehicle weight in excess of 8,000 pounds and that
26 are subject to the commercial distribution fee imposed under

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

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

23 (35) Beginning January 1, 2010 and continuing through
24 December 31, 2024, materials, parts, equipment, components,
25 and furnishings incorporated into or upon an aircraft as part
26 of the modification, refurbishment, completion, replacement,

1 repair, or maintenance of the aircraft. This exemption
2 includes consumable supplies used in the modification,
3 refurbishment, completion, replacement, repair, and
4 maintenance of aircraft, but excludes any materials, parts,
5 equipment, components, and consumable supplies used in the
6 modification, replacement, repair, and maintenance of aircraft
7 engines or power plants, whether such engines or power plants
8 are installed or uninstalled upon any such aircraft.
9 "Consumable supplies" include, but are not limited to,
10 adhesive, tape, sandpaper, general purpose lubricants,
11 cleaning solution, latex gloves, and protective films. This
12 exemption applies only to the use of qualifying tangible
13 personal property by persons who modify, refurbish, complete,
14 repair, replace, or maintain aircraft and who (i) hold an Air
15 Agency Certificate and are empowered to operate an approved
16 repair station by the Federal Aviation Administration, (ii)
17 have a Class IV Rating, and (iii) conduct operations in
18 accordance with Part 145 of the Federal Aviation Regulations.
19 The exemption does not include aircraft operated by a
20 commercial air carrier providing scheduled passenger air
21 service pursuant to authority issued under Part 121 or Part
22 129 of the Federal Aviation Regulations. The changes made to
23 this paragraph (35) by Public Act 98-534 are declarative of
24 existing law. It is the intent of the General Assembly that the
25 exemption under this paragraph (35) applies continuously from
26 January 1, 2010 through December 31, 2024; however, no claim

1 for credit or refund is allowed for taxes paid as a result of
2 the disallowance of this exemption on or after January 1, 2015
3 and prior to the effective date of this amendatory Act of the
4 101st General Assembly.

5 (36) Tangible personal property purchased by a
6 public-facilities corporation, as described in Section
7 11-65-10 of the Illinois Municipal Code, for purposes of
8 constructing or furnishing a municipal convention hall, but
9 only if the legal title to the municipal convention hall is
10 transferred to the municipality without any further
11 consideration by or on behalf of the municipality at the time
12 of the completion of the municipal convention hall or upon the
13 retirement or redemption of any bonds or other debt
14 instruments issued by the public-facilities corporation in
15 connection with the development of the municipal convention
16 hall. This exemption includes existing public-facilities
17 corporations as provided in Section 11-65-25 of the Illinois
18 Municipal Code. This paragraph is exempt from the provisions
19 of Section 3-90.

20 (37) Beginning January 1, 2017, menstrual pads, tampons,
21 and menstrual cups.

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

1 Rental Purchase Agreement Occupation and Use Tax Act. This
2 paragraph is exempt from the provisions of Section 3-90.

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

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

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

26 For the purposes of this item (40):

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

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

1 incorporated in to the qualifying data center. To document
2 the exemption allowed under this Section, the retailer
3 must obtain from the purchaser a copy of the certificate
4 of eligibility issued by the Department of Commerce and
5 Economic Opportunity.

6 This item (40) is exempt from the provisions of Section
7 3-90.

8 (41) Tangible personal property for which a certificate of
9 exemption has been issued under Section 2505-805 of the
10 Department of Revenue Law of the Civil Administrative Code of
11 Illinois. This paragraph is exempt from the provisions of
12 Section 3-90.

13 (Source: P.A. 100-22, eff. 7-6-17; 100-437, eff. 1-1-18;
14 100-594, eff. 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff.
15 1-4-19; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19; 101-81, eff.
16 7-12-19; 101-629, eff. 2-5-20.)

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

19 (35 ILCS 110/3-5)

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

22 (1) Personal property purchased from a corporation,
23 society, association, foundation, institution, or
24 organization, other than a limited liability company, that is

1 organized and operated as a not-for-profit service enterprise
2 for the benefit of persons 65 years of age or older if the
3 personal property was not purchased by the enterprise for the
4 purpose of resale by the enterprise.

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

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

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

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

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

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

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

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

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

25 (8) Until June 30, 2013, fuel and petroleum products sold
26 to or used by an air common carrier, certified by the carrier

1 to be used for consumption, shipment, or storage in the
2 conduct of its business as an air common carrier, for a flight
3 destined for or returning from a location or locations outside
4 the United States without regard to previous or subsequent
5 domestic stopovers.

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

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

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

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

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

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

26 (13) Semen used for artificial insemination of livestock

1 for direct agricultural production.

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

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

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

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

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

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

1 in the declared disaster area within 6 months after the
2 disaster.

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

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

26 (21) Beginning January 1, 2000, personal property,

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

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

24 (23) Beginning August 23, 2001 and through June 30, 2016,
25 food for human consumption that is to be consumed off the
26 premises where it is sold (other than alcoholic beverages,

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

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

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

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

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

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

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

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

22 (28) Tangible personal property purchased by a
23 public-facilities corporation, as described in Section
24 11-65-10 of the Illinois Municipal Code, for purposes of
25 constructing or furnishing a municipal convention hall, but
26 only if the legal title to the municipal convention hall is

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

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

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

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

1 subsequent purchases of computer equipment or enabling
2 software purchased or leased to upgrade, supplement, or
3 replace computer equipment or enabling software purchased or
4 leased in the original investment that would have qualified.

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

10 For the purposes of this item (31):

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

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

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

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

18 (32) Tangible personal property for which a certificate of
19 exemption has been issued under Section 2505-805 of the
20 Department of Revenue Law of the Civil Administrative Code of
21 Illinois. This paragraph is exempt from the provisions of
22 Section 3-75.

23 (Source: P.A. 100-22, eff. 7-6-17; 100-594, eff. 6-29-18;
24 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81, eff.
25 7-12-19; 101-629, eff. 2-5-20.)

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

3 (35 ILCS 115/3-5)

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

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

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

16 (3) Personal property purchased by any not-for-profit arts
17 or cultural organization that establishes, by proof required
18 by the Department by rule, that it has received an exemption
19 under Section 501(c)(3) of the Internal Revenue Code and that
20 is organized and operated primarily for the presentation or
21 support of arts or cultural programming, activities, or
22 services. These organizations include, but are not limited to,
23 music and dramatic arts organizations such as symphony
24 orchestras and theatrical groups, arts and cultural service
25 organizations, local arts councils, visual arts organizations,

1 and media arts organizations. On and after July 1, 2001 (the
2 effective date of Public Act 92-35), however, an entity
3 otherwise eligible for this exemption shall not make tax-free
4 purchases unless it has an active identification number issued
5 by the Department.

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

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

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

25 (7) Farm machinery and equipment, both new and used,
26 including that manufactured on special order, certified by the

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

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

26 Farm machinery and equipment also includes computers,

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

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

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

25 (9) Proceeds of mandatory service charges separately
26 stated on customers' bills for the purchase and consumption of

1 food and beverages, to the extent that the proceeds of the
2 service charge are in fact turned over as tips or as a
3 substitute for tips to the employees who participate directly
4 in preparing, serving, hosting or cleaning up the food or
5 beverage function with respect to which the service charge is
6 imposed.

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

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

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

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

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

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

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

1 racing for prizes. This item (15) is exempt from the
2 provisions of Section 3-55, and the exemption provided for
3 under this item (15) applies for all periods beginning May 30,
4 1995, but no claim for credit or refund is allowed on or after
5 January 1, 2008 (the effective date of Public Act 95-88) for
6 such taxes paid during the period beginning May 30, 2000 and
7 ending on January 1, 2008 (the effective date of Public Act
8 95-88).

9 (16) Computers and communications equipment utilized for
10 any hospital purpose and equipment used in the diagnosis,
11 analysis, or treatment of hospital patients sold to a lessor
12 who leases 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 of
16 the Retailers' Occupation Tax Act.

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

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

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

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

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

24 (21) A motor vehicle, as that term is defined in Section
25 1-146 of the Illinois Vehicle Code, that is donated to a
26 corporation, limited liability company, society, association,

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

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

1 another individual or entity that sold the property for the
2 purpose of resale by the fundraising entity and that profits
3 from the sale to the fundraising entity. This paragraph is
4 exempt from the provisions of Section 3-55.

5 (23) Beginning January 1, 2000 and through December 31,
6 2001, new or used automatic vending machines that prepare and
7 serve hot food and beverages, including coffee, soup, and
8 other items, and replacement parts for these machines.
9 Beginning January 1, 2002 and through June 30, 2003, machines
10 and parts for machines used in commercial, coin-operated
11 amusement and vending business if a use or occupation tax is
12 paid on the gross receipts derived from the use of the
13 commercial, coin-operated amusement and vending machines. This
14 paragraph is exempt from the provisions of Section 3-55.

15 (24) Beginning on August 2, 2001 (the effective date of
16 Public Act 92-227), computers and communications equipment
17 utilized for any hospital purpose and equipment used in the
18 diagnosis, analysis, or treatment of hospital patients sold to
19 a lessor who leases the equipment, under a lease of one year or
20 longer executed or in effect at the time of the purchase, to a
21 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. This paragraph is exempt
24 from the provisions of Section 3-55.

25 (25) Beginning on August 2, 2001 (the effective date of
26 Public Act 92-227), personal property sold to a lessor who

1 leases the property, under a lease of one year or longer
2 executed or in effect at the time of the purchase, to a
3 governmental body that has been issued an active tax exemption
4 identification number by the Department under Section 1g of
5 the Retailers' Occupation Tax Act. This paragraph is exempt
6 from the provisions of Section 3-55.

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

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

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

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

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

1 December 31, 2024, materials, parts, equipment, components,
2 and furnishings incorporated into or upon an aircraft as part
3 of the modification, refurbishment, completion, replacement,
4 repair, or maintenance of the aircraft. This exemption
5 includes consumable supplies used in the modification,
6 refurbishment, completion, replacement, repair, and
7 maintenance of aircraft, but excludes any materials, parts,
8 equipment, components, and consumable supplies used in the
9 modification, replacement, repair, and maintenance of aircraft
10 engines or power plants, whether such engines or power plants
11 are installed or uninstalled upon any such aircraft.
12 "Consumable supplies" include, but are not limited to,
13 adhesive, tape, sandpaper, general purpose lubricants,
14 cleaning solution, latex gloves, and protective films. This
15 exemption applies only to the transfer of qualifying tangible
16 personal property incident to the modification, refurbishment,
17 completion, replacement, repair, or maintenance of an aircraft
18 by persons who (i) hold an Air Agency Certificate and are
19 empowered to operate an approved repair station by the Federal
20 Aviation Administration, (ii) have a Class IV Rating, and
21 (iii) conduct operations in accordance with Part 145 of the
22 Federal Aviation Regulations. The exemption does not include
23 aircraft operated by a commercial air carrier providing
24 scheduled passenger air service pursuant to authority issued
25 under Part 121 or Part 129 of the Federal Aviation
26 Regulations. The changes made to this paragraph (29) by Public

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

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

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

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

1 leased in the original investment that would have qualified.

2 The Department of Commerce and Economic Opportunity shall
3 grant a certificate of exemption under this item (32) to
4 qualified data centers as defined by Section 605-1025 of the
5 Department of Commerce and Economic Opportunity Law of the
6 Civil Administrative Code of Illinois.

7 For the purposes of this item (32):

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

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

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

13 This item (32) is exempt from the provisions of Section
14 3-55.

15 (33) Tangible personal property for which a certificate of
16 exemption has been issued under Section 2505-805 of the
17 Department of Revenue Law of the Civil Administrative Code of
18 Illinois. This paragraph is exempt from the provisions of
19 Section 3-55.

20 (Source: P.A. 100-22, eff. 7-6-17; 100-594, eff. 6-29-18;
21 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81, eff.
22 7-12-19; 101-629, eff. 2-5-20.)

23 Section 25. The Retailers' Occupation Tax Act is amended
24 by changing Section 2-5 as follows:

1 (35 ILCS 120/2-5)

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

5 (1) Farm chemicals.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9 (12) (Blank).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 require.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4 For the purposes of this item (44):

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

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

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

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

13 (45) Tangible personal property for which a
14 certificate of exemption has been issued under Section
15 2505-805 of the Department of Revenue Law of the Civil
16 Administrative Code of Illinois. This paragraph is exempt
17 from the provisions of Section 2-70.

18 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;
19 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff.
20 8-14-18; 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81,
21 eff. 7-12-19; 101-629, eff. 2-5-20.)

22 Section 30. The Counties Code is amended by adding Section
23 5-1186 as follows:

24 (55 ILCS 5/5-1186 new)

1 Sec. 5-1186. Exemption for materials, equipment, or
2 supplies of a bid. Tangible personal property for which a
3 certificate of exemption has been issued under Section
4 2505-805 of the Department of Revenue Law of the Civil
5 Administrative Code of Illinois is exempt from any use or
6 occupation tax imposed by a county under this Code.

7 Section 35. The Illinois Municipal Code is amended by
8 adding Section 8-1-19 as follows:

9 (65 ILCS 5/8-1-19 new)

10 Sec. 8-1-19. Exemption for materials, equipment, or
11 supplies of a bid. Tangible personal property for which a
12 certificate of exemption has been issued under Section
13 2505-805 of the Department of Revenue Law of the Civil
14 Administrative Code of Illinois is exempt from any use or
15 occupation tax imposed by a municipality under this Code.

16 Section 40. The Civic Center Code is amended by adding
17 Section 245-13 as follows:

18 (70 ILCS 200/245-13 new)

19 Sec. 245-13. Exemption for materials, equipment, or
20 supplies of a bid. Tangible personal property for which a
21 certificate of exemption has been issued under Section
22 2505-805 of the Department of Revenue Law of the Civil

1 Administrative Code of Illinois is exempt from any use or
2 occupation tax imposed under this Article.

3 Section 45. The Metropolitan Pier and Exposition Authority
4 Act is amended by adding Section 13.4 as follows:

5 (70 ILCS 210/13.4 new)

6 Sec. 13.4. Exemption for materials, equipment, or supplies
7 of a bid. Tangible personal property for which a certificate
8 of exemption has been issued under Section 2505-805 of the
9 Department of Revenue Law of the Civil Administrative Code of
10 Illinois is exempt from any use or occupation tax imposed
11 under this Act.

12 Section 50. The Flood Prevention District Act is amended
13 by adding Section 27 as follows:

14 (70 ILCS 750/27 new)

15 Sec. 27. Exemption for materials, equipment, or supplies
16 of a bid. Tangible personal property for which a certificate
17 of exemption has been issued under Section 2505-805 of the
18 Department of Revenue Law of the Civil Administrative Code of
19 Illinois is exempt from any use or occupation tax imposed
20 under this Act.

21 Section 55. The Metro-East Park and Recreation District

1 Act is amended by adding Section 32 as follows:

2 (70 ILCS 1605/32 new)

3 Sec. 32. Exemption for materials, equipment, or supplies
4 of a bid. Tangible personal property for which a certificate
5 of exemption has been issued under Section 2505-805 of the
6 Department of Revenue Law of the Civil Administrative Code of
7 Illinois is exempt from any use or occupation tax imposed
8 under this Act.

9 Section 60. The Local Mass Transit District Act is amended
10 by adding Section 5.7 as follows:

11 (70 ILCS 3610/5.7 new)

12 Sec. 5.7. Exemption for materials, equipment, or supplies
13 of a bid. Tangible personal property for which a certificate
14 of exemption has been issued under Section 2505-805 of the
15 Department of Revenue Law of the Civil Administrative Code of
16 Illinois is exempt from any use or occupation tax imposed
17 under this Act.

18 Section 65. The Regional Transportation Authority Act is
19 amended by adding Section 4.17 as follows:

20 (70 ILCS 3615/4.17 new)

21 Sec. 4.17. Exemption for materials, equipment, or supplies

1 of a bid. Tangible personal property for which a certificate
2 of exemption has been issued under Section 2505-805 of the
3 Department of Revenue Law of the Civil Administrative Code of
4 Illinois is exempt from any use or occupation tax imposed
5 under this Act.

6 Section 70. The Water Commission Act of 1985 is amended by
7 adding Section 4.5 as follows:

8 (70 ILCS 3720/4.5 new)

9 Sec. 4.5. Exemption for materials, equipment, or supplies
10 of a bid. Tangible personal property for which a certificate
11 of exemption has been issued under Section 2505-805 of the
12 Department of Revenue Law of the Civil Administrative Code of
13 Illinois is exempt from any use or occupation tax imposed
14 under this Act.

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.

1 INDEX

2 Statutes amended in order of appearance

3 20 ILCS 2505/2505-805 new

4 35 ILCS 105/3-5

5 35 ILCS 110/3-5

6 35 ILCS 115/3-5

7 35 ILCS 120/2-5

8 55 ILCS 5/5-1186 new

9 65 ILCS 5/8-1-19 new

10 70 ILCS 200/245-13 new

11 70 ILCS 210/13.4 new

12 70 ILCS 750/27 new

13 70 ILCS 1605/32 new

14 70 ILCS 3610/5.7 new

15 70 ILCS 3615/4.17 new

16 70 ILCS 3720/4.5 new