



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB5659

Introduced 2/20/2024, by Rep. Daniel Didech

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1025.1 new
35 ILCS 5/241 new
35 ILCS 105/3-5
35 ILCS 110/3-5
35 ILCS 115/3-5
35 ILCS 120/2-5

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity may award credits to qualifying microfiber filtration manufacturers against the taxes imposed by the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and the Illinois Income Tax Act. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and the Illinois Income Tax Act to make conforming changes. Effective immediately.

LRB103 39344 HLH 69507 b

1 AN ACT concerning revenue.

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

4 Section 5. The Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1025.1 as follows:

7 (20 ILCS 605/605-1025.1 new)

8 Sec. 605-1025.1. Microfiber filtration manufacturing
9 investment.

10 (a) As used in this Section:

11 "Full-time equivalent job" means a job in which a new
12 employee works for a microfiber filtration manufacturer, or
13 for a corporation under contract with a microfiber filtration
14 manufacturer, at a microfiber filtration manufacturing center
15 for at least 35 hours per week. A microfiber filtration
16 manufacturer who employs labor or services at a specific site
17 or facility under contract with another may declare one
18 full-time, permanent job for every 1,820 hours worked per year
19 under that contract. Vacations, paid holidays, and sick time
20 are included in this computation. Overtime is not considered a
21 part of regular hours.

22 "Microfiber" means a synthetic fiber that is composed of
23 microplastic, is intentionally embedded into a textile, and is

1 shed from the textile when washed.

2 "Microfiber filter" means a washing machine filter that
3 (i) is capable of reducing by at least 90% the mass of
4 microfibers that would otherwise be emitted by the washing
5 machine as a result of the operation of the washing machine and
6 (ii) has a mesh size of 100 microns or less.

7 "Microplastic" means a plastic piece that is less than 5
8 millimeters in diameter.

9 "Plastic" has the meaning given to that term in subsection
10 (a) of Sec. 52.5 of the Environmental Protection Act.

11 "Qualifying microfiber filtration manufacturer" means an
12 entity that operates a qualifying microfiber filtration
13 manufacturing center and that:

14 (1) made a capital investment of at least \$200,000 in
15 the qualifying microfiber filtration manufacturing center
16 on or after January 1, 2019 and before the effective date
17 of this amendatory Act of the 103rd General Assembly; or

18 (2) pledges to make a capital investment of at least
19 \$200,000 in the qualifying microfiber filtration
20 manufacturing center on or after the effective date of
21 this amendatory Act of the 103rd General Assembly and
22 before January 1, 2029; capital investments made on or
23 after January 1, 2019 and before the effective date of
24 this amendatory Act of the 103rd General Assembly may be
25 combined with capital investments made on or after the
26 effective date of this amendatory Act of the 103rd General

1 Assembly when determining the total amount of the
2 taxpayer's capital investment under this paragraph (2);
3 and

4 (3) pledges to create at least 5 full-time or
5 full-time equivalent new jobs at the qualifying microfiber
6 filtration manufacturing center over a period of 60 months
7 after the certificate is issued to the manufacturer by the
8 Department; those jobs must have a total compensation
9 equal to or greater than 120% of the average wage paid to
10 full-time employees in the county where the microfiber
11 filtration manufacturing center is located, as determined
12 by the U.S. Bureau of Labor Statistics.

13 "Qualifying microfiber filtration manufacturing center"
14 means a facility that is primarily used for the manufacture of
15 microfiber filters and that is located in the State of
16 Illinois.

17 "Qualified tangible personal property" means electrical
18 systems and equipment; hardware; computers; servers; racks;
19 cabinets; telecommunications cabling infrastructure;
20 peripheral components or systems; software; mechanical,
21 electrical, or plumbing systems; battery systems; and other
22 microfiber filtration manufacturing infrastructure equipment
23 and systems necessary to operate qualified tangible personal
24 property, including fixtures; and component parts of any of
25 the foregoing, including parts necessary for installation,
26 maintenance, repair, refurbishment, and replacement of the

1 qualified tangible personal property to generate, transform,
2 transmit, distribute, or manage electricity necessary to
3 operate qualified tangible personal property; and all other
4 tangible personal property that is essential to the operations
5 of a microfiber filtration manufacturer or manufacturing
6 center. "Qualified tangible personal property" also includes
7 building materials physically incorporated into the qualifying
8 microfiber filtration manufacturing center.

9 (b) On and after January 1, 2025, the Department shall
10 issue to qualifying microfiber filtration manufacturers
11 certificates of exemption from the Use Tax Act, the Service
12 Use Tax Act, the Service Occupation Tax Act, the Retailers'
13 Occupation Tax Act, all locally imposed retailers' occupation
14 taxes administered and collected by the Department, and the
15 Chicago non-titled use tax for qualified tangible personal
16 property used in the construction or operation of a qualifying
17 microfiber filtration manufacturing center. To document the
18 exemption allowed under this Section, the retailer or
19 serviceman must obtain from the qualifying microfiber
20 filtration manufacturer a copy of the certificate of exemption
21 issued by the Department.

22 (c) For taxable years beginning on or after January 1,
23 2025, the Department shall award credits against the taxes
24 imposed under subsections (a) and (b) of Section 201 of the
25 Illinois Income Tax Act as provided in Section 241 of the
26 Illinois Income Tax Act and issue tax credit certificates for

1 those credits.

2 Microfiber filtration manufacturers seeking a certificate
3 of exemption for a qualifying microfiber filtration
4 manufacturing center shall apply to the Department in the
5 manner specified by the Department. The Department shall
6 determine the duration of the certificate of exemption awarded
7 under this Act. The duration of the certificate of exemption
8 may not exceed 20 calendar years. The Department and any
9 microfiber filtration manufacturer seeking an exemption under
10 this Section must enter into a memorandum of understanding
11 that, at a minimum, provides:

12 (1) the details for determining the capital investment
13 to be made;

14 (2) the number of new full-time equivalent jobs
15 created;

16 (3) the timeline for achieving the capital investment
17 and new job goals;

18 (4) the repayment obligation should the job creation
19 and capital investment goals not be achieved and any
20 conditions under which repayment by the qualifying
21 microfiber filtration manufacturer claiming the exemption
22 is required;

23 (5) the duration of the exemption; and

24 (6) any other provisions as deemed necessary by the
25 Department.

26 (e) By July 1, 2025, and by July 1 of each year thereafter,

1 the Department shall deliver to the Governor and the General
2 Assembly a report on the outcomes and effectiveness of this
3 amendatory Act of the 103rd General Assembly, which shall
4 include the following:

5 (1) the name of each recipient business;

6 (2) the location of the project;

7 (3) the estimated value of the credit;

8 (4) the number of new full-time equivalent jobs and,
9 if applicable, retained full-time equivalent jobs pledged
10 as a result of the project; and

11 (5) whether the project is located in an underserved
12 area.

13 (f) Microfiber filtration manufacturers seeking a
14 certificate of exemption related to the rehabilitation or
15 construction of microfiber filtration manufacturing centers in
16 the State shall require the contractor and all subcontractors
17 to comply with the requirements of Section 30-22 of the
18 Illinois Procurement Code with respect to that rehabilitation
19 or construction as those requirements apply to responsible
20 bidders and to present satisfactory evidence of that
21 compliance to the Department.

22 (g) Microfiber filtration manufacturers seeking a
23 certificate of exemption for the rehabilitation or
24 construction of microfiber filtration manufacturers and
25 manufacturing centers in the State shall require the
26 contractor to enter into a project labor agreement approved by

1 the Department.

2 (h) Any qualifying microfiber filtration manufacturers and
3 manufacturing center issued a certificate of exemption under
4 this Section must annually report to the Department the total
5 benefits that are received by the business under this Act.
6 Reports under this subsection (h) are due by no later than May
7 31 of each year and shall cover the previous calendar year. The
8 first report is for the 2025 calendar year and is due no later
9 than May 31, 2026.

10 To the extent that a business issued a certificate of
11 exemption under this Section has obtained an Enterprise Zone
12 Building Materials Exemption Certificate or a High Impact
13 Business Building Materials Exemption Certificate, no
14 additional reporting for those building materials exemption
15 benefits is required under this Section.

16 Failure to file a report under this subsection may result
17 in suspension or revocation of the certificate of exemption.
18 Factors to be considered in determining whether a microfiber
19 filtration manufacturer's certificate of exemption shall be
20 suspended or revoked include, but are not limited to, prior
21 compliance with the reporting requirements, cooperation in
22 discontinuing and correcting violations, the extent of the
23 violation, and whether the violation was willful or
24 inadvertent.

25 (i) Notwithstanding any other provision of law, the
26 Department shall not issue any new certificates of exemption

1 under the provisions of this Section after July 1, 2034. This
2 sunset shall not affect any existing certificates of exemption
3 in effect on July 1, 2034.

4 (j) The Department shall adopt rules to implement and
5 administer this Section.

6 Section 10. The Illinois Income Tax Act is amended by
7 adding Section 241 as follows:

8 (35 ILCS 5/241 new)

9 Sec. 241. Microfiber filtration manufacturer employment
10 tax credit.

11 (a) As used in this Section:

12 "Microfiber" means a synthetic fiber that is composed of
13 microplastic, is intentionally embedded into a textile, and is
14 shed from the textile when washed.

15 "Microfiber filter" means a washing machine filter that
16 (i) is capable of reducing by at least 90% the mass of
17 microfibers that would otherwise be emitted by the washing
18 machine as a result of the operation of the washing machine and
19 (ii) has a mesh size of 100 microns or less.

20 "Microplastic" means a plastic piece that is less than 5
21 millimeters in diameter.

22 "Plastic" has the meaning given to that term in subsection
23 (a) of Sec. 52.5 of the Environmental Protection Act.

24 (b) A taxpayer who has been awarded a credit by the

1 Department of Commerce and Economic Opportunity under Section
2 605-1025.1 of the Department of Commerce and Economic
3 Opportunity Law of the Civil Administrative Code of Illinois
4 is entitled to a credit against the taxes imposed under
5 subsections (a) and (b) of Section 201 as provided in that Act.
6 The amount of the credit shall be 20% of the wages paid during
7 the taxable year to each full-time or part-time employee of
8 the microfiber filtration manufacturer who is employed at a
9 microfiber filtration manufacturing center and is primarily
10 engaged in the process of manufacturing microfiber filters in
11 a geographic area that meets any one of the following
12 criteria:

13 (1) the area has a poverty rate of at least 20%,
14 according to the United States Census Bureau American
15 Community Survey 5-Year Estimates;

16 (2) 75% or more of the children in the area
17 participate in the federal free lunch program, according
18 to reported statistics from the State Board of Education;

19 (3) 20% or more of the households in the area receive
20 assistance under the Supplemental Nutrition Assistance
21 Program (SNAP), according to data from the U.S. Census
22 Bureau American Community Survey 5-year Estimates; or

23 (4) the area has an average unemployment rate, as
24 determined by the Department of Employment Security, that
25 is more than 120% of the national unemployment average, as
26 determined by the U.S. Department of Labor, for a period

1 of at least 2 consecutive calendar years preceding the
2 date of the application.

3 If the taxpayer is a partnership or a Subchapter S
4 corporation, then the provisions of Section 251 apply. The
5 Department, in cooperation with the Department of Commerce and
6 Economic Opportunity, shall adopt rules to enforce and
7 administer this Section.

8 This Section is exempt from the provisions of Section 250
9 of this Act.

10 (c) In no event shall a credit under this Section reduce
11 the taxpayer's liability to less than zero. If the amount of
12 the credit exceeds the tax liability for the year, the excess
13 may be carried forward and applied to the tax liability of the
14 5 taxable years following the excess credit year. The tax
15 credit shall be applied to the earliest year for which there is
16 a tax liability. If there are credits for more than one year
17 that are available to offset a liability, the earlier credit
18 shall be applied first.

19 (d) No credit shall be allowed with respect to any
20 certification for any taxable year ending after the revocation
21 of the certification by the Department of Commerce and
22 Economic Opportunity. Upon receiving notification by the
23 Department of Commerce and Economic Opportunity of the
24 revocation of certification, the Department shall notify the
25 taxpayer that no credit is allowed for any taxable year ending
26 after the revocation date, as stated in such notification. If

1 any credit has been allowed with respect to a certification
2 for a taxable year ending after the revocation date, any
3 refund paid to the taxpayer for that taxable year shall, to the
4 extent of that credit allowed, be an erroneous refund within
5 the meaning of Section 912 of this Act.

6 Section 15. The Use Tax Act is amended by changing Section
7 3-5 as follows:

8 (35 ILCS 105/3-5)

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

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

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

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

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

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

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

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

17 (7) Farm chemicals.

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

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

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

1 Act.

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

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

1 software, global positioning and mapping systems, and other
2 such equipment.

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

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

13 This item (11) is exempt from the provisions of Section
14 3-90.

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

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

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

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

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

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

1 to be used primarily for photoprocessing, and including
2 photoprocessing machinery and equipment purchased for lease.

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

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

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

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

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

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

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

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

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

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

1 lessor. If, however, that amount is not refunded to the lessee
2 for any reason, the lessor is liable to pay that amount to the
3 Department.

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

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

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

5 (27) A motor vehicle, as that term is defined in Section
6 1-146 of the Illinois Vehicle Code, that is donated to a
7 corporation, limited liability company, society, association,
8 foundation, or institution that is determined by the
9 Department to be organized and operated exclusively for
10 educational purposes. For purposes of this exemption, "a
11 corporation, limited liability company, society, association,
12 foundation, or institution organized and operated exclusively
13 for educational purposes" means all tax-supported public
14 schools, private schools that offer systematic instruction in
15 useful branches of learning by methods common to public
16 schools and that compare favorably in their scope and
17 intensity with the course of study presented in tax-supported
18 schools, and vocational or technical schools or institutes
19 organized and operated exclusively to provide a course of
20 study of 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 (28) Beginning January 1, 2000, personal property,
25 including food, purchased through fundraising events for the
26 benefit of a public or private elementary or secondary school,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 The exemption does not include aircraft operated by a
16 commercial air carrier providing scheduled passenger air
17 service pursuant to authority issued under Part 121 or Part
18 129 of the Federal Aviation Regulations. The changes made to
19 this paragraph (35) by Public Act 98-534 are declarative of
20 existing law. It is the intent of the General Assembly that the
21 exemption under this paragraph (35) applies continuously from
22 January 1, 2010 through December 31, 2024; however, no claim
23 for credit or refund is allowed for taxes paid as a result of
24 the disallowance of this exemption on or after January 1, 2015
25 and prior to February 5, 2020 (the effective date of Public Act
26 101-629).

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

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

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

26 (39) Tangible personal property purchased by a purchaser

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

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

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

23 For the purposes of this item (40):

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

1 the State of Illinois.

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

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

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

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

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

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

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

1 milk storage bags.

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

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

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

25 (43) Beginning on January 1, 2024, tangible personal
26 property purchased by an active duty member of the armed

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

12 (44) Qualified tangible personal property used in the
13 construction or operation of a qualifying microfiber
14 filtration manufacturing center that has been granted a
15 certificate of exemption by the Department of Commerce and
16 Economic Opportunity under Section 605-1025.1 of the
17 Department of Commerce and Economic Opportunity Law of the
18 Civil Administrative Code of Illinois. As used in this
19 paragraph (44), "qualified tangible personal property" has the
20 meaning given to that term in Section 605-1025.1 of the
21 Department of Commerce and Economic Opportunity Law of the
22 Civil Administrative Code of Illinois. This paragraph is
23 exempt from the provisions of Section 3-90.

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

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

4 Section 20. The Service Use Tax Act is amended by changing
5 Section 3-5 as follows:

6 (35 ILCS 110/3-5)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 This item (7) is exempt from the provisions of Section
15 3-75.

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

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

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

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

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

26 (11) Proceeds from the sale of photoprocessing machinery

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

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

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

19 (14) Horses, or interests in horses, registered with and
20 meeting the requirements of any of the Arabian Horse Club
21 Registry of America, Appaloosa Horse Club, American Quarter
22 Horse Association, United States Trotting Association, or
23 Jockey Club, as appropriate, used for purposes of breeding or
24 racing for prizes. This item (14) is exempt from the
25 provisions of Section 3-75, and the exemption provided for
26 under this item (14) applies for all periods beginning May 30,

1 1995, but no claim for credit or refund is allowed on or after
2 January 1, 2008 (the effective date of Public Act 95-88) for
3 such taxes paid during the period beginning May 30, 2000 and
4 ending on January 1, 2008 (the effective date of Public Act
5 95-88).

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

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

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

23 (17) Beginning with taxable years ending on or after
24 December 31, 1995 and ending with taxable years ending on or
25 before December 31, 2004, personal property that is donated
26 for disaster relief to be used in a State or federally declared

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

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

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

24 (20) A motor vehicle, as that term is defined in Section
25 1-146 of the Illinois Vehicle Code, that is donated to a
26 corporation, limited liability company, society, association,

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

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

1 another individual or entity that sold the property for the
2 purpose of resale by the fundraising entity and that profits
3 from the sale to the fundraising entity. This paragraph is
4 exempt from the provisions of Section 3-75.

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

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

1 Specialized Mental Health Rehabilitation Act of 2013.

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

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

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

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-75.

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

20 Beginning January 1, 2010 and continuing through December
21 31, 2023, this exemption applies only to the use of qualifying
22 tangible personal property transferred incident to the
23 modification, refurbishment, completion, replacement, repair,
24 or maintenance of aircraft by persons who (i) hold an Air
25 Agency Certificate and are empowered to operate an approved
26 repair station by the Federal Aviation Administration, (ii)

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

15 The exemption does not include aircraft operated by a
16 commercial air carrier providing scheduled passenger air
17 service pursuant to authority issued under Part 121 or Part
18 129 of the Federal Aviation Regulations. The changes made to
19 this paragraph (27) by Public Act 98-534 are declarative of
20 existing law. It is the intent of the General Assembly that the
21 exemption under this paragraph (27) applies continuously from
22 January 1, 2010 through December 31, 2024; however, no claim
23 for credit or refund is allowed for taxes paid as a result of
24 the disallowance of this exemption on or after January 1, 2015
25 and prior to February 5, 2020 (the effective date of Public Act
26 101-629).

1 (28) Tangible personal property purchased by a
2 public-facilities corporation, as described in Section
3 11-65-10 of the Illinois Municipal Code, for purposes of
4 constructing or furnishing a municipal convention hall, but
5 only if the legal title to the municipal convention hall is
6 transferred to the municipality without any further
7 consideration by or on behalf of the municipality at the time
8 of the completion of the municipal convention hall or upon the
9 retirement or redemption of any bonds or other debt
10 instruments issued by the public-facilities corporation in
11 connection with the development of the municipal convention
12 hall. This exemption includes existing public-facilities
13 corporations as provided in Section 11-65-25 of the Illinois
14 Municipal Code. This paragraph is exempt from the provisions
15 of Section 3-75.

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

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

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

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

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

15 For the purposes of this item (31):

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

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

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

21 This item (31) is exempt from the provisions of Section
22 3-75.

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

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

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

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

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

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

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

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

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

1 years. "Armed forces of the United States" means the United
2 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
3 This paragraph is exempt from the provisions of Section 3-75.

4 (35) Qualified tangible personal property used in the
5 construction or operation of a qualifying microfiber
6 filtration manufacturing center that has been granted a
7 certificate of exemption by the Department of Commerce and
8 Economic Opportunity under Section 605-1025.1 of the
9 Department of Commerce and Economic Opportunity Law of the
10 Civil Administrative Code of Illinois. As used in this
11 paragraph (35), "qualified tangible personal property" has the
12 meaning given to that term in Section 605-1025.1 of the
13 Department of Commerce and Economic Opportunity Law of the
14 Civil Administrative Code of Illinois. This paragraph is
15 exempt from the provisions of Section 3-75.

16 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
17 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
18 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
19 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,
20 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
21 revised 12-12-23.)

22 Section 25. The Service Occupation Tax Act is amended by
23 changing Section 3-5 as follows:

24 (35 ILCS 115/3-5)

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

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

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

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

1 by the Department.

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

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

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

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

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

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

22 Farm machinery and equipment also includes computers,
23 sensors, software, and related equipment used primarily in the
24 computer-assisted operation of production agriculture
25 facilities, equipment, and activities such as, but not limited
26 to, the collection, monitoring, and correlation of animal and

1 crop data for the purpose of formulating animal diets and
2 agricultural chemicals.

3 Beginning on January 1, 2024, farm machinery and equipment
4 also includes electrical power generation equipment used
5 primarily for production agriculture.

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

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

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

25 (9) Proceeds of mandatory service charges separately
26 stated on customers' bills for the purchase and consumption of

1 food and beverages, to the extent that the proceeds of the
2 service charge are in fact turned over as tips or as a
3 substitute for tips to the employees who participate directly
4 in preparing, serving, hosting or cleaning up the food or
5 beverage function with respect to which the service charge is
6 imposed.

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

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

22 (12) Until July 1, 2028, coal and aggregate exploration,
23 mining, off-highway hauling, processing, maintenance, and
24 reclamation equipment, including replacement parts and
25 equipment, and including equipment purchased for lease, but
26 excluding motor vehicles required to be registered under the

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

7 (13) Beginning January 1, 1992 and through June 30, 2016,
8 food for human consumption that is to be consumed off the
9 premises where it is sold (other than alcoholic beverages,
10 soft drinks and food that has been prepared for immediate
11 consumption) and prescription and non-prescription medicines,
12 drugs, medical appliances, and insulin, urine testing
13 materials, syringes, and needles used by diabetics, for human
14 use, when purchased for use by a person receiving medical
15 assistance under Article V of the Illinois Public Aid Code who
16 resides in a licensed long-term care facility, as defined in
17 the Nursing Home Care Act, or in a licensed facility as defined
18 in the ID/DD Community Care Act, the MC/DD Act, or the
19 Specialized Mental Health Rehabilitation Act of 2013.

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

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

1 racing for prizes. This item (15) is exempt from the
2 provisions of Section 3-55, and the exemption provided for
3 under this item (15) applies for all periods beginning May 30,
4 1995, but no claim for credit or refund is allowed on or after
5 January 1, 2008 (the effective date of Public Act 95-88) for
6 such taxes paid during the period beginning May 30, 2000 and
7 ending on January 1, 2008 (the effective date of Public Act
8 95-88).

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

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

23 (18) Beginning with taxable years ending on or after
24 December 31, 1995 and ending with taxable years ending on or
25 before December 31, 2004, personal property that is donated
26 for disaster relief to be used in a State or federally declared

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

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

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

24 (21) A motor vehicle, as that term is defined in Section
25 1-146 of the Illinois Vehicle Code, that is donated to a
26 corporation, limited liability company, society, association,

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

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

1 another individual or entity that sold the property for the
2 purpose of resale by the fundraising entity and that profits
3 from the sale to the fundraising entity. This paragraph is
4 exempt from the provisions of Section 3-55.

5 (23) Beginning January 1, 2000 and through December 31,
6 2001, new or used automatic vending machines that prepare and
7 serve hot food and beverages, including coffee, soup, and
8 other items, and replacement parts for these machines.
9 Beginning January 1, 2002 and through June 30, 2003, machines
10 and parts for machines used in commercial, coin-operated
11 amusement and vending business if a use or occupation tax is
12 paid on the gross receipts derived from the use of the
13 commercial, coin-operated amusement and vending machines. This
14 paragraph is exempt from the provisions of Section 3-55.

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

25 (25) Beginning on August 2, 2001 (the effective date of
26 Public Act 92-227), personal property sold to a lessor who

1 leases the property, under a lease of one year or longer
2 executed or in effect at the time of the purchase, to a
3 governmental body that has been issued an active tax exemption
4 identification number by the Department under Section 1g of
5 the Retailers' Occupation Tax Act. This paragraph is exempt
6 from the provisions of Section 3-55.

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

1 all necessary books and records to substantiate the use and
2 consumption of all such tangible personal property outside of
3 the State of Illinois.

4 (27) Beginning January 1, 2008, tangible personal property
5 used in the construction or maintenance of a community water
6 supply, as defined under Section 3.145 of the Environmental
7 Protection Act, that is operated by a not-for-profit
8 corporation that holds a valid water supply permit issued
9 under Title IV of the Environmental Protection Act. This
10 paragraph is exempt from the provisions of Section 3-55.

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

26 (29) 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 transfer of
18 qualifying tangible personal property incident to the
19 modification, refurbishment, completion, replacement, repair,
20 or maintenance of an 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 The exemption does not include aircraft operated by a
26 commercial air carrier providing scheduled passenger air

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

14 The changes made to this paragraph (29) by Public Act
15 98-534 are declarative of existing law. It is the intent of the
16 General Assembly that the exemption under this paragraph (29)
17 applies continuously from January 1, 2010 through December 31,
18 2024; however, no claim for credit or refund is allowed for
19 taxes paid as a result of the disallowance of this exemption on
20 or after January 1, 2015 and prior to February 5, 2020 (the
21 effective date of Public Act 101-629).

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

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

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

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

20 For the purposes of this item (32):

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

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

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

26 This item (32) is exempt from the provisions of Section

1 3-55.

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

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

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

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

25 "Breast pump collection and storage supplies" does not
26 include: (1) bottles and bottle caps not specific to the

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

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

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

22 (35) Beginning on January 1, 2024, tangible personal
23 property purchased by an active duty member of the armed
24 forces of the United States who presents valid military
25 identification and purchases the property using a form of
26 payment where the federal government is the payor. The member

1 of the armed forces must complete, at the point of sale, a form
2 prescribed by the Department of Revenue documenting that the
3 transaction is eligible for the exemption under this
4 paragraph. Retailers must keep the form as documentation of
5 the exemption in their records for a period of not less than 6
6 years. "Armed forces of the United States" means the United
7 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
8 This paragraph is exempt from the provisions of Section 3-55.

9 (36) Qualified tangible personal property used in the
10 construction or operation of a qualifying microfiber
11 filtration manufacturing center that has been granted a
12 certificate of exemption by the Department of Commerce and
13 Economic Opportunity under Section 605-1025.1 of the
14 Department of Commerce and Economic Opportunity Law of the
15 Civil Administrative Code of Illinois. As used in this
16 paragraph (36), "qualified tangible personal property" has the
17 meaning given to that term in Section 605-1025.1 of the
18 Department of Commerce and Economic Opportunity Law of the
19 Civil Administrative Code of Illinois. This paragraph is
20 exempt from the provisions of 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 30. 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, Marine Corps, or Coast Guard. This paragraph is
10 exempt from the provisions of Section 2-70.

11 (49) Qualified tangible personal property used in the
12 construction or operation of a qualifying microfiber
13 filtration manufacturing center that has been granted a
14 certificate of exemption by the Department of Commerce and
15 Economic Opportunity under Section 605-1025.1 of the
16 Department of Commerce and Economic Opportunity Law of the
17 Civil Administrative Code of Illinois. As used in this
18 paragraph (49), "qualified tangible personal property" has
19 the meaning given to that term in Section 605-1025.1 of
20 the Department of Commerce and Economic Opportunity Law of
21 the Civil Administrative Code of Illinois. This paragraph
22 is exempt from the provisions of Section 2-70.

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

1 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
2 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
3 12-12-23.)

4 Section 99. Effective date. This Act takes effect upon
5 becoming law.