



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1647

Introduced 2/1/2023, by Rep. Natalie A. Manley

SYNOPSIS AS INTRODUCED:

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

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that, beginning on January 1, 2024, the exemption for farm machinery and equipment also includes electrical power generation equipment used primarily for production agriculture. Effective immediately.

LRB103 00143 HLH 45148 b

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

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

1 the car is subject to the Replacement Vehicle Tax.

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

15 (7) Farm chemicals.

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

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

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

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

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

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

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

8 Beginning on January 1, 2024, farm machinery and equipment
9 also includes electrical power generation equipment used
10 primarily for production agriculture.

11 This item (11) is exempt from the provisions of Section
12 3-90.

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

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

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

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

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

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

1 (16) Until July 1, 2028, coal and aggregate exploration,
2 mining, off-highway hauling, processing, maintenance, and
3 reclamation equipment, including replacement parts and
4 equipment, and including equipment purchased for lease, but
5 excluding motor vehicles required to be registered under the
6 Illinois Vehicle Code. The changes made to this Section by
7 Public Act 97-767 apply on and after July 1, 2003, but no claim
8 for credit or refund is allowed on or after August 16, 2013
9 (the effective date of Public Act 98-456) for such taxes paid
10 during the period beginning July 1, 2003 and ending on August
11 16, 2013 (the effective date of Public Act 98-456).

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

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

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

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

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

25 (21) Horses, or interests in horses, registered with and
26 meeting the requirements of any of the Arabian Horse Club

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

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

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

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

1 Department.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 under Title IV of the Environmental Protection Act. This
2 paragraph is exempt from the provisions of Section 3-90.

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

1 service pursuant to authority issued under Part 121 or Part
2 129 of the Federal Aviation Regulations. The changes made to
3 this paragraph (35) by Public Act 98-534 are declarative of
4 existing law. It is the intent of the General Assembly that the
5 exemption under this paragraph (35) applies continuously from
6 January 1, 2010 through December 31, 2024; however, no claim
7 for credit or refund is allowed for taxes paid as a result of
8 the disallowance of this exemption on or after January 1, 2015
9 and prior to February 5, 2020 (the effective date of Public Act
10 101-629) ~~this amendatory Act of the 101st General Assembly.~~

11 (36) Tangible personal property purchased by 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 3-90.

26 (37) Beginning January 1, 2017 and through December 31,

1 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

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

6 For the purposes of this item (40):

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

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

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

12 This item (40) is exempt from the provisions of Section
13 3-90.

14 (41) Beginning July 1, 2022, breast pumps, breast pump
15 collection and storage supplies, and breast pump kits. This
16 item (41) is exempt from the provisions of Section 3-90. As
17 used in this item (41):

18 "Breast pump" means an electrically controlled or
19 manually controlled pump device designed or marketed to be
20 used to express milk from a human breast during lactation,
21 including the pump device and any battery, AC adapter, or
22 other power supply unit that is used to power the pump
23 device and is packaged and sold with the pump device at the
24 time of sale.

25 "Breast pump collection and storage supplies" means
26 items of tangible personal property designed or marketed

1 to be used in conjunction with a breast pump to collect
2 milk expressed from a human breast and to store collected
3 milk until it is ready for consumption.

4 "Breast pump collection and storage supplies"
5 includes, but is not limited to: breast shields and breast
6 shield connectors; breast pump tubes and tubing adapters;
7 breast pump valves and membranes; backflow protectors and
8 backflow protector adaptors; bottles and bottle caps
9 specific to the operation of the breast pump; and breast
10 milk storage bags.

11 "Breast pump collection and storage supplies" does not
12 include: (1) bottles and bottle caps not specific to the
13 operation of the breast pump; (2) breast pump travel bags
14 and other similar carrying accessories, including ice
15 packs, labels, and other similar products; (3) breast pump
16 cleaning supplies; (4) nursing bras, bra pads, breast
17 shells, and other similar products; and (5) creams,
18 ointments, and other similar products that relieve
19 breastfeeding-related symptoms or conditions of the
20 breasts or nipples, unless sold as part of a breast pump
21 kit that is pre-packaged by the breast pump manufacturer
22 or distributor.

23 "Breast pump kit" means a kit that: (1) contains no
24 more than a breast pump, breast pump collection and
25 storage supplies, a rechargeable battery for operating the
26 breast pump, a breastmilk cooler, bottle stands, ice

1 packs, and a breast pump carrying case; and (2) is
2 pre-packaged as a breast pump kit by the breast pump
3 manufacturer or distributor.

4 (42) ~~(41)~~ Tangible personal property sold by or on behalf
5 of the State Treasurer pursuant to the Revised Uniform
6 Unclaimed Property Act. This item (42) ~~(41)~~ is exempt from the
7 provisions of Section 3-90.

8 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
9 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
10 6-17-21; 102-700, Article 70, Section 70-5, eff. 4-19-22;
11 102-700, Article 75, Section 75-5, eff. 4-19-22; 102-1026,
12 eff. 5-27-22; revised 8-1-22.)

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

15 (35 ILCS 110/3-5)

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

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

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

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

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

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

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

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

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

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

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

13 Farm machinery and equipment also includes computers,
14 sensors, software, and related equipment used primarily in the
15 computer-assisted operation of production agriculture
16 facilities, equipment, and activities such as, but not limited
17 to, the collection, monitoring, and correlation of animal and
18 crop data for the purpose of formulating animal diets and
19 agricultural chemicals.

20 Beginning on January 1, 2024, farm machinery and equipment
21 also includes electrical power generation equipment used
22 primarily for production agriculture.

23 This item (7) is exempt from the provisions of Section
24 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, 2028, 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 February 5, 2020 (the effective date of Public Act
21 101-629) ~~this amendatory Act of the 101st 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 and through December 31,
12 2026, menstrual pads, tampons, 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 Public Act 101-31 ~~this amendatory Act of the 101st~~
26 ~~General Assembly~~ been in effect, may apply for and obtain an

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

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

11 For the purposes of this item (31):

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

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

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

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

19 (32) Beginning July 1, 2022, breast pumps, breast pump
20 collection and storage supplies, and breast pump kits. This
21 item (32) is exempt from the provisions of Section 3-75. As
22 used in this item (32):

23 "Breast pump" means an electrically controlled or
24 manually controlled pump device designed or marketed to be
25 used to express milk from a human breast during lactation,
26 including the pump device and any battery, AC adapter, or

1 other power supply unit that is used to power the pump
2 device and is packaged and sold with the pump device at the
3 time of sale.

4 "Breast pump collection and storage supplies" means
5 items of tangible personal property designed or marketed
6 to be used in conjunction with a breast pump to collect
7 milk expressed from a human breast and to store collected
8 milk until it is ready for consumption.

9 "Breast pump collection and storage supplies"
10 includes, but is not limited to: breast shields and breast
11 shield connectors; breast pump tubes and tubing adapters;
12 breast pump valves and membranes; backflow protectors and
13 backflow protector adaptors; bottles and bottle caps
14 specific to the operation of the breast pump; and breast
15 milk storage bags.

16 "Breast pump collection and storage supplies" does not
17 include: (1) bottles and bottle caps not specific to the
18 operation of the breast pump; (2) breast pump travel bags
19 and other similar carrying accessories, including ice
20 packs, labels, and other similar products; (3) breast pump
21 cleaning supplies; (4) nursing bras, bra pads, breast
22 shells, and other similar products; and (5) creams,
23 ointments, and other similar products that relieve
24 breastfeeding-related symptoms or conditions of the
25 breasts or nipples, unless sold as part of a breast pump
26 kit that is pre-packaged by the breast pump manufacturer

1 or distributor.

2 "Breast pump kit" means a kit that: (1) contains no
3 more than a breast pump, breast pump collection and
4 storage supplies, a rechargeable battery for operating the
5 breast pump, a breastmilk cooler, bottle stands, ice
6 packs, and a breast pump carrying case; and (2) is
7 pre-packaged as a breast pump kit by the breast pump
8 manufacturer or distributor.

9 (33) ~~(32)~~ Tangible personal property sold by or on behalf
10 of the State Treasurer pursuant to the Revised Uniform
11 Unclaimed Property Act. This item (33) ~~(32)~~ is exempt from the
12 provisions of Section 3-75.

13 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
14 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article
15 70, Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
16 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-3-22.)

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

19 (35 ILCS 115/3-5)

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

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

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

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

8 (3) Personal property purchased by any 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 sold by a teacher-sponsored student
14 organization affiliated with an elementary or secondary school
15 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.

24 Beginning on January 1, 2024, farm machinery and equipment
25 also includes electrical power generation equipment used
26 primarily for production agriculture.

1 This item (7) is exempt from the provisions of Section
2 3-55.

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

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

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

1 imposed.

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

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

17 (12) Until July 1, 2028, coal and aggregate exploration,
18 mining, off-highway hauling, processing, maintenance, and
19 reclamation equipment, including replacement parts and
20 equipment, and including equipment purchased for lease, but
21 excluding motor vehicles required to be registered under the
22 Illinois Vehicle Code. The changes made to this Section by
23 Public Act 97-767 apply on and after July 1, 2003, but no claim
24 for credit or refund is allowed on or after August 16, 2013
25 (the effective date of Public Act 98-456) for such taxes paid
26 during the period beginning July 1, 2003 and ending on August

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

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

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

17 (15) Horses, or interests in horses, registered with and
18 meeting the requirements of any of the Arabian Horse Club
19 Registry of America, Appaloosa Horse Club, American Quarter
20 Horse Association, United States Trotting Association, or
21 Jockey Club, as appropriate, used for purposes of breeding or
22 racing for prizes. This item (15) is exempt from the
23 provisions of Section 3-55, and the exemption provided for
24 under this item (15) applies for all periods beginning May 30,
25 1995, but no claim for credit or refund is allowed on or after
26 January 1, 2008 (the effective date of Public Act 95-88) for

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

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

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

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

1 who reside within the declared disaster area.

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

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

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

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

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

26 (23) Beginning January 1, 2000 and through December 31,

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

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

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

1 from the provisions of Section 3-55.

2 (26) Beginning on January 1, 2002 and through June 30,
3 2016, tangible personal property purchased from an Illinois
4 retailer by a taxpayer engaged in centralized purchasing
5 activities in Illinois who will, upon receipt of the property
6 in Illinois, temporarily store the property in Illinois (i)
7 for the purpose of subsequently transporting it outside this
8 State for use or consumption thereafter solely outside this
9 State or (ii) for the purpose of being processed, fabricated,
10 or manufactured into, attached to, or incorporated into other
11 tangible personal property to be transported outside this
12 State and thereafter used or consumed solely outside this
13 State. The Director of Revenue shall, pursuant to rules
14 adopted in accordance with the Illinois Administrative
15 Procedure Act, issue a permit to any taxpayer in good standing
16 with the Department who is eligible for the exemption under
17 this paragraph (26). The permit issued under this paragraph
18 (26) shall authorize the holder, to the extent and in the
19 manner specified in the rules adopted under this Act, to
20 purchase tangible personal property from a retailer exempt
21 from the taxes imposed by this Act. Taxpayers shall maintain
22 all necessary books and records to substantiate the use and
23 consumption of all such tangible personal property outside of
24 the State of Illinois.

25 (27) Beginning January 1, 2008, tangible personal property
26 used in the construction or maintenance of a community water

1 supply, as defined under Section 3.145 of the Environmental
2 Protection Act, that is operated by a not-for-profit
3 corporation that holds a valid water supply permit issued
4 under Title IV of the Environmental Protection Act. This
5 paragraph is exempt from the provisions of Section 3-55.

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

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

1 refurbishment, completion, replacement, repair, and
2 maintenance of aircraft, but excludes any materials, parts,
3 equipment, components, and consumable supplies used in the
4 modification, replacement, repair, and maintenance of aircraft
5 engines or power plants, whether such engines or power plants
6 are installed or uninstalled upon any such aircraft.
7 "Consumable supplies" include, but are not limited to,
8 adhesive, tape, sandpaper, general purpose lubricants,
9 cleaning solution, latex gloves, and protective films. This
10 exemption applies only to the transfer of qualifying tangible
11 personal property incident to the modification, refurbishment,
12 completion, replacement, repair, or maintenance of an aircraft
13 by persons who (i) hold an Air Agency Certificate and are
14 empowered to operate an approved repair station by the Federal
15 Aviation Administration, (ii) have a Class IV Rating, and
16 (iii) conduct operations in accordance with Part 145 of the
17 Federal Aviation Regulations. The exemption does not include
18 aircraft operated by a commercial air carrier providing
19 scheduled passenger air service pursuant to authority issued
20 under Part 121 or Part 129 of the Federal Aviation
21 Regulations. The changes made to this paragraph (29) by Public
22 Act 98-534 are declarative of existing law. It is the intent of
23 the General Assembly that the exemption under this paragraph
24 (29) applies continuously from January 1, 2010 through
25 December 31, 2024; however, no claim for credit or refund is
26 allowed for taxes paid as a result of the disallowance of this

1 exemption on or after January 1, 2015 and prior to February 5,
2 2020 (the effective date of Public Act 101-629) ~~this~~
3 ~~amendatory Act of the 101st General Assembly.~~

4 (30) Beginning January 1, 2017 and through December 31,
5 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

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

3 For the purposes of this item (32):

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

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

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

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

11 (33) Beginning July 1, 2022, breast pumps, breast pump
12 collection and storage supplies, and breast pump kits. This
13 item (33) is exempt from the provisions of Section 3-55. As
14 used in this item (33):

15 "Breast pump" means an electrically controlled or
16 manually controlled pump device designed or marketed to be
17 used to express milk from a human breast during lactation,
18 including the pump device and any battery, AC adapter, or
19 other power supply unit that is used to power the pump
20 device and is packaged and sold with the pump device at the
21 time of sale.

22 "Breast pump collection and storage supplies" means
23 items of tangible personal property designed or marketed
24 to be used in conjunction with a breast pump to collect
25 milk expressed from a human breast and to store collected
26 milk until it is ready for consumption.

1 "Breast pump collection and storage supplies"
2 includes, but is not limited to: breast shields and breast
3 shield connectors; breast pump tubes and tubing adapters;
4 breast pump valves and membranes; backflow protectors and
5 backflow protector adaptors; bottles and bottle caps
6 specific to the operation of the breast pump; and breast
7 milk storage bags.

8 "Breast pump collection and storage supplies" does not
9 include: (1) bottles and bottle caps not specific to the
10 operation of the breast pump; (2) breast pump travel bags
11 and other similar carrying accessories, including ice
12 packs, labels, and other similar products; (3) breast pump
13 cleaning supplies; (4) nursing bras, bra pads, breast
14 shells, and other similar products; and (5) creams,
15 ointments, and other similar products that relieve
16 breastfeeding-related symptoms or conditions of the
17 breasts or nipples, unless sold as part of a breast pump
18 kit that is pre-packaged by the breast pump manufacturer
19 or distributor.

20 "Breast pump kit" means a kit that: (1) contains no
21 more than a breast pump, breast pump collection and
22 storage supplies, a rechargeable battery for operating the
23 breast pump, a breastmilk cooler, bottle stands, ice
24 packs, and a breast pump carrying case; and (2) is
25 pre-packaged as a breast pump kit by the breast pump
26 manufacturer or distributor.

1 (34) ~~(33)~~ Tangible personal property sold by or on behalf
2 of the State Treasurer pursuant to the Revised Uniform
3 Unclaimed Property Act. This item (34) ~~(33)~~ is exempt from the
4 provisions of Section 3-55.

5 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
6 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article
7 70, Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
8 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-9-22.)

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

11 (35 ILCS 120/2-5)

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

15 (1) Farm chemicals.

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

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

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

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

1 diets and agricultural chemicals.

2 Beginning on January 1, 2024, farm machinery and
3 equipment also includes electrical power generation
4 equipment used primarily for production agriculture.

5 This item (2) is exempt from the provisions of Section
6 2-70.

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

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

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

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

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

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

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

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

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

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

25 (12) (Blank).

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

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

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

1 interstate commerce.

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

1 defined in paragraph (4) of this Section.

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

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

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

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

26 (19) Until July 1, 2003, oil field exploration,

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

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

16 (21) Until July 1, 2028, coal and aggregate
17 exploration, mining, off-highway hauling, processing,
18 maintenance, and reclamation equipment, including
19 replacement parts and equipment, and including equipment
20 purchased for lease, but excluding motor vehicles required
21 to be registered under the Illinois Vehicle Code. The
22 changes made to this Section by Public Act 97-767 apply on
23 and after July 1, 2003, but no claim for credit or refund
24 is allowed on or after August 16, 2013 (the effective date
25 of Public Act 98-456) for such taxes paid during the
26 period beginning July 1, 2003 and ending on August 16,

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

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

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

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

23 (24) Fuel consumed or used in the operation of ships,
24 barges, or vessels that are used primarily in or for the
25 transportation of property or the conveyance of persons
26 for hire on rivers bordering on this State if the fuel is

1 delivered by the seller to the purchaser's barge, ship, or
2 vessel while it is afloat upon that bordering river.

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

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

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

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

24 (1) the aircraft leaves this State within 15 days
25 after the later of either the issuance of the final
26 billing for the sale of the aircraft, or the

1 authorized approval for return to service, completion
2 of the maintenance record entry, and completion of the
3 test flight and ground test for inspection, as
4 required by 14 CFR ~~C.F.R.~~ 91.407;

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

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

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

19 "Based in this State" means hangared, stored, or
20 otherwise used, excluding post-sale customizations as
21 defined in this Section, for 10 or more days in each
22 12-month period immediately following the date of the sale
23 of the aircraft.

24 "Registered in this State" means an aircraft
25 registered with the Department of Transportation,
26 Aeronautics Division, or titled or registered with the

1 Federal Aviation Administration to an address located in
2 this State.

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

5 (26) Semen used for artificial insemination of
6 livestock for direct agricultural production.

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

21 (28) Computers and communications equipment utilized
22 for any hospital purpose and equipment used in the
23 diagnosis, analysis, or treatment of hospital patients
24 sold to a lessor who leases the equipment, under a lease of
25 one year or longer executed or in effect at the time of the
26 purchase, to a hospital that has been issued an active tax

1 exemption identification number by the Department under
2 Section 1g of this Act.

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

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

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

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

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

11 (33) A motor vehicle, as that term is defined in
12 Section 1-146 of the Illinois Vehicle Code, that is
13 donated to a corporation, limited liability company,
14 society, association, foundation, or institution that is
15 determined by the Department to be organized and operated
16 exclusively for educational purposes. For purposes of this
17 exemption, "a corporation, limited liability company,
18 society, association, foundation, or institution organized
19 and operated exclusively for educational purposes" means
20 all tax-supported public schools, private schools that
21 offer systematic instruction in useful branches of
22 learning by methods common to public schools and that
23 compare favorably in their scope and intensity with the
24 course of study presented in tax-supported schools, and
25 vocational or technical schools or institutes organized
26 and operated exclusively to provide a course of study of

1 not less than 6 weeks duration and designed to prepare
2 individuals to follow a trade or to pursue a manual,
3 technical, mechanical, industrial, business, or commercial
4 occupation.

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

20 (35) Beginning January 1, 2000 and through December
21 31, 2001, new or used automatic vending machines that
22 prepare and serve hot food and beverages, including
23 coffee, soup, and other items, and replacement parts for
24 these machines. Beginning January 1, 2002 and through June
25 30, 2003, machines and parts for machines used in
26 commercial, coin-operated amusement and vending business

1 if a use or occupation tax is paid on the gross receipts
2 derived from the use of the commercial, coin-operated
3 amusement and vending machines. This paragraph is exempt
4 from the provisions of Section 2-70.

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

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

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

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

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

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

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

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

1 plants, whether such engines or power plants are installed
2 or uninstalled upon any such aircraft. "Consumable
3 supplies" include, but are not limited to, adhesive, tape,
4 sandpaper, general purpose lubricants, cleaning solution,
5 latex gloves, and protective films. This exemption applies
6 only to the sale of qualifying tangible personal property
7 to persons who modify, refurbish, complete, replace, or
8 maintain an aircraft and who (i) hold an Air Agency
9 Certificate and are empowered to operate an approved
10 repair station by the Federal Aviation Administration,
11 (ii) have a Class IV Rating, and (iii) conduct operations
12 in accordance with Part 145 of the Federal Aviation
13 Regulations. The exemption does not include aircraft
14 operated by a commercial air carrier providing scheduled
15 passenger air service pursuant to authority issued under
16 Part 121 or Part 129 of the Federal Aviation Regulations.
17 The changes made to this paragraph (40) by Public Act
18 98-534 are declarative of existing law. It is the intent
19 of the General Assembly that the exemption under this
20 paragraph (40) applies continuously from January 1, 2010
21 through December 31, 2024; however, no claim for credit or
22 refund is allowed for taxes paid as a result of the
23 disallowance of this exemption on or after January 1, 2015
24 and prior to February 5, 2020 (the effective date of
25 Public Act 101-629) ~~this amendatory Act of the 101st~~
26 ~~General Assembly.~~

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

16 (42) Beginning January 1, 2017 and through December
17 31, 2026, menstrual pads, tampons, and menstrual cups.

18 (43) Merchandise that is subject to the Rental
19 Purchase Agreement Occupation and Use Tax. The purchaser
20 must certify that the item is purchased to be rented
21 subject to a rental purchase agreement, as defined in the
22 Rental Purchase Agreement Act, and provide proof of
23 registration under the Rental Purchase Agreement
24 Occupation and Use Tax Act. This paragraph is exempt from
25 the provisions of Section 2-70.

26 (44) Qualified tangible personal property used in the

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

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

22 For the purposes of this item (44):

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

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

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

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

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

22 (46) Beginning July 1, 2022, breast pumps, breast pump
23 collection and storage supplies, and breast pump kits.
24 This item (46) is exempt from the provisions of Section
25 2-70. As used in this item (46):

26 "Breast pump" means an electrically controlled or

1 manually controlled pump device designed or marketed to be
2 used to express milk from a human breast during lactation,
3 including the pump device and any battery, AC adapter, or
4 other power supply unit that is used to power the pump
5 device and is packaged and sold with the pump device at the
6 time of sale.

7 "Breast pump collection and storage supplies" means
8 items of tangible personal property designed or marketed
9 to be used in conjunction with a breast pump to collect
10 milk expressed from a human breast and to store collected
11 milk until it is ready for consumption.

12 "Breast pump collection and storage supplies"
13 includes, but is not limited to: breast shields and breast
14 shield connectors; breast pump tubes and tubing adapters;
15 breast pump valves and membranes; backflow protectors and
16 backflow protector adaptors; bottles and bottle caps
17 specific to the operation of the breast pump; and breast
18 milk storage bags.

19 "Breast pump collection and storage supplies" does not
20 include: (1) bottles and bottle caps not specific to the
21 operation of the breast pump; (2) breast pump travel bags
22 and other similar carrying accessories, including ice
23 packs, labels, and other similar products; (3) breast pump
24 cleaning supplies; (4) nursing bras, bra pads, breast
25 shells, and other similar products; and (5) creams,
26 ointments, and other similar products that relieve

1 breastfeeding-related symptoms or conditions of the
2 breasts or nipples, unless sold as part of a breast pump
3 kit that is pre-packaged by the breast pump manufacturer
4 or distributor.

5 "Breast pump kit" means a kit that: (1) contains no
6 more than a breast pump, breast pump collection and
7 storage supplies, a rechargeable battery for operating the
8 breast pump, a breastmilk cooler, bottle stands, ice
9 packs, and a breast pump carrying case; and (2) is
10 pre-packaged as a breast pump kit by the breast pump
11 manufacturer or distributor.

12 (47) ~~(46)~~ Tangible personal property sold by or on
13 behalf of the State Treasurer pursuant to the Revised
14 Uniform Unclaimed Property Act. This item (47) ~~(46)~~ is
15 exempt from the provisions of Section 2-70.

16 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
17 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
18 8-27-21; 102-700, Article 70, Section 70-20, eff. 4-19-22;
19 102-700, Article 75, Section 75-20, eff. 4-19-22; 102-813,
20 eff. 5-13-22; 102-1026, eff. 5-27-22; revised 8-15-22.)

21 Section 99. Effective date. This Act takes effect upon
22 becoming law.