



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5577

Introduced 2/9/2024, by Rep. Hoan Huynh

#### SYNOPSIS AS INTRODUCED:

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

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Creates an exemption for medical appliances, including, but not limited to, devices used to treat amyotrophic lateral sclerosis. Effective January 1, 2025.

LRB103 38816 HLH 68953 b

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

26 (5) Until July 1, 2003, a passenger car that is a

1 replacement vehicle to the extent that the purchase price of  
2 the car is subject to the Replacement Vehicle Tax.

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

16 (7) Farm chemicals.

17 (8) 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 (9) Personal property purchased from a teacher-sponsored  
22 student organization affiliated with an elementary or  
23 secondary school located in Illinois.

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

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

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

1 such equipment.

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

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

12 This item (11) is exempt from the provisions of Section  
13 3-90.

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

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

1 at least one individual or package for hire from the city of  
2 origination to the city of final destination on the same  
3 aircraft, without regard to a change in the flight number of  
4 that aircraft.

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

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

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

1 photoprocessing machinery and equipment purchased for lease.

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

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

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



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

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

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

26 (21) Horses, or interests in horses, registered with and

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

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

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

8 (23) Personal property purchased by a lessor who leases  
9 the property, under a lease of one year or longer executed or  
10 in effect at the time the lessor would otherwise be subject to  
11 the tax imposed by this Act, to a governmental body that has  
12 been issued an active sales tax exemption identification  
13 number by the Department under Section 1g of the Retailers'  
14 Occupation Tax Act. If the property is leased in a manner that  
15 does not qualify for this exemption or used in any other  
16 non-exempt manner, the lessor shall be liable for the tax  
17 imposed under this Act or the Service Use Tax Act, as the case  
18 may be, based on the fair market value of the property at the  
19 time the non-qualifying 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 Service Use Tax Act, as the case may be, if the tax  
23 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 (24) Beginning with taxable years ending on or after  
4 December 31, 1995 and ending with taxable years ending on or  
5 before December 31, 2004, personal property that is donated  
6 for disaster relief to be used in a State or federally declared  
7 disaster area in Illinois or bordering Illinois by a  
8 manufacturer or retailer that is registered in this State to a  
9 corporation, society, association, foundation, or institution  
10 that has been issued a sales tax exemption identification  
11 number by the Department that assists victims of the disaster  
12 who reside within the declared disaster area.

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

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is  
2 used in the Wildlife Code. This paragraph is exempt from the  
3 provisions of Section 3-90.

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

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

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

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

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

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

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

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

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

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

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

1 corporation that holds a valid water supply permit issued  
2 under Title IV of the Environmental Protection Act. This  
3 paragraph is exempt from the provisions of Section 3-90.

4 (35) Beginning January 1, 2010 and continuing through  
5 December 31, 2029, materials, parts, equipment, components,  
6 and furnishings incorporated into or upon an aircraft as part  
7 of the modification, refurbishment, completion, replacement,  
8 repair, or maintenance of the aircraft. This exemption  
9 includes consumable supplies used in the modification,  
10 refurbishment, completion, replacement, repair, and  
11 maintenance of aircraft. However, until January 1, 2024, this  
12 exemption excludes any materials, parts, equipment,  
13 components, and consumable supplies used in the modification,  
14 replacement, repair, and maintenance of aircraft engines or  
15 power plants, whether such engines or power plants are  
16 installed or uninstalled upon any such aircraft. "Consumable  
17 supplies" include, but are not limited to, adhesive, tape,  
18 sandpaper, general purpose lubricants, cleaning solution,  
19 latex gloves, and protective films.

20 Beginning January 1, 2010 and continuing through December  
21 31, 2023, this exemption applies only to the use of qualifying  
22 tangible personal property by persons who modify, refurbish,  
23 complete, repair, replace, or maintain aircraft and who (i)  
24 hold an Air Agency Certificate and are empowered to operate an  
25 approved repair station by the Federal Aviation  
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation  
2 Regulations. From January 1, 2024 through December 31, 2029,  
3 this exemption applies only to the use of qualifying tangible  
4 personal property by: (A) persons who modify, refurbish,  
5 complete, repair, replace, or maintain aircraft and who (i)  
6 hold an Air Agency Certificate and are empowered to operate an  
7 approved repair station by the Federal Aviation  
8 Administration, (ii) have a Class IV Rating, and (iii) conduct  
9 operations in accordance with Part 145 of the Federal Aviation  
10 Regulations; and (B) persons who engage in the modification,  
11 replacement, repair, and maintenance of aircraft engines or  
12 power plants without regard to whether or not those persons  
13 meet the qualifications of item (A).

14 The exemption does not include aircraft operated by a  
15 commercial air carrier providing scheduled passenger air  
16 service pursuant to authority issued under Part 121 or Part  
17 129 of the Federal Aviation Regulations. The changes made to  
18 this paragraph (35) by Public Act 98-534 are declarative of  
19 existing law. It is the intent of the General Assembly that the  
20 exemption under this paragraph (35) applies continuously from  
21 January 1, 2010 through December 31, 2024; however, no claim  
22 for credit or refund is allowed for taxes paid as a result of  
23 the disallowance of this exemption on or after January 1, 2015  
24 and prior to February 5, 2020 (the effective date of Public Act  
25 101-629).

26 (36) Tangible personal property purchased by a

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

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

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

25 (39) Tangible personal property purchased by a purchaser  
26 who is exempt from the tax imposed by this Act by operation of

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

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

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

22 For the purposes of this item (40):

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

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

1 Commerce and Economic Opportunity.

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

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

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

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

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

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

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

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

24 (43) Beginning on January 1, 2024, tangible personal  
25 property purchased by an active duty member of the armed  
26 forces of the United States who presents valid military



1 identification and purchases the property using a form of  
2 payment where the federal government is the payor. The member  
3 of the armed forces must complete, at the point of sale, a form  
4 prescribed by the Department of Revenue documenting that the  
5 transaction is eligible for the exemption under this  
6 paragraph. Retailers must keep the form as documentation of  
7 the exemption in their records for a period of not less than 6  
8 years. "Armed forces of the United States" means the United  
9 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
10 This paragraph is exempt from the provisions of Section 3-90.

11 (44) Beginning on January 1, 2025, medical appliances and  
12 products that are classified as Class III medical devices by  
13 the United States Food and Drug Administration and that are  
14 used for cancer treatment pursuant to a prescription, as well  
15 as any accessories and components related to those appliances  
16 and devices. As used in this paragraph, "medical appliance"  
17 means a product that was classified as a medical appliance and  
18 was subject to a 1% rate of tax immediately prior to the  
19 effective date of this amendatory Act of the 103rd General  
20 Assembly, including, but not limited to, devices used to treat  
21 amyotrophic lateral sclerosis, as well as other items as  
22 determined by the Department by rule. This paragraph is exempt  
23 from the provisions of Section 3-90.

24 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
25 Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,  
26 eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,

1 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,  
2 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
3 revised 12-12-23.)

4 (35 ILCS 105/3-10)

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

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

5           Beginning on August 6, 2010 through August 15, 2010, and  
6 beginning again on August 5, 2022 through August 14, 2022,  
7 with respect to sales tax holiday items as defined in Section  
8 3-6 of this Act, the tax is imposed at the rate of 1.25%.

9           With respect to gasohol, the tax imposed by this Act  
10 applies to (i) 70% of the proceeds of sales made on or after  
11 January 1, 1990, and before July 1, 2003, (ii) 80% of the  
12 proceeds of sales made on or after July 1, 2003 and on or  
13 before July 1, 2017, (iii) 100% of the proceeds of sales made  
14 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
15 the proceeds of sales made on or after January 1, 2024 and on  
16 or before December 31, 2028, and (v) 100% of the proceeds of  
17 sales made after December 31, 2028. If, at any time, however,  
18 the tax under this Act on sales of gasohol is imposed at the  
19 rate of 1.25%, then the tax imposed by this Act applies to 100%  
20 of the proceeds of sales of gasohol made during that time.

21           With respect to mid-range ethanol blends, the tax imposed  
22 by this Act applies to (i) 80% of the proceeds of sales made on  
23 or after January 1, 2024 and on or before December 31, 2028 and  
24 (ii) 100% of the proceeds of sales made thereafter. If, at any  
25 time, however, the tax under this Act on sales of mid-range  
26 ethanol blends is imposed at the rate of 1.25%, then the tax

1 imposed by this Act applies to 100% of the proceeds of sales of  
2 mid-range ethanol blends made during that time.

3 With respect to majority blended ethanol fuel, the tax  
4 imposed by this Act does not apply to the proceeds of sales  
5 made on or after July 1, 2003 and on or before December 31,  
6 2028 but applies to 100% of the proceeds of sales made  
7 thereafter.

8 With respect to biodiesel blends with no less than 1% and  
9 no more than 10% biodiesel, the tax imposed by this Act applies  
10 to (i) 80% of the proceeds of sales made on or after July 1,  
11 2003 and on or before December 31, 2018 and (ii) 100% of the  
12 proceeds of sales made after December 31, 2018 and before  
13 January 1, 2024. On and after January 1, 2024 and on or before  
14 December 31, 2030, the taxation of biodiesel, renewable  
15 diesel, and biodiesel blends shall be as provided in Section  
16 3-5.1. If, at any time, however, the tax under this Act on  
17 sales of biodiesel blends with no less than 1% and no more than  
18 10% biodiesel is imposed at the rate of 1.25%, then the tax  
19 imposed by this Act applies to 100% of the proceeds of sales of  
20 biodiesel blends with no less than 1% and no more than 10%  
21 biodiesel made during that time.

22 With respect to biodiesel and biodiesel blends with more  
23 than 10% but no more than 99% biodiesel, the tax imposed by  
24 this Act does not apply to the proceeds of sales made on or  
25 after July 1, 2003 and on or before December 31, 2023. On and  
26 after January 1, 2024 and on or before December 31, 2030, the

1 taxation of biodiesel, renewable diesel, and biodiesel blends  
2 shall be as provided in Section 3-5.1.

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

15       With respect to prescription and nonprescription  
16 medicines, drugs, ~~medical appliances, products classified as~~  
17 ~~Class III medical devices by the United States Food and Drug~~  
18 ~~Administration that are used for cancer treatment pursuant to~~  
19 ~~a prescription, as well as any accessories and components~~  
20 ~~related to those devices,~~ modifications to a motor vehicle for  
21 the purpose of rendering it usable by a person with a  
22 disability, and insulin, blood sugar testing materials,  
23 syringes, and needles used by human diabetics (except to the  
24 extent that those items are exempt by the Department under  
25 paragraph (44) of Section 3-5), the tax is imposed at the rate  
26 of 1%. For the purposes of this Section, until September 1,

1 2009: the term "soft drinks" means any complete, finished,  
2 ready-to-use, non-alcoholic drink, whether carbonated or not,  
3 including, but not limited to, soda water, cola, fruit juice,  
4 vegetable juice, carbonated water, and all other preparations  
5 commonly known as soft drinks of whatever kind or description  
6 that are contained in any closed or sealed bottle, can,  
7 carton, or container, regardless of size; but "soft drinks"  
8 does not include coffee, tea, non-carbonated water, infant  
9 formula, milk or milk products as defined in the Grade A  
10 Pasteurized Milk and Milk Products Act, or drinks containing  
11 50% or more natural fruit or vegetable juice.

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

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

1 through a vending machine, except soft drinks, candy, and food  
2 products that are dispensed hot from a vending machine,  
3 regardless of the location of the vending machine.

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

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

26 (A) a "Drug Facts" panel; or

1 (B) a statement of the "active ingredient(s)" with a  
2 list of those ingredients contained in the compound,  
3 substance or preparation.

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

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

14 If the property that is purchased at retail from a  
15 retailer is acquired outside Illinois and used outside  
16 Illinois before being brought to Illinois for use here and is  
17 taxable under this Act, the "selling price" on which the tax is  
18 computed shall be reduced by an amount that represents a  
19 reasonable allowance for depreciation for the period of prior  
20 out-of-state use.

21 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
22 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section  
23 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.  
24 4-19-22; 103-9, eff. 6-7-23; 103-154 eff. 6-30-23.)

25 Section 10. The Service Use Tax Act is amended by changing



1 Sections 3-5 and 3-10 as follows:

2 (35 ILCS 110/3-5)

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

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

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

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

1 effective date of Public Act 92-35), however, an entity  
2 otherwise eligible for this exemption shall not make tax-free  
3 purchases unless it has an active identification number issued  
4 by the Department.

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

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

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

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

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

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

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

1 computer-assisted operation of production agriculture  
2 facilities, equipment, and activities such as, but not limited  
3 to, the collection, monitoring, and correlation of animal and  
4 crop data for the purpose of formulating animal diets and  
5 agricultural chemicals.

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

9 This item (7) is exempt from the provisions of Section  
10 3-75.

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

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

1 that aircraft.

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

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

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

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

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

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

1           (15) Computers and communications equipment utilized for  
2 any hospital purpose and equipment used in the diagnosis,  
3 analysis, or treatment of hospital patients purchased by a  
4 lessor who leases the equipment, under a lease of one year or  
5 longer executed or in effect at the time the lessor would  
6 otherwise be subject to the tax imposed by this Act, to a  
7 hospital that has been issued an active tax exemption  
8 identification number by the Department under Section 1g of  
9 the Retailers' Occupation Tax Act. If the equipment is leased  
10 in a manner that does not qualify for this exemption or is used  
11 in any other non-exempt manner, the lessor shall be liable for  
12 the tax imposed under this Act or the 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 Use Tax Act, as the case may be, if the tax has not  
18 been paid by the lessor. If a lessor improperly collects any  
19 such amount from the lessee, the lessee shall have a legal  
20 right to claim a refund of that amount from the lessor. If,  
21 however, that amount is not refunded to the lessee for any  
22 reason, the lessor is liable to pay that amount to the  
23 Department.

24           (16) Personal property purchased by a lessor who leases  
25 the property, under a lease of one year or longer executed or  
26 in effect at the time the lessor would otherwise be subject to

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

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



1 who reside within the declared disaster area.

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

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

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

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

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

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

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

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

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

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

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

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

18 (26) 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 3-75.

25 (27) Beginning January 1, 2010 and continuing through  
26 December 31, 2029, 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. However, until January 1, 2024, this  
7 exemption excludes any materials, parts, equipment,  
8 components, and consumable supplies used in the modification,  
9 replacement, repair, and maintenance of aircraft engines or  
10 power plants, whether such engines or power plants are  
11 installed or uninstalled upon any such aircraft. "Consumable  
12 supplies" include, but are not limited to, adhesive, tape,  
13 sandpaper, general purpose lubricants, cleaning solution,  
14 latex gloves, and protective films.

15 Beginning January 1, 2010 and continuing through December  
16 31, 2023, this exemption applies only to the use of qualifying  
17 tangible personal property transferred incident to the  
18 modification, refurbishment, completion, replacement, repair,  
19 or maintenance of aircraft by persons who (i) hold an Air  
20 Agency Certificate and are empowered to operate an approved  
21 repair station by the Federal Aviation Administration, (ii)  
22 have a Class IV Rating, and (iii) conduct operations in  
23 accordance with Part 145 of the Federal Aviation Regulations.  
24 From January 1, 2024 through December 31, 2029, this exemption  
25 applies only to the use of qualifying tangible personal  
26 property by: (A) persons who modify, refurbish, complete,

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

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

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

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

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

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

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



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

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

10 For the purposes of this item (31):

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

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

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

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

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

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

1 device and is packaged and sold with the pump device at the  
2 time of sale.

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

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

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

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

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

12 (34) Beginning on January 1, 2024, tangible personal  
13 property purchased by an active duty member of the armed  
14 forces of the United States who presents valid military  
15 identification and purchases the property using a form of  
16 payment where the federal government is the payor. The member  
17 of the armed forces must complete, at the point of sale, a form  
18 prescribed by the Department of Revenue documenting that the  
19 transaction is eligible for the exemption under this  
20 paragraph. Retailers must keep the form as documentation of  
21 the exemption in their records for a period of not less than 6  
22 years. "Armed forces of the United States" means the United  
23 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
24 This paragraph is exempt from the provisions of Section 3-75.

25 (35) Beginning on January 1, 2025, medical appliances and  
26 products that are classified as Class III medical devices by

1 the United States Food and Drug Administration and that are  
2 used for cancer treatment pursuant to a prescription, as well  
3 as any accessories and components related to those appliances  
4 and devices. As used in this paragraph, "medical appliance"  
5 means a product that was classified as a medical appliance and  
6 was subject to a 1% rate of tax immediately prior to the  
7 effective date of this amendatory Act of the 103rd General  
8 Assembly, including, but not limited to, devices used to treat  
9 amyotrophic lateral sclerosis, as well as other items as  
10 determined by the Department by rule. This paragraph is exempt  
11 from the provisions of Section 3-75.

12 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
13 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section  
14 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
15 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,  
16 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
17 revised 12-12-23.)

18 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

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

25 Beginning on July 1, 2000 and through December 31, 2000,

1 with respect to motor fuel, as defined in Section 1.1 of the  
2 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of  
3 the Use Tax Act, the tax is imposed at the rate of 1.25%.

4 With respect to gasohol, as defined in the Use Tax Act, the  
5 tax imposed by this Act applies to (i) 70% of the selling price  
6 of property transferred as an incident to the sale of service  
7 on or after January 1, 1990, and before July 1, 2003, (ii) 80%  
8 of the selling price of property transferred as an incident to  
9 the sale of service on or after July 1, 2003 and on or before  
10 July 1, 2017, (iii) 100% of the selling price of property  
11 transferred as an incident to the sale of service after July 1,  
12 2017 and before January 1, 2024, (iv) 90% of the selling price  
13 of property transferred as an incident to the sale of service  
14 on or after January 1, 2024 and on or before December 31, 2028,  
15 and (v) 100% of the selling price of property transferred as an  
16 incident to the sale of service after December 31, 2028. If, at  
17 any time, however, the tax under this Act on sales of gasohol,  
18 as defined in the Use Tax Act, is imposed at the rate of 1.25%,  
19 then the tax imposed by this Act applies to 100% of the  
20 proceeds of sales of gasohol made during that time.

21 With respect to mid-range ethanol blends, as defined in  
22 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
23 applies to (i) 80% of the selling price of property  
24 transferred as an incident to the sale of service on or after  
25 January 1, 2024 and on or before December 31, 2028 and (ii)  
26 100% of the selling price of property transferred as an

1 incident to the sale of service after December 31, 2028. If, at  
2 any time, however, the tax under this Act on sales of mid-range  
3 ethanol blends is imposed at the rate of 1.25%, then the tax  
4 imposed by this Act applies to 100% of the selling price of  
5 mid-range ethanol blends transferred as an incident to the  
6 sale of service during that time.

7 With respect to majority blended ethanol fuel, as defined  
8 in the Use Tax Act, the tax imposed by this Act does not apply  
9 to the selling price of property transferred as an incident to  
10 the sale of service on or after July 1, 2003 and on or before  
11 December 31, 2028 but applies to 100% of the selling price  
12 thereafter.

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

1 the proceeds of sales of biodiesel blends with no less than 1%  
2 and no more than 10% biodiesel made during that time.

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

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

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



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

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

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

5 The tax shall also be imposed at the rate of 1% on  
6 prescription and nonprescription medicines, drugs, ~~medical~~  
7 ~~appliances, products classified as Class III medical devices~~  
8 ~~by the United States Food and Drug Administration that are~~  
9 ~~used for cancer treatment pursuant to a prescription, as well~~  
10 ~~as any accessories and components related to those devices,~~  
11 modifications to a motor vehicle for the purpose of rendering  
12 it usable by a person with a disability, and insulin, blood  
13 sugar testing materials, syringes, and needles used by human  
14 diabetics (except to the extent that those items are exempt by  
15 the Department under paragraph (35) of Section 3-5). For the  
16 purposes of this Section, until September 1, 2009: the term  
17 "soft drinks" means any complete, finished, ready-to-use,  
18 non-alcoholic drink, whether carbonated or not, including, but  
19 not limited to, soda water, cola, fruit juice, vegetable  
20 juice, carbonated water, and all other preparations commonly  
21 known as soft drinks of whatever kind or description that are  
22 contained in any closed or sealed bottle, can, carton, or  
23 container, regardless of size; but "soft drinks" does not  
24 include coffee, tea, non-carbonated water, infant formula,  
25 milk or milk products as defined in the Grade A Pasteurized  
26 Milk and Milk Products Act, or drinks containing 50% or more

1 natural fruit or vegetable juice.

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

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

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

1 pieces. "Candy" does not include any preparation that contains  
2 flour or requires refrigeration.

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

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

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

25 As used in this Section, "adult use cannabis" means  
26 cannabis subject to tax under the Cannabis Cultivation

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

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

11 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;  
12 102-700, Article 20, Section 20-10, eff. 4-19-22; 102-700,  
13 Article 60, Section 60-20, eff. 4-19-22; 103-9, eff. 6-7-23;  
14 103-154, eff. 6-30-23.)

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

17 (35 ILCS 115/3-5)

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

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

1 property was not purchased by the enterprise for the purpose  
2 of resale by the enterprise.

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

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

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

25 (5) Until July 1, 2003 and beginning again on September 1,  
26 2004 through August 30, 2014, graphic arts machinery and

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

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

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

1 overwintering plants shall be considered farm machinery and  
2 equipment under this item (7). Agricultural chemical tender  
3 tanks and dry boxes shall include units sold separately from a  
4 motor vehicle required to be licensed and units sold mounted  
5 on a motor vehicle required to be licensed if the selling price  
6 of the tender is separately 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 not  
10 limited to, tractors, harvesters, sprayers, planters, seeders,  
11 or spreaders. Precision farming equipment includes, but is not  
12 limited to, soil testing sensors, computers, monitors,  
13 software, global positioning and mapping systems, and other  
14 such equipment.

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

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

25 This item (7) is exempt from the provisions of Section  
26 3-55.



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

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

18           (9) Proceeds of mandatory service charges separately  
19 stated on customers' bills for the 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 directly  
23 in preparing, serving, hosting or cleaning up the food or  
24 beverage function with respect to which the service charge is  
25 imposed.

26           (10) Until July 1, 2003, oil field exploration, drilling,

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

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

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

26 (13) Beginning January 1, 1992 and through June 30, 2016,

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

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

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

1 95-88).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 corporation that holds a valid water supply permit issued  
2 under Title IV of the Environmental Protection Act. This  
3 paragraph is exempt from the provisions of Section 3-55.

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

19 (29) Beginning January 1, 2010 and continuing through  
20 December 31, 2029, materials, parts, equipment, components,  
21 and furnishings incorporated into or upon an aircraft as part  
22 of the modification, refurbishment, completion, replacement,  
23 repair, or maintenance of the aircraft. This exemption  
24 includes consumable supplies used in the modification,  
25 refurbishment, completion, replacement, repair, and  
26 maintenance of aircraft. However, until January 1, 2024, this

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

9 Beginning January 1, 2010 and continuing through December  
10 31, 2023, this exemption applies only to the transfer of  
11 qualifying tangible personal property incident to the  
12 modification, refurbishment, completion, replacement, repair,  
13 or maintenance of an aircraft by persons who (i) hold an Air  
14 Agency Certificate and are empowered to operate an approved  
15 repair station by the Federal Aviation Administration, (ii)  
16 have a Class IV Rating, and (iii) conduct operations in  
17 accordance with Part 145 of the Federal Aviation Regulations.  
18 The exemption does not include aircraft operated by a  
19 commercial air carrier providing scheduled passenger air  
20 service pursuant to authority issued under Part 121 or Part  
21 129 of the Federal Aviation Regulations. From January 1, 2024  
22 through December 31, 2029, this exemption applies only to the  
23 use of qualifying tangible personal property by: (A) persons  
24 who modify, refurbish, complete, repair, replace, or maintain  
25 aircraft and who (i) hold an Air Agency Certificate and are  
26 empowered to operate an approved repair station by the Federal

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

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

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

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

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

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

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

13 For the purposes of this item (32):

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

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

1 systems; cooling systems and towers; temperature control  
2 systems; other cabling; and other data center  
3 infrastructure equipment and systems necessary to operate  
4 qualified tangible personal property, including fixtures;  
5 and component parts of any of the foregoing, including  
6 installation, maintenance, repair, refurbishment, and  
7 replacement of qualified tangible personal property to  
8 generate, transform, transmit, distribute, or manage  
9 electricity necessary to operate qualified tangible  
10 personal property; and all other tangible personal  
11 property that is essential to the operations of a computer  
12 data center. The term "qualified tangible personal  
13 property" also includes building materials physically  
14 incorporated into ~~in to~~ 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 (32) is exempt from the provisions of Section  
20 3-55.

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

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

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

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

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

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

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

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

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

15          (35) Beginning on January 1, 2024, tangible personal  
16          property purchased by an active duty member of the armed  
17          forces of the United States who presents valid military  
18          identification and purchases the property using a form of  
19          payment where the federal government is the payor. The member  
20          of the armed forces must complete, at the point of sale, a form  
21          prescribed by the Department of Revenue documenting that the  
22          transaction is eligible for the exemption under this  
23          paragraph. Retailers must keep the form as documentation of  
24          the exemption in their records for a period of not less than 6  
25          years. "Armed forces of the United States" means the United  
26          States Army, Navy, Air Force, Marine Corps, or Coast Guard.

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

2 (36) Beginning on January 1, 2025, medical appliances and  
3 products that are classified as Class III medical devices by  
4 the United States Food and Drug Administration and that are  
5 used for cancer treatment pursuant to a prescription, as well  
6 as any accessories and components related to those appliances  
7 and devices. As used in this paragraph, "medical appliance"  
8 means a product that was classified as a medical appliance and  
9 was subject to a 1% rate of tax immediately prior to the  
10 effective date of this amendatory Act of the 103rd General  
11 Assembly, including, but not limited to, devices used to treat  
12 amyotrophic lateral sclerosis, as well as other items as  
13 determined by the Department by rule. This paragraph is exempt  
14 from the provisions of Section 3-55.

15 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
16 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section  
17 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
18 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,  
19 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
20 revised 12-12-23.)

21 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

22 Sec. 3-10. Rate of tax. Unless otherwise provided in this  
23 Section, the tax imposed by this Act is at the rate of 6.25% of  
24 the "selling price", as defined in Section 2 of the Service Use  
25 Tax Act, of the tangible personal property. For the purpose of



1 computing this tax, in no event shall the "selling price" be  
2 less than the cost price to the serviceman of the tangible  
3 personal property transferred. The selling price of each item  
4 of tangible personal property transferred as an incident of a  
5 sale of service may be shown as a distinct and separate item on  
6 the serviceman's billing to the service customer. If the  
7 selling price is not so shown, the selling price of the  
8 tangible personal property is deemed to be 50% of the  
9 serviceman's entire billing to the service customer. When,  
10 however, a serviceman contracts to design, develop, and  
11 produce special order machinery or equipment, the tax imposed  
12 by this Act shall be based on the serviceman's cost price of  
13 the tangible personal property transferred incident to the  
14 completion of the contract.

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

19 With respect to gasohol, as defined in the Use Tax Act, the  
20 tax imposed by this Act shall apply to (i) 70% of the cost  
21 price of property transferred as an incident to the sale of  
22 service on or after January 1, 1990, and before July 1, 2003,  
23 (ii) 80% of the selling price of property transferred as an  
24 incident to the sale of service on or after July 1, 2003 and on  
25 or before July 1, 2017, (iii) 100% of the selling price of  
26 property transferred as an incident to the sale of service

1 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of  
2 the selling price of property transferred as an incident to  
3 the sale of service on or after January 1, 2024 and on or  
4 before December 31, 2028, and (v) 100% of the selling price of  
5 property transferred as an incident to the sale of service  
6 after December 31, 2028. If, at any time, however, the tax  
7 under this Act on sales of gasohol, as defined in the Use Tax  
8 Act, is imposed at the rate of 1.25%, then the tax imposed by  
9 this Act applies to 100% of the proceeds of sales of gasohol  
10 made during that time.

11 With respect to mid-range ethanol blends, as defined in  
12 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
13 applies to (i) 80% of the selling price of property  
14 transferred as an incident to the sale of service on or after  
15 January 1, 2024 and on or before December 31, 2028 and (ii)  
16 100% of the selling price of property transferred as an  
17 incident to the sale of service after December 31, 2028. If, at  
18 any time, however, the tax under this Act on sales of mid-range  
19 ethanol blends is imposed at the rate of 1.25%, then the tax  
20 imposed by this Act applies to 100% of the selling price of  
21 mid-range ethanol blends transferred as an incident to the  
22 sale of service during that time.

23 With respect to majority blended ethanol fuel, as defined  
24 in the Use Tax Act, the tax imposed by this Act does not apply  
25 to the selling price of property transferred as an incident to  
26 the sale of service on or after July 1, 2003 and on or before

1 December 31, 2028 but applies to 100% of the selling price  
2 thereafter.

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

19 With respect to biodiesel, as defined in the Use Tax Act,  
20 and biodiesel blends, as defined in the Use Tax Act, with more  
21 than 10% but no more than 99% biodiesel material, the tax  
22 imposed by this Act does not apply to the proceeds of the  
23 selling price of property transferred as an incident to the  
24 sale of service on or after July 1, 2003 and on or before  
25 December 31, 2023. On and after January 1, 2024 and on or  
26 before December 31, 2030, the taxation of biodiesel, renewable

1 diesel, and biodiesel blends shall be as provided in Section  
2 3-5.1 of the Use Tax Act.

3 At the election of any registered serviceman made for each  
4 fiscal year, sales of service in which the aggregate annual  
5 cost price of tangible personal property transferred as an  
6 incident to the sales of service is less than 35%, or 75% in  
7 the case of servicemen transferring prescription drugs or  
8 servicemen engaged in graphic arts production, of the  
9 aggregate annual total gross receipts from all sales of  
10 service, the tax imposed by this Act shall be based on the  
11 serviceman's cost price of the tangible personal property  
12 transferred incident to the sale of those services.

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

1 use cannabis, soft drinks, and food that has been prepared for  
2 immediate consumption and is not otherwise included in this  
3 paragraph).

4 Beginning on July 1, 2022 and until July 1, 2023, the tax  
5 shall be imposed at the rate of 0% on food prepared for  
6 immediate consumption and transferred incident to a sale of  
7 service subject to this Act or the Service Use Tax Act by an  
8 entity licensed under the Hospital Licensing Act, the Nursing  
9 Home Care Act, the Assisted Living and Shared Housing Act, the  
10 ID/DD Community Care Act, the MC/DD Act, the Specialized  
11 Mental Health Rehabilitation Act of 2013, or the Child Care  
12 Act of 1969, or an entity that holds a permit issued pursuant  
13 to the Life Care Facilities Act. Beginning July 1, 2022 and  
14 until July 1, 2023, the tax shall also be imposed at the rate  
15 of 0% on food for human consumption that is to be consumed off  
16 the premises where it is sold (other than alcoholic beverages,  
17 food consisting of or infused with adult use cannabis, soft  
18 drinks, and food that has been prepared for immediate  
19 consumption and is not otherwise included in this paragraph).

20 The tax shall also be imposed at the rate of 1% on  
21 prescription and nonprescription medicines, drugs, ~~medical~~  
22 ~~appliances, products classified as Class III medical devices~~  
23 ~~by the United States Food and Drug Administration that are~~  
24 ~~used for cancer treatment pursuant to a prescription,~~ as well  
25 as any accessories and components related to those devices,  
26 modifications to a motor vehicle for the purpose of rendering

1 it usable by a person with a disability, and insulin, blood  
2 sugar testing materials, syringes, and needles used by human  
3 diabetics (except to the extent that those items are exempt by  
4 the Department under paragraph (36) of Section 3-5). For the  
5 purposes of this Section, until September 1, 2009: the term  
6 "soft drinks" means any complete, finished, ready-to-use,  
7 non-alcoholic drink, whether carbonated or not, including, but  
8 not limited to, soda water, cola, fruit juice, vegetable  
9 juice, carbonated water, and all other preparations commonly  
10 known as soft drinks of whatever kind or description that are  
11 contained in any closed or sealed can, carton, or container,  
12 regardless of size; but "soft drinks" does not include coffee,  
13 tea, non-carbonated water, infant formula, milk or milk  
14 products as defined in the Grade A Pasteurized Milk and Milk  
15 Products Act, or drinks containing 50% or more natural fruit  
16 or vegetable juice.

17 Notwithstanding any other provisions of this Act,  
18 beginning September 1, 2009, "soft drinks" means non-alcoholic  
19 beverages that contain natural or artificial sweeteners. "Soft  
20 drinks" does not include beverages that contain milk or milk  
21 products, soy, rice or similar milk substitutes, or greater  
22 than 50% of vegetable or fruit juice by volume.

23 Until August 1, 2009, and notwithstanding any other  
24 provisions of this Act, "food for human consumption that is to  
25 be consumed off the premises where it is sold" includes all  
26 food sold through a vending machine, except soft drinks and

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

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

18 Notwithstanding any other provisions of this Act,  
19 beginning September 1, 2009, "nonprescription medicines and  
20 drugs" does not include grooming and hygiene products. For  
21 purposes of this Section, "grooming and hygiene products"  
22 includes, but is not limited to, soaps and cleaning solutions,  
23 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan  
24 lotions and screens, unless those products are available by  
25 prescription only, regardless of whether the products meet the  
26 definition of "over-the-counter-drugs". For the purposes of

1 this paragraph, "over-the-counter-drug" means a drug for human  
2 use that contains a label that identifies the product as a drug  
3 as required by 21 CFR 201.66. The "over-the-counter-drug"  
4 label includes:

5 (A) a "Drug Facts" panel; or

6 (B) a statement of the "active ingredient(s)" with a  
7 list of those ingredients contained in the compound,  
8 substance or preparation.

9 Beginning on January 1, 2014 (the effective date of Public  
10 Act 98-122), "prescription and nonprescription medicines and  
11 drugs" includes medical cannabis purchased from a registered  
12 dispensing organization under the Compassionate Use of Medical  
13 Cannabis Program Act.

14 As used in this Section, "adult use cannabis" means  
15 cannabis subject to tax under the Cannabis Cultivation  
16 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law  
17 and does not include cannabis subject to tax under the  
18 Compassionate Use of Medical Cannabis Program Act.

19 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;  
20 102-700, Article 20, Section 20-15, eff. 4-19-22; 102-700,  
21 Article 60, Section 60-25, eff. 4-19-22; 103-9, eff. 6-7-23;  
22 103-154, eff. 6-30-23.)

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



1 (35 ILCS 120/2-5)

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

5 (1) Farm chemicals.

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

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

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

16 Beginning on January 1, 2024, farm machinery and  
17 equipment also includes electrical power generation  
18 equipment used primarily for production agriculture.

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

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

1 or resale.

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

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

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

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

25 (8) Personal property sold to an Illinois county fair  
26 association for use in conducting, operating, or promoting

1 the county fair.

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

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

24 (11) Except as otherwise provided in this Section,  
25 personal property sold to a governmental body, to a  
26 corporation, society, association, foundation, or

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

14 (12) (Blank).

15 (12-5) On and after July 1, 2003 and through June 30,  
16 2004, motor vehicles of the second division with a gross  
17 vehicle weight in excess of 8,000 pounds that are subject  
18 to the commercial distribution fee imposed under Section  
19 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
20 2004 and through June 30, 2005, the use in this State of  
21 motor vehicles of the second division: (i) with a gross  
22 vehicle weight rating in excess of 8,000 pounds; (ii) that  
23 are subject to the commercial distribution fee imposed  
24 under Section 3-815.1 of the Illinois Vehicle Code; and  
25 (iii) that are primarily used for commercial purposes.  
26 Through June 30, 2005, this exemption applies to repair

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

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

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

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

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

25 (16) Tangible personal property sold to a purchaser if  
26 the purchaser is exempt from use tax by operation of

1 federal law. This paragraph is exempt from the provisions  
2 of Section 2-70.

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

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

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

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



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

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

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

24 Beginning July 1, 2013, fuel and petroleum products  
25 sold to or used by an air carrier, certified by the carrier  
26 to be used for consumption, shipment, or storage in the

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

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

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

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

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

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

1           require the removal of the vehicle from this state  
2           following the filing of an intent to title the vehicle in  
3           the purchaser's state of residence if the purchaser titles  
4           the vehicle in his or her state of residence within 30 days  
5           after the date of sale. The tax collected under this Act in  
6           accordance with this item (25-5) shall be proportionately  
7           distributed as if the tax were collected at the 6.25%  
8           general rate imposed under this Act.

9           (25-7) Beginning on July 1, 2007, no tax is imposed  
10          under this Act on the sale of an aircraft, as defined in  
11          Section 3 of the Illinois Aeronautics Act, if all of the  
12          following conditions are met:

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

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

22                 (3) the seller retains in his or her books and  
23                 records and provides to the Department a signed and  
24                 dated certification from the purchaser, on a form  
25                 prescribed by the Department, certifying that the  
26                 requirements of this item (25-7) are met. The

1 certificate must also include the name and address of  
2 the purchaser, the address of the location where the  
3 aircraft is to be titled or registered, the address of  
4 the primary physical location of the aircraft, and  
5 other information that the Department may reasonably  
6 require.

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

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

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

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

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

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

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

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

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

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

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

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

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

26          (33) A motor vehicle, as that term is defined in

1 Section 1-146 of the Illinois Vehicle Code, that is  
2 donated to a corporation, limited liability company,  
3 society, association, foundation, or institution that is  
4 determined by the Department to be organized and operated  
5 exclusively for educational purposes. For purposes of this  
6 exemption, "a corporation, limited liability company,  
7 society, association, foundation, or institution organized  
8 and operated exclusively for educational purposes" means  
9 all tax-supported public schools, private schools that  
10 offer systematic instruction in useful branches of  
11 learning by methods common to public schools and that  
12 compare favorably in their scope and intensity with the  
13 course of study presented in tax-supported schools, and  
14 vocational or technical schools or institutes organized  
15 and operated exclusively to provide a course of study of  
16 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 (34) Beginning January 1, 2000, personal property,  
21 including food, purchased through fundraising events for  
22 the benefit of a public or private elementary or secondary  
23 school, a group of those schools, or one or more school  
24 districts if the events are sponsored by an entity  
25 recognized by the school district that consists primarily  
26 of volunteers and includes parents and teachers of the



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

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

20 (35-5) Beginning August 23, 2001 and through June 30,  
21 2016, food for human consumption that is to be consumed  
22 off the premises where it is sold (other than alcoholic  
23 beverages, soft drinks, and food that has been prepared  
24 for immediate consumption) and prescription and  
25 nonprescription medicines, drugs, medical appliances, and  
26 insulin, urine testing materials, syringes, and needles

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

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

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

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

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

23 (39) Beginning January 1, 2008, tangible personal  
24 property used in the construction or maintenance of a  
25 community water supply, as defined under Section 3.145 of  
26 the Environmental Protection Act, that is operated by a

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

5 (40) Beginning January 1, 2010 and continuing through  
6 December 31, 2029, materials, parts, equipment,  
7 components, and furnishings incorporated into or upon an  
8 aircraft as part of the modification, refurbishment,  
9 completion, replacement, repair, or maintenance of the  
10 aircraft. This exemption includes consumable supplies used  
11 in the modification, refurbishment, completion,  
12 replacement, repair, and maintenance of aircraft. However,  
13 until January 1, 2024, this exemption excludes any  
14 materials, parts, equipment, components, and consumable  
15 supplies used in the modification, replacement, repair,  
16 and maintenance of aircraft engines or power plants,  
17 whether such engines or power plants are installed or  
18 uninstalled upon any such aircraft. "Consumable supplies"  
19 include, but are not limited to, adhesive, tape,  
20 sandpaper, general purpose lubricants, cleaning solution,  
21 latex gloves, and protective films.

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

1 are empowered to operate an approved repair station by the  
2 Federal Aviation Administration, (ii) have a Class IV  
3 Rating, and (iii) conduct operations in accordance with  
4 Part 145 of the Federal Aviation Regulations. The  
5 exemption does not include aircraft operated by a  
6 commercial air carrier providing scheduled passenger air  
7 service pursuant to authority issued under Part 121 or  
8 Part 129 of the Federal Aviation Regulations. From January  
9 1, 2024 through December 31, 2029, this exemption applies  
10 only to the use of qualifying tangible personal property  
11 by: (A) persons who modify, refurbish, complete, repair,  
12 replace, or maintain aircraft and who (i) hold an Air  
13 Agency Certificate and are empowered to operate an  
14 approved repair station by the Federal Aviation  
15 Administration, (ii) have a Class IV Rating, and (iii)  
16 conduct operations in accordance with Part 145 of the  
17 Federal Aviation Regulations; and (B) persons who engage  
18 in the modification, replacement, repair, and maintenance  
19 of aircraft engines or power plants without regard to  
20 whether or not those persons meet the qualifications of  
21 item (A).

22 The changes made to this paragraph (40) by Public Act  
23 98-534 are declarative of existing law. It is the intent  
24 of the General Assembly that the exemption under this  
25 paragraph (40) applies continuously from January 1, 2010  
26 through December 31, 2024; however, no claim for credit or

1 refund is allowed for taxes paid as a result of the  
2 disallowance of this exemption on or after January 1, 2015  
3 and prior to February 5, 2020 (the effective date of  
4 Public Act 101-629).

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

20 (42) Beginning January 1, 2017 and through December  
21 31, 2026, menstrual pads, tampons, and menstrual cups.

22 (43) Merchandise that is subject to the Rental  
23 Purchase Agreement Occupation and Use Tax. The purchaser  
24 must certify that the item is purchased to be rented  
25 subject to a rental-purchase ~~rental-purchase~~ agreement, as  
26 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement

1 Act, and provide proof of registration under the Rental  
2 Purchase Agreement Occupation and Use Tax Act. This  
3 paragraph is exempt from the provisions of Section 2-70.

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

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

25 For the purposes of this item (44):

26 "Data center" means a building or a series of

1 buildings rehabilitated or constructed to house  
2 working servers in one physical location or multiple  
3 sites within the State of Illinois.

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



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

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

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

25 (46) Beginning July 1, 2022, breast pumps, breast pump  
26 collection and storage supplies, and breast pump kits.

1 This item (46) is exempt from the provisions of Section  
2 2-70. As used in this item (46):

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

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

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

22 "Breast pump collection and storage supplies" does not  
23 include: (1) bottles and bottle caps not specific to the  
24 operation of the breast pump; (2) breast pump travel bags  
25 and other similar carrying accessories, including ice  
26 packs, labels, and other similar products; (3) breast pump

1 cleaning supplies; (4) nursing bras, bra pads, breast  
2 shells, and other similar products; and (5) creams,  
3 ointments, and other similar products that relieve  
4 breastfeeding-related symptoms or conditions of the  
5 breasts or nipples, unless sold as part of a breast pump  
6 kit that is pre-packaged by the breast pump manufacturer  
7 or distributor.

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

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

19 (48) Beginning on January 1, 2024, tangible personal  
20 property purchased by an active duty member of the armed  
21 forces of the United States who presents valid military  
22 identification and purchases the property using a form of  
23 payment where the federal government is the payor. The  
24 member of the armed forces must complete, at the point of  
25 sale, a form prescribed by the Department of Revenue  
26 documenting that the transaction is eligible for the

1 exemption under this paragraph. Retailers must keep the  
2 form as documentation of the exemption in their records  
3 for a period of not less than 6 years. "Armed forces of the  
4 United States" means the United States Army, Navy, Air  
5 Force, Marine Corps, or Coast Guard. This paragraph is  
6 exempt from the provisions of Section 2-70.

7 (49) Beginning on January 1, 2025, medical appliances  
8 and products that are classified as Class III medical  
9 devices by the United States Food and Drug Administration  
10 and that are used for cancer treatment pursuant to a  
11 prescription, as well as any accessories and components  
12 related to those appliances and devices. As used in this  
13 paragraph, "medical appliance" means a product that was  
14 classified as a medical appliance and was subject to a 1%  
15 rate of tax immediately prior to the effective date of  
16 this amendatory Act of the 103rd General Assembly,  
17 including, but not limited to, devices used to treat  
18 amyotrophic lateral sclerosis, as well as other items as  
19 determined by the Department by rule. This paragraph is  
20 exempt from the provisions of Section 2-70.

21 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;  
22 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,  
23 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.  
24 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section  
25 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.  
26 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised

1 12-12-23.)

2 (35 ILCS 120/2-10)

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

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

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

15 Within 14 days after July 1, 2000 (the effective date of  
16 Public Act 91-872), each retailer of motor fuel and gasohol  
17 shall cause the following notice to be posted in a prominently  
18 visible place on each retail dispensing device that is used to  
19 dispense motor fuel or gasohol in the State of Illinois: "As of  
20 July 1, 2000, the State of Illinois has eliminated the State's  
21 share of sales tax on motor fuel and gasohol through December  
22 31, 2000. The price on this pump should reflect the  
23 elimination of the tax." The notice shall be printed in bold  
24 print on a sign that is no smaller than 4 inches by 8 inches.  
25 The sign shall be clearly visible to customers. Any retailer

1 who fails to post or maintain a required sign through December  
2 31, 2000 is guilty of a petty offense for which the fine shall  
3 be \$500 per day per each retail premises where a violation  
4 occurs.

5 With respect to gasohol, as defined in the Use Tax Act, the  
6 tax imposed by this Act applies to (i) 70% of the proceeds of  
7 sales made on or after January 1, 1990, and before July 1,  
8 2003, (ii) 80% of the proceeds of sales made on or after July  
9 1, 2003 and on or before July 1, 2017, (iii) 100% of the  
10 proceeds of sales made after July 1, 2017 and prior to January  
11 1, 2024, (iv) 90% of the proceeds of sales made on or after  
12 January 1, 2024 and on or before December 31, 2028, and (v)  
13 100% of the proceeds of sales made after December 31, 2028. If,  
14 at any time, however, the tax under this Act on sales of  
15 gasohol, as defined in the Use Tax Act, is imposed at the rate  
16 of 1.25%, then the tax imposed by this Act applies to 100% of  
17 the proceeds of sales of gasohol made during that time.

18 With respect to mid-range ethanol blends, as defined in  
19 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act  
20 applies to (i) 80% of the proceeds of sales made on or after  
21 January 1, 2024 and on or before December 31, 2028 and (ii)  
22 100% of the proceeds of sales made after December 31, 2028. If,  
23 at any time, however, the tax under this Act on sales of  
24 mid-range ethanol blends is imposed at the rate of 1.25%, then  
25 the tax imposed by this Act applies to 100% of the proceeds of  
26 sales of mid-range ethanol blends made during that time.

1           With respect to majority blended ethanol fuel, as defined  
2 in the Use Tax Act, the tax imposed by this Act does not apply  
3 to the proceeds of sales made on or after July 1, 2003 and on  
4 or before December 31, 2028 but applies to 100% of the proceeds  
5 of sales made thereafter.

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

21           With respect to biodiesel, as defined in the Use Tax Act,  
22 and biodiesel blends, as defined in the Use Tax Act, with more  
23 than 10% but no more than 99% biodiesel, the tax imposed by  
24 this Act does not apply to the proceeds of sales made on or  
25 after July 1, 2003 and on or before December 31, 2023. On and  
26 after January 1, 2024 and on or before December 31, 2030, the

1 taxation of biodiesel, renewable diesel, and biodiesel blends  
2 shall be as provided in Section 3-5.1 of the Use Tax Act.

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

15       With respect to prescription and nonprescription  
16 medicines, drugs, ~~medical appliances, products classified as~~  
17 ~~Class III medical devices by the United States Food and Drug~~  
18 ~~Administration that are used for cancer treatment pursuant to~~  
19 ~~a prescription, as well as any accessories and components~~  
20 ~~related to those devices,~~ modifications to a motor vehicle for  
21 the purpose of rendering it usable by a person with a  
22 disability, and insulin, blood sugar testing materials,  
23 syringes, and needles used by human diabetics (except to the  
24 extent that those items are exempt by the Department under  
25 paragraph (49) of Section 2-5), the tax is imposed at the rate  
26 of 1%. For the purposes of this Section, until September 1,



1 2009: the term "soft drinks" means any complete, finished,  
2 ready-to-use, non-alcoholic drink, whether carbonated or not,  
3 including, but not limited to, soda water, cola, fruit juice,  
4 vegetable juice, carbonated water, and all other preparations  
5 commonly known as soft drinks of whatever kind or description  
6 that are contained in any closed or sealed bottle, can,  
7 carton, or container, regardless of size; but "soft drinks"  
8 does not include coffee, tea, non-carbonated water, infant  
9 formula, milk or milk products as defined in the Grade A  
10 Pasteurized Milk and Milk Products Act, or drinks containing  
11 50% or more natural fruit or vegetable juice.

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

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

1 through a vending machine, except soft drinks, candy, and food  
2 products that are dispensed hot from a vending machine,  
3 regardless of the location of the vending machine.

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

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

26 (A) a "Drug Facts" panel; or

1 (B) a statement of the "active ingredient(s)" with a  
2 list of those ingredients contained in the compound,  
3 substance or preparation.

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

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

14 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,  
15 Section 20-20, eff. 4-19-22; 102-700, Article 60, Section  
16 60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.  
17 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23.)

18 Section 99. Effective date. This Act takes effect January  
19 1, 2025.