



Rep. Margaret Croke

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LRB103 28353 HLH 59175 a

1 AMENDMENT TO HOUSE BILL 2518

2 AMENDMENT NO. _____. Amend House Bill 2518 by replacing
3 everything after the enacting clause with the following:

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

6 (35 ILCS 105/3-5)

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

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

16 (2) Personal property purchased by a not-for-profit

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

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

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

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

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

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

22 (7) Farm chemicals.

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

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

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

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

26 Farm machinery and equipment shall include precision

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

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

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

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

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

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

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

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

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

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

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

21 (18) Manufacturing and assembling machinery and equipment
22 used primarily in the process of manufacturing or assembling
23 tangible personal property for wholesale or retail sale or
24 lease, whether that sale or lease is made directly by the
25 manufacturer or by some other person, whether the materials
26 used in the process are owned by the manufacturer or some other

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

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

26 (20) Semen used for artificial insemination of livestock

1 for direct agricultural production.

2 (21) Horses, or interests in horses, registered with and
3 meeting the requirements of any of the Arabian Horse Club
4 Registry of America, Appaloosa Horse Club, American Quarter
5 Horse Association, United States Trotting Association, or
6 Jockey Club, as appropriate, used for purposes of breeding or
7 racing for prizes. This item (21) is exempt from the
8 provisions of Section 3-90, and the exemption provided for
9 under this item (21) applies for all periods beginning May 30,
10 1995, but no claim for credit or refund is allowed on or after
11 January 1, 2008 for such taxes paid during the period
12 beginning May 30, 2000 and ending on January 1, 2008.

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

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

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

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

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

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

1 disaster.

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

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

25 (28) Beginning January 1, 2000, personal property,
26 including food, purchased through fundraising events for the

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

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

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

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

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

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

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

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

1 supply, as defined under Section 3.145 of the Environmental
2 Protection Act, that is operated by a not-for-profit
3 corporation that holds a valid water supply permit issued
4 under Title IV of the Environmental Protection Act. This
5 paragraph is exempt from the provisions of Section 3-90.

6 (35) Beginning January 1, 2010 and continuing through
7 December 31, 2024, materials, parts, equipment, components,
8 and furnishings incorporated into or upon an aircraft as part
9 of the modification, refurbishment, completion, replacement,
10 repair, or maintenance of the aircraft. This exemption
11 includes consumable supplies used in the modification,
12 refurbishment, completion, replacement, repair, and
13 maintenance of aircraft. However, until January 1, 2024, this
14 exemption ~~, but~~ excludes any materials, parts, equipment,
15 components, and consumable supplies used in the modification,
16 replacement, repair, and maintenance of aircraft engines or
17 power plants, whether such engines or power plants are
18 installed or uninstalled upon any such aircraft. "Consumable
19 supplies" include, but are not limited to, adhesive, tape,
20 sandpaper, general purpose lubricants, cleaning solution,
21 latex gloves, and protective films.

22 Beginning January 1, 2010 and continuing through December
23 31, 2023, this ~~This~~ exemption applies only to the use of
24 qualifying tangible personal property by persons who modify,
25 refurbish, complete, repair, replace, or maintain aircraft and
26 who (i) hold an Air Agency Certificate and are empowered to

1 operate an approved repair station by the Federal Aviation
2 Administration, (ii) have a Class IV Rating, and (iii) conduct
3 operations in accordance with Part 145 of the Federal Aviation
4 Regulations. From January 1, 2024 through December 31, 2024,
5 this exemption applies only to the use of qualifying tangible
6 personal property by: (A) persons who modify, refurbish,
7 complete, repair, replace, or maintain aircraft and who (i)
8 hold an Air Agency Certificate and are empowered to operate an
9 approved repair station by the Federal Aviation
10 Administration, (ii) have a Class IV Rating, and (iii) conduct
11 operations in accordance with Part 145 of the Federal Aviation
12 Regulations; and (B) persons who engage in the modification,
13 replacement, repair, and maintenance of aircraft engines or
14 power plants without regard to whether or not those persons
15 meet the qualifications of item (A).

16 The exemption does not include aircraft operated by a
17 commercial air carrier providing scheduled passenger air
18 service pursuant to authority issued under Part 121 or Part
19 129 of the Federal Aviation Regulations. The changes made to
20 this paragraph (35) by Public Act 98-534 are declarative of
21 existing law. It is the intent of the General Assembly that the
22 exemption under this paragraph (35) applies continuously from
23 January 1, 2010 through December 31, 2024; however, no claim
24 for credit or refund is allowed for taxes paid as a result of
25 the disallowance of this exemption on or after January 1, 2015
26 and prior to February 5, 2020 (the effective date of Public Act

1 ~~101-629) this amendatory Act of the 101st General Assembly.~~

2 (36) Tangible personal property purchased by a
3 public-facilities corporation, as described in Section
4 11-65-10 of the Illinois Municipal Code, for purposes of
5 constructing or furnishing a municipal convention hall, but
6 only if the legal title to the municipal convention hall is
7 transferred to the municipality without any further
8 consideration by or on behalf of the municipality at the time
9 of the completion of the municipal convention hall or upon the
10 retirement or redemption of any bonds or other debt
11 instruments issued by the public-facilities corporation in
12 connection with the development of the municipal convention
13 hall. This exemption includes existing public-facilities
14 corporations as provided in Section 11-65-25 of the Illinois
15 Municipal Code. This paragraph is exempt from the provisions
16 of Section 3-90.

17 (37) Beginning January 1, 2017 and through December 31,
18 2026, menstrual pads, tampons, and menstrual cups.

19 (38) Merchandise that is subject to the Rental Purchase
20 Agreement Occupation and Use Tax. The purchaser must certify
21 that the item is purchased to be rented subject to a rental
22 purchase agreement, as defined in the Rental Purchase
23 Agreement Act, and provide proof of registration under the
24 Rental Purchase Agreement Occupation and Use Tax Act. This
25 paragraph is exempt from the provisions of Section 3-90.

26 (39) Tangible personal property purchased by a purchaser

1 who is exempt from the tax imposed by this Act by operation of
2 federal law. This paragraph is exempt from the provisions of
3 Section 3-90.

4 (40) 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 been in effect may apply for and
13 obtain an exemption for subsequent purchases of computer
14 equipment or enabling software purchased or leased to upgrade,
15 supplement, or replace computer equipment or enabling software
16 purchased or leased in the original investment that would have
17 qualified.

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

23 For the purposes of this item (40):

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

1 the State of Illinois.

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

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

3 This item (40) is exempt from the provisions of Section
4 3-90.

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

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

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

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

1 milk storage bags.

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

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

21 (42) ~~(41)~~ Tangible personal property sold by or on behalf
22 of the State Treasurer pursuant to the Revised Uniform
23 Unclaimed Property Act. This item (42) ~~(41)~~ is exempt from the
24 provisions of Section 3-90.

25 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
26 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.

1 6-17-21; 102-700, Article 70, Section 70-5, eff. 4-19-22;
2 102-700, Article 75, Section 75-5, eff. 4-19-22; 102-1026,
3 eff. 5-27-22; revised 8-1-22.)

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

6 (35 ILCS 110/3-5)

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 non-profit Illinois
17 county fair association for use in conducting, operating, or
18 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
24 support of arts or cultural programming, activities, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (11) Proceeds from the sale of photoprocessing machinery
23 and equipment, including repair and replacement parts, both
24 new and used, including that manufactured on special order,
25 certified by the purchaser to be used primarily for
26 photoprocessing, and including photoprocessing machinery and

1 equipment purchased for lease.

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

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

15 (14) Horses, or interests in horses, registered with and
16 meeting the requirements of any of the Arabian Horse Club
17 Registry of America, Appaloosa Horse Club, American Quarter
18 Horse Association, United States Trotting Association, or
19 Jockey Club, as appropriate, used for purposes of breeding or
20 racing for prizes. This item (14) is exempt from the
21 provisions of Section 3-75, and the exemption provided for
22 under this item (14) applies for all periods beginning May 30,
23 1995, but no claim for credit or refund is allowed on or after
24 January 1, 2008 (the effective date of Public Act 95-88) for
25 such taxes paid during the period beginning May 30, 2000 and
26 ending on January 1, 2008 (the effective date of Public Act

1 95-88).

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

25 (16) Personal property purchased by a lessor who leases
26 the property, under a lease of one year or longer executed or

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

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

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

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

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

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

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

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

1 (22) Beginning January 1, 2000 and through December 31,
2 2001, new or used automatic vending machines that prepare and
3 serve hot food and beverages, including coffee, soup, and
4 other items, and replacement parts for these machines.
5 Beginning January 1, 2002 and through June 30, 2003, machines
6 and parts for machines used in commercial, coin-operated
7 amusement and vending business if a use or occupation tax is
8 paid on the gross receipts derived from the use of the
9 commercial, coin-operated amusement and vending machines. This
10 paragraph is exempt from the provisions of Section 3-75.

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

24 (24) Beginning on August 2, 2001 (the effective date of
25 Public Act 92-227), computers and communications equipment
26 utilized for any hospital purpose and equipment used in the

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

23 (25) Beginning on August 2, 2001 (the effective date of
24 Public Act 92-227), personal property purchased by a lessor
25 who leases the property, under a lease of one year or longer
26 executed or in effect at the time the lessor would otherwise be

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

19 (26) Beginning January 1, 2008, tangible personal property
20 used in the construction or maintenance of a community water
21 supply, as defined under Section 3.145 of the Environmental
22 Protection Act, that is operated by a not-for-profit
23 corporation that holds a valid water supply permit issued
24 under Title IV of the Environmental Protection Act. This
25 paragraph is exempt from the provisions of Section 3-75.

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

1 December 31, 2024, materials, parts, equipment, components,
2 and furnishings incorporated into or upon an aircraft as part
3 of the modification, refurbishment, completion, replacement,
4 repair, or maintenance of the aircraft. This exemption
5 includes consumable supplies used in the modification,
6 refurbishment, completion, replacement, repair, and
7 maintenance of aircraft. However, until January 1, 2024, this
8 exemption ~~, but~~ excludes any materials, parts, equipment,
9 components, and consumable supplies used in the modification,
10 replacement, repair, and maintenance of aircraft engines or
11 power plants, whether such engines or power plants are
12 installed or uninstalled upon any such aircraft. "Consumable
13 supplies" include, but are not limited to, adhesive, tape,
14 sandpaper, general purpose lubricants, cleaning solution,
15 latex gloves, and protective films.

16 Beginning January 1, 2010 and continuing through December
17 31, 2023, this ~~This~~ exemption applies only to the use of
18 qualifying tangible personal property transferred incident to
19 the modification, refurbishment, completion, replacement,
20 repair, or maintenance of aircraft by persons who (i) hold an
21 Air Agency Certificate and are empowered to operate an
22 approved repair station by the Federal Aviation
23 Administration, (ii) have a Class IV Rating, and (iii) conduct
24 operations in accordance with Part 145 of the Federal Aviation
25 Regulations. From January 1, 2024 through December 31, 2024,
26 this exemption applies only to the use of qualifying tangible

1 personal property by: (A) persons who modify, refurbish,
2 complete, repair, replace, or maintain aircraft and who (i)
3 hold an Air Agency Certificate and are empowered to operate an
4 approved repair station by the Federal Aviation
5 Administration, (ii) have a Class IV Rating, and (iii) conduct
6 operations in accordance with Part 145 of the Federal Aviation
7 Regulations; and (B) persons who engage in the modification,
8 replacement, repair, and maintenance of aircraft engines or
9 power plants without regard to whether or not those persons
10 meet the qualifications of item (A).

11 The exemption does not include aircraft operated by a
12 commercial air carrier providing scheduled passenger air
13 service pursuant to authority issued under Part 121 or Part
14 129 of the Federal Aviation Regulations. The changes made to
15 this paragraph (27) by Public Act 98-534 are declarative of
16 existing law. It is the intent of the General Assembly that the
17 exemption under this paragraph (27) applies continuously from
18 January 1, 2010 through December 31, 2024; however, no claim
19 for credit or refund is allowed for taxes paid as a result of
20 the disallowance of this exemption on or after January 1, 2015
21 and prior to February 5, 2020 (the effective date of Public Act
22 101-629) ~~this amendatory Act of the 101st General Assembly.~~

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

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

12 (29) Beginning January 1, 2017 and through December 31,
13 2026, menstrual pads, tampons, and menstrual cups.

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

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

1 ~~General Assembly~~ been in effect, may apply for and obtain an
2 exemption for subsequent purchases of computer equipment or
3 enabling software purchased or leased to upgrade, supplement,
4 or replace computer equipment or enabling software purchased
5 or leased in the original investment that would have
6 qualified.

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

12 For the purposes of this item (31):

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

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

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

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

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

24 "Breast pump" means an electrically controlled or
25 manually controlled pump device designed or marketed to be
26 used to express milk from a human breast during lactation,

1 including the pump device and any battery, AC adapter, or
2 other power supply unit that is used to power the pump
3 device and is packaged and sold with the pump device at the
4 time of sale.

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

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

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

1 kit that is pre-packaged by the breast pump manufacturer
2 or distributor.

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

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

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

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

20 (35 ILCS 115/3-5)

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

23 (1) Personal property sold by a corporation, society,
24 association, foundation, institution, or organization, other

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

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

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

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

1 country, and bullion.

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

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

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

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

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

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

26 (8) Until June 30, 2013, fuel and petroleum products sold

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

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

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

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

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

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

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

25 (13) Beginning January 1, 1992 and through June 30, 2016,
26 food for human consumption that is to be consumed off the

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

12 (14) Semen used for artificial insemination of livestock
13 for direct agricultural production.

14 (15) Horses, or interests in horses, registered with and
15 meeting the requirements of any of the Arabian Horse Club
16 Registry of America, Appaloosa Horse Club, American Quarter
17 Horse Association, United States Trotting Association, or
18 Jockey Club, as appropriate, used for purposes of breeding or
19 racing for prizes. This item (15) is exempt from the
20 provisions of Section 3-55, and the exemption provided for
21 under this item (15) applies for all periods beginning May 30,
22 1995, but no claim for credit or refund is allowed on or after
23 January 1, 2008 (the effective date of Public Act 95-88) for
24 such taxes paid during the period beginning May 30, 2000 and
25 ending on January 1, 2008 (the effective date of Public Act
26 95-88).

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

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

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

25 (19) Beginning with taxable years ending on or after
26 December 31, 1995 and ending with taxable years ending on or

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

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

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

1 schools and that compare favorably in their scope and
2 intensity with the course of study presented in tax-supported
3 schools, and vocational or technical schools or institutes
4 organized and operated exclusively to provide a course of
5 study of not less than 6 weeks duration and designed to prepare
6 individuals to follow a trade or to pursue a manual,
7 technical, mechanical, industrial, business, or commercial
8 occupation.

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

23 (23) Beginning January 1, 2000 and through December 31,
24 2001, new or used automatic vending machines that prepare and
25 serve hot food and beverages, including coffee, soup, and
26 other items, and replacement parts for these machines.

1 Beginning January 1, 2002 and through June 30, 2003, machines
2 and parts for machines used in commercial, coin-operated
3 amusement and vending business if a use or occupation tax is
4 paid on the gross receipts derived from the use of the
5 commercial, coin-operated amusement and vending machines. This
6 paragraph is exempt from the provisions of Section 3-55.

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

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

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

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

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

1 under Title IV of the Environmental Protection Act. This
2 paragraph is exempt from the provisions of Section 3-55.

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

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

1 components, and consumable supplies used in the modification,
2 replacement, repair, and maintenance of aircraft engines or
3 power plants, whether such engines or power plants are
4 installed or uninstalled upon any such aircraft. "Consumable
5 supplies" include, but are not limited to, adhesive, tape,
6 sandpaper, general purpose lubricants, cleaning solution,
7 latex gloves, and protective films.

8 Beginning January 1, 2010 and continuing through December
9 31, 2023, this ~~This~~ exemption applies only to the transfer of
10 qualifying tangible personal property incident to the
11 modification, refurbishment, completion, replacement, repair,
12 or maintenance of an aircraft by persons who (i) hold an Air
13 Agency Certificate and are empowered to operate an approved
14 repair station by the Federal Aviation Administration, (ii)
15 have a Class IV Rating, and (iii) conduct operations in
16 accordance with Part 145 of the Federal Aviation Regulations.
17 The exemption does not include aircraft operated by a
18 commercial air carrier providing scheduled passenger air
19 service pursuant to authority issued under Part 121 or Part
20 129 of the Federal Aviation Regulations. From January 1, 2024
21 through December 31, 2024, this exemption applies only to the
22 use of qualifying tangible personal property by: (A) persons
23 who modify, refurbish, complete, repair, replace, or maintain
24 aircraft and who (i) hold an Air Agency Certificate and are
25 empowered to operate an approved repair station by the Federal
26 Aviation Administration, (ii) have a Class IV Rating, and

1 (iii) conduct operations in accordance with Part 145 of the
2 Federal Aviation Regulations; and (B) persons who engage in
3 the modification, replacement, repair, and maintenance of
4 aircraft engines or power plants without regard to whether or
5 not those persons meet the qualifications of item (A).

6 The changes made to this paragraph (29) by Public Act
7 98-534 are declarative of existing law. It is the intent of the
8 General Assembly that the exemption under this paragraph (29)
9 applies continuously from January 1, 2010 through December 31,
10 2024; however, no claim for credit or refund is allowed for
11 taxes paid as a result of the disallowance of this exemption on
12 or after January 1, 2015 and prior to February 5, 2020 (the
13 effective date of Public Act 101-629) ~~this amendatory Act of~~
14 ~~the 101st General Assembly.~~

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

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

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

1 have qualified for a certificate of exemption prior to January
2 1, 2020 had Public Act 101-31 ~~this amendatory Act of the 101st~~
3 ~~General Assembly~~ been in effect, may apply for and obtain an
4 exemption for subsequent purchases of computer equipment or
5 enabling software purchased or leased to upgrade, supplement,
6 or replace computer equipment or enabling software purchased
7 or leased in the original investment that would have
8 qualified.

9 The Department of Commerce and Economic Opportunity shall
10 grant a certificate of exemption under this item (32) to
11 qualified data centers as defined by Section 605-1025 of the
12 Department of Commerce and Economic Opportunity Law of the
13 Civil Administrative Code of Illinois.

14 For the purposes of this item (32):

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

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

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

20 This item (32) is exempt from the provisions of Section
21 3-55.

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

26 "Breast pump" means an electrically controlled or

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

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

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

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

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

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

12 (34) ~~(33)~~ Tangible personal property sold by or on behalf
13 of the State Treasurer pursuant to the Revised Uniform
14 Unclaimed Property Act. This item (34) ~~(33)~~ is exempt from the
15 provisions of Section 3-55.

16 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
17 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article
18 70, Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
19 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-9-22.)

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

22 (35 ILCS 120/2-5)

23 Sec. 2-5. Exemptions. Gross receipts from proceeds from
24 the sale of the following tangible personal property are

1 exempt from the tax imposed by this Act:

2 (1) Farm chemicals.

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

24 Farm machinery and equipment shall include precision
25 farming equipment that is installed or purchased to be
26 installed on farm machinery and equipment including, but

1 not limited to, tractors, harvesters, sprayers, planters,
2 seeders, or spreaders. Precision farming equipment
3 includes, but is not limited to, soil testing sensors,
4 computers, monitors, software, global positioning and
5 mapping systems, and other such equipment.

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

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

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

1 production. Equipment includes chemicals or chemicals
2 acting as catalysts but only if the chemicals or chemicals
3 acting as catalysts effect a direct and immediate change
4 upon a graphic arts product. Beginning on July 1, 2017,
5 graphic arts machinery and equipment is included in the
6 manufacturing and assembling machinery and equipment
7 exemption under paragraph (14).

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

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

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

18 (8) Personal property sold to an Illinois county fair
19 association for use in conducting, operating, or promoting
20 the county fair.

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

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

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

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

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

6 (12) (Blank).

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

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

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

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

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

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

21 (17) Tangible personal property sold to a common
22 carrier by rail or motor that receives the physical
23 possession of the property in Illinois and that transports
24 the property, or shares with another common carrier in the
25 transportation of the property, out of Illinois on a
26 standard uniform bill of lading showing the seller of the

1 property as the shipper or consignor of the property to a
2 destination outside Illinois, for use outside Illinois.

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

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

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

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

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

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

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

26 (23) A transaction in which the purchase order is

1 received by a florist who is located outside Illinois, but
2 who has a florist located in Illinois deliver the property
3 to the purchaser or the purchaser's donee in Illinois.

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

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

23 (25-5) The exemption under item (25) does not apply if
24 the state in which the motor vehicle will be titled does
25 not allow a reciprocal exemption for a motor vehicle sold
26 and delivered in that state to an Illinois resident but

1 titled in Illinois. The tax collected under this Act on
2 the sale of a motor vehicle in this State to a resident of
3 another state that does not allow a reciprocal exemption
4 shall be imposed at a rate equal to the state's rate of tax
5 on taxable property in the state in which the purchaser is
6 a resident, except that the tax shall not exceed the tax
7 that would otherwise be imposed under this Act. At the
8 time of the sale, the purchaser shall execute a statement,
9 signed under penalty of perjury, of his or her intent to
10 title the vehicle in the state in which the purchaser is a
11 resident within 30 days after the sale and of the fact of
12 the payment to the State of Illinois of tax in an amount
13 equivalent to the state's rate of tax on taxable property
14 in his or her state of residence and shall submit the
15 statement to the appropriate tax collection agency in his
16 or her state of residence. In addition, the retailer must
17 retain a signed copy of the statement in his or her
18 records. Nothing in this item shall be construed to
19 require the removal of the vehicle from this state
20 following the filing of an intent to title the vehicle in
21 the purchaser's state of residence if the purchaser titles
22 the vehicle in his or her state of residence within 30 days
23 after the date of sale. The tax collected under this Act in
24 accordance with this item (25-5) shall be proportionately
25 distributed as if the tax were collected at the 6.25%
26 general rate imposed under this Act.

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

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

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

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

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

26 "Based in this State" means hangared, stored, or

1 otherwise used, excluding post-sale customizations as
2 defined in this Section, for 10 or more days in each
3 12-month period immediately following the date of the sale
4 of the aircraft.

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

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

12 (26) Semen used for artificial insemination of
13 livestock for direct agricultural production.

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

1 95-88).

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

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

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

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

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

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

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

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

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

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

26 (36) Beginning August 2, 2001, computers and

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

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

17 (38) Beginning on January 1, 2002 and through June 30,
18 2016, tangible personal property purchased from an
19 Illinois retailer by a taxpayer engaged in centralized
20 purchasing activities in Illinois who will, upon receipt
21 of the property in Illinois, temporarily store the
22 property in Illinois (i) for the purpose of subsequently
23 transporting it outside this State for use or consumption
24 thereafter solely outside this State or (ii) for the
25 purpose of being processed, fabricated, or manufactured
26 into, attached to, or incorporated into other tangible

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

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

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

1 completion, replacement, repair, or maintenance of the
2 aircraft. This exemption includes consumable supplies used
3 in the modification, refurbishment, completion,
4 replacement, repair, and maintenance of aircraft. However,
5 until January 1, 2024, this exemption ~~, but~~ excludes any
6 materials, parts, equipment, components, and consumable
7 supplies used in the modification, replacement, repair,
8 and maintenance of aircraft engines or power plants,
9 whether such engines or power plants are installed or
10 uninstalled upon any such aircraft. "Consumable supplies"
11 include, but are not limited to, adhesive, tape,
12 sandpaper, general purpose lubricants, cleaning solution,
13 latex gloves, and protective films.

14 Beginning January 1, 2010 and continuing through
15 December 31, 2023, this ~~This~~ exemption applies only to the
16 sale of qualifying tangible personal property to persons
17 who modify, refurbish, complete, replace, or maintain an
18 aircraft and who (i) hold an Air Agency Certificate and
19 are empowered to operate an approved repair station by the
20 Federal Aviation Administration, (ii) have a Class IV
21 Rating, and (iii) conduct operations in accordance with
22 Part 145 of the Federal Aviation Regulations. The
23 exemption does not include aircraft operated by a
24 commercial air carrier providing scheduled passenger air
25 service pursuant to authority issued under Part 121 or
26 Part 129 of the Federal Aviation Regulations. From January

1 1, 2024 through December 31, 2024, this exemption applies
2 only to the use of qualifying tangible personal property
3 by: (A) persons who modify, refurbish, complete, repair,
4 replace, or maintain aircraft and who (i) hold an Air
5 Agency Certificate and are empowered to operate an
6 approved repair station by the Federal Aviation
7 Administration, (ii) have a Class IV Rating, and (iii)
8 conduct operations in accordance with Part 145 of the
9 Federal Aviation Regulations; and (B) persons who engage
10 in the modification, replacement, repair, and maintenance
11 of aircraft engines or power plants without regard to
12 whether or not those persons meet the qualifications of
13 item (A).

14 The changes made to this paragraph (40) by Public Act
15 98-534 are declarative of existing law. It is the intent
16 of the General Assembly that the exemption under this
17 paragraph (40) applies continuously from January 1, 2010
18 through December 31, 2024; however, no claim for credit or
19 refund is allowed for taxes paid as a result of the
20 disallowance of this exemption on or after January 1, 2015
21 and prior to February 5, 2020 (the effective date of
22 Public Act 101-629) ~~this amendatory Act of the 101st~~
23 ~~General Assembly.~~

24 (41) Tangible personal property sold to a
25 public-facilities corporation, as described in Section
26 11-65-10 of the Illinois Municipal Code, for purposes of

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

13 (42) Beginning January 1, 2017 and through December
14 31, 2026, menstrual pads, tampons, and menstrual cups.

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

23 (44) Qualified tangible personal property used in the
24 construction or operation of a data center that has been
25 granted a certificate of exemption by the Department of
26 Commerce and Economic Opportunity, whether that tangible

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

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

19 For the purposes of this item (44):

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

24 "Qualified tangible personal property" means:
25 electrical systems and equipment; climate control and
26 chilling equipment and systems; mechanical systems and

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

26 This item (44) is exempt from the provisions of

1 Section 2-70.

2 (45) Beginning January 1, 2020 and through December
3 31, 2020, sales of tangible personal property made by a
4 marketplace seller over a marketplace for which tax is due
5 under this Act but for which use tax has been collected and
6 remitted to the Department by a marketplace facilitator
7 under Section 2d of the Use Tax Act are exempt from tax
8 under this Act. A marketplace seller claiming this
9 exemption shall maintain books and records demonstrating
10 that the use tax on such sales has been collected and
11 remitted by a marketplace facilitator. Marketplace sellers
12 that have properly remitted tax under this Act on such
13 sales may file a claim for credit as provided in Section 6
14 of this Act. No claim is allowed, however, for such taxes
15 for which a credit or refund has been issued to the
16 marketplace facilitator under the Use Tax Act, or for
17 which the marketplace facilitator has filed a claim for
18 credit or refund under the Use Tax Act.

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

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

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

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

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

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

1 or distributor.

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

9 (47) ~~(46)~~ Tangible personal property sold by or on
10 behalf of the State Treasurer pursuant to the Revised
11 Uniform Unclaimed Property Act. This item (47) ~~(46)~~ is
12 exempt from the provisions of Section 2-70.

13 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
14 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
15 8-27-21; 102-700, Article 70, Section 70-20, eff. 4-19-22;
16 102-700, Article 75, Section 75-20, eff. 4-19-22; 102-813,
17 eff. 5-13-22; 102-1026, eff. 5-27-22; revised 8-15-22.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law."