



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB2336

Introduced 2/14/2023, by Rep. Joe C. Sosnowski

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5	
35 ILCS 105/3-10	
35 ILCS 110/3-5	
35 ILCS 110/3-10	from Ch. 120, par. 439.33-10
35 ILCS 115/3-5	
35 ILCS 115/3-10	from Ch. 120, par. 439.103-10
35 ILCS 120/2-5	
35 ILCS 120/2-10	

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that certain food, drugs, and medical appliances that were taxed at the rate of 1% shall be exempt from the taxes under those Acts.

LRB103 05332 SPS 50351 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 Sections  
5 3-5 and 3-10 as follows:

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

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

1 the car is subject to the Replacement Vehicle Tax.

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

15 (7) Farm chemicals.

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

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

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

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

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

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

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

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

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

26 (13) Proceeds of mandatory service charges separately

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

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

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

23 (16) Until July 1, 2028, coal and aggregate exploration,  
24 mining, off-highway hauling, processing, maintenance, and  
25 reclamation equipment, including replacement parts and  
26 equipment, and including equipment purchased for lease, but

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 entity purchases the personal property sold at the events from  
2 another individual or entity that sold the property for the  
3 purpose of resale by the fundraising entity and that profits  
4 from the sale to the fundraising entity. This paragraph is  
5 exempt from the provisions of Section 3-90.

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

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

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

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

1 Section 3-90.

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

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



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

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

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

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

1 exemption under this paragraph (35) applies continuously from  
2 January 1, 2010 through December 31, 2024; however, no claim  
3 for credit or refund is allowed for taxes paid as a result of  
4 the disallowance of this exemption on or after January 1, 2015  
5 and prior to February 5, 2020 (the effective date of Public Act  
6 101-629) ~~this amendatory Act of the 101st General Assembly.~~

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

22 (37) Beginning January 1, 2017 and through December 31,  
23 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

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

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

1 Civil Administrative Code of Illinois.

2 For the purposes of this item (40):

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

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

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

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

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

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

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

26 "Breast pump collection and storage supplies"

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

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

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

26 (42) ~~(41)~~ Tangible personal property sold by or on behalf

1 of the State Treasurer pursuant to the Revised Uniform  
2 Unclaimed Property Act. This item (42) ~~(41)~~ is exempt from the  
3 provisions of Section 3-90.

4 (43) Beginning January 1, 2024, food for human consumption  
5 that is to be consumed off the premises where it is sold (other  
6 than alcoholic beverages, food consisting of or infused with  
7 adult use cannabis, soft drinks, and food that has been  
8 prepared for immediate consumption) and prescription and  
9 nonprescription medicines, drugs, medical appliances, products  
10 classified as Class III medical devices by the United States  
11 Food and Drug Administration that are used for cancer  
12 treatment pursuant to a prescription, as well as any  
13 accessories and components related to those devices,  
14 modifications to a motor vehicle for the purpose of rendering  
15 it usable by a person with a disability, and insulin, blood  
16 sugar testing materials, syringes, and needles used by human  
17 diabetics. This item (43) is exempt from the provisions of  
18 Section 3-90.

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

24 (35 ILCS 105/3-10)

25 Sec. 3-10. Rate of tax. Unless otherwise provided in this



1 Section, the tax imposed by this Act is at the rate of 6.25% of  
2 either the selling price or the fair market value, if any, of  
3 the tangible personal property. In all cases where property  
4 functionally used or consumed is the same as the property that  
5 was purchased at retail, then the tax is imposed on the selling  
6 price of the property. In all cases where property  
7 functionally used or consumed is a by-product or waste product  
8 that has been refined, manufactured, or produced from property  
9 purchased at retail, then the tax is imposed on the lower of  
10 the fair market value, if any, of the specific property so used  
11 in this State or on the selling price of the property purchased  
12 at retail. For purposes of this Section "fair market value"  
13 means the price at which property would change hands between a  
14 willing buyer and a willing seller, neither being under any  
15 compulsion to buy or sell and both having reasonable knowledge  
16 of the relevant facts. The fair market value shall be  
17 established by Illinois sales by the taxpayer of the same  
18 property as that functionally used or consumed, or if there  
19 are no such sales by the taxpayer, then comparable sales or  
20 purchases of property of like kind and character in Illinois.

21 Beginning on July 1, 2000 and through December 31, 2000,  
22 with respect to motor fuel, as defined in Section 1.1 of the  
23 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
24 the Use Tax Act, the tax is imposed at the rate of 1.25%.

25 Beginning on August 6, 2010 through August 15, 2010, and  
26 beginning again on August 5, 2022 through August 14, 2022,

1 with respect to sales tax holiday items as defined in Section  
2 3-6 of this Act, the tax is imposed at the rate of 1.25%.

3 With respect to gasohol, the tax imposed by this Act  
4 applies to (i) 70% of the proceeds of sales made on or after  
5 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
6 proceeds of sales made on or after July 1, 2003 and on or  
7 before July 1, 2017, and (iii) 100% of the proceeds of sales  
8 made thereafter. If, at any time, however, the tax under this  
9 Act on sales of gasohol is imposed at the rate of 1.25%, then  
10 the tax imposed by this Act applies to 100% of the proceeds of  
11 sales of gasohol made during that time.

12 With respect to majority blended ethanol fuel, the tax  
13 imposed by this Act does not apply to the proceeds of sales  
14 made on or after July 1, 2003 and on or before December 31,  
15 2023 but applies to 100% of the proceeds of sales made  
16 thereafter.

17 With respect to biodiesel blends with no less than 1% and  
18 no more than 10% biodiesel, the tax imposed by this Act applies  
19 to (i) 80% of the proceeds of sales made on or after July 1,  
20 2003 and on or before December 31, 2018 and (ii) 100% of the  
21 proceeds of sales made after December 31, 2018 and before  
22 January 1, 2024. On and after January 1, 2024 and on or before  
23 December 31, 2030, the taxation of biodiesel, renewable  
24 diesel, and biodiesel blends shall be as provided in Section  
25 3-5.1. If, at any time, however, the tax under this Act on  
26 sales of biodiesel blends with no less than 1% and no more than

1 10% biodiesel is imposed at the rate of 1.25%, then the tax  
2 imposed by this Act applies to 100% of the proceeds of sales of  
3 biodiesel blends with no less than 1% and no more than 10%  
4 biodiesel made during that time.

5 With respect to biodiesel and biodiesel blends with more  
6 than 10% but no more than 99% biodiesel, the tax imposed by  
7 this Act does not apply to the proceeds of sales made on or  
8 after July 1, 2003 and on or before December 31, 2023. On and  
9 after January 1, 2024 and on or before December 31, 2030, the  
10 taxation of biodiesel, renewable diesel, and biodiesel blends  
11 shall be as provided in Section 3-5.1.

12 Until July 1, 2022 and beginning again on July 1, 2023  
13 until January 1, 2024, with respect to food for human  
14 consumption that is to be consumed off the premises where it is  
15 sold (other than alcoholic beverages, food consisting of or  
16 infused with adult use cannabis, soft drinks, and food that  
17 has been prepared for immediate consumption), the tax is  
18 imposed at the rate of 1%. Beginning on July 1, 2022 and until  
19 July 1, 2023, with respect to food for human consumption that  
20 is to be consumed off the premises where it is sold (other than  
21 alcoholic beverages, food consisting of or infused with adult  
22 use cannabis, soft drinks, and food that has been prepared for  
23 immediate consumption), the tax is imposed at the rate of 0%.

24 With respect to prescription and nonprescription  
25 medicines, drugs, medical appliances, products classified as  
26 Class III medical devices by the United States Food and Drug

1 Administration that are used for cancer treatment pursuant to  
2 a prescription, as well as any accessories and components  
3 related to those devices, modifications to a motor vehicle for  
4 the purpose of rendering it usable by a person with a  
5 disability, and insulin, blood sugar testing materials,  
6 syringes, and needles used by human diabetics, the tax is  
7 imposed at the rate of 1%. Beginning on January 1, 2024 items  
8 that had been subject to a 1% rate of tax under this paragraph  
9 shall be exempt as provided in item (43) of Section 3-5. For  
10 the purposes of this Section, until September 1, 2009: the  
11 term "soft drinks" means any complete, finished, ready-to-use,  
12 non-alcoholic drink, whether carbonated or not, including, but  
13 not limited to, soda water, cola, fruit juice, vegetable  
14 juice, carbonated water, and all other preparations commonly  
15 known as soft drinks of whatever kind or description that are  
16 contained in any closed or sealed bottle, can, carton, or  
17 container, regardless of size; but "soft drinks" does not  
18 include coffee, tea, non-carbonated water, infant formula,  
19 milk or milk products as defined in the Grade A Pasteurized  
20 Milk and Milk Products Act, or drinks containing 50% or more  
21 natural fruit or vegetable juice.

22 Notwithstanding any other provisions of this Act,  
23 beginning September 1, 2009, "soft drinks" means non-alcoholic  
24 beverages that contain natural or artificial sweeteners. "Soft  
25 drinks" does ~~do~~ not include beverages that contain milk or  
26 milk products, soy, rice or similar milk substitutes, or

1 greater than 50% of vegetable or fruit juice by volume.

2       Until August 1, 2009, and notwithstanding any other  
3 provisions of this Act, "food for human consumption that is to  
4 be consumed off the premises where it is sold" includes all  
5 food sold through a vending machine, except soft drinks and  
6 food products that are dispensed hot from a vending machine,  
7 regardless of the location of the vending machine. Beginning  
8 August 1, 2009, and notwithstanding any other provisions of  
9 this Act, "food for human consumption that is to be consumed  
10 off the premises where it is sold" includes all food sold  
11 through a vending machine, except soft drinks, candy, and food  
12 products that are dispensed hot from a vending machine,  
13 regardless of the location of the vending machine.

14       Notwithstanding any other provisions of this Act,  
15 beginning September 1, 2009, "food for human consumption that  
16 is to be consumed off the premises where it is sold" does not  
17 include candy. For purposes of this Section, "candy" means a  
18 preparation of sugar, honey, or other natural or artificial  
19 sweeteners in combination with chocolate, fruits, nuts or  
20 other ingredients or flavorings in the form of bars, drops, or  
21 pieces. "Candy" does not include any preparation that contains  
22 flour or requires refrigeration.

23       Notwithstanding any other provisions of this Act,  
24 beginning September 1, 2009, "nonprescription medicines and  
25 drugs" does not include grooming and hygiene products. For  
26 purposes of this Section, "grooming and hygiene products"

1 includes, but is not limited to, soaps and cleaning solutions,  
2 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
3 lotions and screens, unless those products are available by  
4 prescription only, regardless of whether the products meet the  
5 definition of "over-the-counter-drugs". For the purposes of  
6 this paragraph, "over-the-counter-drug" means a drug for human  
7 use that contains a label that identifies the product as a drug  
8 as required by 21 CFR ~~C.F.R.~~ § 201.66. The  
9 "over-the-counter-drug" label includes:

10 (A) a ~~A~~ "Drug Facts" panel; or

11 (B) a ~~A~~ statement of the "active ingredient(s)" with a  
12 list of those ingredients contained in the compound,  
13 substance or preparation.

14 Beginning on January 1, 2014 (the effective date of Public  
15 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~  
16 "prescription and nonprescription medicines and drugs"  
17 includes medical cannabis purchased from a registered  
18 dispensing organization under the Compassionate Use of Medical  
19 Cannabis Program Act.

20 As used in this Section, "adult use cannabis" means  
21 cannabis subject to tax under the Cannabis Cultivation  
22 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
23 and does not include cannabis subject to tax under the  
24 Compassionate Use of Medical Cannabis Program Act.

25 If the property that is purchased at retail from a  
26 retailer is acquired outside Illinois and used outside

1 Illinois before being brought to Illinois for use here and is  
2 taxable under this Act, the "selling price" on which the tax is  
3 computed shall be reduced by an amount that represents a  
4 reasonable allowance for depreciation for the period of prior  
5 out-of-state use.

6 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
7 102-4, eff. 4-27-21; 102-700, Article 20, Section 20-5, eff.  
8 4-19-22; 102-700, Article 60, Section 60-15, eff. 4-19-22;  
9 102-700, Article 65, Section 65-5, eff. 4-19-22; revised  
10 5-27-22.)

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

13 (35 ILCS 110/3-5)

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

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

23 (2) Personal property purchased by a non-profit Illinois  
24 county fair association for use in conducting, operating, or

1 promoting the county fair.

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

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

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



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

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

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

1 on a motor vehicle required to be licensed if the selling price  
2 of the tender is separately stated.

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

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

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

26 Beginning July 1, 2013, fuel and petroleum products sold

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

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

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

1 motor vehicles required to be registered under the Illinois  
2 Vehicle Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 does not apply to fundraising events (i) for the benefit of  
2 private home instruction or (ii) for which the fundraising  
3 entity purchases the personal property sold at the events from  
4 another individual or entity that sold the property for the  
5 purpose of resale by the fundraising entity and that profits  
6 from the sale to the fundraising entity. This paragraph is  
7 exempt from the provisions of Section 3-75.

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

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

1 resides in a licensed long-term care facility, as defined in  
2 the Nursing Home Care Act, or in a licensed facility as defined  
3 in the ID/DD Community Care Act, the MC/DD Act, or the  
4 Specialized Mental Health Rehabilitation Act of 2013.

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

1 reason, the lessor is liable to pay that amount to the  
2 Department. This paragraph is exempt from the provisions of  
3 Section 3-75.

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

26 (26) Beginning January 1, 2008, tangible personal property

1 used in the construction or maintenance of a community water  
2 supply, as defined under Section 3.145 of the Environmental  
3 Protection Act, that is operated by a not-for-profit  
4 corporation that holds a valid water supply permit issued  
5 under Title IV of the Environmental Protection Act. This  
6 paragraph is exempt from the provisions of Section 3-75.

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

1 Federal Aviation Administration, (ii) have a Class IV Rating,  
2 and (iii) conduct operations in accordance with Part 145 of  
3 the Federal Aviation Regulations. The exemption does not  
4 include aircraft operated by a commercial air carrier  
5 providing scheduled passenger air service pursuant to  
6 authority issued under Part 121 or Part 129 of the Federal  
7 Aviation Regulations. The changes made to this paragraph (27)  
8 by Public Act 98-534 are declarative of existing law. It is the  
9 intent of the General Assembly that the exemption under this  
10 paragraph (27) applies continuously from January 1, 2010  
11 through December 31, 2024; however, no claim for credit or  
12 refund is allowed for taxes paid as a result of the  
13 disallowance of this exemption on or after January 1, 2015 and  
14 prior to February 5, 2020 (the effective date of Public Act  
15 101-629) ~~this amendatory Act of the 101st General Assembly.~~

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

1 hall. This exemption includes existing public-facilities  
2 corporations as provided in Section 11-65-25 of the Illinois  
3 Municipal Code. This paragraph is exempt from the provisions  
4 of Section 3-75.

5 (29) Beginning January 1, 2017 and through December 31,  
6 2026, menstrual pads, tampons, and menstrual cups.

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

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

26 The Department of Commerce and Economic Opportunity shall

1 grant a certificate of exemption under this item (31) to  
2 qualified data centers as defined by Section 605-1025 of the  
3 Department of Commerce and Economic Opportunity Law of the  
4 Civil Administrative Code of Illinois.

5 For the purposes of this item (31):

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

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

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

11 This item (31) is exempt from the provisions of Section  
12 3-75.

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

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

24 "Breast pump collection and storage supplies" means  
25 items of tangible personal property designed or marketed  
26 to be used in conjunction with a breast pump to collect



1 milk expressed from a human breast and to store collected  
2 milk until it is ready for consumption.

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

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

22 "Breast pump kit" means a kit that: (1) contains no  
23 more than a breast pump, breast pump collection and  
24 storage supplies, a rechargeable battery for operating the  
25 breast pump, a breastmilk cooler, bottle stands, ice  
26 packs, and a breast pump carrying case; and (2) is

1 pre-packaged as a breast pump kit by the breast pump  
2 manufacturer or distributor.

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

7 (34) Beginning January 1, 2024, food prepared for  
8 immediate consumption and transferred incident to a sale of  
9 service subject to this Act or the Service Occupation Tax Act  
10 by an entity licensed under the Hospital Licensing Act, the  
11 Nursing Home Care Act, the Assisted Living and Shared Housing  
12 Act, the ID/DD Community Care Act, the MC/DD Act, the  
13 Specialized Mental Health Rehabilitation Act of 2013, or the  
14 Child Care Act of 1969, or an entity that holds a permit issued  
15 pursuant to the Life Care Facilities Act; food for human  
16 consumption that is to be consumed off the premises where it is  
17 sold (other than alcoholic beverages, food consisting of or  
18 infused with adult use cannabis, soft drinks, and food that  
19 has been prepared for immediate consumption and is not  
20 otherwise included in this paragraph); and prescription and  
21 nonprescription medicines, drugs, medical appliances, products  
22 classified as Class III medical devices by the United States  
23 Food and Drug Administration that are used for cancer  
24 treatment pursuant to a prescription, as well as any  
25 accessories and components related to those devices,  
26 modifications to a motor vehicle for the purpose of rendering

1 it usable by a person with a disability, and insulin, blood  
2 sugar testing materials, syringes, and needles used by human  
3 diabetics. This item (34) is exempt from the provisions of  
4 Section 3-75.

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 70-10, eff. 4-19-22; 102-700, Article 75, Section  
8 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-3-22.)

9 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

10 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
11 Section, the tax imposed by this Act is at the rate of 6.25% of  
12 the selling price of tangible personal property transferred as  
13 an incident to the sale of service, but, for the purpose of  
14 computing this tax, in no event shall the selling price be less  
15 than the cost price of the property to the serviceman.

16 Beginning on July 1, 2000 and through December 31, 2000,  
17 with respect to motor fuel, as defined in Section 1.1 of the  
18 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
19 the Use Tax Act, the tax is imposed at the rate of 1.25%.

20 With respect to gasohol, as defined in the Use Tax Act, the  
21 tax imposed by this Act applies to (i) 70% of the selling price  
22 of property transferred as an incident to the sale of service  
23 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
24 of the selling price of property transferred as an incident to  
25 the sale of service on or after July 1, 2003 and on or before

1 July 1, 2017, and (iii) 100% of the selling price thereafter.  
2 If, at any time, however, the tax under this Act on sales of  
3 gasohol, as defined in the Use Tax Act, is imposed at the rate  
4 of 1.25%, then the tax imposed by this Act applies to 100% of  
5 the proceeds of sales of gasohol made during that time.

6 With respect to majority blended ethanol fuel, as defined  
7 in the Use Tax Act, the tax imposed by this Act does not apply  
8 to the selling price of property transferred as an incident to  
9 the sale of service on or after July 1, 2003 and on or before  
10 December 31, 2023 but applies to 100% of the selling price  
11 thereafter.

12 With respect to biodiesel blends, as defined in the Use  
13 Tax Act, with no less than 1% and no more than 10% biodiesel,  
14 the tax imposed by this Act applies to (i) 80% of the selling  
15 price of property transferred as an incident to the sale of  
16 service on or after July 1, 2003 and on or before December 31,  
17 2018 and (ii) 100% of the proceeds of the selling price after  
18 December 31, 2018 and before January 1, 2024. On and after  
19 January 1, 2024 and on or before December 31, 2030, the  
20 taxation of biodiesel, renewable diesel, and biodiesel blends  
21 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
22 at any time, however, the tax under this Act on sales of  
23 biodiesel blends, as defined in the Use Tax Act, with no less  
24 than 1% and no more than 10% biodiesel is imposed at the rate  
25 of 1.25%, then the tax imposed by this Act applies to 100% of  
26 the proceeds of sales of biodiesel blends with no less than 1%

1 and no more than 10% biodiesel made during that time.

2 With respect to biodiesel, as defined in the Use Tax Act,  
3 and biodiesel blends, as defined in the Use Tax Act, with more  
4 than 10% but no more than 99% biodiesel, the tax imposed by  
5 this Act does not apply to the proceeds of the selling price of  
6 property transferred as an incident to the sale of service on  
7 or after July 1, 2003 and on or before December 31, 2023. On  
8 and after January 1, 2024 and on or before December 31, 2030,  
9 the taxation of biodiesel, renewable diesel, and biodiesel  
10 blends shall be as provided in Section 3-5.1 of the Use Tax  
11 Act.

12 At the election of any registered serviceman made for each  
13 fiscal year, sales of service in which the aggregate annual  
14 cost price of tangible personal property transferred as an  
15 incident to the sales of service is less than 35%, or 75% in  
16 the case of servicemen transferring prescription drugs or  
17 servicemen engaged in graphic arts production, of the  
18 aggregate annual total gross receipts from all sales of  
19 service, the tax imposed by this Act shall be based on the  
20 serviceman's cost price of the tangible personal property  
21 transferred as an incident to the sale of those services.

22 Until July 1, 2022 and beginning again on July 1, 2023  
23 until January 1, 2024, the tax shall be imposed at the rate of  
24 1% on food prepared for immediate consumption and transferred  
25 incident to a sale of service subject to this Act or the  
26 Service Occupation Tax Act by an entity licensed under the

1 Hospital Licensing Act, the Nursing Home Care Act, the  
2 Assisted Living and Shared Housing Act, the ID/DD Community  
3 Care Act, the MC/DD Act, the Specialized Mental Health  
4 Rehabilitation Act of 2013, or the Child Care Act of 1969, or  
5 an entity that holds a permit issued pursuant to the Life Care  
6 Facilities Act. Until July 1, 2022 and beginning again on July  
7 1, 2023 until January 1, 2024, the tax shall also be imposed at  
8 the rate of 1% on food for human consumption that is to be  
9 consumed off the premises where it is sold (other than  
10 alcoholic beverages, food consisting of or infused with adult  
11 use cannabis, soft drinks, and food that has been prepared for  
12 immediate consumption and is not otherwise included in this  
13 paragraph).

14 Beginning on July 1, 2022 and until July 1, 2023, the tax  
15 shall be imposed at the rate of 0% on food prepared for  
16 immediate consumption and transferred incident to a sale of  
17 service subject to this Act or the Service Occupation Tax Act  
18 by an entity licensed under the Hospital Licensing Act, the  
19 Nursing Home Care Act, the Assisted Living and Shared Housing  
20 Act, the ID/DD Community Care Act, the MC/DD Act, the  
21 Specialized Mental Health Rehabilitation Act of 2013, or the  
22 Child Care Act of 1969, or an entity that holds a permit issued  
23 pursuant to the Life Care Facilities Act. Beginning on July 1,  
24 2022 and until July 1, 2023, the tax shall also be imposed at  
25 the rate of 0% on food for human consumption that is to be  
26 consumed off the premises where it is sold (other than

1 alcoholic beverages, food consisting of or infused with adult  
2 use cannabis, soft drinks, and food that has been prepared for  
3 immediate consumption and is not otherwise included in this  
4 paragraph).

5 The tax shall also be imposed at the rate of 1% on  
6 prescription and nonprescription medicines, drugs, medical  
7 appliances, products classified as Class III medical devices  
8 by the United States Food and Drug Administration that are  
9 used for cancer treatment pursuant to a prescription, as well  
10 as any accessories and components related to those devices,  
11 modifications to a motor vehicle for the purpose of rendering  
12 it usable by a person with a disability, and insulin, blood  
13 sugar testing materials, syringes, and needles used by human  
14 diabetics. Beginning on January 1, 2024 items that had been  
15 subject to a 1% rate of tax under this paragraph shall be  
16 exempt as provided in item (34) of Section 3-5. For the  
17 purposes of this Section, until September 1, 2009: the term  
18 "soft drinks" means any complete, finished, ready-to-use,  
19 non-alcoholic drink, whether carbonated or not, including, but  
20 not limited to, soda water, cola, fruit juice, vegetable  
21 juice, carbonated water, and all other preparations commonly  
22 known as soft drinks of whatever kind or description that are  
23 contained in any closed or sealed bottle, can, carton, or  
24 container, regardless of size; but "soft drinks" does not  
25 include coffee, tea, non-carbonated water, infant formula,  
26 milk or milk products as defined in the Grade A Pasteurized

1 Milk and Milk Products Act, or drinks containing 50% or more  
2 natural fruit or vegetable juice.

3 Notwithstanding any other provisions of this Act,  
4 beginning September 1, 2009, "soft drinks" means non-alcoholic  
5 beverages that contain natural or artificial sweeteners. "Soft  
6 drinks" does ~~do~~ not include beverages that contain milk or  
7 milk products, soy, rice or similar milk substitutes, or  
8 greater than 50% of vegetable or fruit juice by volume.

9 Until August 1, 2009, and notwithstanding any other  
10 provisions of this Act, "food for human consumption that is to  
11 be consumed off the premises where it is sold" includes all  
12 food sold through a vending machine, except soft drinks and  
13 food products that are dispensed hot from a vending machine,  
14 regardless of the location of the vending machine. Beginning  
15 August 1, 2009, and notwithstanding any other provisions of  
16 this Act, "food for human consumption that is to be consumed  
17 off the premises where it is sold" includes all food sold  
18 through a vending machine, except soft drinks, candy, and food  
19 products that are dispensed hot from a vending machine,  
20 regardless of the location of the vending machine.

21 Notwithstanding any other provisions of this Act,  
22 beginning September 1, 2009, "food for human consumption that  
23 is to be consumed off the premises where it is sold" does not  
24 include candy. For purposes of this Section, "candy" means a  
25 preparation of sugar, honey, or other natural or artificial  
26 sweeteners in combination with chocolate, fruits, nuts or



1 other ingredients or flavorings in the form of bars, drops, or  
2 pieces. "Candy" does not include any preparation that contains  
3 flour or requires refrigeration.

4 Notwithstanding any other provisions of this Act,  
5 beginning September 1, 2009, "nonprescription medicines and  
6 drugs" does not include grooming and hygiene products. For  
7 purposes of this Section, "grooming and hygiene products"  
8 includes, but is not limited to, soaps and cleaning solutions,  
9 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
10 lotions and screens, unless those products are available by  
11 prescription only, regardless of whether the products meet the  
12 definition of "over-the-counter-drugs". For the purposes of  
13 this paragraph, "over-the-counter-drug" means a drug for human  
14 use that contains a label that identifies the product as a drug  
15 as required by 21 CFR ~~C.F.R.~~ § 201.66. The  
16 "over-the-counter-drug" label includes:

- 17 (A) a ~~A~~ "Drug Facts" panel; or  
18 (B) a ~~A~~ statement of the "active ingredient(s)" with a  
19 list of those ingredients contained in the compound,  
20 substance or preparation.

21 Beginning on January 1, 2014 (the effective date of Public  
22 Act 98-122), "prescription and nonprescription medicines and  
23 drugs" includes medical cannabis purchased from a registered  
24 dispensing organization under the Compassionate Use of Medical  
25 Cannabis Program Act.

26 As used in this Section, "adult use cannabis" means

1 cannabis subject to tax under the Cannabis Cultivation  
2 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
3 and does not include cannabis subject to tax under the  
4 Compassionate Use of Medical Cannabis Program Act.

5 If the property that is acquired from a serviceman is  
6 acquired outside Illinois and used outside Illinois before  
7 being brought to Illinois for use here and is taxable under  
8 this Act, the "selling price" on which the tax is computed  
9 shall be reduced by an amount that represents a reasonable  
10 allowance for depreciation for the period of prior  
11 out-of-state use.

12 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
13 102-4, eff. 4-27-21; 102-16, eff. 6-17-21; 102-700, Article  
14 20, Section 20-10, eff. 4-19-22; 102-700, Article 60, Section  
15 60-20, eff. 4-19-22; revised 6-1-22.)

16 Section 15. The Service Occupation Tax Act is amended by  
17 changing Sections 3-5 and 3-10 as follows:

18 (35 ILCS 115/3-5)

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

21 (1) Personal property sold by a corporation, society,  
22 association, foundation, institution, or organization, other  
23 than a limited liability company, that is organized and  
24 operated as a not-for-profit service enterprise for the

1 benefit of persons 65 years of age or older if the personal  
2 property was not purchased by the enterprise for the purpose  
3 of resale by the enterprise.

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

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

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

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

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

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

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

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

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

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

24 (8) Until June 30, 2013, fuel and petroleum products sold  
25 to or used by an air common carrier, certified by the carrier  
26 to be used for consumption, shipment, or storage in the

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

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

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

23 (10) Until July 1, 2003, oil field exploration, drilling,  
24 and production equipment, including (i) rigs and parts of  
25 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
26 pipe and tubular goods, including casing and drill strings,

1 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
2 lines, (v) any individual replacement part for oil field  
3 exploration, drilling, and production equipment, and (vi)  
4 machinery and equipment purchased for lease; but excluding  
5 motor vehicles required to be registered under the Illinois  
6 Vehicle Code.

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

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

23 (13) Beginning January 1, 1992 and through June 30, 2016,  
24 food for human consumption that is to be consumed off the  
25 premises where it is sold (other than alcoholic beverages,  
26 soft drinks and food that has been prepared for immediate

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

10 (14) Semen used for artificial insemination of livestock  
11 for direct agricultural production.

12 (15) Horses, or interests in horses, registered with and  
13 meeting the requirements of any of the Arabian Horse Club  
14 Registry of America, Appaloosa Horse Club, American Quarter  
15 Horse Association, United States Trotting Association, or  
16 Jockey Club, as appropriate, used for purposes of breeding or  
17 racing for prizes. This item (15) is exempt from the  
18 provisions of Section 3-55, and the exemption provided for  
19 under this item (15) applies for all periods beginning May 30,  
20 1995, but no claim for credit or refund is allowed on or after  
21 January 1, 2008 (the effective date of Public Act 95-88) for  
22 such taxes paid during the period beginning May 30, 2000 and  
23 ending on January 1, 2008 (the effective date of Public Act  
24 95-88).

25 (16) Computers and communications equipment utilized for  
26 any hospital purpose and equipment used in the diagnosis,



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

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

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

23 (19) Beginning with taxable years ending on or after  
24 December 31, 1995 and ending with taxable years ending on or  
25 before December 31, 2004, personal property that is used in  
26 the performance of infrastructure repairs in this State,

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

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

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

1 schools, and vocational or technical schools or institutes  
2 organized and operated exclusively to provide a course of  
3 study of not less than 6 weeks duration and designed to prepare  
4 individuals to follow a trade or to pursue a manual,  
5 technical, mechanical, industrial, business, or commercial  
6 occupation.

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

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

1 amusement and vending business if a use or occupation tax is  
2 paid on the gross receipts derived from the use of the  
3 commercial, coin-operated amusement and vending machines. This  
4 paragraph is exempt from the provisions of Section 3-55.

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

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

23 (26) Beginning on January 1, 2002 and through June 30,  
24 2016, tangible personal property purchased from an Illinois  
25 retailer by a taxpayer engaged in centralized purchasing  
26 activities in Illinois who will, upon receipt of the property

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

20 (27) Beginning January 1, 2008, tangible personal property  
21 used in the construction or maintenance of a community water  
22 supply, as defined under Section 3.145 of the Environmental  
23 Protection Act, that is operated by a not-for-profit  
24 corporation that holds a valid water supply permit issued  
25 under Title IV of the Environmental Protection Act. This  
26 paragraph is exempt from the provisions of Section 3-55.

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

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

1 are installed or uninstalled upon any such aircraft.  
2 "Consumable supplies" include, but are not limited to,  
3 adhesive, tape, sandpaper, general purpose lubricants,  
4 cleaning solution, latex gloves, and protective films. This  
5 exemption applies only to the transfer of qualifying tangible  
6 personal property incident to the modification, refurbishment,  
7 completion, replacement, repair, or maintenance of an aircraft  
8 by persons who (i) hold an Air Agency Certificate and are  
9 empowered to operate an approved repair station by the Federal  
10 Aviation Administration, (ii) have a Class IV Rating, and  
11 (iii) conduct operations in accordance with Part 145 of the  
12 Federal Aviation Regulations. The exemption does not include  
13 aircraft operated by a commercial air carrier providing  
14 scheduled passenger air service pursuant to authority issued  
15 under Part 121 or Part 129 of the Federal Aviation  
16 Regulations. The changes made to this paragraph (29) by Public  
17 Act 98-534 are declarative of existing law. It is the intent of  
18 the General Assembly that the exemption under this paragraph  
19 (29) applies continuously from January 1, 2010 through  
20 December 31, 2024; however, no claim for credit or refund is  
21 allowed for taxes paid as a result of the disallowance of this  
22 exemption on or after January 1, 2015 and prior to February 5,  
23 2020 (the effective date of Public Act 101-629) ~~this~~  
24 ~~amendatory Act of the 101st General Assembly.~~

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

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

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

19 The Department of Commerce and Economic Opportunity shall  
20 grant a certificate of exemption under this item (32) to  
21 qualified data centers as defined by Section 605-1025 of the  
22 Department of Commerce and Economic Opportunity Law of the  
23 Civil Administrative Code of Illinois.

24 For the purposes of this item (32):

25 "Data center" means a building or a series of  
26 buildings rehabilitated or constructed to house working



1 servers in one physical location or multiple sites within  
2 the State of Illinois.

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

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

4 This item (32) is exempt from the provisions of Section  
5 3-55.

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

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

17 "Breast pump collection and storage supplies" means  
18 items of tangible personal property designed or marketed  
19 to be used in conjunction with a breast pump to collect  
20 milk expressed from a human breast and to store collected  
21 milk until it is ready for consumption.

22 "Breast pump collection and storage supplies"  
23 includes, but is not limited to: breast shields and breast  
24 shield connectors; breast pump tubes and tubing adapters;  
25 breast pump valves and membranes; backflow protectors and  
26 backflow protector adaptors; bottles and bottle caps

1 specific to the operation of the breast pump; and breast  
2 milk storage bags.

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

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

22 (34) ~~(33)~~ Tangible personal property sold by or on behalf  
23 of the State Treasurer pursuant to the Revised Uniform  
24 Unclaimed Property Act. This item (34) ~~(33)~~ is exempt from the  
25 provisions of Section 3-55.

26 (35) Beginning January 1, 2024, food prepared for

1 immediate consumption and transferred incident to a sale of  
2 service subject to this Act or the Service Occupation Tax Act  
3 by an entity licensed under the Hospital Licensing Act, the  
4 Nursing Home Care Act, the Assisted Living and Shared Housing  
5 Act, the ID/DD Community Care Act, the MC/DD Act, the  
6 Specialized Mental Health Rehabilitation Act of 2013, or the  
7 Child Care Act of 1969, or an entity that holds a permit issued  
8 pursuant to the Life Care Facilities Act; food for human  
9 consumption that is to be consumed off the premises where it is  
10 sold (other than alcoholic beverages, food consisting of or  
11 infused with adult use cannabis, soft drinks, and food that  
12 has been prepared for immediate consumption and is not  
13 otherwise included in this paragraph); and prescription and  
14 nonprescription medicines, drugs, medical appliances, products  
15 classified as Class III medical devices by the United States  
16 Food and Drug Administration that are used for cancer  
17 treatment pursuant to a prescription, as well as any  
18 accessories and components related to those devices,  
19 modifications to a motor vehicle for the purpose of rendering  
20 it usable by a person with a disability, and insulin, blood  
21 sugar testing materials, syringes, and needles used by human  
22 diabetics. This item (35) is exempt from the provisions of  
23 Section 3-55.

24 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
25 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article  
26 70, Section 70-15, eff. 4-19-22; 102-700, Article 75, Section

1 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-9-22.)

2 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

3 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
4 Section, the tax imposed by this Act is at the rate of 6.25% of  
5 the "selling price", as defined in Section 2 of the Service Use  
6 Tax Act, of the tangible personal property. For the purpose of  
7 computing this tax, in no event shall the "selling price" be  
8 less than the cost price to the serviceman of the tangible  
9 personal property transferred. The selling price of each item  
10 of tangible personal property transferred as an incident of a  
11 sale of service may be shown as a distinct and separate item on  
12 the serviceman's billing to the service customer. If the  
13 selling price is not so shown, the selling price of the  
14 tangible personal property is deemed to be 50% of the  
15 serviceman's entire billing to the service customer. When,  
16 however, a serviceman contracts to design, develop, and  
17 produce special order machinery or equipment, the tax imposed  
18 by this Act shall be based on the serviceman's cost price of  
19 the tangible personal property transferred incident to the  
20 completion of the contract.

21 Beginning on July 1, 2000 and through December 31, 2000,  
22 with respect to motor fuel, as defined in Section 1.1 of the  
23 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
24 the Use Tax Act, the tax is imposed at the rate of 1.25%.

25 With respect to gasohol, as defined in the Use Tax Act, the

1 tax imposed by this Act shall apply to (i) 70% of the cost  
2 price of property transferred as an incident to the sale of  
3 service on or after January 1, 1990, and before July 1, 2003,  
4 (ii) 80% of the selling price of property transferred as an  
5 incident to the sale of service on or after July 1, 2003 and on  
6 or before July 1, 2017, and (iii) 100% of the cost price  
7 thereafter. If, at any time, however, the tax under this Act on  
8 sales of gasohol, as defined in the Use Tax Act, is imposed at  
9 the rate of 1.25%, then the tax imposed by this Act applies to  
10 100% of the proceeds of sales of gasohol made during that time.

11 With respect to majority blended ethanol fuel, as defined  
12 in the Use Tax Act, the tax imposed by this Act does not apply  
13 to the selling price of property transferred as an incident to  
14 the sale of service on or after July 1, 2003 and on or before  
15 December 31, 2023 but applies to 100% of the selling price  
16 thereafter.

17 With respect to biodiesel blends, as defined in the Use  
18 Tax Act, with no less than 1% and no more than 10% biodiesel,  
19 the tax imposed by this Act applies to (i) 80% of the selling  
20 price of property transferred as an incident to the sale of  
21 service on or after July 1, 2003 and on or before December 31,  
22 2018 and (ii) 100% of the proceeds of the selling price after  
23 December 31, 2018 and before January 1, 2024. On and after  
24 January 1, 2024 and on or before December 31, 2030, the  
25 taxation of biodiesel, renewable diesel, and biodiesel blends  
26 shall be as provided in Section 3-5.1 of the Use Tax Act. If,

1 at any time, however, the tax under this Act on sales of  
2 biodiesel blends, as defined in the Use Tax Act, with no less  
3 than 1% and no more than 10% biodiesel is imposed at the rate  
4 of 1.25%, then the tax imposed by this Act applies to 100% of  
5 the proceeds of sales of biodiesel blends with no less than 1%  
6 and no more than 10% biodiesel made during that time.

7 With respect to biodiesel, as defined in the Use Tax Act,  
8 and biodiesel blends, as defined in the Use Tax Act, with more  
9 than 10% but no more than 99% biodiesel material, the tax  
10 imposed by this Act does not apply to the proceeds of the  
11 selling price of property transferred as an incident to the  
12 sale of service on or after July 1, 2003 and on or before  
13 December 31, 2023. On and after January 1, 2024 and on or  
14 before December 31, 2030, the taxation of biodiesel, renewable  
15 diesel, and biodiesel blends shall be as provided in Section  
16 3-5.1 of the Use Tax Act.

17 At the election of any registered serviceman made for each  
18 fiscal year, sales of service in which the aggregate annual  
19 cost price of tangible personal property transferred as an  
20 incident to the sales of service is less than 35%, or 75% in  
21 the case of servicemen transferring prescription drugs or  
22 servicemen engaged in graphic arts production, of the  
23 aggregate annual total gross receipts from all sales of  
24 service, the tax imposed by this Act shall be based on the  
25 serviceman's cost price of the tangible personal property  
26 transferred incident to the sale of those services.

1           Until July 1, 2022 and beginning again on July 1, 2023  
2 until January 1, 2024, the tax shall be imposed at the rate of  
3 1% on food prepared for immediate consumption and transferred  
4 incident to a sale of service subject to this Act or the  
5 Service Use Tax Act by an entity licensed under the Hospital  
6 Licensing Act, the Nursing Home Care Act, the Assisted Living  
7 and Shared Housing Act, the ID/DD Community Care Act, the  
8 MC/DD Act, the Specialized Mental Health Rehabilitation Act of  
9 2013, or the Child Care Act of 1969, or an entity that holds a  
10 permit issued pursuant to the Life Care Facilities Act. Until  
11 July 1, 2022 and beginning again on July 1, 2023 until January  
12 1, 2024, the tax shall also be imposed at the rate of 1% on  
13 food for human consumption that is to be consumed off the  
14 premises where it is sold (other than alcoholic beverages,  
15 food consisting of or infused with adult use cannabis, soft  
16 drinks, and food that has been prepared for immediate  
17 consumption and is not otherwise included in this paragraph).

18           Beginning on July 1, 2022 and until July 1, 2023, the tax  
19 shall be imposed at the rate of 0% on food prepared for  
20 immediate consumption and transferred incident to a sale of  
21 service subject to this Act or the Service Use Tax Act by an  
22 entity licensed under the Hospital Licensing Act, the Nursing  
23 Home Care Act, the Assisted Living and Shared Housing Act, the  
24 ID/DD Community Care Act, the MC/DD Act, the Specialized  
25 Mental Health Rehabilitation Act of 2013, or the Child Care  
26 Act of 1969, or an entity that holds a permit issued pursuant



1 to the Life Care Facilities Act. Beginning July 1, 2022 and  
2 until July 1, 2023, the tax shall also be imposed at the rate  
3 of 0% on food for human consumption that is to be consumed off  
4 the premises where it is sold (other than alcoholic beverages,  
5 food consisting of or infused with adult use cannabis, soft  
6 drinks, and food that has been prepared for immediate  
7 consumption and is not otherwise included in this paragraph).

8 The tax shall also be imposed at the rate of 1% on  
9 prescription and nonprescription medicines, drugs, medical  
10 appliances, products classified as Class III medical devices  
11 by the United States Food and Drug Administration that are  
12 used for cancer treatment pursuant to a prescription, as well  
13 as any accessories and components related to those devices,  
14 modifications to a motor vehicle for the purpose of rendering  
15 it usable by a person with a disability, and insulin, blood  
16 sugar testing materials, syringes, and needles used by human  
17 diabetics. Beginning on January 1, 2024, items that had been  
18 subject to a 1% rate of tax under this paragraph shall be  
19 exempt as provided in item (35) of Section 3-5. For the  
20 purposes of this Section, until September 1, 2009: the term  
21 "soft drinks" means any complete, finished, ready-to-use,  
22 non-alcoholic drink, whether carbonated or not, including, but  
23 not limited to, soda water, cola, fruit juice, vegetable  
24 juice, carbonated water, and all other preparations commonly  
25 known as soft drinks of whatever kind or description that are  
26 contained in any closed or sealed can, carton, or container,

1 regardless of size; but "soft drinks" does not include coffee,  
2 tea, non-carbonated water, infant formula, milk or milk  
3 products as defined in the Grade A Pasteurized Milk and Milk  
4 Products Act, or drinks containing 50% or more natural fruit  
5 or vegetable juice.

6 Notwithstanding any other provisions of this Act,  
7 beginning September 1, 2009, "soft drinks" means non-alcoholic  
8 beverages that contain natural or artificial sweeteners. "Soft  
9 drinks" does ~~do~~ not include beverages that contain milk or  
10 milk products, soy, rice or similar milk substitutes, or  
11 greater than 50% of vegetable or fruit juice by volume.

12 Until August 1, 2009, and notwithstanding any other  
13 provisions of this Act, "food for human consumption that is to  
14 be consumed off the premises where it is sold" includes all  
15 food sold through a vending machine, except soft drinks and  
16 food products that are dispensed hot from a vending machine,  
17 regardless of the location of the vending machine. Beginning  
18 August 1, 2009, and notwithstanding any other provisions of  
19 this Act, "food for human consumption that is to be consumed  
20 off the premises where it is sold" includes all food sold  
21 through a vending machine, except soft drinks, candy, and food  
22 products that are dispensed hot from a vending machine,  
23 regardless of the location of the vending machine.

24 Notwithstanding any other provisions of this Act,  
25 beginning September 1, 2009, "food for human consumption that  
26 is to be consumed off the premises where it is sold" does not

1 include candy. For purposes of this Section, "candy" means a  
2 preparation of sugar, honey, or other natural or artificial  
3 sweeteners in combination with chocolate, fruits, nuts or  
4 other ingredients or flavorings in the form of bars, drops, or  
5 pieces. "Candy" does not include any preparation that contains  
6 flour or requires refrigeration.

7 Notwithstanding any other provisions of this Act,  
8 beginning September 1, 2009, "nonprescription medicines and  
9 drugs" does not include grooming and hygiene products. For  
10 purposes of this Section, "grooming and hygiene products"  
11 includes, but is not limited to, soaps and cleaning solutions,  
12 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
13 lotions and screens, unless those products are available by  
14 prescription only, regardless of whether the products meet the  
15 definition of "over-the-counter-drugs". For the purposes of  
16 this paragraph, "over-the-counter-drug" means a drug for human  
17 use that contains a label that identifies the product as a drug  
18 as required by 21 CFR ~~C.F.R.~~ § 201.66. The  
19 "over-the-counter-drug" label includes:

- 20 (A) a ~~A~~ "Drug Facts" panel; or  
21 (B) a ~~A~~ statement of the "active ingredient(s)" with a  
22 list of those ingredients contained in the compound,  
23 substance or preparation.

24 Beginning on January 1, 2014 (the effective date of Public  
25 Act 98-122), "prescription and nonprescription medicines and  
26 drugs" includes medical cannabis purchased from a registered

1 dispensing organization under the Compassionate Use of Medical  
2 Cannabis Program Act.

3 As used in this Section, "adult use cannabis" means  
4 cannabis subject to tax under the Cannabis Cultivation  
5 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
6 and does not include cannabis subject to tax under the  
7 Compassionate Use of Medical Cannabis Program Act.

8 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
9 102-4, eff. 4-27-21; 102-16, eff. 6-17-21; 102-700, Article  
10 20, Section 20-15, eff. 4-19-22; 102-700, Article 60, Section  
11 60-25, eff. 4-19-22; revised 6-1-22.)

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

14 (35 ILCS 120/2-5)

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

18 (1) Farm chemicals.

19 (2) Farm machinery and equipment, both new and used,  
20 including that manufactured on special order, certified by  
21 the purchaser to be used primarily for production  
22 agriculture or State or federal agricultural programs,  
23 including individual replacement parts for the machinery  
24 and equipment, including machinery and equipment purchased

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

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

24 Farm machinery and equipment also includes computers,  
25 sensors, software, and related equipment used primarily in  
26 the computer-assisted operation of production agriculture

1 facilities, equipment, and activities such as, but not  
2 limited to, the collection, monitoring, and correlation of  
3 animal and crop data for the purpose of formulating animal  
4 diets and agricultural chemicals. This item (2) is exempt  
5 from the provisions of Section 2-70.

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

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

26 (5) A motor vehicle that is used for automobile

1           renting, as defined in the Automobile Renting Occupation  
2           and Use Tax Act. This paragraph is exempt from the  
3           provisions of Section 2-70.

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

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

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

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

1 an active identification number issued by the Department.

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

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

24 (12) (Blank).

25 (12-5) On and after July 1, 2003 and through June 30,  
26 2004, motor vehicles of the second division with a gross



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

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

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

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

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

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

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

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

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

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

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

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

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

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

22           (24) Fuel consumed or used in the operation of ships,  
23 barges, or vessels that are used primarily in or for the  
24 transportation of property or the conveyance of persons  
25 for hire on rivers bordering on this State if the fuel is  
26 delivered by the seller to the purchaser's barge, ship, or

1 vessel while it is afloat upon that bordering river.

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

15 (25-5) The exemption under item (25) does not apply if  
16 the state in which the motor vehicle will be titled does  
17 not allow a reciprocal exemption for a motor vehicle sold  
18 and delivered in that state to an Illinois resident but  
19 titled in Illinois. The tax collected under this Act on  
20 the sale of a motor vehicle in this State to a resident of  
21 another state that does not allow a reciprocal exemption  
22 shall be imposed at a rate equal to the state's rate of tax  
23 on taxable property in the state in which the purchaser is  
24 a resident, except that the tax shall not exceed the tax  
25 that would otherwise be imposed under this Act. At the  
26 time of the sale, the purchaser shall execute a statement,

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

19 (25-7) Beginning on July 1, 2007, no tax is imposed  
20 under this Act on the sale of an aircraft, as defined in  
21 Section 3 of the Illinois Aeronautics Act, if all of the  
22 following conditions are met:

23 (1) the aircraft leaves this State within 15 days  
24 after the later of either the issuance of the final  
25 billing for the sale of the aircraft, or the  
26 authorized approval for return to service, completion

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

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

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

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

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

23 "Registered in this State" means an aircraft  
24 registered with the Department of Transportation,  
25 Aeronautics Division, or titled or registered with the  
26 Federal Aviation Administration to an address located in



1           this State.

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

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

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

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

1 Section 1g of this Act.

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

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

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

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

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

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

1 individuals to follow a trade or to pursue a manual,  
2 technical, mechanical, industrial, business, or commercial  
3 occupation.

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

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

1 derived from the use of the commercial, coin-operated  
2 amusement and vending machines. This paragraph is exempt  
3 from the provisions of Section 2-70.

4 (35-5) Beginning August 23, 2001 and through June 30,  
5 2016, food for human consumption that is to be consumed  
6 off the premises where it is sold (other than alcoholic  
7 beverages, soft drinks, and food that has been prepared  
8 for immediate consumption) and prescription and  
9 nonprescription medicines, drugs, medical appliances, and  
10 insulin, urine testing materials, syringes, and needles  
11 used by diabetics, for human use, when purchased for use  
12 by a person receiving medical assistance under Article V  
13 of the Illinois Public Aid Code who resides in a licensed  
14 long-term care facility, as defined in the Nursing Home  
15 Care Act, or a licensed facility as defined in the ID/DD  
16 Community Care Act, the MC/DD Act, or the Specialized  
17 Mental Health Rehabilitation Act of 2013.

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

1 of Section 2-70.

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

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

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

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

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

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

26 (41) Tangible personal property sold to a



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

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

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

25 (44) Qualified tangible personal property used in the  
26 construction or operation of a data center that has been

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

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

21 For the purposes of this item (44):

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

26 "Qualified tangible personal property" means:

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

1 Commerce and Economic Opportunity.

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

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

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

25 "Breast pump" means an electrically controlled or  
26 manually controlled pump device designed or marketed to be

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

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

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

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

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

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

11               ~~(47)~~ ~~(46)~~ Tangible personal property sold by or on  
12       behalf of the State Treasurer pursuant to the Revised  
13       Uniform Unclaimed Property Act. This item ~~(47)~~ ~~(46)~~ is  
14       exempt from the provisions of Section 2-70.

15               (48) Beginning January 1, 2024, food for human  
16       consumption that is to be consumed off the premises where  
17       it is sold (other than alcoholic beverages, food  
18       consisting of or infused with adult use cannabis, soft  
19       drinks, and food that has been prepared for immediate  
20       consumption) and prescription and nonprescription  
21       medicines, drugs, medical appliances, products classified  
22       as Class III medical devices by the United States Food and  
23       Drug Administration that are used for cancer treatment  
24       pursuant to a prescription, as well as any accessories and  
25       components related to those devices, modifications to a  
26       motor vehicle for the purpose of rendering it usable by a

1       person with a disability, and insulin, blood sugar testing  
2       materials, syringes, and needles used by human diabetics.  
3       This item (48) is exempt from the provisions of Section  
4       2-70.

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; 102-634, eff.  
7       8-27-21; 102-700, Article 70, Section 70-20, eff. 4-19-22;  
8       102-700, Article 75, Section 75-20, eff. 4-19-22; 102-813,  
9       eff. 5-13-22; 102-1026, eff. 5-27-22; revised 8-15-22.)

10       (35 ILCS 120/2-10)

11       Sec. 2-10. Rate of tax. Unless otherwise provided in this  
12       Section, the tax imposed by this Act is at the rate of 6.25% of  
13       gross receipts from sales of tangible personal property made  
14       in the course of business.

15       Beginning on July 1, 2000 and through December 31, 2000,  
16       with respect to motor fuel, as defined in Section 1.1 of the  
17       Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
18       the Use Tax Act, the tax is imposed at the rate of 1.25%.

19       Beginning on August 6, 2010 through August 15, 2010, and  
20       beginning again on August 5, 2022 through August 14, 2022,  
21       with respect to sales tax holiday items as defined in Section  
22       2-8 of this Act, the tax is imposed at the rate of 1.25%.

23       Within 14 days after July 1, 2000 (the effective date of  
24       Public Act 91-872) ~~this amendatory Act of the 91st General~~  
25       ~~Assembly~~, each retailer of motor fuel and gasohol shall cause

1 the following notice to be posted in a prominently visible  
2 place on each retail dispensing device that is used to  
3 dispense motor fuel or gasohol in the State of Illinois: "As of  
4 July 1, 2000, the State of Illinois has eliminated the State's  
5 share of sales tax on motor fuel and gasohol through December  
6 31, 2000. The price on this pump should reflect the  
7 elimination of the tax." The notice shall be printed in bold  
8 print on a sign that is no smaller than 4 inches by 8 inches.  
9 The sign shall be clearly visible to customers. Any retailer  
10 who fails to post or maintain a required sign through December  
11 31, 2000 is guilty of a petty offense for which the fine shall  
12 be \$500 per day per each retail premises where a violation  
13 occurs.

14 With respect to gasohol, as defined in the Use Tax Act, the  
15 tax imposed by this Act applies to (i) 70% of the proceeds of  
16 sales made on or after January 1, 1990, and before July 1,  
17 2003, (ii) 80% of the proceeds of sales made on or after July  
18 1, 2003 and on or before July 1, 2017, and (iii) 100% of the  
19 proceeds of sales made thereafter. If, at any time, however,  
20 the tax under this Act on sales of gasohol, as defined in the  
21 Use Tax Act, is imposed at the rate of 1.25%, then the tax  
22 imposed by this Act applies to 100% of the proceeds of sales of  
23 gasohol made during that time.

24 With respect to majority blended ethanol fuel, as defined  
25 in the Use Tax Act, the tax imposed by this Act does not apply  
26 to the proceeds of sales made on or after July 1, 2003 and on



1 or before December 31, 2023 but applies to 100% of the proceeds  
2 of sales made thereafter.

3 With respect to biodiesel blends, as defined in the Use  
4 Tax Act, with no less than 1% and no more than 10% biodiesel,  
5 the tax imposed by this Act applies to (i) 80% of the proceeds  
6 of sales made on or after July 1, 2003 and on or before  
7 December 31, 2018 and (ii) 100% of the proceeds of sales made  
8 after December 31, 2018 and before January 1, 2024. On and  
9 after January 1, 2024 and on or before December 31, 2030, the  
10 taxation of biodiesel, renewable diesel, and biodiesel blends  
11 shall be as provided in Section 3-5.1 of the Use Tax Act. If,  
12 at any time, however, the tax under this Act on sales of  
13 biodiesel blends, as defined in the Use Tax Act, with no less  
14 than 1% and no more than 10% biodiesel is imposed at the rate  
15 of 1.25%, then the tax imposed by this Act applies to 100% of  
16 the proceeds of sales of biodiesel blends with no less than 1%  
17 and no more than 10% biodiesel made during that time.

18 With respect to biodiesel, as defined in the Use Tax Act,  
19 and biodiesel blends, as defined in the Use Tax Act, with more  
20 than 10% but no more than 99% biodiesel, the tax imposed by  
21 this Act does not apply to the proceeds of sales made on or  
22 after July 1, 2003 and on or before December 31, 2023. On and  
23 after January 1, 2024 and on or before December 31, 2030, the  
24 taxation of biodiesel, renewable diesel, and biodiesel blends  
25 shall be as provided in Section 3-5.1 of the Use Tax Act.

26 Until July 1, 2022 and beginning again on July 1, 2023

1 until January 1, 2024, with respect to food for human  
2 consumption that is to be consumed off the premises where it is  
3 sold (other than alcoholic beverages, food consisting of or  
4 infused with adult use cannabis, soft drinks, and food that  
5 has been prepared for immediate consumption), the tax is  
6 imposed at the rate of 1%. Beginning July 1, 2022 and until  
7 July 1, 2023, with respect to food for human consumption that  
8 is to be consumed off the premises where it is sold (other than  
9 alcoholic beverages, food consisting of or infused with adult  
10 use cannabis, soft drinks, and food that has been prepared for  
11 immediate consumption), the tax is imposed at the rate of 0%.

12 With respect to prescription and nonprescription  
13 medicines, drugs, medical appliances, products classified as  
14 Class III medical devices by the United States Food and Drug  
15 Administration that are used for cancer treatment pursuant to  
16 a prescription, as well as any accessories and components  
17 related to those devices, modifications to a motor vehicle for  
18 the purpose of rendering it usable by a person with a  
19 disability, and insulin, blood sugar testing materials,  
20 syringes, and needles used by human diabetics, the tax is  
21 imposed at the rate of 1%. Beginning on January 1, 2024, items  
22 that had been subject to a 1% rate of tax under this paragraph  
23 shall be exempt as provided in item (48) of Section 2-5. For the  
24 purposes of this Section, until September 1, 2009: the term  
25 "soft drinks" means any complete, finished, ready-to-use,  
26 non-alcoholic drink, whether carbonated or not, including, but

1 not limited to, soda water, cola, fruit juice, vegetable  
2 juice, carbonated water, and all other preparations commonly  
3 known as soft drinks of whatever kind or description that are  
4 contained in any closed or sealed bottle, can, carton, or  
5 container, regardless of size; but "soft drinks" does not  
6 include coffee, tea, non-carbonated water, infant formula,  
7 milk or milk products as defined in the Grade A Pasteurized  
8 Milk and Milk Products Act, or drinks containing 50% or more  
9 natural fruit or vegetable juice.

10 Notwithstanding any other provisions of this Act,  
11 beginning September 1, 2009, "soft drinks" means non-alcoholic  
12 beverages that contain natural or artificial sweeteners. "Soft  
13 drinks" does ~~do~~ not include beverages that contain milk or  
14 milk products, soy, rice or similar milk substitutes, or  
15 greater than 50% of vegetable or fruit juice by volume.

16 Until August 1, 2009, and notwithstanding any other  
17 provisions of this Act, "food for human consumption that is to  
18 be consumed off the premises where it is sold" includes all  
19 food sold through a vending machine, except soft drinks and  
20 food products that are dispensed hot from a vending machine,  
21 regardless of the location of the vending machine. Beginning  
22 August 1, 2009, and notwithstanding any other provisions of  
23 this Act, "food for human consumption that is to be consumed  
24 off the premises where it is sold" includes all food sold  
25 through a vending machine, except soft drinks, candy, and food  
26 products that are dispensed hot from a vending machine,

1 regardless of the location of the vending machine.

2 Notwithstanding any other provisions of this Act,  
3 beginning September 1, 2009, "food for human consumption that  
4 is to be consumed off the premises where it is sold" does not  
5 include candy. For purposes of this Section, "candy" means a  
6 preparation of sugar, honey, or other natural or artificial  
7 sweeteners in combination with chocolate, fruits, nuts or  
8 other ingredients or flavorings in the form of bars, drops, or  
9 pieces. "Candy" does not include any preparation that contains  
10 flour or requires refrigeration.

11 Notwithstanding any other provisions of this Act,  
12 beginning September 1, 2009, "nonprescription medicines and  
13 drugs" does not include grooming and hygiene products. For  
14 purposes of this Section, "grooming and hygiene products"  
15 includes, but is not limited to, soaps and cleaning solutions,  
16 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
17 lotions and screens, unless those products are available by  
18 prescription only, regardless of whether the products meet the  
19 definition of "over-the-counter-drugs". For the purposes of  
20 this paragraph, "over-the-counter-drug" means a drug for human  
21 use that contains a label that identifies the product as a drug  
22 as required by 21 CFR ~~C.F.R.~~ § 201.66. The  
23 "over-the-counter-drug" label includes:

24 (A) a ~~A~~ "Drug Facts" panel; or

25 (B) a ~~A~~ statement of the "active ingredient(s)" with a  
26 list of those ingredients contained in the compound,

1 substance or preparation.

2 Beginning on January 1, 2014 (the effective date of Public  
3 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~  
4 "prescription and nonprescription medicines and drugs"  
5 includes medical cannabis purchased from a registered  
6 dispensing organization under the Compassionate Use of Medical  
7 Cannabis Program Act.

8 As used in this Section, "adult use cannabis" means  
9 cannabis subject to tax under the Cannabis Cultivation  
10 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
11 and does not include cannabis subject to tax under the  
12 Compassionate Use of Medical Cannabis Program Act.

13 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;  
14 102-4, eff. 4-27-21; 102-700, Article 20, Section 20-20, eff.  
15 4-19-22; 102-700, Article 60, Section 60-30, eff. 4-19-22;  
16 102-700, Article 65, Section 65-10, eff. 4-19-22; revised  
17 6-1-22.)