

# HB3059



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3059

Introduced 2/17/2023, by Rep. Dave Vella

### SYNOPSIS AS INTRODUCED:

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

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that diapers are exempt from the taxes imposed under the Acts. Effective immediately.

LRB103 27006 HLH 53373 b

A BILL FOR

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

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

1 the car is subject to the Replacement Vehicle Tax.

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

15 (7) Farm chemicals.

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

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

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

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

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

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

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

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

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

26 (13) Proceeds of mandatory service charges separately

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Section 3-90.

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

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



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

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

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

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

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

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

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

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

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

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

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

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

1 Civil Administrative Code of Illinois.

2 For the purposes of this item (40):

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

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

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

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

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

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

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

26 "Breast pump collection and storage supplies"

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

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

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

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

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

4 (43) Beginning July 1, 2023, diapers. This item (43) is  
5 exempt from the provisions of Section 3-90.

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

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

13 (35 ILCS 110/3-5)

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

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

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



1 promoting the county fair.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 The Department of Commerce and Economic Opportunity shall

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

5 For the purposes of this item (31):

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

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



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

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

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

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

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

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

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

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

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

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

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

7 (34) Beginning July 1, 2023, diapers. This item (34) is  
8 exempt from the provisions of Section 3-75.

9 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
10 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article  
11 70, Section 70-10, eff. 4-19-22; 102-700, Article 75, Section  
12 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-3-22.)

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

15 (35 ILCS 115/3-5)

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

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

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

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

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

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

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

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

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

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

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

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

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

1 domestic stopovers.

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

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

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

1 machinery and equipment purchased for lease; but excluding  
2 motor vehicles required to be registered under the Illinois  
3 Vehicle Code.

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

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

20 (13) Beginning January 1, 1992 and through June 30, 2016,  
21 food for human consumption that is to be consumed off the  
22 premises where it is sold (other than alcoholic beverages,  
23 soft drinks and food that has been prepared for immediate  
24 consumption) and prescription and non-prescription medicines,  
25 drugs, medical appliances, and insulin, urine testing  
26 materials, syringes, and needles used by diabetics, for human



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

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

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

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

1 hospital that has been issued an active tax exemption  
2 identification number by the Department under Section 1g of  
3 the Retailers' Occupation Tax Act.

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

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

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

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

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

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

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

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

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

1 paragraph is exempt from the provisions of Section 3-55.

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

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

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

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

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

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

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

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

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

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



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

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

21           For the purposes of this item (32):

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

26           "Qualified tangible personal property" means:

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

1           This item (32) is exempt from the provisions of Section  
2 3-55.

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

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

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

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

26           "Breast pump collection and storage supplies" does not

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

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

19 (34) ~~(33)~~ Tangible personal property sold by or on behalf  
20 of the State Treasurer pursuant to the Revised Uniform  
21 Unclaimed Property Act. This item (34) ~~(33)~~ is exempt from the  
22 provisions of Section 3-55.

23 (35) Beginning July 1, 2023, diapers. This item (35) is  
24 exempt from the provisions of Section 3-55.

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

1 70, Section 70-15, eff. 4-19-22; 102-700, Article 75, Section  
2 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-9-22.)

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

5 (35 ILCS 120/2-5)

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

9 (1) Farm chemicals.

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

1 and equipment under this item (2). Agricultural chemical  
2 tender tanks and dry boxes shall include units sold  
3 separately from a motor vehicle required to be licensed  
4 and units sold mounted on a motor vehicle required to be  
5 licensed, if the selling price of the tender is separately  
6 stated.

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

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

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

1 consumption as motor fuel or as a component of motor fuel  
2 for the personal use of the user, and not subject to sale  
3 or resale.

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

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

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

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

1           (8) Personal property sold to an Illinois county fair  
2 association for use in conducting, operating, or promoting  
3 the county fair.

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

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

26           (11) Personal property sold to a governmental body, to



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

15 (12) (Blank).

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

1 Through June 30, 2005, this exemption applies to repair  
2 and replacement parts added after the initial purchase of  
3 such a motor vehicle if that motor vehicle is used in a  
4 manner that would qualify for the rolling stock exemption  
5 otherwise provided for in this Act. For purposes of this  
6 paragraph, "used for commercial purposes" means the  
7 transportation of persons or property in furtherance of  
8 any commercial or industrial enterprise whether for-hire  
9 or not.

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

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

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

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

26 (16) Tangible personal property sold to a purchaser if

1 the purchaser is exempt from use tax by operation of  
2 federal law. This paragraph is exempt from the provisions  
3 of Section 2-70.

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

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

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

26 (20) Photoprocessing machinery and equipment,

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

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

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

25 Beginning July 1, 2013, fuel and petroleum products  
26 sold to or used by an air carrier, certified by the carrier

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

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

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

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

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

6 (25-5) The exemption under item (25) does not apply if  
7 the state in which the motor vehicle will be titled does  
8 not allow a reciprocal exemption for a motor vehicle sold  
9 and delivered in that state to an Illinois resident but  
10 titled in Illinois. The tax collected under this Act on  
11 the sale of a motor vehicle in this State to a resident of  
12 another state that does not allow a reciprocal exemption  
13 shall be imposed at a rate equal to the state's rate of tax  
14 on taxable property in the state in which the purchaser is  
15 a resident, except that the tax shall not exceed the tax  
16 that would otherwise be imposed under this Act. At the  
17 time of the sale, the purchaser shall execute a statement,  
18 signed under penalty of perjury, of his or her intent to  
19 title the vehicle in the state in which the purchaser is a  
20 resident within 30 days after the sale and of the fact of  
21 the payment to the State of Illinois of tax in an amount  
22 equivalent to the state's rate of tax on taxable property  
23 in his or her state of residence and shall submit the  
24 statement to the appropriate tax collection agency in his  
25 or her state of residence. In addition, the retailer must  
26 retain a signed copy of the statement in his or her

1 records. Nothing in this item shall be construed to  
2 require the removal of the vehicle from this state  
3 following the filing of an intent to title the vehicle in  
4 the purchaser's state of residence if the purchaser titles  
5 the vehicle in his or her state of residence within 30 days  
6 after the date of sale. The tax collected under this Act in  
7 accordance with this item (25-5) shall be proportionately  
8 distributed as if the tax were collected at the 6.25%  
9 general rate imposed under this Act.

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

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

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

23 (3) the seller retains in his or her books and  
24 records and provides to the Department a signed and  
25 dated certification from the purchaser, on a form  
26 prescribed by the Department, certifying that the



1 requirements of this item (25-7) are met. The  
2 certificate must also include the name and address of  
3 the purchaser, the address of the location where the  
4 aircraft is to be titled or registered, the address of  
5 the primary physical location of the aircraft, and  
6 other information that the Department may reasonably  
7 require.

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

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

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

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

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

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

1 Association, or Jockey Club, as appropriate, used for  
2 purposes of breeding or racing for prizes. This item (27)  
3 is exempt from the provisions of Section 2-70, and the  
4 exemption provided for under this item (27) applies for  
5 all periods beginning May 30, 1995, but no claim for  
6 credit or refund is allowed on or after January 1, 2008  
7 (the effective date of Public Act 95-88) for such taxes  
8 paid during the period beginning May 30, 2000 and ending  
9 on January 1, 2008 (the effective date of Public Act  
10 95-88).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (38) Beginning on January 1, 2002 and through June 30,

1           2016, tangible personal property purchased from an  
2           Illinois retailer by a taxpayer engaged in centralized  
3           purchasing activities in Illinois who will, upon receipt  
4           of the property in Illinois, temporarily store the  
5           property in Illinois (i) for the purpose of subsequently  
6           transporting it outside this State for use or consumption  
7           thereafter solely outside this State or (ii) for the  
8           purpose of being processed, fabricated, or manufactured  
9           into, attached to, or incorporated into other tangible  
10          personal property to be transported outside this State and  
11          thereafter used or consumed solely outside this State. The  
12          Director of Revenue shall, pursuant to rules adopted in  
13          accordance with the Illinois Administrative Procedure Act,  
14          issue a permit to any taxpayer in good standing with the  
15          Department who is eligible for the exemption under this  
16          paragraph (38). The permit issued under this paragraph  
17          (38) shall authorize the holder, to the extent and in the  
18          manner specified in the rules adopted under this Act, to  
19          purchase tangible personal property from a retailer exempt  
20          from the taxes imposed by this Act. Taxpayers shall  
21          maintain all necessary books and records to substantiate  
22          the use and consumption of all such tangible personal  
23          property outside of the State of Illinois.

24                 (39) Beginning January 1, 2008, tangible personal  
25          property used in the construction or maintenance of a  
26          community water supply, as defined under Section 3.145 of

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

6 (40) Beginning January 1, 2010 and continuing through  
7 December 31, 2024, materials, parts, equipment,  
8 components, and furnishings incorporated into or upon an  
9 aircraft as part of the modification, refurbishment,  
10 completion, replacement, repair, or maintenance of the  
11 aircraft. This exemption includes consumable supplies used  
12 in the modification, refurbishment, completion,  
13 replacement, repair, and maintenance of aircraft, but  
14 excludes any materials, parts, equipment, components, and  
15 consumable supplies used in the modification, replacement,  
16 repair, and maintenance of aircraft engines or power  
17 plants, whether such engines or power plants are installed  
18 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. This exemption applies  
22 only to the sale of qualifying tangible personal property  
23 to persons who modify, refurbish, complete, replace, or  
24 maintain an aircraft and who (i) hold an Air Agency  
25 Certificate and are empowered to operate an approved  
26 repair station by the Federal Aviation Administration,



1 (ii) have a Class IV Rating, and (iii) conduct operations  
2 in accordance with Part 145 of the Federal Aviation  
3 Regulations. The exemption does not include aircraft  
4 operated by a commercial air carrier providing scheduled  
5 passenger air service pursuant to authority issued under  
6 Part 121 or Part 129 of the Federal Aviation Regulations.  
7 The changes made to this paragraph (40) by Public Act  
8 98-534 are declarative of existing law. It is the intent  
9 of the General Assembly that the exemption under this  
10 paragraph (40) applies continuously from January 1, 2010  
11 through December 31, 2024; however, no claim for credit or  
12 refund is allowed for taxes paid as a result of the  
13 disallowance of this exemption on or after January 1, 2015  
14 and prior to February 5, 2020 (the effective date of  
15 Public Act 101-629) ~~this amendatory Act of the 101st~~  
16 ~~General Assembly.~~

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

1 corporation in connection with the development of the  
2 municipal convention hall. This exemption includes  
3 existing public-facilities corporations as provided in  
4 Section 11-65-25 of the Illinois Municipal Code. This  
5 paragraph is exempt from the provisions of Section 2-70.

6 (42) Beginning January 1, 2017 and through December  
7 31, 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

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

12 For the purposes of this item (44):

13 "Data center" means a building or a series of  
14 buildings rehabilitated or constructed to house  
15 working servers in one physical location or multiple  
16 sites within 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;  
23 cabinets; telecommunications cabling infrastructure;  
24 raised floor systems; peripheral components or  
25 systems; software; mechanical, electrical, or plumbing  
26 systems; battery systems; cooling systems and towers;

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

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

21 (45) Beginning January 1, 2020 and through December  
22 31, 2020, sales of tangible personal property made by a  
23 marketplace seller over a marketplace for which tax is due  
24 under this Act but for which use tax has been collected and  
25 remitted to the Department by a marketplace facilitator  
26 under Section 2d of the Use Tax Act are exempt from tax

1 under this Act. A marketplace seller claiming this  
2 exemption shall maintain books and records demonstrating  
3 that the use tax on such sales has been collected and  
4 remitted by a marketplace facilitator. Marketplace sellers  
5 that have properly remitted tax under this Act on such  
6 sales may file a claim for credit as provided in Section 6  
7 of this Act. No claim is allowed, however, for such taxes  
8 for which a credit or refund has been issued to the  
9 marketplace facilitator under the Use Tax Act, or for  
10 which the marketplace facilitator has filed a claim for  
11 credit or refund under the Use Tax Act.

12 (46) Beginning July 1, 2022, breast pumps, breast pump  
13 collection and storage supplies, and breast pump kits.  
14 This item (46) is exempt from the provisions of Section  
15 2-70. As used in this item (46):

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

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

1 milk until it is ready for consumption.

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

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

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

1 manufacturer or distributor.

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

6 (48) Beginning July 1, 2023, diapers. This item (48)  
7 is exempt from the provisions of Section 2-70.

8 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
9 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.  
10 8-27-21; 102-700, Article 70, Section 70-20, eff. 4-19-22;  
11 102-700, Article 75, Section 75-20, eff. 4-19-22; 102-813,  
12 eff. 5-13-22; 102-1026, eff. 5-27-22; revised 8-15-22.)

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.