



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5640

Introduced 2/9/2024, by Rep. Stephanie A. Kifowit

SYNOPSIS AS INTRODUCED:

See Index

Amends the Statute on Statutes. Provides that whenever there is a reference in any Act to "armed forces", "armed forces of the United States", "U.S. Armed Forces", "United States Armed Forces", or "uniformed services", these terms shall be construed to include the United States Space Force. Amends the Flag Display Act, the Secretary of State Merit Employment Code, the Veterans Preference Act, the Veterans Burial Places Act, and various other Acts. In all occurrences of the definition for "armed forces of the United States" and "member of the Armed Services or Reserve Forces of the United States" expands the list of armed forces branches to include the Space Force. Makes conforming changes in the definition of "veteran" under the Department of Commerce and Economic Opportunity Law, in the definition of "military service" under the Illinois Pension Code, and in a provision under the Veterans Burial Places Act that lists the various military branches that make up the Reserve Officers Training Corps. Makes other conforming changes.

LRB103 38934 KTG 69071 b

1 AN ACT concerning the United States Space Force.

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

4 Section 3. The Statute on Statutes is amended by adding
5 Section 1.45 as follows:

6 (5 ILCS 70/1.45 new)

7 Sec. 1.45. Reference to armed forces or uniformed
8 services. Whenever there is a reference in any Act to "armed
9 forces", "armed forces of the United States", "U.S. Armed
10 Forces", "United States Armed Forces", or "uniformed
11 services", these terms shall be construed to include the
12 United States Space Force.

13 Section 5. The Flag Display Act is amended by changing
14 Section 10 as follows:

15 (5 ILCS 465/10)

16 Sec. 10. Death of resident military member, law
17 enforcement officer, firefighter, or members of EMS crews.

18 (a) The Governor shall issue an official notice to fly the
19 following flags at half-staff upon the death of a resident of
20 this State killed (i) by hostile fire as a member of the United
21 States armed forces, (ii) in the line of duty as a law

1 enforcement officer, (iii) in the line of duty as a
2 firefighter, (iv) in the line of duty as a member of an
3 Emergency Medical Services (EMS) crew, or (v) during on duty
4 training for active military duty: the United States national
5 flag, the State flag of Illinois, and, in the case of the death
6 of the member of the United States armed forces, the
7 appropriate military flag as defined in subsection (b) of
8 Section 18.6 of the Condominium Property Act and the Honor and
9 Remember Flag designated under Section 16 of this Act. Upon
10 the Governor's notice, each person or entity required by this
11 Act to ensure the display of the United States national flag on
12 a flagstaff shall ensure that the flags described in the
13 notice are displayed at half-staff on the day designated for
14 the resident's funeral and the 2 days preceding that day.

15 (b) The Department of Veterans' Affairs shall notify the
16 Governor of the death by hostile fire of an Illinois resident
17 member of the United States armed forces. In lieu of notice
18 being provided by the Department of Veterans' Affairs, any
19 other State or Federal entity, agency, or person holding such
20 information may notify the Governor of the death by hostile
21 fire of an Illinois resident member of the United States armed
22 forces. If such notice is provided to the Governor by an
23 entity, agency, or person other than the Department of
24 Veterans' Affairs, then the obligation to notify the Governor
25 of an Illinois resident soldier's death under this subsection
26 (b) shall be considered fulfilled. The Illinois State Police

1 shall notify the Governor of the death in the line of duty of
2 an Illinois resident law enforcement officer. The Office of
3 the State Fire Marshal shall notify the Governor of the death
4 in the line of duty of an Illinois resident firefighter. The
5 Department of Public Health shall notify the Governor of the
6 death in the line of duty of an Illinois resident member of an
7 Emergency Medical Services (EMS) crew. Notice to the Governor
8 shall include at least the resident's name and Illinois
9 address, the date designated for the funeral, and the
10 circumstances of the death.

11 (c) For the purpose of this Section, the United States
12 armed forces includes: (i) the United States Army, Navy,
13 Marine Corps, Air Force, Space Force, and Coast Guard; (ii)
14 any reserve component of each of the forces listed in item (i);
15 and (iii) the National Guard.

16 (d) Nothing in this Section requires the removal or
17 relocation of any existing flags currently displayed in the
18 State. This Section does not apply to a State facility if the
19 requirements of this Section cannot be satisfied without a
20 physical modification to that facility.

21 (Source: P.A. 102-538, eff. 8-20-21; 103-409, eff. 1-1-24.)

22 Section 10. The Secretary of State Merit Employment Code
23 is amended by changing Section 10b.7 as follows:

24 (15 ILCS 310/10b.7) (from Ch. 124, par. 110b.7)

1 Sec. 10b.7. For the granting of appropriate preference in
2 entrance examinations to qualified persons who have been
3 members of the armed forces of the United States or to
4 qualified persons who, while citizens of the United States,
5 were members of the armed forces of allies of the United States
6 in time of hostilities with a foreign country, and to certain
7 other persons as set forth in this Section.

8 (a) As used in this Section:

9 (1) "Time of hostilities with a foreign country" means
10 any period of time in the past, present, or future during
11 which a declaration of war by the United States Congress
12 has been or is in effect or during which an emergency
13 condition has been or is in effect that is recognized by
14 the issuance of a Presidential proclamation or a
15 Presidential executive order and in which the armed forces
16 expeditionary medal or other campaign service medals are
17 awarded according to Presidential executive order.

18 (2) "Armed forces of the United States" means the
19 United States Army, Navy, Air Force, Space Force, Marine
20 Corps, Coast Guard. Service in the Merchant Marine that
21 constitutes active duty under Section 401 of federal
22 Public Law 95-202 shall also be considered service in the
23 Armed Forces of the United States for purposes of this
24 Section.

25 (b) The preference granted under this Section shall be in
26 the form of points added to the final grades of the persons if

1 they otherwise qualify and are entitled to appear on the list
2 of those eligible for appointments.

3 (c) A veteran is qualified for a preference of 10 points if
4 the veteran currently holds proof of a service connected
5 disability from the United States Department of Veterans
6 Affairs or an allied country or if the veteran is a recipient
7 of the Purple Heart.

8 (d) A veteran who has served during a time of hostilities
9 with a foreign country is qualified for a preference of 5
10 points if the veteran served under one or more of the following
11 conditions:

12 (1) The veteran served a total of at least 6 months, or

13 (2) The veteran served for the duration of hostilities
14 regardless of the length of engagement, or

15 (3) The veteran was discharged on the basis of
16 hardship, or

17 (4) The veteran was released from active duty because
18 of a service connected disability and was discharged under
19 honorable conditions.

20 (e) A person not eligible for a preference under
21 subsection (c) or (d) is qualified for a preference of 3 points
22 if the person has served in the armed forces of the United
23 States, the Illinois National Guard, or any reserve component
24 of the armed forces of the United States and the person: (1)
25 served for at least 6 months and has been discharged under
26 honorable conditions or (2) has been discharged on the ground

1 of hardship or (3) was released from active duty because of a
2 service connected disability. An active member of the National
3 Guard or a reserve component of the armed forces of the United
4 States is eligible for the preference if the member meets the
5 service requirements of this subsection (e).

6 (f) The rank order of persons entitled to a preference on
7 eligible lists shall be determined on the basis of their
8 augmented ratings. When the Director establishes eligible
9 lists on the basis of category ratings such as "superior",
10 "excellent", "well-qualified", and "qualified", the veteran
11 eligibles in each such category shall be preferred for
12 appointment before the non-veteran eligibles in the same
13 category.

14 (g) Employees in positions covered by jurisdiction B who,
15 while in good standing, leave to engage in military service
16 during a period of hostility, shall be given credit for
17 seniority purposes for time served in the armed forces.

18 (h) A surviving unremarried spouse of a veteran who
19 suffered a service connected death or the spouse of a veteran
20 who suffered a service connected disability that prevents the
21 veteran from qualifying for civil service employment shall be
22 entitled to the same preference to which the veteran would
23 have been entitled under this Section.

24 (i) A preference shall also be given to the following
25 individuals: 10 points for one parent of an unmarried veteran
26 who suffered a service connected death or a service connected

1 disability that prevents the veteran from qualifying for civil
2 service employment. The first parent to receive a civil
3 service appointment shall be the parent entitled to the
4 preference.

5 (Source: P.A. 87-796.)

6 Section 15. The Comptroller Merit Employment Code is
7 amended by changing Section 10b.7 as follows:

8 (15 ILCS 410/10b.7) (from Ch. 15, par. 432)

9 Sec. 10b.7. For the granting of appropriate preference in
10 entrance examinations to qualified veterans or persons who
11 have been members of the armed forces of the United States or
12 to qualified persons who, while citizens of the United States,
13 were members of the armed forces of allies of the United States
14 in time of hostilities with a foreign country, and to certain
15 other persons as set forth in this Section.

16 (a) As used in this Section:

17 (1) "Time of hostilities with a foreign country" means
18 any period of time in the past, present, or future during
19 which a declaration of war by the United States Congress
20 has been or is in effect or during which an emergency
21 condition has been or is in effect that is recognized by
22 the issuance of a Presidential proclamation or a
23 Presidential executive order and in which the armed forces
24 expeditionary medal or other campaign service medals are

1 awarded according to Presidential executive order.

2 (2) "Armed forces of the United States" means the
3 United States Army, Navy, Air Force, Space Force, Marine
4 Corps, Coast Guard. Service in the Merchant Marine that
5 constitutes active duty under Section 401 of federal
6 Public Law 95-202 shall also be considered service in the
7 Armed Forces of the United States for purposes of this
8 Section.

9 (3) "Veteran" means a person who has served as a member of
10 the armed forces of the United States, the Illinois National
11 Guard, or a reserve component of the armed forces of the United
12 States.

13 (b) The preference granted under this Section shall be in
14 the form of points added to the final grades of the persons if
15 they otherwise qualify and are entitled to appear on the list
16 of those eligible for appointments.

17 (c) A veteran is qualified for a preference of 10 points if
18 the veteran currently holds proof of a service connected
19 disability from the United States Department of Veterans
20 Affairs or an allied country or if the veteran is a recipient
21 of the Purple Heart.

22 (d) A veteran who has served during a time of hostilities
23 with a foreign country is qualified for a preference of 5
24 points if the veteran served under one or more of the following
25 conditions:

26 (1) The veteran served a total of at least 6 months, or

1 (2) The veteran served for the duration of hostilities
2 regardless of the length of engagement, or

3 (3) The veteran was discharged on the basis of
4 hardship, or

5 (4) The veteran was released from active duty because
6 of a service connected disability and was discharged under
7 honorable conditions.

8 (e) A person not eligible for a preference under
9 subsection (c) or (d) is qualified for a preference of 3 points
10 if the person has served in the armed forces of the United
11 States, the Illinois National Guard, or any reserve component
12 of the armed forces of the United States and the person: (1)
13 served for at least 6 months and has been discharged under
14 honorable conditions; (2) has been discharged on the ground of
15 hardship; (3) was released from active duty because of a
16 service connected disability; or (4) served a minimum of 4
17 years in the Illinois National Guard or reserve component of
18 the armed forces of the United States regardless of whether or
19 not the person was mobilized to active duty. An active member
20 of the National Guard or a reserve component of the armed
21 forces of the United States is eligible for the preference if
22 the member meets the service requirements of this subsection
23 (e).

24 (f) The rank order of persons entitled to a preference on
25 eligible lists shall be determined on the basis of their
26 augmented ratings. When the Director establishes eligible

1 lists on the basis of category ratings such as "superior",
2 "excellent", "well-qualified", and "qualified", the veteran
3 eligibles in each such category shall be preferred for
4 appointment before the non-veteran eligibles in the same
5 category.

6 (g) Employees in positions covered by jurisdiction B who,
7 while in good standing, leave to engage in military service
8 during a period of hostility, shall be given credit for
9 seniority purposes for time served in the armed forces.

10 (h) A surviving unremarried spouse of a veteran who
11 suffered a service connected death or the spouse of a veteran
12 who suffered a service connected disability that prevents the
13 veteran from qualifying for civil service employment shall be
14 entitled to the same preference to which the veteran would
15 have been entitled under this Section.

16 (i) A preference shall also be given to the following
17 individuals: 10 points for one parent of an unmarried veteran
18 who suffered a service connected death or a service connected
19 disability that prevents the veteran from qualifying for civil
20 service employment. The first parent to receive a civil
21 service appointment shall be the parent entitled to the
22 preference.

23 (Source: P.A. 100-763, eff. 8-10-18.)

24 Section 20. The State Treasurer Employment Code is amended
25 by changing Section 9b.5 as follows:

1 (15 ILCS 510/9b.5) (from Ch. 130, par. 109b.5)

2 Sec. 9b.5. For the granting of appropriate preference in
3 entrance examinations to qualified persons who have been
4 members of the armed forces of the United States or to
5 qualified persons who, while citizens of the United States,
6 were members of the armed forces of allies of the United States
7 in time of hostilities with a foreign country, and to certain
8 other persons as set forth in this Section.

9 (a) As used in this Section:

10 (1) "Time of hostilities with a foreign country" means
11 any period of time in the past, present, or future during
12 which a declaration of war by the United States Congress
13 has been or is in effect or during which an emergency
14 condition has been or is in effect that is recognized by
15 the issuance of a Presidential proclamation or a
16 Presidential executive order and in which the armed forces
17 expeditionary medal or other campaign service medals are
18 awarded according to Presidential executive order.

19 (2) "Armed forces of the United States" means the
20 United States Army, Navy, Air Force, Space Force, Marine
21 Corps, Coast Guard. Service in the Merchant Marine that
22 constitutes active duty under Section 401 of federal
23 Public Law 95-202 shall also be considered service in the
24 Armed Forces of the United States for purposes of this
25 Section.

1 (b) The preference granted under this Section shall be in
2 the form of points added to the final grades of the persons if
3 they otherwise qualify and are entitled to appear on the list
4 of those eligible for appointments.

5 (c) A veteran is qualified for a preference of 10 points if
6 the veteran currently holds proof of a service connected
7 disability from the United States Department of Veterans
8 Affairs or an allied country or if the veteran is a recipient
9 of the Purple Heart.

10 (d) A veteran who has served during a time of hostilities
11 with a foreign country is qualified for a preference of 5
12 points if the veteran served under one or more of the following
13 conditions:

14 (1) The veteran served a total of at least 6 months, or

15 (2) The veteran served for the duration of hostilities
16 regardless of the length of engagement, or

17 (3) The veteran was discharged on the basis of
18 hardship, or

19 (4) The veteran was released from active duty because
20 of a service connected disability and was discharged under
21 honorable conditions.

22 (e) A person not eligible for a preference under
23 subsection (c) or (d) is qualified for a preference of 3 points
24 if the person has served in the armed forces of the United
25 States, the Illinois National Guard, or any reserve component
26 of the armed forces of the United States if the person: (1)

1 served for at least 6 months and has been discharged under
2 honorable conditions or (2) has been discharged on the ground
3 of hardship or (3) was released from active duty because of a
4 service connected disability. An active member of the National
5 Guard or a reserve component of the armed forces of the United
6 States is eligible for the preference if the member meets the
7 service requirements of this subsection (e).

8 (f) The rank order of persons entitled to a preference on
9 eligible lists shall be determined on the basis of their
10 augmented ratings. When the Director establishes eligible
11 lists on the basis of category ratings such as "superior",
12 "excellent", "well-qualified", and "qualified", the veteran
13 eligibles in each such category shall be preferred for
14 appointment before the non-veteran eligibles in the same
15 category.

16 (g) Employees in positions covered by this Code who, while
17 in good standing, leave to engage in military service during a
18 period of hostility, shall be given credit for seniority
19 purposes for time served in the armed forces.

20 (h) A surviving unremarried spouse of a veteran who
21 suffered a service connected death or the spouse of a veteran
22 who suffered a service connected disability that prevents the
23 veteran from qualifying for civil service employment shall be
24 entitled to the same preference to which the veteran would
25 have been entitled under this Section.

26 (i) A preference shall also be given to the following

1 individuals: 10 points for one parent of an unmarried veteran
2 who suffered a service connected death or a service connected
3 disability that prevents the veteran from qualifying for civil
4 service employment. The first parent to receive a civil
5 service appointment shall be the parent entitled to the
6 preference.

7 (Source: P.A. 87-796.)

8 Section 25. The Personnel Code is amended by changing
9 Section 8b.7 as follows:

10 (20 ILCS 415/8b.7) (from Ch. 127, par. 63b108b.7)

11 Sec. 8b.7. Veteran preference. For the granting of
12 appropriate preference to qualified veterans, persons who have
13 been members of the armed forces of the United States or to
14 qualified persons who, while citizens of the United States,
15 were members of the armed forces of allies of the United States
16 in time of hostilities with a foreign country, and to certain
17 other persons as set forth in this Section.

18 (a) As used in this Section:

19 (1) "Time of hostilities with a foreign country" means
20 any period of time in the past, present, or future during
21 which a declaration of war by the United States Congress
22 has been or is in effect or during which an emergency
23 condition has been or is in effect that is recognized by
24 the issuance of a Presidential proclamation or a

1 Presidential executive order and in which the armed forces
2 expeditionary medal or other campaign service medals are
3 awarded according to Presidential executive order.

4 (2) "Armed forces of the United States" means the
5 United States Army, Navy, Air Force, Space Force, Marine
6 Corps, and Coast Guard. Service in the Merchant Marine
7 that constitutes active duty under Section 401 of federal
8 Public Law 95-202 shall also be considered service in the
9 Armed Forces of the United States for purposes of this
10 Section.

11 (3) "Veteran" means a member of the armed forces of
12 the United States, the Illinois National Guard, or a
13 reserve component of the armed forces of the United
14 States.

15 (b) The preference granted under this Section shall be in
16 the form of points, or the equivalent, added to the applicable
17 scores of the persons if they otherwise qualify and are
18 entitled to be considered for appointment.

19 (c) A veteran is qualified for a preference of 10 points if
20 the veteran currently holds proof of a service connected
21 disability from the United States Department of Veterans
22 Affairs or an allied country or if the veteran is a recipient
23 of the Purple Heart.

24 (d) A veteran who has served during a time of hostilities
25 with a foreign country is qualified for a preference of 5
26 points if the veteran served under one or more of the following

1 conditions:

2 (1) The veteran served a total of at least 6 months, or

3 (2) The veteran served for the duration of hostilities
4 regardless of the length of engagement, or

5 (3) The veteran was discharged on the basis of
6 hardship, or

7 (4) The veteran was released from active duty because
8 of a service connected disability and was discharged under
9 honorable conditions.

10 (e) A person not eligible for a preference under
11 subsection (c) or (d) is qualified for a preference of 3 points
12 if the person has served in the armed forces of the United
13 States, the Illinois National Guard, or any reserve component
14 of the armed forces of the United States if the person: (1)
15 served for at least 6 months and has been discharged under
16 honorable conditions; (2) has been discharged on the ground of
17 hardship; (3) was released from active duty because of a
18 service connected disability; or (4) served a minimum of 4
19 years in the Illinois National Guard or reserve component of
20 the armed forces of the United States regardless of whether or
21 not the person was mobilized to active duty. An active member
22 of the National Guard or a reserve component of the armed
23 forces of the United States is eligible for the preference if
24 the member meets the service requirements of this subsection
25 (e).

26 (f) The augmented ratings shall be used when determining

1 the rank order of persons to be appointed.

2 (g) Employees in positions covered by jurisdiction B who,
3 while in good standing, leave to engage in military service
4 during a period of hostility, shall be given credit for
5 seniority purposes for time served in the armed forces.

6 (h) A surviving unremarried spouse of a veteran who
7 suffered a service connected death or the spouse of a veteran
8 who suffered a service connected disability that prevents the
9 veteran from qualifying for civil service employment shall be
10 entitled to the same preference to which the veteran would
11 have been entitled under this Section.

12 (i) A preference shall also be given to the following
13 individuals: 10 points for one parent of an unmarried veteran
14 who suffered a service connected death or a service connected
15 disability that prevents the veteran from qualifying for civil
16 service employment. The first parent to receive a civil
17 service appointment shall be the parent entitled to the
18 preference.

19 (j) The Department of Central Management Services shall
20 adopt rules and implement procedures to verify that any person
21 seeking a preference under this Section is entitled to the
22 preference. A person seeking a preference under this Section
23 shall provide documentation or execute any consents or other
24 documents required by the Department of Central Management
25 Services or any other State department or agency to enable the
26 department or agency to verify that the person is entitled to

1 the preference.

2 (k) If an applicant claims to be a veteran, the Department
3 of Central Management Services must verify that status before
4 granting a veteran preference by requiring a certified copy of
5 the applicant's most recent DD214 (Certificate of Release or
6 Discharge from Active Duty), NGB-22 (Proof of National Guard
7 Service), or other evidence of the applicant's most recent
8 honorable discharge from the Armed Forces of the United States
9 that is determined to be acceptable by the Department of
10 Central Management Services.

11 (Source: P.A. 103-108, eff. 6-27-23.)

12 Section 30. The Department of Commerce and Economic
13 Opportunity Law of the Civil Administrative Code of Illinois
14 is amended by changing Section 605-503 as follows:

15 (20 ILCS 605/605-503)

16 Sec. 605-503. Entrepreneurship assistance centers.

17 (a) The Department shall establish and support, subject to
18 appropriation, entrepreneurship assistance centers, including
19 the issuance of grants, at career education agencies and
20 not-for-profit corporations, including, but not limited to,
21 local development corporations, chambers of commerce,
22 community-based business outreach centers, and other
23 community-based organizations. The purpose of the centers
24 shall be to train minority group members, women, individuals

1 with a disability, dislocated workers, veterans, and youth
2 entrepreneurs in the principles and practice of
3 entrepreneurship in order to prepare those persons to pursue
4 self-employment opportunities and to pursue a minority
5 business enterprise or a women-owned business enterprise. The
6 centers shall provide for training in all aspects of business
7 development and small business management as defined by the
8 Department.

9 (b) The Department shall establish criteria for selection
10 and designation of the centers which shall include, but not be
11 limited to:

12 (1) the level of support for the center from local
13 post-secondary education institutions, businesses, and
14 government;

15 (2) the level of financial assistance provided at the
16 local and federal level to support the operations of the
17 center;

18 (3) the applicant's understanding of program goals and
19 objectives articulated by the Department;

20 (4) the plans of the center to supplement State and
21 local funding through fees for services which may be based
22 on a sliding scale based on ability to pay;

23 (5) the need for and anticipated impact of the center
24 on the community in which it will function;

25 (6) the quality of the proposed work plan and staff of
26 the center; and

1 (7) the extent of economic distress in the area to be
2 served.

3 (c) Each center shall:

4 (1) be operated by a board of directors representing
5 community leaders in business, education, finance, and
6 government;

7 (2) be incorporated as a not-for-profit corporation;

8 (3) be located in an area accessible to eligible
9 clients;

10 (4) establish an advisory group of community business
11 experts, at least one-half of whom shall be representative
12 of the clientele to be served by the center, which shall
13 constitute a support network to provide counseling and
14 mentoring services to minority group members, women,
15 individuals with a disability, dislocated workers,
16 veterans, and youth entrepreneurs from the concept stage
17 of development through the first one to 2 years of
18 existence on a regular basis and as needed thereafter; and

19 (5) establish a referral system and linkages to
20 existing area small business assistance programs and
21 financing sources.

22 (d) Each entrepreneurship assistance center shall provide
23 needed services to eligible clients, including, but not
24 limited to: (i) orientation and screening of prospective
25 entrepreneurs; (ii) analysis of business concepts and
26 technical feasibility; (iii) market analysis; (iv) management

1 analysis and counseling; (v) business planning and financial
2 planning assistance; (vi) referrals to financial resources;
3 (vii) referrals to existing educational programs for training
4 in such areas as marketing, accounting, and other training
5 programs as may be necessary and available; and (viii)
6 referrals to business incubator facilities, when appropriate,
7 for the purpose of entering into agreements to access shared
8 support services.

9 (e) Applications for grants made under this Section shall
10 be made in the manner and on forms prescribed by the
11 Department. The application shall include, but shall not be
12 limited to:

13 (1) a description of the training programs available
14 within the geographic area to be served by the center to
15 which eligible clients may be referred;

16 (2) designation of a program director;

17 (3) plans for providing ongoing technical assistance
18 to program graduates, including linkages with providers of
19 other entrepreneurial assistance programs and with
20 providers of small business technical assistance and
21 services;

22 (4) a program budget, including matching funds,
23 in-kind and otherwise, to be provided by the applicant;
24 and

25 (5) any other requirements as deemed necessary by the
26 Department.

1 (f) Grants made under this Section shall be disbursed for
2 payment of the cost of services and expenses of the program
3 director, the instructors of the participating career
4 education agency or not-for-profit corporation, the faculty
5 and support personnel thereof, and any other person in the
6 service of providing instruction and counseling in furtherance
7 of the program.

8 (g) The Department shall monitor the performance of each
9 entrepreneurial assistance center and require quarterly
10 reports from each center at such time and in such a manner as
11 prescribed by the Department.

12 The Department shall also evaluate the entrepreneurial
13 assistance centers established under this Section and report
14 annually beginning on January 1, 2023, and on or before
15 January 1 of each year thereafter, the results of the
16 evaluation to the Governor and the General Assembly. The
17 report shall discuss the extent to which the centers serve
18 minority group members, women, individuals with a disability,
19 dislocated workers, veterans, and youth entrepreneurs; the
20 extent to which the training program is coordinated with other
21 assistance programs targeted to small and new businesses; the
22 ability of the program to leverage other sources of funding
23 and support; and the success of the program in aiding
24 entrepreneurs to start up new businesses, including the number
25 of new business start-ups resulting from the program. The
26 report shall recommend changes and improvements in the

1 training program and in the quality of supplemental technical
2 assistance offered to graduates of the training programs. The
3 report shall be made available to the public on the
4 Department's website. Between evaluation due dates, the
5 Department shall maintain the necessary records and data
6 required to satisfy the evaluation requirements.

7 (h) For purposes of this Section:

8 "Entrepreneurship assistance center" or "center" means the
9 business development centers or programs which provide
10 assistance to primarily minority group members, women,
11 individuals with a disability, dislocated workers, veterans,
12 and youth entrepreneurs under this Section.

13 "Disability" means, with respect to an individual: (i) a
14 physical or mental impairment that substantially limits one or
15 more of the major life activities of an individual; (ii) a
16 record of such an impairment; or (iii) being regarded as
17 having an impairment.

18 "Minority business enterprise" has the same meaning as
19 provided for "minority-owned business" under Section 2 of the
20 Business Enterprise for Minorities, Women, and Persons with
21 Disabilities Act.

22 "Minority group member" has the same meaning as provided
23 for "minority person" under Section 2 of the Business
24 Enterprise for Minorities, Women, and Persons with
25 Disabilities Act.

26 "Women-owned business enterprise" has the same meaning as

1 provided for "women-owned business" under Section 2 of the
2 Business Enterprise for Minorities, Women, and Persons with
3 Disabilities Act.

4 "Veteran" means a person who served in and who has
5 received an honorable or general discharge from, the United
6 States Army, Navy, Air Force, Space Force, Marines, Coast
7 Guard, or reserves thereof, or who served in the Army National
8 Guard, Air National Guard, or Illinois National Guard.

9 "Youth entrepreneur" means a person who is between the
10 ages of 16 and 29 years old and is seeking community support to
11 start a business in Illinois.

12 (Source: P.A. 102-272, eff. 1-1-22; 102-821, eff. 1-1-23;
13 103-154, eff. 6-30-23.)

14 Section 35. The Illinois Procurement Code is amended by
15 changing Section 45-57 as follows:

16 (30 ILCS 500/45-57)

17 Sec. 45-57. Veterans.

18 (a) Set-aside goal. It is the goal of the State to promote
19 and encourage the continued economic development of small
20 businesses owned and controlled by qualified veterans and that
21 qualified service-disabled veteran-owned small businesses
22 (referred to as SDVOSB) and veteran-owned small businesses
23 (referred to as VOSB) participate in the State's procurement
24 process as both prime contractors and subcontractors. Not less

1 than 3% of the total dollar amount of State contracts, as
2 defined by the Commission on Equity and Inclusion, shall be
3 established as a goal to be awarded to SDVOSB and VOSB. That
4 portion of a contract under which the contractor subcontracts
5 with a SDVOSB or VOSB may be counted toward the goal of this
6 subsection. The Commission on Equity and Inclusion shall adopt
7 rules to implement compliance with this subsection by all
8 State agencies.

9 (b) Fiscal year reports. By each November 1, each chief
10 procurement officer shall report to the Commission on Equity
11 and Inclusion on all of the following for the immediately
12 preceding fiscal year, and by each March 1 the Commission on
13 Equity and Inclusion shall compile and report that information
14 to the General Assembly:

15 (1) The total number of VOSB, and the number of
16 SDVOSB, who submitted bids for contracts under this Code.

17 (2) The total number of VOSB, and the number of
18 SDVOSB, who entered into contracts with the State under
19 this Code and the total value of those contracts.

20 (b-5) The Commission on Equity and Inclusion shall submit
21 an annual report to the Governor and the General Assembly that
22 shall include the following:

23 (1) a year-by-year comparison of the number of
24 certifications the State has issued to veteran-owned small
25 businesses and service-disabled veteran-owned small
26 businesses;

1 (2) the obstacles, if any, the Commission on Equity
2 and Inclusion faces when certifying veteran-owned
3 businesses and possible rules or changes to rules to
4 address those issues;

5 (3) a year-by-year comparison of awarded contracts to
6 certified veteran-owned small businesses and
7 service-disabled veteran-owned small businesses; and

8 (4) any other information that the Commission on
9 Equity and Inclusion deems necessary to assist
10 veteran-owned small businesses and service-disabled
11 veteran-owned small businesses to become certified with
12 the State.

13 The Commission on Equity and Inclusion shall conduct a
14 minimum of 2 outreach events per year to ensure that
15 veteran-owned small businesses and service-disabled
16 veteran-owned small businesses know about the procurement
17 opportunities and certification requirements with the State.
18 The Commission on Equity and Inclusion may receive
19 appropriations for outreach.

20 (c) Yearly review and recommendations. Each year, each
21 chief procurement officer shall review the progress of all
22 State agencies under its jurisdiction in meeting the goal
23 described in subsection (a), with input from statewide
24 veterans' service organizations and from the business
25 community, including businesses owned by qualified veterans,
26 and shall make recommendations to be included in the

1 Commission on Equity and Inclusion's report to the General
2 Assembly regarding continuation, increases, or decreases of
3 the percentage goal. The recommendations shall be based upon
4 the number of businesses that are owned by qualified veterans
5 and on the continued need to encourage and promote businesses
6 owned by qualified veterans.

7 (d) Governor's recommendations. To assist the State in
8 reaching the goal described in subsection (a), the Governor
9 shall recommend to the General Assembly changes in programs to
10 assist businesses owned by qualified veterans.

11 (e) Definitions. As used in this Section:

12 "Armed forces of the United States" means the United
13 States Army, Navy, Air Force, Space Force, Marine Corps, Coast
14 Guard, or service in active duty as defined under 38 U.S.C.
15 Section 101. Service in the Merchant Marine that constitutes
16 active duty under Section 401 of federal Public Act 95-202
17 shall also be considered service in the armed forces for
18 purposes of this Section.

19 "Certification" means a determination made by the Illinois
20 Department of Veterans' Affairs and the Commission on Equity
21 and Inclusion that a business entity is a qualified
22 service-disabled veteran-owned small business or a qualified
23 veteran-owned small business for whatever purpose. A SDVOSB or
24 VOSB owned and controlled by women, minorities, or persons
25 with disabilities, as those terms are defined in Section 2 of
26 the Business Enterprise for Minorities, Women, and Persons

1 with Disabilities Act, may also select and designate whether
2 that business is to be certified as a "women-owned business",
3 "minority-owned business", or "business owned by a person with
4 a disability", as defined in Section 2 of the Business
5 Enterprise for Minorities, Women, and Persons with
6 Disabilities Act.

7 "Control" means the exclusive, ultimate, majority, or sole
8 control of the business, including but not limited to capital
9 investment and all other financial matters, property,
10 acquisitions, contract negotiations, legal matters,
11 officer-director-employee selection and comprehensive hiring,
12 operation responsibilities, cost-control matters, income and
13 dividend matters, financial transactions, and rights of other
14 shareholders or joint partners. Control shall be real,
15 substantial, and continuing, not pro forma. Control shall
16 include the power to direct or cause the direction of the
17 management and policies of the business and to make the
18 day-to-day as well as major decisions in matters of policy,
19 management, and operations. Control shall be exemplified by
20 possessing the requisite knowledge and expertise to run the
21 particular business, and control shall not include simple
22 majority or absentee ownership.

23 "Qualified service-disabled veteran" means a veteran who
24 has been found to have 10% or more service-connected
25 disability by the United States Department of Veterans Affairs
26 or the United States Department of Defense.

1 "Qualified service-disabled veteran-owned small business"
2 or "SDVOSB" means a small business (i) that is at least 51%
3 owned by one or more qualified service-disabled veterans
4 living in Illinois or, in the case of a corporation, at least
5 51% of the stock of which is owned by one or more qualified
6 service-disabled veterans living in Illinois; (ii) that has
7 its home office in Illinois; and (iii) for which items (i) and
8 (ii) are factually verified annually by the Commission on
9 Equity and Inclusion.

10 "Qualified veteran-owned small business" or "VOSB" means a
11 small business (i) that is at least 51% owned by one or more
12 qualified veterans living in Illinois or, in the case of a
13 corporation, at least 51% of the stock of which is owned by one
14 or more qualified veterans living in Illinois; (ii) that has
15 its home office in Illinois; and (iii) for which items (i) and
16 (ii) are factually verified annually by the Commission on
17 Equity and Inclusion.

18 "Service-connected disability" means a disability incurred
19 in the line of duty in the active military, naval, or air
20 service as described in 38 U.S.C. 101(16).

21 "Small business" means a business that has annual gross
22 sales of less than \$150,000,000 as evidenced by the federal
23 income tax return of the business. A firm with gross sales in
24 excess of this cap may apply to the Commission on Equity and
25 Inclusion for certification for a particular contract if the
26 firm can demonstrate that the contract would have significant

1 impact on SDVOSB or VOSB as suppliers or subcontractors or in
2 employment of veterans or service-disabled veterans.

3 "State agency" has the meaning provided in Section
4 1-15.100 of this Code.

5 "Time of hostilities with a foreign country" means any
6 period of time in the past, present, or future during which a
7 declaration of war by the United States Congress has been or is
8 in effect or during which an emergency condition has been or is
9 in effect that is recognized by the issuance of a Presidential
10 proclamation or a Presidential executive order and in which
11 the armed forces expeditionary medal or other campaign service
12 medals are awarded according to Presidential executive order.

13 "Veteran" means a person who (i) has been a member of the
14 armed forces of the United States or, while a citizen of the
15 United States, was a member of the armed forces of allies of
16 the United States in time of hostilities with a foreign
17 country and (ii) has served under one or more of the following
18 conditions: (a) the veteran served a total of at least 6
19 months; (b) the veteran served for the duration of hostilities
20 regardless of the length of the engagement; (c) the veteran
21 was discharged on the basis of hardship; or (d) the veteran was
22 released from active duty because of a service connected
23 disability and was discharged under honorable conditions.

24 (f) Certification program. The Illinois Department of
25 Veterans' Affairs and the Commission on Equity and Inclusion
26 shall work together to devise a certification procedure to

1 assure that businesses taking advantage of this Section are
2 legitimately classified as qualified service-disabled
3 veteran-owned small businesses or qualified veteran-owned
4 small businesses.

5 The Commission on Equity and Inclusion shall:

6 (1) compile and maintain a comprehensive list of
7 certified veteran-owned small businesses and
8 service-disabled veteran-owned small businesses;

9 (2) assist veteran-owned small businesses and
10 service-disabled veteran-owned small businesses in
11 complying with the procedures for bidding on State
12 contracts;

13 (3) provide training for State agencies regarding the
14 goal setting process and compliance with veteran-owned
15 small business and service-disabled veteran-owned small
16 business goals; and

17 (4) implement and maintain an electronic portal on the
18 Commission on Equity and Inclusion's website for the
19 purpose of completing and submitting veteran-owned small
20 business and service-disabled veteran-owned small business
21 certificates.

22 The Commission on Equity and Inclusion, in consultation
23 with the Department of Veterans' Affairs, may develop programs
24 and agreements to encourage cities, counties, towns,
25 townships, and other certifying entities to adopt uniform
26 certification procedures and certification recognition

1 programs.

2 (f-5) A business shall be certified by the Commission on
3 Equity and Inclusion as a service-disabled veteran-owned small
4 business or a veteran-owned small business for purposes of
5 this Section if the Commission on Equity and Inclusion
6 determines that the business has been certified as a
7 service-disabled veteran-owned small business or a
8 veteran-owned small business by the Vets First Verification
9 Program of the United States Department of Veterans Affairs,
10 and the business has provided to the Commission on Equity and
11 Inclusion the following:

12 (1) documentation showing certification as a
13 service-disabled veteran-owned small business or a
14 veteran-owned small business by the Vets First
15 Verification Program of the United States Department of
16 Veterans Affairs;

17 (2) proof that the business has its home office in
18 Illinois; and

19 (3) proof that the qualified veterans or qualified
20 service-disabled veterans live in the State of Illinois.

21 The policies of the Commission on Equity and Inclusion
22 regarding recognition of the Vets First Verification Program
23 of the United States Department of Veterans Affairs shall be
24 reviewed annually by the Commission on Equity and Inclusion,
25 and recognition of service-disabled veteran-owned small
26 businesses and veteran-owned small businesses certified by the

1 Vets First Verification Program of the United States
2 Department of Veterans Affairs may be discontinued by the
3 Commission on Equity and Inclusion by rule upon a finding that
4 the certification standards of the Vets First Verification
5 Program of the United States Department of Veterans Affairs do
6 not meet the certification requirements established by the
7 Commission on Equity and Inclusion.

8 (g) Penalties.

9 (1) Administrative penalties. The chief procurement
10 officers appointed pursuant to Section 10-20 shall suspend
11 any person who commits a violation of Section 17-10.3 or
12 subsection (d) of Section 33E-6 of the Criminal Code of
13 2012 relating to this Section from bidding on, or
14 participating as a contractor, subcontractor, or supplier
15 in, any State contract or project for a period of not less
16 than 3 years, and, if the person is certified as a
17 service-disabled veteran-owned small business or a
18 veteran-owned small business, then the Commission on
19 Equity and Inclusion shall revoke the business's
20 certification for a period of not less than 3 years. An
21 additional or subsequent violation shall extend the
22 periods of suspension and revocation for a period of not
23 less than 5 years. The suspension and revocation shall
24 apply to the principals of the business and any subsequent
25 business formed or financed by, or affiliated with, those
26 principals.

1 (2) Reports of violations. Each State agency shall
2 report any alleged violation of Section 17-10.3 or
3 subsection (d) of Section 33E-6 of the Criminal Code of
4 2012 relating to this Section to the chief procurement
5 officers appointed pursuant to Section 10-20. The chief
6 procurement officers appointed pursuant to Section 10-20
7 shall subsequently report all such alleged violations to
8 the Attorney General, who shall determine whether to bring
9 a civil action against any person for the violation.

10 (3) List of suspended persons. The chief procurement
11 officers appointed pursuant to Section 10-20 shall monitor
12 the status of all reported violations of Section 17-10.3
13 or subsection (d) of Section 33E-6 of the Criminal Code of
14 1961 or the Criminal Code of 2012 relating to this Section
15 and shall maintain and make available to all State
16 agencies a central listing of all persons that committed
17 violations resulting in suspension.

18 (4) Use of suspended persons. During the period of a
19 person's suspension under paragraph (1) of this
20 subsection, a State agency shall not enter into any
21 contract with that person or with any contractor using the
22 services of that person as a subcontractor.

23 (5) Duty to check list. Each State agency shall check
24 the central listing provided by the chief procurement
25 officers appointed pursuant to Section 10-20 under
26 paragraph (3) of this subsection to verify that a person

1 being awarded a contract by that State agency, or to be
2 used as a subcontractor or supplier on a contract being
3 awarded by that State agency, is not under suspension
4 pursuant to paragraph (1) of this subsection.

5 (h) On and after the effective date of this amendatory Act
6 of the 102nd General Assembly, all powers, duties, rights, and
7 responsibilities of the Department of Central Management
8 Services with respect to the requirements of this Section are
9 transferred to the Commission on Equity and Inclusion.

10 All books, records, papers, documents, property (real and
11 personal), contracts, causes of action, and pending business
12 pertaining to the powers, duties, rights, and responsibilities
13 transferred by this amendatory Act from the Department of
14 Central Management Services to the Commission on Equity and
15 Inclusion, including, but not limited to, material in
16 electronic or magnetic format and necessary computer hardware
17 and software, shall be transferred to the Commission on Equity
18 and Inclusion.

19 The powers, duties, rights, and responsibilities
20 transferred from the Department of Central Management Services
21 by this amendatory Act shall be vested in and shall be
22 exercised by the Commission on Equity and Inclusion.

23 Whenever reports or notices are now required to be made or
24 given or papers or documents furnished or served by any person
25 to or upon the Department of Central Management Services in
26 connection with any of the powers, duties, rights, and

1 responsibilities transferred by this amendatory Act, the same
2 shall be made, given, furnished, or served in the same manner
3 to or upon the Commission on Equity and Inclusion.

4 This amendatory Act of the 102nd General Assembly does not
5 affect any act done, ratified, or canceled or any right
6 occurring or established or any action or proceeding had or
7 commenced in an administrative, civil, or criminal cause by
8 the Department of Central Management Services before this
9 amendatory Act takes effect; such actions or proceedings may
10 be prosecuted and continued by the Commission on Equity and
11 Inclusion.

12 Any rules of the Department of Central Management Services
13 that relate to its powers, duties, rights, and
14 responsibilities under this Section and are in full force on
15 the effective date of this amendatory Act of the 102nd General
16 Assembly shall become the rules of the Commission on Equity
17 and Inclusion. This amendatory Act does not affect the
18 legality of any such rules in the Illinois Administrative
19 Code. Any proposed rules filed with the Secretary of State by
20 the Department of Central Management Services that are pending
21 in the rulemaking process on the effective date of this
22 amendatory Act and pertain to the powers, duties, rights, and
23 responsibilities transferred, shall be deemed to have been
24 filed by the Commission on Equity and Inclusion. As soon as
25 practicable hereafter, the Commission on Equity and Inclusion
26 shall revise and clarify the rules transferred to it under

1 this amendatory Act to reflect the reorganization of powers,
2 duties, rights, and responsibilities affected by this
3 amendatory Act, using the procedures for recodification of
4 rules available under the Illinois Administrative Procedure
5 Act, except that existing title, part, and section numbering
6 for the affected rules may be retained. The Commission on
7 Equity and Inclusion may propose and adopt under the Illinois
8 Administrative Procedure Act such other rules of the
9 Department of Central Management Services that will now be
10 administered by the Commission on Equity and Inclusion.

11 (Source: P.A. 102-166, eff. 7-26-21; 102-671, eff. 11-30-21;
12 103-570, eff. 1-1-24.)

13 Section 40. The Use Tax Act is amended by changing Section
14 3-5 as follows:

15 (35 ILCS 105/3-5)

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

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

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

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

19 (4) Except as otherwise provided in this Act, personal
20 property purchased by a governmental body, by a corporation,
21 society, association, foundation, or institution organized and
22 operated exclusively for charitable, religious, or educational
23 purposes, or by a not-for-profit corporation, society,
24 association, foundation, institution, or organization that has
25 no compensated officers or employees and that is organized and
26 operated primarily for the recreation of persons 55 years of

1 age or older. A limited liability company may qualify for the
2 exemption under this paragraph only if the limited liability
3 company is organized and operated exclusively for educational
4 purposes. On and after July 1, 1987, however, no entity
5 otherwise eligible for this exemption shall make tax-free
6 purchases unless it has an active exemption identification
7 number issued by the Department.

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

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

24 (7) Farm chemicals.

25 (8) Legal tender, currency, medallions, or gold or silver
26 coinage issued by the State of Illinois, the government of the

1 United States of America, or the government of any foreign
2 country, and bullion.

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

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

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

1 of the tender is separately stated.

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

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

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

20 This item (11) is exempt from the provisions of Section
21 3-90.

22 (12) Until June 30, 2013, fuel and petroleum products sold
23 to or used by an air common carrier, certified by the carrier
24 to be used for consumption, shipment, or storage in the
25 conduct of its business as an air common carrier, for a flight
26 destined for or returning from a location or locations outside

1 the United States without regard to previous or subsequent
2 domestic stopovers.

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

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

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

1 exploration, drilling, and production equipment, and (vi)
2 machinery and equipment purchased for lease; but excluding
3 motor vehicles required to be registered under the Illinois
4 Vehicle Code.

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

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

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

1 (18) Manufacturing and assembling machinery and equipment
2 used primarily in the process of manufacturing or assembling
3 tangible personal property for wholesale or retail sale or
4 lease, whether that sale or lease is made directly by the
5 manufacturer or by some other person, whether the materials
6 used in the process are owned by the manufacturer or some other
7 person, or whether that sale or lease is made apart from or as
8 an incident to the seller's engaging in the service occupation
9 of producing machines, tools, dies, jigs, patterns, gauges, or
10 other similar items of no commercial value on special order
11 for a particular purchaser. The exemption provided by this
12 paragraph (18) includes production related tangible personal
13 property, as defined in Section 3-50, purchased on or after
14 July 1, 2019. The exemption provided by this paragraph (18)
15 does not include machinery and equipment used in (i) the
16 generation of electricity for wholesale or retail sale; (ii)
17 the generation or treatment of natural or artificial gas for
18 wholesale or retail sale that is delivered to customers
19 through pipes, pipelines, or mains; or (iii) the treatment of
20 water for wholesale or retail sale that is delivered to
21 customers through pipes, pipelines, or mains. The provisions
22 of Public Act 98-583 are declaratory of existing law as to the
23 meaning and scope of this exemption. Beginning on July 1,
24 2017, the exemption provided by this paragraph (18) includes,
25 but is not limited to, graphic arts machinery and equipment,
26 as defined in paragraph (6) of this Section.

1 (19) Personal property delivered to a purchaser or
2 purchaser's donee inside Illinois when the purchase order for
3 that personal property was received by a florist located
4 outside Illinois who has a florist located inside Illinois
5 deliver the personal property.

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

8 (21) Horses, or interests in horses, registered with and
9 meeting the requirements of any of the Arabian Horse Club
10 Registry of America, Appaloosa Horse Club, American Quarter
11 Horse Association, United States Trotting Association, or
12 Jockey Club, as appropriate, used for purposes of breeding or
13 racing for prizes. This item (21) is exempt from the
14 provisions of Section 3-90, and the exemption provided for
15 under this item (21) applies for all periods beginning May 30,
16 1995, but no claim for credit or refund is allowed on or after
17 January 1, 2008 for such taxes paid during the period
18 beginning May 30, 2000 and ending on January 1, 2008.

19 (22) Computers and communications equipment utilized for
20 any hospital purpose and equipment used in the diagnosis,
21 analysis, or treatment of hospital patients purchased by a
22 lessor who leases the equipment, under a lease of one year or
23 longer executed or in effect at the time the lessor would
24 otherwise be subject to the tax imposed by this Act, to a
25 hospital that has been issued an active tax exemption
26 identification number by the Department under Section 1g of

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

16 (23) Personal property purchased by a lessor who leases
17 the property, under a lease of one year or longer executed or
18 in effect at the time the lessor would otherwise be subject to
19 the tax imposed by this Act, to a governmental body that has
20 been issued an active sales tax exemption identification
21 number by the Department under Section 1g of the Retailers'
22 Occupation Tax Act. If the property is leased in a manner that
23 does not qualify for this exemption or used in any other
24 non-exempt manner, the lessor shall be liable for the tax
25 imposed under this Act or the Service Use Tax Act, as the case
26 may be, based on the fair market value of the property at the

1 time the non-qualifying use occurs. No lessor shall collect or
2 attempt to collect an amount (however designated) that
3 purports to reimburse that lessor for the tax imposed by this
4 Act or the Service Use Tax Act, as the case may be, if the tax
5 has not been paid by the lessor. If a lessor improperly
6 collects any such amount from the lessee, the lessee shall
7 have a legal right to claim a refund of that amount from the
8 lessor. If, however, that amount is not refunded to the lessee
9 for any reason, the lessor is liable to pay that amount to the
10 Department.

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

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

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

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

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

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

5 (28) Beginning January 1, 2000, personal property,
6 including food, purchased through fundraising events for the
7 benefit of a public or private elementary or secondary school,
8 a group of those schools, or one or more school districts if
9 the events are sponsored by an entity recognized by the school
10 district that consists primarily of volunteers and includes
11 parents and teachers of the school children. This paragraph
12 does not apply to fundraising events (i) for the benefit of
13 private home instruction or (ii) for which the fundraising
14 entity purchases the personal property sold at the events from
15 another individual or entity that sold the property for the
16 purpose of resale by the fundraising entity and that profits
17 from the sale to the fundraising entity. This paragraph is
18 exempt from the provisions of Section 3-90.

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

1 commercial, coin-operated amusement and vending machines. This
2 paragraph is exempt from the provisions of Section 3-90.

3 (30) Beginning January 1, 2001 and through June 30, 2016,
4 food for human consumption that is to be consumed off the
5 premises where it is sold (other than alcoholic beverages,
6 soft drinks, and food that has been prepared for immediate
7 consumption) and prescription and nonprescription medicines,
8 drugs, medical appliances, and insulin, urine testing
9 materials, syringes, and needles used by diabetics, for human
10 use, when purchased for use by a person receiving medical
11 assistance under Article V of the Illinois Public Aid Code who
12 resides in a licensed long-term care facility, as defined in
13 the Nursing Home Care Act, or in a licensed facility as defined
14 in the ID/DD Community Care Act, the MC/DD Act, or the
15 Specialized Mental Health Rehabilitation Act of 2013.

16 (31) Beginning on August 2, 2001 (the effective date of
17 Public Act 92-227), computers and communications equipment
18 utilized for any hospital purpose and equipment used in the
19 diagnosis, analysis, or treatment of hospital patients
20 purchased by a lessor who leases the equipment, under a lease
21 of one year or longer executed or in effect at the time the
22 lessor would otherwise be subject to the tax imposed by this
23 Act, to a hospital that has been issued an active tax exemption
24 identification number by the Department under Section 1g of
25 the Retailers' Occupation Tax Act. If the equipment is leased
26 in a manner that does not qualify for this exemption or is used

1 in any other nonexempt manner, the lessor shall be liable for
2 the tax imposed under this Act or the Service Use Tax Act, as
3 the case may be, based on the fair market value of the property
4 at the time the nonqualifying use occurs. No lessor shall
5 collect or attempt to collect an amount (however designated)
6 that purports to reimburse that lessor for the tax imposed by
7 this Act or the Service Use Tax Act, as the case may be, if the
8 tax has not been paid by the lessor. If a lessor improperly
9 collects any such amount from the lessee, the lessee shall
10 have a legal right to claim a refund of that amount from the
11 lessor. If, however, that amount is not refunded to the lessee
12 for any reason, the lessor is liable to pay that amount to the
13 Department. This paragraph is exempt from the provisions of
14 Section 3-90.

15 (32) Beginning on August 2, 2001 (the effective date of
16 Public Act 92-227), personal property purchased by a lessor
17 who leases the property, under a lease of one year or longer
18 executed or in effect at the time the lessor would otherwise be
19 subject to the tax imposed by this Act, to a governmental body
20 that has been issued an active sales tax exemption
21 identification number by the Department under Section 1g of
22 the Retailers' Occupation Tax Act. If the property is leased
23 in a manner that does not qualify for this exemption or used in
24 any other nonexempt manner, the lessor shall be liable for the
25 tax imposed under this Act or the Service Use Tax Act, as the
26 case may be, based on the fair market value of the property at

1 the time the nonqualifying use occurs. No lessor shall collect
2 or attempt to collect an amount (however designated) that
3 purports to reimburse that lessor for the tax imposed by this
4 Act or the Service Use Tax Act, as the case may be, if the tax
5 has not been paid by the lessor. If a lessor improperly
6 collects any such amount from the lessee, the lessee shall
7 have a legal right to claim a refund of that amount from the
8 lessor. If, however, that amount is not refunded to the lessee
9 for any reason, the lessor is liable to pay that amount to the
10 Department. This paragraph is exempt from the provisions of
11 Section 3-90.

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

1 Act. For purposes of this paragraph, the term "used for
2 commercial purposes" means the transportation of persons or
3 property in furtherance of any commercial or industrial
4 enterprise, whether for-hire or not.

5 (34) Beginning January 1, 2008, tangible personal property
6 used in the construction or maintenance of a community water
7 supply, as defined under Section 3.145 of the Environmental
8 Protection Act, that is operated by a not-for-profit
9 corporation that holds a valid water supply permit issued
10 under Title IV of the Environmental Protection Act. This
11 paragraph is exempt from the provisions of Section 3-90.

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

1 latex gloves, and protective films.

2 Beginning January 1, 2010 and continuing through December
3 31, 2023, this exemption applies only to the use of qualifying
4 tangible personal property by 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. From January 1, 2024 through December 31, 2029,
11 this exemption applies only to the use of qualifying tangible
12 personal property by: (A) persons who modify, refurbish,
13 complete, repair, replace, or maintain aircraft and who (i)
14 hold an Air Agency Certificate and are empowered to operate an
15 approved repair station by the Federal Aviation
16 Administration, (ii) have a Class IV Rating, and (iii) conduct
17 operations in accordance with Part 145 of the Federal Aviation
18 Regulations; and (B) persons who engage in the modification,
19 replacement, repair, and maintenance of aircraft engines or
20 power plants without regard to whether or not those persons
21 meet the qualifications of item (A).

22 The exemption does not include aircraft operated by a
23 commercial air carrier providing scheduled passenger air
24 service pursuant to authority issued under Part 121 or Part
25 129 of the Federal Aviation Regulations. The changes made to
26 this paragraph (35) by Public Act 98-534 are declarative of

1 existing law. It is the intent of the General Assembly that the
2 exemption under this paragraph (35) applies continuously from
3 January 1, 2010 through December 31, 2024; however, no claim
4 for credit or refund is allowed for taxes paid as a result of
5 the disallowance of this exemption on or after January 1, 2015
6 and prior to February 5, 2020 (the effective date of Public Act
7 101-629).

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

23 (37) Beginning January 1, 2017 and through December 31,
24 2026, menstrual pads, tampons, and menstrual cups.

25 (38) Merchandise that is subject to the Rental Purchase
26 Agreement Occupation and Use Tax. The purchaser must certify

1 that the item is purchased to be rented subject to a
2 rental-purchase ~~rental-purchase~~ agreement, as defined in the
3 Rental-Purchase ~~Rental Purchase~~ Agreement Act, and provide
4 proof of registration under the Rental Purchase Agreement
5 Occupation and Use Tax Act. This paragraph is exempt from the
6 provisions of Section 3-90.

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

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

25 The Department of Commerce and Economic Opportunity shall
26 grant a certificate of exemption under this item (40) to

1 qualified data centers as defined by Section 605-1025 of the
2 Department of Commerce and Economic Opportunity Law of the
3 Civil Administrative Code of Illinois.

4 For the purposes of this item (40):

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

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

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

10 This item (40) is exempt from the provisions of Section
11 3-90.

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

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

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

1 milk until it is ready for consumption.

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

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

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

1 manufacturer or distributor.

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

6 (43) Beginning on January 1, 2024, tangible personal
7 property purchased by an active duty member of the armed
8 forces of the United States who presents valid military
9 identification and purchases the property using a form of
10 payment where the federal government is the payor. The member
11 of the armed forces must complete, at the point of sale, a form
12 prescribed by the Department of Revenue documenting that the
13 transaction is eligible for the exemption under this
14 paragraph. Retailers must keep the form as documentation of
15 the exemption in their records for a period of not less than 6
16 years. "Armed forces of the United States" means the United
17 States Army, Navy, Air Force, Space Force, Marine Corps, or
18 Coast Guard. This paragraph is exempt from the provisions of
19 Section 3-90.

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

1 Section 45. The Service Use Tax Act is amended by changing
2 Section 3-5 as follows:

3 (35 ILCS 110/3-5)

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

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

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

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

1 and media arts organizations. On and after July 1, 2001 (the
2 effective date of Public Act 92-35), however, an entity
3 otherwise eligible for this exemption shall not make tax-free
4 purchases unless it has an active identification number issued
5 by the Department.

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

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

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

25 (7) Farm machinery and equipment, both new and used,
26 including that manufactured on special order, certified by the

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

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

26 Farm machinery and equipment also includes computers,

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

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

10 This item (7) is exempt from the provisions of Section
11 3-75.

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

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

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

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

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

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

1 equipment purchased for lease.

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

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

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

1 95-88).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 For the purposes of this item (31):

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

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

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

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

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

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

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

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

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

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

1 or distributor.

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

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

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

1 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
2 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
3 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
4 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,
5 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
6 revised 12-12-23.)

7 Section 50. The Service Occupation Tax Act is amended by
8 changing Section 3-5 as follows:

9 (35 ILCS 115/3-5)

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

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

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

22 (3) Personal property purchased by any not-for-profit arts
23 or cultural organization that establishes, by proof required
24 by the Department by rule, that it has received an exemption

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

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

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

1 in the manufacturing and assembling machinery and equipment
2 exemption under Section 2 of this Act.

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

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

25 Farm machinery and equipment shall include precision
26 farming equipment that is installed or purchased to be

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

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

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

17 This item (7) is exempt from the provisions of Section
18 3-55.

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

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

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

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

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

1 Vehicle Code.

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

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

18 (13) Beginning January 1, 1992 and through June 30, 2016,
19 food for human consumption that is to be consumed off the
20 premises where it is sold (other than alcoholic beverages,
21 soft drinks and food that has been prepared for immediate
22 consumption) and prescription and non-prescription medicines,
23 drugs, medical appliances, and insulin, urine testing
24 materials, syringes, and needles used by diabetics, for human
25 use, when purchased for use by a person receiving medical
26 assistance under Article V of the Illinois Public Aid Code who

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

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

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

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

1 the Retailers' Occupation Tax Act.

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

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

18 (19) 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 used in
21 the performance of infrastructure repairs in this State,
22 including, but not limited to, municipal roads and streets,
23 access roads, bridges, sidewalks, waste disposal systems,
24 water and sewer line extensions, water distribution and
25 purification facilities, storm water drainage and retention
26 facilities, and sewage treatment facilities, resulting from a

1 State or federally declared disaster in Illinois or bordering
2 Illinois when such repairs are initiated on facilities located
3 in the declared disaster area within 6 months after the
4 disaster.

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

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

1 occupation.

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

16 (23) Beginning January 1, 2000 and through December 31,
17 2001, new or used automatic vending machines that prepare and
18 serve hot food and beverages, including coffee, soup, and
19 other items, and replacement parts for these machines.
20 Beginning January 1, 2002 and through June 30, 2003, machines
21 and parts for machines used in commercial, coin-operated
22 amusement and vending business if a use or occupation tax is
23 paid on the gross receipts derived from the use of the
24 commercial, coin-operated amusement and vending machines. This
25 paragraph is exempt from the provisions of Section 3-55.

26 (24) Beginning on August 2, 2001 (the effective date of

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

10 (25) Beginning on August 2, 2001 (the effective date of
11 Public Act 92-227), personal property sold to a lessor who
12 leases the property, under a lease of one year or longer
13 executed or in effect at the time of the purchase, to a
14 governmental body 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 (26) Beginning on January 1, 2002 and through June 30,
19 2016, tangible personal property purchased from an Illinois
20 retailer by a taxpayer engaged in centralized purchasing
21 activities in Illinois who will, upon receipt of the property
22 in Illinois, temporarily store the property in Illinois (i)
23 for the purpose of subsequently transporting it outside this
24 State for use or consumption thereafter solely outside this
25 State or (ii) for the purpose of being processed, fabricated,
26 or manufactured into, attached to, or incorporated into other

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

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

22 (28) Tangible personal property sold to 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 3-55.

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

1 Beginning January 1, 2010 and continuing through December
2 31, 2023, this exemption applies only to the transfer of
3 qualifying tangible personal property incident to the
4 modification, refurbishment, completion, replacement, repair,
5 or maintenance of an aircraft by persons who (i) hold an Air
6 Agency Certificate and are empowered to operate an approved
7 repair station by the Federal Aviation Administration, (ii)
8 have a Class IV Rating, and (iii) conduct operations in
9 accordance with Part 145 of the Federal Aviation Regulations.
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. From January 1, 2024
14 through December 31, 2029, this exemption applies only to the
15 use of qualifying tangible personal property by: (A) persons
16 who modify, refurbish, complete, repair, replace, or maintain
17 aircraft and who (i) hold an Air Agency Certificate and are
18 empowered to operate an approved repair station by the Federal
19 Aviation Administration, (ii) have a Class IV Rating, and
20 (iii) conduct operations in accordance with Part 145 of the
21 Federal Aviation Regulations; and (B) persons who engage in
22 the modification, replacement, repair, and maintenance of
23 aircraft engines or power plants without regard to whether or
24 not those persons meet the qualifications of item (A).

25 The changes made to this paragraph (29) by Public Act
26 98-534 are declarative of existing law. It is the intent of the

1 General Assembly that the exemption under this paragraph (29)
2 applies continuously from January 1, 2010 through December 31,
3 2024; however, no claim for credit or refund is allowed for
4 taxes paid as a result of the disallowance of this exemption on
5 or after January 1, 2015 and prior to February 5, 2020 (the
6 effective date of Public Act 101-629).

7 (30) Beginning January 1, 2017 and through December 31,
8 2026, menstrual pads, tampons, and menstrual cups.

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

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

26 The Department of Commerce and Economic Opportunity shall

1 grant a certificate of exemption under this item (32) to
2 qualified data centers as defined by Section 605-1025 of the
3 Department of Commerce and Economic Opportunity Law of the
4 Civil Administrative Code of Illinois.

5 For the purposes of this item (32):

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

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

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

11 This item (32) is exempt from the provisions of Section
12 3-55.

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

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

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

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

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

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

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

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

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

7 (35) Beginning on January 1, 2024, tangible personal
8 property purchased by an active duty member of the armed
9 forces of the United States who presents valid military
10 identification and purchases the property using a form of
11 payment where the federal government is the payor. The member
12 of the armed forces must complete, at the point of sale, a form
13 prescribed by the Department of Revenue documenting that the
14 transaction is eligible for the exemption under this
15 paragraph. Retailers must keep the form as documentation of
16 the exemption in their records for a period of not less than 6
17 years. "Armed forces of the United States" means the United
18 States Army, Navy, Air Force, Space Force, Marine Corps, or
19 Coast Guard. This paragraph is exempt from the provisions of
20 Section 3-55.

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

1 Section 55. The Retailers' Occupation Tax Act is amended
2 by changing Section 2-5 as follows:

3 (35 ILCS 120/2-5)

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

7 (1) Farm chemicals.

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

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

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

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

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

23 This item (2) is exempt from the provisions of Section
24 2-70.

25 (3) Until July 1, 2003, distillation machinery and
26 equipment, sold as a unit or kit, assembled or installed

1 by the retailer, certified by the user to be used only for
2 the production of ethyl alcohol that will be used for
3 consumption as motor fuel or as a component of motor fuel
4 for the personal use of the user, and not subject to sale
5 or resale.

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

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

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

26 (7) Until July 1, 2003, proceeds of that portion of

1 the selling price of a passenger car the sale of which is
2 subject to the Replacement Vehicle Tax.

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

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

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

1 the purpose of resale by the enterprise.

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

18 (12) (Blank).

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

1 are subject to the commercial distribution fee imposed
2 under Section 3-815.1 of the Illinois Vehicle Code; and
3 (iii) that are primarily used for commercial purposes.
4 Through June 30, 2005, this exemption applies to repair
5 and replacement parts added after the initial purchase of
6 such a motor vehicle if that motor vehicle is used in a
7 manner that would qualify for the rolling stock exemption
8 otherwise provided for in this Act. For purposes of this
9 paragraph, "used for commercial purposes" means the
10 transportation of persons or property in furtherance of
11 any commercial or industrial enterprise whether for-hire
12 or not.

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

21 (14) Machinery and equipment that will be used by the
22 purchaser, or a lessee of the purchaser, primarily in the
23 process of manufacturing or assembling tangible personal
24 property for wholesale or retail sale or lease, whether
25 the sale or lease is made directly by the manufacturer or
26 by some other person, whether the materials used in the

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

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

1 food or beverage function with respect to which the
2 service charge is imposed.

3 (16) Tangible personal property sold to a purchaser if
4 the purchaser is exempt from use tax by operation of
5 federal law. This paragraph is exempt from the provisions
6 of Section 2-70.

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

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

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

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

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

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

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

1 previous or subsequent domestic stopovers.

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

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

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

22 (25) Except as provided in item (25-5) of this
23 Section, a motor vehicle sold in this State to a
24 nonresident even though the motor vehicle is delivered to
25 the nonresident in this State, if the motor vehicle is not
26 to be titled in this State, and if a drive-away permit is

1 issued to the motor vehicle as provided in Section 3-603
2 of the Illinois Vehicle Code or if the nonresident
3 purchaser has vehicle registration plates to transfer to
4 the motor vehicle upon returning to his or her home state.
5 The issuance of the drive-away permit or having the
6 out-of-state registration plates to be transferred is
7 prima facie evidence that the motor vehicle will not be
8 titled in this State.

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

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

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

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

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

26 (3) the seller retains in his or her books and

1 records and provides to the Department a signed and
2 dated certification from the purchaser, on a form
3 prescribed by the Department, certifying that the
4 requirements of this item (25-7) are met. The
5 certificate must also include the name and address of
6 the purchaser, the address of the location where the
7 aircraft is to be titled or registered, the address of
8 the primary physical location of the aircraft, and
9 other information that the Department may reasonably
10 require.

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

12 "Based in this State" means hangared, stored, or
13 otherwise used, excluding post-sale customizations as
14 defined in this Section, for 10 or more days in each
15 12-month period immediately following the date of the sale
16 of the aircraft.

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

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

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

26 (27) Horses, or interests in horses, registered with

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

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

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

1 of this Act.

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

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

26 (32) Beginning July 1, 1999, game or game birds sold

1 at a "game breeding and hunting preserve area" as that
2 term is used in the Wildlife Code. This paragraph is
3 exempt from the provisions of Section 2-70.

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

24 (34) Beginning January 1, 2000, personal property,
25 including food, purchased through fundraising events for
26 the benefit of a public or private elementary or secondary

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

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

24 (35-5) Beginning August 23, 2001 and through June 30,
25 2016, food for human consumption that is to be consumed
26 off the premises where it is sold (other than alcoholic

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

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

22 (37) Beginning August 2, 2001, personal property sold
23 to a lessor who leases the property, under a lease of one
24 year or longer executed or in effect at the time of the
25 purchase, to a governmental body that has been issued an
26 active tax exemption identification number by the

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

3 (38) Beginning on January 1, 2002 and through June 30,
4 2016, tangible personal property purchased from an
5 Illinois retailer by a taxpayer engaged in centralized
6 purchasing activities in Illinois who will, upon receipt
7 of the property in Illinois, temporarily store the
8 property in Illinois (i) for the purpose of subsequently
9 transporting it outside this State for use or consumption
10 thereafter solely outside this State or (ii) for the
11 purpose of being processed, fabricated, or manufactured
12 into, attached to, or incorporated into other tangible
13 personal property to be transported outside this State and
14 thereafter used or consumed solely outside this State. The
15 Director of Revenue shall, pursuant to rules adopted in
16 accordance with the Illinois Administrative Procedure Act,
17 issue a permit to any taxpayer in good standing with the
18 Department who is eligible for the exemption under this
19 paragraph (38). The permit issued under this paragraph
20 (38) shall authorize the holder, to the extent and in the
21 manner specified in the rules adopted under this Act, to
22 purchase tangible personal property from a retailer exempt
23 from the taxes imposed by this Act. Taxpayers shall
24 maintain all necessary books and records to substantiate
25 the use and consumption of all such tangible personal
26 property outside of the State of Illinois.

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

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

26 Beginning January 1, 2010 and continuing through

1 December 31, 2023, this exemption applies only to the sale
2 of qualifying tangible personal property to persons who
3 modify, refurbish, complete, replace, or maintain an
4 aircraft and who (i) hold an Air Agency Certificate and
5 are empowered to operate an approved repair station by the
6 Federal Aviation Administration, (ii) have a Class IV
7 Rating, and (iii) conduct operations in accordance with
8 Part 145 of the Federal Aviation Regulations. The
9 exemption does not include aircraft operated by a
10 commercial air carrier providing scheduled passenger air
11 service pursuant to authority issued under Part 121 or
12 Part 129 of the Federal Aviation Regulations. From January
13 1, 2024 through December 31, 2029, this exemption applies
14 only to the use of qualifying tangible personal property
15 by: (A) persons who modify, refurbish, complete, repair,
16 replace, or maintain aircraft and who (i) hold an Air
17 Agency Certificate and are empowered to operate an
18 approved repair station by the Federal Aviation
19 Administration, (ii) have a Class IV Rating, and (iii)
20 conduct operations in accordance with Part 145 of the
21 Federal Aviation Regulations; and (B) persons who engage
22 in the modification, replacement, repair, and maintenance
23 of aircraft engines or power plants without regard to
24 whether or not those persons meet the qualifications of
25 item (A).

26 The changes made to this paragraph (40) by Public Act

1 98-534 are declarative of existing law. It is the intent
2 of the General Assembly that the exemption under this
3 paragraph (40) applies continuously from January 1, 2010
4 through December 31, 2024; however, no claim for credit or
5 refund is allowed for taxes paid as a result of the
6 disallowance of this exemption on or after January 1, 2015
7 and prior to February 5, 2020 (the effective date of
8 Public Act 101-629).

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

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

26 (43) Merchandise that is subject to the Rental

1 Purchase Agreement Occupation and Use Tax. The purchaser
2 must certify that the item is purchased to be rented
3 subject to a rental-purchase ~~rental-purchase~~ agreement, as
4 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement
5 Act, and provide proof of registration under the Rental
6 Purchase Agreement Occupation and Use Tax Act. This
7 paragraph is exempt from the provisions of Section 2-70.

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

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

1 Opportunity Law of the Civil Administrative Code of
2 Illinois.

3 For the purposes of this item (44):

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

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

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

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

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

1 which the marketplace facilitator has filed a claim for
2 credit or refund under the Use Tax Act.

3 (46) Beginning July 1, 2022, breast pumps, breast pump
4 collection and storage supplies, and breast pump kits.
5 This item (46) is exempt from the provisions of Section
6 2-70. As used in this item (46):

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

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

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

26 "Breast pump collection and storage supplies" does not

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

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

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

23 (48) Beginning on January 1, 2024, tangible personal
24 property purchased by an active duty member of the armed
25 forces of the United States who presents valid military
26 identification and purchases the property using a form of

1 payment where the federal government is the payor. The
2 member of the armed forces must complete, at the point of
3 sale, a form prescribed by the Department of Revenue
4 documenting that the transaction is eligible for the
5 exemption under this paragraph. Retailers must keep the
6 form as documentation of the exemption in their records
7 for a period of not less than 6 years. "Armed forces of the
8 United States" means the United States Army, Navy, Air
9 Force, Space Force, Marine Corps, or Coast Guard. This
10 paragraph is exempt from the provisions of Section 2-70.

11 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
12 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,
13 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
14 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
15 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
16 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
17 12-12-23.)

18 Section 60. The Illinois Pension Code is amended by
19 changing Sections 2-109 and 14-103.16 as follows:

20 (40 ILCS 5/2-109) (from Ch. 108 1/2, par. 2-109)

21 Sec. 2-109. Military service. "Military service": Service
22 in the United States Army, Navy, Air Force, Space Force,
23 Marines or Coast Guard or any women's auxiliary thereof.

24 (Source: P.A. 87-794.)

1 (40 ILCS 5/14-103.16) (from Ch. 108 1/2, par. 14-103.16)
2 Sec. 14-103.16. Military service. "Military service":
3 Service in the United States Army, Navy, Air Force, Space
4 Force, Marines or Coast Guard or any women's auxiliary thereof
5 for which credit is allowed under this Article.
6 (Source: P.A. 80-841.)

7 Section 65. The State Universities Civil Service Act is
8 amended by changing Section 36g as follows:

9 (110 ILCS 70/36g) (from Ch. 24 1/2, par. 38b6)

10 Sec. 36g. Appropriate preference in entrance examinations
11 to qualified persons who have been members of the armed forces
12 of the United States or to qualified persons who, while
13 citizens of the United States, were members of the armed
14 forces of allies of the United States in time of hostilities
15 with a foreign country, and to certain other persons as set
16 forth in this Section.

17 (a) As used in this Section:

18 (1) "Time of hostilities with a foreign country" means
19 any period of time in the past, present, or future during
20 which a declaration of war by the United States Congress
21 has been or is in effect or during which an emergency
22 condition has been or is in effect that is recognized by
23 the issuance of a Presidential proclamation or a

1 Presidential executive order and in which the armed forces
2 expeditionary medal or other campaign service medals are
3 awarded according to Presidential executive order.

4 (2) "Armed forces of the United States" means the
5 United States Army, Navy, Air Force, Space Force, Marine
6 Corps, Coast Guard. Service in the Merchant Marine that
7 constitutes active duty under Section 401 of federal
8 Public Law 95-202 shall also be considered service in the
9 Armed Forces of the United States for purposes of this
10 Section.

11 (b) The preference granted under this Section shall be in
12 the form of points added to the final grades of the persons if
13 they otherwise qualify and are entitled to appear on the list
14 of those eligible for appointments.

15 (c) A veteran is qualified for a preference of 10 points if
16 the veteran currently holds proof of a service connected
17 disability from the United States Department of Veterans
18 Affairs or an allied country or if the veteran is a recipient
19 of the Purple Heart.

20 (d) A veteran who has served during a time of hostilities
21 with a foreign country is qualified for a preference of 5
22 points if the veteran served under one or more of the following
23 conditions:

24 (1) The veteran served a total of at least 6 months, or

25 (2) The veteran served for the duration of hostilities
26 regardless of the length of engagement, or

1 (3) The veteran was discharged on the basis of
2 hardship, or

3 (4) The veteran was released from active duty because
4 of a service connected disability and was discharged under
5 honorable conditions.

6 (e) A person not eligible for a preference under
7 subsection (c) or (d) is qualified for a preference of 3 points
8 if the person has served in the armed forces of the United
9 States, the Illinois National Guard, or any reserve component
10 of the armed forces of the United States and the person: (1)
11 served for at least 6 months and has been discharged under
12 honorable conditions or (2) has been discharged on the ground
13 of hardship or (3) was released from active duty because of a
14 service connected disability. An active member of the National
15 Guard or a reserve component of the armed forces of the United
16 States is eligible for the preference if the member meets the
17 service requirements of this subsection (e).

18 (f) The rank order of persons entitled to a preference on
19 eligible lists shall be determined on the basis of their
20 augmented ratings. When the Executive Director establishes
21 eligible lists on the basis of category ratings such as
22 "superior", "excellent", "well-qualified", and "qualified",
23 the veteran eligibles in each such category shall be preferred
24 for appointment before the non-veteran eligibles in the same
25 category.

26 (g) Employees in positions covered by this Act who, while

1 in good standing, leave to engage in military service during a
2 period of hostility shall be given credit for seniority
3 purposes for time served in the armed forces.

4 (h) A surviving unremarried spouse of a veteran who
5 suffered a service connected death or the spouse of a veteran
6 who suffered a service connected disability that prevents the
7 veteran from qualifying for civil service employment shall be
8 entitled to the same preference to which the veteran would
9 have been entitled under this Section.

10 (i) A preference shall also be given to the following
11 individuals: 10 points for one parent of an unmarried veteran
12 who suffered a service connected death or a service connected
13 disability that prevents the veteran from qualifying for civil
14 service employment. The first parent to receive a civil
15 service appointment shall be the parent entitled to the
16 preference.

17 (Source: P.A. 100-615, eff. 1-1-19.)

18 Section 70. The Funeral Directors and Embalmers Licensing
19 Code is amended by changing Sections 5-15 and 10-35 as
20 follows:

21 (225 ILCS 41/5-15)

22 (Section scheduled to be repealed on January 1, 2028)

23 Sec. 5-15. Renewal; reinstatement; restoration. The
24 expiration date and renewal period for each license issued

1 under this Article shall be set by rule. The holder of a
2 license as a licensed funeral director may renew the license
3 during the month preceding the expiration date of the license
4 by paying the required fee. A licensed funeral director whose
5 license has expired may have the license reinstated within 5
6 years from the date of expiration upon payment of the required
7 reinstatement fee. The reinstatement shall be effective as of
8 the date of reissuance of the license.

9 Any licensed funeral director whose license has been
10 expired for more than 5 years may have the license restored
11 only by fulfilling the requirements of the Department's rules
12 and by paying the required restoration fee. However, any
13 licensed funeral director whose license has expired while he
14 or she has been engaged (1) in federal service on active duty
15 with the United States Army, Navy, Marine Corps, Air Force,
16 Space Force, or Coast Guard, or the State Militia called into
17 the service or training of the United States of America or (2)
18 in training or education under the supervision of the United
19 States preliminary to induction into the military service may
20 have his or her license restored without paying any lapsed
21 renewal fees or restoration fee or without passing any
22 examination if, within 2 years after termination of the
23 service, training or education other than by dishonorable
24 discharge, he or she furnishes the Department with an
25 affidavit to the effect that he or she has been so engaged and
26 that his or her service, training or education has been so

1 terminated.

2 In addition to any other requirement for renewal of a
3 license or reinstatement or restoration of an expired license,
4 as a condition for the renewal, reinstatement, or restoration
5 of a license as a licensed funeral director, each licensee
6 shall provide evidence to the Department of completion of at
7 least 12 hours of continuing education during the 24 months
8 preceding the expiration date of the license, or in the case of
9 reinstatement or restoration, during the 24 months preceding
10 application for reinstatement or restoration. The continuing
11 education sponsors shall be approved by the Board. In
12 addition, any qualified continuing education course for
13 funeral directors offered by a college, university, the
14 Illinois Funeral Directors Association, Funeral Directors
15 Services Association of Greater Chicago, Cook County
16 Association of Funeral Home Owners, Inc., Illinois Selected
17 Morticians Association, Inc., Illinois Cemetery and Funeral
18 Home Association, National Funeral Directors Association,
19 Selected Independent Funeral Homes, National Funeral Directors
20 and Morticians Association, Inc., International Order of the
21 Golden Rule, or an Illinois school of mortuary science shall
22 be accepted toward satisfaction of the continuing education
23 requirements.

24 The Department shall establish by rule a means for
25 verification of completion of the continuing education
26 required by this Section. This verification may be

1 accomplished through audits of records maintained by
2 licensees, by requiring the filing of continued education
3 certificates with the Department or a qualified organization
4 selected by the Department to maintain these records, or by
5 other means established by the Department.

6 Except as otherwise provided in this paragraph, a person
7 who is licensed as a funeral director under this Code and who
8 has engaged in the practice of funeral directing for at least
9 40 years shall be exempt from the continuing education
10 requirements of this Section. In addition, the Department
11 shall establish by rule an exemption or exception, for a
12 limited period of time, for funeral directors who, by reason
13 of advanced age, health or other extreme condition should
14 reasonably be excused from the continuing education
15 requirement upon the approval of the Secretary. Those persons,
16 identified above, who cannot attend on-site classes, shall
17 have the opportunity to comply by completing home study
18 courses designed for them by sponsors.

19 (Source: P.A. 102-881, eff. 1-1-23.)

20 (225 ILCS 41/10-35)

21 (Section scheduled to be repealed on January 1, 2028)

22 Sec. 10-35. Renewal; reinstatement; restoration. The
23 expiration date and renewal period for each license issued
24 under this Article shall be set by rule. The holder of a
25 license as a licensed funeral director and embalmer or funeral

1 director and embalmer intern may renew the license during the
2 month preceding the expiration date of the license by paying
3 the required fee. A licensed funeral director and embalmer or
4 licensed funeral director and embalmer trainee whose license
5 has expired may have the license reinstated within 5 years
6 from the date of expiration upon payment of the required
7 reinstatement fee and fulfilling the requirements of the
8 Department's rules. The reinstatement of the license is
9 effective as of the date of the reissuance of the license.

10 Any licensed funeral director and embalmer whose license
11 has been expired for more than 5 years may have the license
12 restored only by fulfilling the requirements set forth in the
13 Department's rules and by paying the required restoration fee.
14 However, any licensed funeral director and embalmer or
15 licensed funeral director and embalmer intern whose license
16 has expired while he or she has been engaged (1) in federal
17 service on active duty with the United States Army, Navy,
18 Marine Corps, Air Force, Space Force, or Coast Guard, or the
19 State Militia called into the service or training of the
20 United States of America or (2) in training or education under
21 the supervision of the United States preliminary to induction
22 into the military service, may have his or her license
23 restored without paying any lapsed renewal fees or restoration
24 fee or without passing any examination if, within 2 years
25 after termination of the service, training or education other
26 than by dishonorable discharge, he or she furnishes the

1 Department with an affidavit to the effect that he or she has
2 been so engaged and that his or her service, training or
3 education has been so terminated.

4 No license of a funeral director and embalmer intern shall
5 be renewed more than twice.

6 In addition to any other requirement for renewal of a
7 license or reinstatement or restoration of an expired license,
8 as a condition for the renewal, reinstatement, or restoration
9 of a license as a licensed funeral director and embalmer, each
10 licensee shall provide evidence to the Department of
11 completion of at least 24 hours of continuing education during
12 the 24 months preceding the expiration date of the license, or
13 in the case of reinstatement or restoration, within the 24
14 months preceding the application for reinstatement or
15 restoration. The continuing education sponsors shall be
16 approved by the Board. In addition, any qualified continuing
17 education course for funeral directors and embalmers offered
18 by a college, university, the Illinois Funeral Directors
19 Association, Funeral Directors Services Association of Greater
20 Chicago, Cook County Association of Funeral Home Owners, Inc.,
21 Illinois Selected Morticians Associations, Inc., Illinois
22 Cemetery and Funeral Home Association, National Funeral
23 Directors Association, Selected Independent Funeral Homes,
24 National Funeral Directors and Morticians Association, Inc.,
25 International Order of the Golden Rule, or an Illinois school
26 of mortuary science shall be accepted toward satisfaction of

1 the continuing education requirements.

2 The Department shall establish by rule a means for
3 verification of completion of the continuing education
4 required by this Section. This verification may be
5 accomplished through audits of records maintained by
6 licensees, by requiring the filing of continued education
7 certificates with the Department or a qualified organization
8 selected by the Department to maintain the records, or by
9 other means established by the Department.

10 Except as otherwise provided in this paragraph, a person
11 who is licensed as a funeral director and embalmer under this
12 Code and who has engaged in the practice of funeral directing
13 and embalming for at least 40 years shall be exempt from the
14 continuing education requirements of this Section. In
15 addition, the Department shall establish by rule an exemption
16 or exception, for a limited period of time, for funeral
17 directors and embalmers who, by reason of advanced age, health
18 or other extreme condition, should reasonably be excused from
19 the continuing education requirement upon the approval of the
20 Secretary. Those persons, identified above, who cannot attend
21 on-site classes, shall have the opportunity to comply by
22 completing home study courses designed for them by sponsors.

23 (Source: P.A. 103-419, eff. 8-4-23.)

24 Section 75. The Massage Licensing Act is amended by
25 changing Section 70 as follows:

1 (225 ILCS 57/70)

2 (Section scheduled to be repealed on January 1, 2027)

3 Sec. 70. Restoration of expired licenses. A massage
4 therapist who has permitted his or her license to expire or who
5 has had his or her license on inactive status may have his or
6 her license restored by making application to the Department
7 and filing proof acceptable to the Department of his or her
8 fitness to have his or her license restored, including sworn
9 evidence certifying to active practice in another jurisdiction
10 satisfactory to the Department, and by paying the required
11 restoration fee and showing proof of completion of required
12 continuing education. Licensees must provide proof of
13 completion of 24 hours approved continuing education to renew
14 their license.

15 If the massage therapist has not maintained an active
16 practice in another jurisdiction satisfactory to the
17 Department, the Board shall determine, by an evaluation
18 program established by rule his or her fitness to resume
19 active status and may require the massage therapist to
20 complete a period of evaluated clinical experience and may
21 require successful completion of an examination.

22 A massage therapist whose license has been expired or
23 placed on inactive status for more than 5 years may have his or
24 her license restored by making application to the Department
25 and filing proof acceptable to the Department of his or her

1 fitness to have his or her license restored, including sworn
2 evidence certifying to active practice in another
3 jurisdiction, by paying the required restoration fee, and by
4 showing proof of the completion of 24 hours of continuing
5 education.

6 However, any registrant whose license has expired while he
7 or she has been engaged (i) in Federal Service on active duty
8 with the United States Army, Navy, Marine Corps, Air Force,
9 Space Force, Coast Guard, or Public Health Service or the
10 State Militia called into the service or training of the
11 United States of America, or (ii) in training or education
12 under the supervision of the United States preliminary to
13 induction into the military service, may have his or her
14 license reinstated or restored without paying any lapsed
15 renewal fees, if within 2 years after honorable termination of
16 such service, training, or education, he or she furnishes to
17 the Department with satisfactory evidence to the effect that
18 he or she has been so engaged and that his or her service,
19 training, or education has been so terminated.

20 (Source: P.A. 97-514, eff. 8-23-11.)

21 Section 80. The Barber, Cosmetology, Esthetics, Hair
22 Braiding, and Nail Technology Act of 1985 is amended by
23 changing Section 1-7 as follows:

24 (225 ILCS 410/1-7) (from Ch. 111, par. 1701-7)

1 (Section scheduled to be repealed on January 1, 2026)

2 Sec. 1-7. Licensure required; renewal; restoration.

3 (a) It is unlawful for any person to practice, or to hold
4 himself or herself out to be a cosmetologist, esthetician,
5 nail technician, hair braider, or barber without a license as
6 a cosmetologist, esthetician, nail technician, hair braider or
7 barber issued by the Department pursuant to the provisions of
8 this Act and of the Civil Administrative Code of Illinois. It
9 is also unlawful for any person, firm, partnership, limited
10 liability company, or corporation to own, operate, or conduct
11 a cosmetology, esthetics, nail technology, hair braiding, or
12 barber school without a license issued by the Department or to
13 own or operate a cosmetology, esthetics, nail technology, or
14 hair braiding salon, barber shop, or other business subject to
15 the registration requirements of this Act without a
16 certificate of registration issued by the Department. It is
17 further unlawful for any person to teach in any cosmetology,
18 esthetics, nail technology, hair braiding, or barber college
19 or school approved by the Department or hold himself or
20 herself out as a cosmetology, esthetics, hair braiding, nail
21 technology, or barber teacher without a license as a teacher,
22 issued by the Department or as a cosmetology clinic teacher
23 without a license as a cosmetology clinic teacher issued by
24 the Department.

25 (b) Notwithstanding any other provision of this Act, a
26 person licensed as a cosmetologist may hold himself or herself

1 out as an esthetician and may engage in the practice of
2 esthetics, as defined in this Act, without being licensed as
3 an esthetician. A person licensed as a cosmetology teacher may
4 teach esthetics or hold himself or herself out as an esthetics
5 teacher without being licensed as an esthetics teacher. A
6 person licensed as a cosmetologist may hold himself or herself
7 out as a nail technician and may engage in the practice of nail
8 technology, as defined in this Act, without being licensed as
9 a nail technician. A person licensed as a cosmetology teacher
10 may teach nail technology and hold himself or herself out as a
11 nail technology teacher without being licensed as a nail
12 technology teacher. A person licensed as a cosmetologist may
13 hold himself or herself out as a hair braider and may engage in
14 the practice of hair braiding, as defined in this Act, without
15 being licensed as a hair braider. A person licensed as a
16 cosmetology teacher may teach hair braiding and hold himself
17 or herself out as a hair braiding teacher without being
18 licensed as a hair braiding teacher.

19 (c) A person licensed as a barber teacher may hold himself
20 or herself out as a barber and may practice barbering without a
21 license as a barber. A person licensed as a cosmetology
22 teacher may hold himself or herself out as a cosmetologist,
23 esthetician, hair braider, and nail technologist and may
24 practice cosmetology, esthetics, hair braiding, and nail
25 technology without a license as a cosmetologist, esthetician,
26 hair braider, or nail technologist. A person licensed as an

1 esthetics teacher may hold himself or herself out as an
2 esthetician without being licensed as an esthetician and may
3 practice esthetics. A person licensed as a nail technician
4 teacher may practice nail technology and may hold himself or
5 herself out as a nail technologist without being licensed as a
6 nail technologist. A person licensed as a hair braiding
7 teacher may practice hair braiding and may hold himself or
8 herself out as a hair braider without being licensed as a hair
9 braider.

10 (d) The holder of a license issued under this Act may renew
11 that license during the month preceding the expiration date of
12 the license by paying the required fee.

13 (e) The expiration date, renewal period, and conditions
14 for renewal and restoration of each license shall be
15 established by rule.

16 (f) A license issued under the provisions of this Act as a
17 barber, barber teacher, cosmetologist, cosmetology teacher,
18 cosmetology clinic teacher, esthetician, esthetics teacher,
19 nail technician, nail technician teacher, hair braider, or
20 hair braiding teacher that has expired while the holder of the
21 license was engaged (1) in federal service on active duty with
22 the Army, Navy, Marine Corps, Air Force, Space Force, or Coast
23 Guard of the United States of America, or any Women's
24 Auxiliary thereof, or the State Militia called into the
25 service or training of the United States of America or (2) in
26 training or education under the supervision of the United

1 States preliminary to induction into the military service, may
2 be reinstated or restored without payment of any lapsed
3 renewal fees, reinstatement fee, or restoration fee if within
4 2 years after the termination of such service, training, or
5 education other than by dishonorable discharge, the holder
6 furnishes the Department with an affidavit to the effect that
7 he or she has been so engaged and that his or her service,
8 training, or education has been so terminated.

9 (Source: P.A. 98-911, eff. 1-1-15; 99-427, eff. 8-21-15.)

10 Section 85. The War on Terrorism Compensation Act is
11 amended by changing Section 5 as follows:

12 (330 ILCS 32/5)

13 Sec. 5. Definitions. In this Act:

14 "Armed forces of the United States" means the United
15 States Army, Navy, Air Force, Space Force, Marine Corps, or
16 Coast Guard, the United States Reserve Forces, or the Illinois
17 National Guard. Service in the merchant marine is not service
18 in the armed forces for purposes of this Act.

19 "Department" means the Illinois Department of Veterans'
20 Affairs.

21 (Source: P.A. 96-76, eff. 7-24-09.)

22 Section 90. The Veterans Preference Act is amended by
23 changing Section 1 as follows:

1 (330 ILCS 55/1) (from Ch. 126 1/2, par. 23)

2 Sec. 1. Veterans preference.

3 (a) In the employment and appointment to fill positions in
4 the construction, addition to, or alteration of all public
5 works undertaken or contracted for by the State, or by any
6 political subdivision thereof, preference shall be given to
7 persons who have been members of the armed forces of the United
8 States or who, while citizens of the United States, were
9 members of the armed forces of allies of the United States in
10 time of hostilities with a foreign country, and have served
11 under one or more of the following conditions:

12 (1) The veteran served a total of at least 6 months, or

13 (2) The veteran served for the duration of hostilities
14 regardless of the length of engagement, or

15 (3) The veteran served in the theater of operations
16 but was discharged on the basis of a hardship, or

17 (4) The veteran was released from active duty because
18 of a service connected disability and was honorably
19 discharged. But such preference shall be given only to
20 those persons who are found to possess the business
21 capacity necessary for the proper discharge of the duties
22 of such employment. No political subdivision or person
23 contracting for such public works is required to give
24 preference to veterans, not residents of such district,
25 over residents thereof, who are not veterans.

1 For the purposes of this Section, a person who has been a
2 member of the Illinois National Guard shall be given priority
3 over a person who has been a member of the National Guard of
4 any other state.

5 (b) As used in this Act:

6 "Time of hostilities with a foreign country" means any
7 period of time in the past, present, or future during which a
8 declaration of war by the United States Congress has been or is
9 in effect or during which an emergency condition has been or is
10 in effect that is recognized by the issuance of a Presidential
11 proclamation or a Presidential executive order and in which
12 the armed forces expeditionary medal or other campaign service
13 medals are awarded according to Presidential executive order.

14 "Armed forces of the United States" means the United
15 States Army, Navy, Air Force, Space Force, Marine Corps, or
16 Coast Guard, United States Reserve Forces, or the National
17 Guard of any state. Service in the Merchant Marine that
18 constitutes active duty under Section 401 of federal Public
19 Law 95-202 shall also be considered service in the Armed
20 Forces of the United States for purposes of this Section.

21 (Source: P.A. 102-498, eff. 1-1-22.)

22 Section 95. The Veterans Burial Places Act is amended by
23 changing Section 1 as follows:

24 (330 ILCS 110/1) (from Ch. 21, par. 59a)

1 Sec. 1. For the purpose of locating the burial places of
2 United States War Veterans and reporting to the United States
3 Government under the provisions of the Federal Law respecting
4 the erection of headstones at the graves of United States War
5 Veterans and the erection of memorial markers where the
6 remains of such veterans were not recovered or were buried at
7 sea, the Department of Veterans' Affairs shall maintain a card
8 file Roll of Honor, alphabetically arranged, of all veterans
9 buried in the State or, if no remains were recovered or if such
10 remains were buried at sea, of all the memorial markers for
11 such veterans placed in the State and an additional record by
12 counties showing the burials or memorial markers in each
13 cemetery in each county. The records, so far as obtainable,
14 shall contain the name of the veteran, war served in, his rank,
15 organizations, dates of enlistment and discharge, date of
16 death, description of grave or memorial marker, and name and
17 location of cemetery. It shall also be his duty to prepare
18 requisitions on the Federal Government for headstones or
19 memorial markers when same are desired and to supervise their
20 transportation from the railroad station to and erection at
21 the grave of the veteran or at the site for the erection of a
22 memorial marker if no remains were recovered or if such
23 remains were buried at sea, certifying bills for same for
24 payment.

25 The Department of Veterans' Affairs shall appoint such
26 additional employees as may be required to maintain the

1 records of War Veterans Graves and Memorial Markers
2 Registration. The appointment of such employees shall not be
3 subject to the provisions of any law relating to civil service
4 or job classification on a merit basis.

5 "United States War Veterans", for purposes of this Act,
6 means:

7 (1) Soldiers of the Union and Confederate Armies of the
8 Civil War.

9 (2) Members of the Armed Forces of the United States dying
10 in the service and former members whose last service
11 terminated honorably.

12 (3) Persons buried in post and national cemeteries.

13 (4) Members of a reserve component of the Armed Forces of
14 the United States, and members of the Army National Guard or
15 the Air National Guard, whose death occurred under honorable
16 conditions while they were:

17 (a) on active duty for training, or performing
18 full-time service under Section 316, 503, 504, or 505 of
19 Title 32, United States Code;

20 (b) performing authorized travel to or from that duty
21 or service;

22 (c) on authorized inactive duty training, including
23 training performed as members of the Army National Guard
24 or the Air National Guard; or

25 (d) hospitalized or undergoing treatment, at the
26 expense of the United States, for injury or disease

1 contracted or incurred under honorable conditions while
2 they were:

3 (i) on that duty or service;

4 (ii) performing that travel or inactive duty
5 training; or

6 (iii) undergoing that hospitalization or treatment
7 at the expenses of the United States.

8 (5) Members of the Reserve Officers Training Corps of the
9 Army, Navy, Space Force, or Air Force whose death occurred
10 under honorable conditions while they were:

11 (a) attending an authorized training camp or on an
12 authorized practice cruise;

13 (b) performing authorized travel to or from that camp
14 or cruise; or

15 (c) hospitalized or undergoing treatment, at the
16 expense of the United States, for injury or disease
17 contracted or incurred under honorable conditions while
18 they were:

19 (i) attending that camp or on that cruise;

20 (ii) performing that travel; or

21 (iii) undergoing that hospitalization or treatment
22 at the expense of the United States.

23 (Source: P.A. 91-357, eff. 7-29-99.)

24 Section 100. The Criminal Code of 2012 is amended by
25 changing Section 17-2 as follows:

1 (720 ILCS 5/17-2) (from Ch. 38, par. 17-2)
2 Sec. 17-2. False personation; solicitation.

3 (a) False personation; solicitation.

4 (1) A person commits a false personation when he or
5 she knowingly and falsely represents himself or herself to
6 be a member or representative of any veterans' or public
7 safety personnel organization or a representative of any
8 charitable organization, or when he or she knowingly
9 exhibits or uses in any manner any decal, badge or
10 insignia of any charitable, public safety personnel, or
11 veterans' organization when not authorized to do so by the
12 charitable, public safety personnel, or veterans'
13 organization. "Public safety personnel organization" has
14 the meaning ascribed to that term in Section 1 of the
15 Solicitation for Charity Act.

16 (2) A person commits a false personation when he or
17 she knowingly and falsely represents himself or herself to
18 be a veteran in seeking employment or public office. In
19 this paragraph, "veteran" means a person who has served in
20 the Armed Services or Reserve Forces of the United States.

21 (2.1) A person commits a false personation when he or
22 she knowingly and falsely represents himself or herself to
23 be:

24 (A) an active-duty member of the Armed Services or
25 Reserve Forces of the United States or the National

1 Guard or a veteran of the Armed Services or Reserve
2 Forces of the United States or the National Guard; and

3 (B) obtains money, property, or another tangible
4 benefit through that false representation.

5 In this paragraph, "member of the Armed Services or
6 Reserve Forces of the United States" means a member of the
7 United States Navy, Army, Air Force, Space Force, Marine
8 Corps, or Coast Guard; and "veteran" means a person who
9 has served in the Armed Services or Reserve Forces of the
10 United States or the National Guard.

11 (2.5) A person commits a false personation when he or
12 she knowingly and falsely represents himself or herself to
13 be:

14 (A) another actual person and does an act in such
15 assumed character with intent to intimidate, threaten,
16 injure, defraud, or to obtain a benefit from another;
17 or

18 (B) a representative of an actual person or
19 organization and does an act in such false capacity
20 with intent to obtain a benefit or to injure or defraud
21 another.

22 (3) No person shall knowingly use the words "Police",
23 "Police Department", "Patrolman", "Sergeant",
24 "Lieutenant", "Peace Officer", "Sheriff's Police",
25 "Sheriff", "Officer", "Law Enforcement", "Trooper",
26 "Deputy", "Deputy Sheriff", "State Police", or any other

1 words to the same effect (i) in the title of any
2 organization, magazine, or other publication without the
3 express approval of the named public safety personnel
4 organization's governing board or (ii) in combination with
5 the name of any state, state agency, public university, or
6 unit of local government without the express written
7 authorization of that state, state agency, public
8 university, or unit of local government.

9 (4) No person may knowingly claim or represent that he
10 or she is acting on behalf of any public safety personnel
11 organization when soliciting financial contributions or
12 selling or delivering or offering to sell or deliver any
13 merchandise, goods, services, memberships, or
14 advertisements unless the chief of the police department,
15 fire department, and the corporate or municipal authority
16 thereof, or the sheriff has first entered into a written
17 agreement with the person or with an organization with
18 which the person is affiliated and the agreement permits
19 the activity and specifies and states clearly and fully
20 the purpose for which the proceeds of the solicitation,
21 contribution, or sale will be used.

22 (5) No person, when soliciting financial contributions
23 or selling or delivering or offering to sell or deliver
24 any merchandise, goods, services, memberships, or
25 advertisements may claim or represent that he or she is
26 representing or acting on behalf of any nongovernmental

1 organization by any name which includes "officer", "peace
2 officer", "police", "law enforcement", "trooper",
3 "sheriff", "deputy", "deputy sheriff", "State police", or
4 any other word or words which would reasonably be
5 understood to imply that the organization is composed of
6 law enforcement personnel unless:

7 (A) the person is actually representing or acting
8 on behalf of the nongovernmental organization;

9 (B) the nongovernmental organization is controlled
10 by and governed by a membership of and represents a
11 group or association of active duty peace officers,
12 retired peace officers, or injured peace officers; and

13 (C) before commencing the solicitation or the sale
14 or the offers to sell any merchandise, goods,
15 services, memberships, or advertisements, a written
16 contract between the soliciting or selling person and
17 the nongovernmental organization, which specifies and
18 states clearly and fully the purposes for which the
19 proceeds of the solicitation, contribution, or sale
20 will be used, has been entered into.

21 (6) No person, when soliciting financial contributions
22 or selling or delivering or offering to sell or deliver
23 any merchandise, goods, services, memberships, or
24 advertisements, may knowingly claim or represent that he
25 or she is representing or acting on behalf of any
26 nongovernmental organization by any name which includes

1 the term "fireman", "fire fighter", "paramedic", or any
2 other word or words which would reasonably be understood
3 to imply that the organization is composed of fire fighter
4 or paramedic personnel unless:

5 (A) the person is actually representing or acting
6 on behalf of the nongovernmental organization;

7 (B) the nongovernmental organization is controlled
8 by and governed by a membership of and represents a
9 group or association of active duty, retired, or
10 injured fire fighters (for the purposes of this
11 Section, "fire fighter" has the meaning ascribed to
12 that term in Section 2 of the Illinois Fire Protection
13 Training Act) or active duty, retired, or injured
14 emergency medical technicians - ambulance, emergency
15 medical technicians - intermediate, emergency medical
16 technicians - paramedic, ambulance drivers, or other
17 medical assistance or first aid personnel; and

18 (C) before commencing the solicitation or the sale
19 or delivery or the offers to sell or deliver any
20 merchandise, goods, services, memberships, or
21 advertisements, the soliciting or selling person and
22 the nongovernmental organization have entered into a
23 written contract that specifies and states clearly and
24 fully the purposes for which the proceeds of the
25 solicitation, contribution, or sale will be used.

26 (7) No person may knowingly claim or represent that he

1 or she is an airman, airline employee, airport employee,
2 or contractor at an airport in order to obtain the
3 uniform, identification card, license, or other
4 identification paraphernalia of an airman, airline
5 employee, airport employee, or contractor at an airport.

6 (8) No person, firm, copartnership, or corporation
7 (except corporations organized and doing business under
8 the Pawners Societies Act) shall knowingly use a name that
9 contains in it the words "Pawners' Society".

10 (b) False personation; public officials and employees. A
11 person commits a false personation if he or she knowingly and
12 falsely represents himself or herself to be any of the
13 following:

14 (1) An attorney authorized to practice law for
15 purposes of compensation or consideration. This paragraph

16 (b)(1) does not apply to a person who unintentionally
17 fails to pay attorney registration fees established by
18 Supreme Court Rule.

19 (2) A public officer or a public employee or an
20 official or employee of the federal government.

21 (2.3) A public officer, a public employee, or an
22 official or employee of the federal government, and the
23 false representation is made in furtherance of the
24 commission of felony.

25 (2.7) A public officer or a public employee, and the
26 false representation is for the purpose of effectuating

1 identity theft as defined in Section 16-30 of this Code.

2 (3) A peace officer.

3 (4) A peace officer while carrying a deadly weapon.

4 (5) A peace officer in attempting or committing a
5 felony.

6 (6) A peace officer in attempting or committing a
7 forcible felony.

8 (7) The parent, legal guardian, or other relation of a
9 minor child to any public official, public employee, or
10 elementary or secondary school employee or administrator.

11 (7.5) The legal guardian, including any representative
12 of a State or public guardian, of a person with a
13 disability appointed under Article XIa of the Probate Act
14 of 1975.

15 (8) A fire fighter.

16 (9) A fire fighter while carrying a deadly weapon.

17 (10) A fire fighter in attempting or committing a
18 felony.

19 (11) An emergency management worker of any
20 jurisdiction in this State.

21 (12) An emergency management worker of any
22 jurisdiction in this State in attempting or committing a
23 felony. For the purposes of this subsection (b),
24 "emergency management worker" has the meaning provided
25 under Section 2-6.6 of this Code.

26 (b-5) The trier of fact may infer that a person falsely

1 represents himself or herself to be a public officer or a
2 public employee or an official or employee of the federal
3 government if the person:

4 (1) wears or displays without authority any uniform,
5 badge, insignia, or facsimile thereof by which a public
6 officer or public employee or official or employee of the
7 federal government is lawfully distinguished; or

8 (2) falsely expresses by word or action that he or she
9 is a public officer or public employee or official or
10 employee of the federal government and is acting with
11 approval or authority of a public agency or department.

12 (c) Fraudulent advertisement of a corporate name.

13 (1) A company, association, or individual commits
14 fraudulent advertisement of a corporate name if he, she,
15 or it, not being incorporated, puts forth a sign or
16 advertisement and assumes, for the purpose of soliciting
17 business, a corporate name.

18 (2) Nothing contained in this subsection (c) prohibits
19 a corporation, company, association, or person from using
20 a divisional designation or trade name in conjunction with
21 its corporate name or assumed name under Section 4.05 of
22 the Business Corporation Act of 1983 or, if it is a member
23 of a partnership or joint venture, from doing partnership
24 or joint venture business under the partnership or joint
25 venture name. The name under which the joint venture or
26 partnership does business may differ from the names of the

1 members. Business may not be conducted or transacted under
2 that joint venture or partnership name, however, unless
3 all provisions of the Assumed Business Name Act have been
4 complied with. Nothing in this subsection (c) permits a
5 foreign corporation to do business in this State without
6 complying with all Illinois laws regulating the doing of
7 business by foreign corporations. No foreign corporation
8 may conduct or transact business in this State as a member
9 of a partnership or joint venture that violates any
10 Illinois law regulating or pertaining to the doing of
11 business by foreign corporations in Illinois.

12 (3) The provisions of this subsection (c) do not apply
13 to limited partnerships formed under the Revised Uniform
14 Limited Partnership Act or under the Uniform Limited
15 Partnership Act (2001).

16 (d) False law enforcement badges.

17 (1) A person commits false law enforcement badges if
18 he or she knowingly produces, sells, or distributes a law
19 enforcement badge without the express written consent of
20 the law enforcement agency represented on the badge or, in
21 case of a reorganized or defunct law enforcement agency,
22 its successor law enforcement agency.

23 (2) It is a defense to false law enforcement badges
24 that the law enforcement badge is used or is intended to be
25 used exclusively: (i) as a memento or in a collection or
26 exhibit; (ii) for decorative purposes; or (iii) for a

1 dramatic presentation, such as a theatrical, film, or
2 television production.

3 (e) False medals.

4 (1) A person commits a false personation if he or she
5 knowingly and falsely represents himself or herself to be
6 a recipient of, or wears on his or her person, any of the
7 following medals if that medal was not awarded to that
8 person by the United States Government, irrespective of
9 branch of service: The Congressional Medal of Honor, The
10 Distinguished Service Cross, The Navy Cross, The Air Force
11 Cross, The Silver Star, The Bronze Star, or the Purple
12 Heart.

13 (2) It is a defense to a prosecution under paragraph
14 (e)(1) that the medal is used, or is intended to be used,
15 exclusively:

16 (A) for a dramatic presentation, such as a
17 theatrical, film, or television production, or a
18 historical re-enactment; or

19 (B) for a costume worn, or intended to be worn, by
20 a person under 18 years of age.

21 (f) Sentence.

22 (1) A violation of paragraph (a)(8) is a petty offense
23 subject to a fine of not less than \$5 nor more than \$100,
24 and the person, firm, copartnership, or corporation
25 commits an additional petty offense for each day he, she,
26 or it continues to commit the violation. A violation of

1 paragraph (c)(1) is a petty offense, and the company,
2 association, or person commits an additional petty offense
3 for each day he, she, or it continues to commit the
4 violation. A violation of paragraph (a)(2.1) or subsection
5 (e) is a petty offense for which the offender shall be
6 fined at least \$100 and not more than \$200.

7 (2) A violation of paragraph (a)(1), (a)(3), or
8 (b)(7.5) is a Class C misdemeanor.

9 (3) A violation of paragraph (a)(2), (a)(2.5), (a)(7),
10 (b)(2), or (b)(7) or subsection (d) is a Class A
11 misdemeanor. A second or subsequent violation of
12 subsection (d) is a Class 3 felony.

13 (4) A violation of paragraph (a)(4), (a)(5), (a)(6),
14 (b)(1), (b)(2.3), (b)(2.7), (b)(3), (b)(8), or (b)(11) is
15 a Class 4 felony.

16 (5) A violation of paragraph (b)(4), (b)(9), or
17 (b)(12) is a Class 3 felony.

18 (6) A violation of paragraph (b)(5) or (b)(10) is a
19 Class 2 felony.

20 (7) A violation of paragraph (b)(6) is a Class 1
21 felony.

22 (g) A violation of subsection (a)(1) through (a)(7) or
23 subsection (e) of this Section may be accomplished in person
24 or by any means of communication, including but not limited to
25 the use of an Internet website or any form of electronic
26 communication.

1 (Source: P.A. 99-143, eff. 7-27-15; 99-561, eff. 7-15-16;
2 100-201, eff. 8-18-17.)

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