

# SB3476



## 103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3476

Introduced 2/8/2024, by Sen. Elgie R. Sims, Jr.

### SYNOPSIS AS INTRODUCED:

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

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that home-delivered meals provided to Medicare or Medicaid recipients when payment is made by an intermediary pursuant to a government contract are exempt from taxation under the Act. Effective immediately.

LRB103 34190 HLH 64013 b

A BILL FOR

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

7 (Text of Section before amendment by P.A. 103-384)

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

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

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

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

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

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

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

16 (7) Farm chemicals.

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

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

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

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

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

1 such equipment.

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

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

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

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

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

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

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

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

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

1 photoprocessing machinery and equipment purchased for lease.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 for any reason, the lessor is liable to pay that amount to the  
2 Department. This paragraph is exempt from the provisions of  
3 Section 3-90.

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

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

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

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

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

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

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

26 (36) Tangible personal property purchased by a

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

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

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

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

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

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

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

22 For the purposes of this item (40):

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

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

1 Commerce and Economic Opportunity.

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

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

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

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

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

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

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

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

24 (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; revised 9-12-23.)

3 (Text of Section after amendment by P.A. 103-384)

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

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

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

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

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

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

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

24 (6) Until July 1, 2003 and beginning again on September 1,  
25 2004 through August 30, 2014, graphic arts machinery and  
26 equipment, including repair and replacement parts, both new

1 and used, and including that manufactured on special order,  
2 certified by the purchaser to be used primarily for graphic  
3 arts production, and including machinery and equipment  
4 purchased for lease. Equipment includes chemicals or chemicals  
5 acting as catalysts but only if the chemicals or chemicals  
6 acting as catalysts effect a direct and immediate change upon  
7 a graphic arts product. Beginning on July 1, 2017, graphic  
8 arts machinery and equipment is included in the manufacturing  
9 and assembling machinery and equipment exemption under  
10 paragraph (18).

11 (7) Farm chemicals.

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

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

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

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

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

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

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

1 to, the collection, monitoring, and correlation of animal and  
2 crop data for the purpose of formulating animal diets and  
3 agricultural chemicals.

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

7 This item (11) is exempt from the provisions of Section  
8 3-90.

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

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

26 (13) Proceeds of mandatory service charges separately

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Section 3-90.

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

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

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

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

25 (35) Beginning January 1, 2010 and continuing through  
26 December 31, 2029, materials, parts, equipment, components,



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

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

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

9 The 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 Part  
12 129 of the Federal Aviation Regulations. The changes made to  
13 this paragraph (35) by Public Act 98-534 are declarative of  
14 existing law. It is the intent of the General Assembly that the  
15 exemption under this paragraph (35) applies continuously from  
16 January 1, 2010 through December 31, 2024; however, no claim  
17 for credit or refund is allowed for taxes paid as a result of  
18 the disallowance of this exemption on or after January 1, 2015  
19 and prior to February 5, 2020 (the effective date of Public Act  
20 101-629).

21 (36) Tangible personal property purchased by a  
22 public-facilities corporation, as described in Section  
23 11-65-10 of the Illinois Municipal Code, for purposes of  
24 constructing or furnishing a municipal convention hall, but  
25 only if the legal title to the municipal convention hall is  
26 transferred to the municipality without any further

1 consideration by or on behalf of the municipality at the time  
2 of the completion of the municipal convention hall or upon the  
3 retirement or redemption of any bonds or other debt  
4 instruments issued by the public-facilities corporation in  
5 connection with the development of the municipal convention  
6 hall. This exemption includes existing public-facilities  
7 corporations as provided in Section 11-65-25 of the Illinois  
8 Municipal Code. This paragraph is exempt from the provisions  
9 of Section 3-90.

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

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

20 (39) Tangible personal property purchased by a purchaser  
21 who is exempt from the tax imposed by this Act by operation of  
22 federal law. This paragraph is exempt from the provisions of  
23 Section 3-90.

24 (40) Qualified tangible personal property used in the  
25 construction or operation of a data center that has been  
26 granted a certificate of exemption by the Department of

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

12 The Department of Commerce and Economic Opportunity shall  
13 grant a certificate of exemption under this item (40) to  
14 qualified data centers as defined by Section 605-1025 of the  
15 Department of Commerce and Economic Opportunity Law of the  
16 Civil Administrative Code of Illinois.

17 For the purposes of this item (40):

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

22 "Qualified tangible personal property" means:  
23 electrical systems and equipment; climate control and  
24 chilling equipment and systems; mechanical systems and  
25 equipment; monitoring and secure systems; emergency  
26 generators; hardware; computers; servers; data storage

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

23 This item (40) is exempt from the provisions of Section  
24 3-90.

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

1 item (41) is exempt from the provisions of Section 3-90. As  
2 used in this item (41):

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

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

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

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

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

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

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

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

1 paragraph. Retailers must keep the form as documentation of  
2 the exemption in their records for a period of not less than 6  
3 years. "Armed forces of the United States" means the United  
4 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
5 This paragraph is exempt from the provisions of Section 3-90.

6 (44) Beginning July 1, 2024, home-delivered meals provided  
7 to Medicare or Medicaid recipients when payment is made by an  
8 intermediary, such as a Medicare Administrative Contractor, a  
9 Managed Care Organization, or a Medicare Advantage  
10 Organization, pursuant to a government contract. This item  
11 (44) is exempt from the provisions of Section 3-90.

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

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

20 (35 ILCS 110/3-5)

21 (Text of Section before amendment by P.A. 103-384)

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

24 (1) Personal property purchased from a corporation,



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

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

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

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

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

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

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

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

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

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

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

26 Beginning on January 1, 2024, farm machinery and equipment

1 also includes electrical power generation equipment used  
2 primarily for production agriculture.

3 This item (7) is exempt from the provisions of Section  
4 3-75.

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

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

22 (9) Proceeds of mandatory service charges separately  
23 stated on customers' bills for the purchase and consumption of  
24 food and beverages acquired as an incident to the purchase of a  
25 service from a serviceman, to the extent that the proceeds of  
26 the service charge are in fact turned over as tips or as a

1 substitute for tips to the employees who participate directly  
2 in preparing, serving, hosting or cleaning up the food or  
3 beverage function with respect to which the service charge is  
4 imposed.

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

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

21 (12) Until July 1, 2028, coal and aggregate exploration,  
22 mining, off-highway hauling, processing, maintenance, and  
23 reclamation equipment, including replacement parts and  
24 equipment, and including equipment purchased for lease, but  
25 excluding motor vehicles required to be registered under the  
26 Illinois Vehicle Code. The changes made to this Section by

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

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

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

21 (15) Computers and communications equipment utilized for  
22 any hospital purpose and equipment used in the diagnosis,  
23 analysis, or treatment of hospital patients purchased by a  
24 lessor who leases the equipment, under a lease of one year or  
25 longer executed or in effect at the time the lessor would  
26 otherwise be subject to the tax imposed by this Act, to a

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

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

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

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

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



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

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

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

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

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

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

1 paid on the gross receipts derived from the use of the  
2 commercial, coin-operated amusement and vending machines. This  
3 paragraph is exempt from the provisions of Section 3-75.

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

17 (24) Beginning on August 2, 2001 (the effective date of  
18 Public Act 92-227), computers and communications equipment  
19 utilized for any hospital purpose and equipment used in the  
20 diagnosis, analysis, or treatment of hospital patients  
21 purchased by a lessor who leases the equipment, under a lease  
22 of one year or longer executed or in effect at the time the  
23 lessor would otherwise be subject to the tax imposed by this  
24 Act, to a hospital that has been issued an active tax exemption  
25 identification number by the Department under Section 1g of  
26 the Retailers' Occupation Tax Act. If the equipment is leased

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

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

1 based on the fair market value of the property at the time the  
2 nonqualifying use occurs. No lessor shall collect or attempt  
3 to collect an amount (however designated) that purports to  
4 reimburse that lessor for the tax imposed by this Act or the  
5 Use Tax Act, as the case may be, if the tax has not been paid  
6 by the lessor. If a lessor improperly collects any such amount  
7 from the lessee, the lessee shall have a legal right to claim a  
8 refund of that amount from the lessor. If, however, that  
9 amount is not refunded to the lessee for any reason, the lessor  
10 is liable to pay that amount to the Department. This paragraph  
11 is exempt from the provisions of Section 3-75.

12 (26) Beginning January 1, 2008, tangible personal property  
13 used in the construction or maintenance of a community water  
14 supply, as defined under Section 3.145 of the Environmental  
15 Protection Act, that is operated by a not-for-profit  
16 corporation that holds a valid water supply permit issued  
17 under Title IV of the Environmental Protection Act. This  
18 paragraph is exempt from the provisions of Section 3-75.

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

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

9 Beginning January 1, 2010 and continuing through December  
10 31, 2023, this exemption applies only to the use of qualifying  
11 tangible personal property transferred incident to the  
12 modification, refurbishment, completion, replacement, repair,  
13 or maintenance of aircraft by persons who (i) hold an Air  
14 Agency Certificate and are empowered to operate an approved  
15 repair station by the Federal Aviation Administration, (ii)  
16 have a Class IV Rating, and (iii) conduct operations in  
17 accordance with Part 145 of the Federal Aviation Regulations.  
18 From January 1, 2024 through December 31, 2029, this exemption  
19 applies only to the use of qualifying tangible personal  
20 property by: (A) persons who modify, refurbish, complete,  
21 repair, replace, or maintain aircraft and who (i) hold an Air  
22 Agency Certificate and are empowered to operate an approved  
23 repair station by the Federal Aviation Administration, (ii)  
24 have a Class IV Rating, and (iii) conduct operations in  
25 accordance with Part 145 of the Federal Aviation Regulations;  
26 and (B) persons who engage in the modification, replacement,

1 repair, and maintenance of aircraft engines or power plants  
2 without regard to whether or not those persons meet the  
3 qualifications of item (A).

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

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

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

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

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

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

25 The Department of Commerce and Economic Opportunity shall  
26 grant a certificate of exemption under this item (31) to



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

4 For the purposes of this item (31):

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

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

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

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

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

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

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

1 milk until it is ready for consumption.

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

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

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

1 manufacturer or distributor.

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

6 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
7 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section  
8 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
9 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,  
10 eff. 6-7-23; 103-154, eff. 6-30-23; revised 9-14-23.)

11 (Text of Section after amendment by P.A. 103-384)

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

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

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

24 (3) Personal property purchased by a not-for-profit arts  
25 or cultural organization that establishes, by proof required

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

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

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

1 July 1, 2017, graphic arts machinery and equipment is included  
2 in the manufacturing and assembling machinery and equipment  
3 exemption under Section 2 of this Act.

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

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

26 Farm machinery and equipment shall include precision

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

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

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

18 This item (7) is exempt from the provisions of Section  
19 3-75.

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

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

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

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



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

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

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

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

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

1 Jockey Club, as appropriate, used for purposes of breeding or  
2 racing for prizes. This item (14) is exempt from the  
3 provisions of Section 3-75, and the exemption provided for  
4 under this item (14) applies for all periods beginning May 30,  
5 1995, but no claim for credit or refund is allowed on or after  
6 January 1, 2008 (the effective date of Public Act 95-88) for  
7 such taxes paid during the period beginning May 30, 2000 and  
8 ending on January 1, 2008 (the effective date of Public Act  
9 95-88).

10 (15) Computers and communications equipment utilized for  
11 any hospital purpose and equipment used in the diagnosis,  
12 analysis, or treatment of hospital patients purchased by a  
13 lessor who leases the equipment, under a lease of one year or  
14 longer executed or in effect at the time the lessor would  
15 otherwise be subject to the tax imposed by this Act, to a  
16 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 non-exempt manner, the lessor shall be liable for  
21 the tax imposed under this Act or the Use Tax Act, as the case  
22 may be, based on the fair market value of the property at the  
23 time the non-qualifying use occurs. No lessor shall collect or  
24 attempt to collect an amount (however designated) that  
25 purports to reimburse that lessor for the tax imposed by this  
26 Act or the Use Tax Act, as the case may be, if the tax has not

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

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

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

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

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

1 provisions of Section 3-75.

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

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

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

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

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

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

6 (24) Beginning on August 2, 2001 (the effective date of  
7 Public Act 92-227), computers and communications equipment  
8 utilized for any hospital purpose and equipment used in the  
9 diagnosis, analysis, or treatment of hospital patients  
10 purchased by a lessor who leases the equipment, under a lease  
11 of one year or longer executed or in effect at the time the  
12 lessor would otherwise be subject to the tax imposed by this  
13 Act, to a hospital that has been issued an active tax exemption  
14 identification number by the Department under Section 1g of  
15 the Retailers' Occupation Tax Act. If the equipment is leased  
16 in a manner that does not qualify for this exemption or is used  
17 in any other nonexempt manner, the lessor shall be liable for  
18 the tax imposed under this Act or the Use Tax Act, as the case  
19 may be, based on the fair market value of the property at the  
20 time the nonqualifying 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 Use Tax Act, as the case may be, if the tax has not  
24 been paid by the lessor. If a lessor improperly collects any  
25 such amount from the lessee, the lessee shall have a legal  
26 right to claim a refund of that amount from the lessor. If,

1 however, that amount is not refunded to the lessee for any  
2 reason, the lessor is liable to pay that amount to the  
3 Department. This paragraph is exempt from the provisions of  
4 Section 3-75.

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



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

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

24           Beginning January 1, 2010 and continuing through December  
25 31, 2023, this exemption applies only to the use of qualifying  
26 tangible personal property transferred incident to the

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

19 The exemption does not include aircraft operated by a  
20 commercial air carrier providing scheduled passenger air  
21 service pursuant to authority issued under Part 121 or Part  
22 129 of the Federal Aviation Regulations. The changes made to  
23 this paragraph (27) by Public Act 98-534 are declarative of  
24 existing law. It is the intent of the General Assembly that the  
25 exemption under this paragraph (27) applies continuously from  
26 January 1, 2010 through December 31, 2024; however, no claim

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

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

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

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

26 (31) Qualified tangible personal property used in the

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

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

19 For the purposes of this item (31):

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

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

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

25 This item (31) is exempt from the provisions of Section  
26 3-75.

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

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

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

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

24 "Breast pump collection and storage supplies" does not  
25 include: (1) bottles and bottle caps not specific to the  
26 operation of the breast pump; (2) breast pump travel bags

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

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

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

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

1 prescribed by the Department of Revenue documenting that the  
2 transaction is eligible for the exemption under this  
3 paragraph. Retailers must keep the form as documentation of  
4 the exemption in their records for a period of not less than 6  
5 years. "Armed forces of the United States" means the United  
6 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
7 This paragraph is exempt from the provisions of Section 3-75.

8 (35) Beginning July 1, 2024, home-delivered meals provided  
9 to Medicare or Medicaid recipients when payment is made by an  
10 intermediary, such as a Medicare Administrative Contractor, a  
11 Managed Care Organization, or a Medicare Advantage  
12 Organization, pursuant to a government contract. This  
13 paragraph (35) is exempt from the provisions of Section 3-75.

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

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

22 (35 ILCS 115/3-5)

23 (Text of Section before amendment by P.A. 103-384)

24 Sec. 3-5. Exemptions. The following tangible personal



1 property is exempt from the tax imposed by this Act:

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

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

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

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

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

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

20           (7) Farm machinery and equipment, both new and used,  
21 including that manufactured on special order, certified by the  
22 purchaser to be used primarily for production agriculture or  
23 State or federal agricultural programs, including individual  
24 replacement parts for the machinery and equipment, including  
25 machinery and equipment purchased for lease, and including  
26 implements of husbandry defined in Section 1-130 of the

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

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

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

1 agricultural chemicals.

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

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

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

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

24 (9) Proceeds of mandatory service charges separately  
25 stated on customers' bills for the purchase and consumption of  
26 food and beverages, to the extent that the proceeds of the

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

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

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

21 (12) Until July 1, 2028, coal and aggregate exploration,  
22 mining, off-highway hauling, processing, maintenance, and  
23 reclamation equipment, including replacement parts and  
24 equipment, and including equipment purchased for lease, but  
25 excluding motor vehicles required to be registered under the  
26 Illinois Vehicle Code. The changes made to this Section by

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

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

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

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

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

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

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

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

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

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

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

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



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

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

1 purpose of resale by the fundraising entity and that profits  
2 from the sale to the fundraising entity. This paragraph is  
3 exempt from the provisions of Section 3-55.

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

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

24 (25) Beginning on August 2, 2001 (the effective date of  
25 Public Act 92-227), personal property sold to a lessor who  
26 leases the property, under a lease of one year or longer

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

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

1 consumption of all such tangible personal property outside of  
2 the State of Illinois.

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

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

25 (29) Beginning January 1, 2010 and continuing through  
26 December 31, 2029, materials, parts, equipment, components,

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

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

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

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

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

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

26 (32) Qualified tangible personal property used in the

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

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

19 For the purposes of this item (32):

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

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

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

25 This item (32) is exempt from the provisions of Section  
26 3-55.



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

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

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

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

24 "Breast pump collection and storage supplies" does not  
25 include: (1) bottles and bottle caps not specific to the  
26 operation of the breast pump; (2) breast pump travel bags

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

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

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

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

1 (Text of Section after amendment by P.A. 103-384)

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

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

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

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

1 purchases unless it has an active identification number issued  
2 by the Department.

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

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

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

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

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

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

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

1 to, the collection, monitoring, and correlation of animal and  
2 crop data for the purpose of formulating animal diets and  
3 agricultural chemicals.

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

7 This item (7) is exempt from the provisions of Section  
8 3-55.

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

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

26 (9) Proceeds of mandatory service charges separately

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

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

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

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

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

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

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

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



1 Jockey Club, as appropriate, used for purposes of breeding or  
2 racing for prizes. This item (15) is exempt from the  
3 provisions of Section 3-55, and the exemption provided for  
4 under this item (15) applies for all periods beginning May 30,  
5 1995, but no claim for credit or refund is allowed on or after  
6 January 1, 2008 (the effective date of Public Act 95-88) for  
7 such taxes paid during the period beginning May 30, 2000 and  
8 ending on January 1, 2008 (the effective date of Public Act  
9 95-88).

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Public Act 92-227), personal property sold to a lessor who  
2 leases the property, under a lease of one year or longer  
3 executed or in effect at the time of the purchase, to a  
4 governmental body that has been issued an active tax exemption  
5 identification number by the Department under Section 1g of  
6 the Retailers' Occupation Tax Act. This paragraph is exempt  
7 from the provisions of Section 3-55.

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

1 from the taxes imposed by this Act. Taxpayers shall maintain  
2 all necessary books and records to substantiate the use and  
3 consumption of all such tangible personal property outside of  
4 the State of Illinois.

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

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

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

17           Beginning January 1, 2010 and continuing through December  
18 31, 2023, this exemption applies only to the transfer of  
19 qualifying tangible personal property incident to the  
20 modification, refurbishment, completion, replacement, repair,  
21 or maintenance of an aircraft by persons who (i) hold an Air  
22 Agency Certificate and are empowered to operate an approved  
23 repair station by the Federal Aviation Administration, (ii)  
24 have a Class IV Rating, and (iii) conduct operations in  
25 accordance with Part 145 of the Federal Aviation Regulations.  
26 The exemption does not include aircraft operated by a

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

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

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

25 (31) Tangible personal property transferred to a purchaser  
26 who is exempt from tax by operation of federal law. This



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

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

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

21 For the purposes of this item (32):

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

26 "Qualified tangible personal property" means:

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

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

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

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

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

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

26           "Breast pump collection and storage supplies" does not

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

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

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

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

10 (36) Beginning July 1, 2024, home-delivered meals provided  
11 to Medicare or Medicaid recipients when payment is made by an  
12 intermediary, such as a Medicare Administrative Contractor, a  
13 Managed Care Organization, or a Medicare Advantage  
14 Organization, pursuant to a government contract. This  
15 paragraph (35) is exempt from the provisions of Section 3-55.

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

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

24 (35 ILCS 120/2-5)

1 (Text of Section before amendment by P.A. 103-384)

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

5 (1) Farm chemicals.

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

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

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

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

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

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

1 or resale.

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

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

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

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

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



1 the county fair.

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

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

24 (11) Personal property sold to a governmental body, to  
25 a corporation, society, association, foundation, or  
26 institution organized and operated exclusively for

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

13 (12) (Blank).

14 (12-5) On and after July 1, 2003 and through June 30,  
15 2004, motor vehicles of the second division with a gross  
16 vehicle weight in excess of 8,000 pounds that are subject  
17 to the commercial distribution fee imposed under Section  
18 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
19 2004 and through June 30, 2005, the use in this State of  
20 motor vehicles of the second division: (i) with a gross  
21 vehicle weight rating in excess of 8,000 pounds; (ii) that  
22 are subject to the commercial distribution fee imposed  
23 under Section 3-815.1 of the Illinois Vehicle Code; and  
24 (iii) that are primarily used for commercial purposes.  
25 Through June 30, 2005, this exemption applies to repair  
26 and replacement parts added after the initial purchase of

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

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

16              (14) Machinery and equipment that will be used by the  
17      purchaser, or a lessee of the purchaser, primarily in the  
18      process of manufacturing or assembling tangible personal  
19      property for wholesale or retail sale or lease, whether  
20      the sale or lease is made directly by the manufacturer or  
21      by some other person, whether the materials used in the  
22      process are owned by the manufacturer or some other  
23      person, or whether the sale or lease is made apart from or  
24      as an incident to the seller's engaging in the service  
25      occupation of producing machines, tools, dies, jigs,  
26      patterns, gauges, or other similar items of no commercial

1 value on special order for a particular purchaser. The  
2 exemption provided by this paragraph (14) does not include  
3 machinery and equipment used in (i) the generation of  
4 electricity for wholesale or retail sale; (ii) the  
5 generation or treatment of natural or artificial gas for  
6 wholesale or retail sale that is delivered to customers  
7 through pipes, pipelines, or mains; or (iii) the treatment  
8 of water for wholesale or retail sale that is delivered to  
9 customers through pipes, pipelines, or mains. The  
10 provisions of Public Act 98-583 are declaratory of  
11 existing law as to the meaning and scope of this  
12 exemption. Beginning on July 1, 2017, the exemption  
13 provided by this paragraph (14) includes, but is not  
14 limited to, graphic arts machinery and equipment, as  
15 defined in paragraph (4) of this Section.

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

24 (16) Tangible personal property sold to a purchaser if  
25 the purchaser is exempt from use tax by operation of  
26 federal law. This paragraph is exempt from the provisions

1 of Section 2-70.

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

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

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

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

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

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

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

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

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

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

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

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

1 out-of-state registration plates to be transferred is  
2 prima facie evidence that the motor vehicle will not be  
3 titled in this State.

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



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

8 (25-7) Beginning on July 1, 2007, no tax is imposed  
9 under this Act on the sale of an aircraft, as defined in  
10 Section 3 of the Illinois Aeronautics Act, if all of the  
11 following conditions are met:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 fundraising events (i) for the benefit of private home  
2 instruction or (ii) for which the fundraising entity  
3 purchases the personal property sold at the events from  
4 another individual or entity that sold the property for  
5 the purpose of resale by the fundraising entity and that  
6 profits from the sale to the fundraising entity. This  
7 paragraph is exempt from the provisions of Section 2-70.

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

19 (35-5) Beginning August 23, 2001 and through June 30,  
20 2016, food for human consumption that is to be consumed  
21 off the premises where it is sold (other than alcoholic  
22 beverages, soft drinks, and food that has been prepared  
23 for immediate consumption) and prescription and  
24 nonprescription medicines, drugs, medical appliances, and  
25 insulin, urine testing materials, syringes, and needles  
26 used by diabetics, for human use, when purchased for use

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

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

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

24 (38) Beginning on January 1, 2002 and through June 30,  
25 2016, tangible personal property purchased from an  
26 Illinois retailer by a taxpayer engaged in centralized

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

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



1 permit issued under Title IV of the Environmental  
2 Protection Act. This paragraph is exempt from the  
3 provisions of Section 2-70.

4 (40) Beginning January 1, 2010 and continuing through  
5 December 31, 2029, materials, parts, equipment,  
6 components, and furnishings incorporated into or upon an  
7 aircraft as part of the modification, refurbishment,  
8 completion, replacement, repair, or maintenance of the  
9 aircraft. This exemption includes consumable supplies used  
10 in the modification, refurbishment, completion,  
11 replacement, repair, and maintenance of aircraft. However,  
12 until January 1, 2024, this exemption excludes any  
13 materials, parts, equipment, components, and consumable  
14 supplies used in the modification, replacement, repair,  
15 and maintenance of aircraft engines or power plants,  
16 whether such engines or power plants are installed or  
17 uninstalled upon any such aircraft. "Consumable supplies"  
18 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  
22 December 31, 2023, this exemption applies only to the sale  
23 of qualifying tangible personal property to persons who  
24 modify, refurbish, complete, replace, or maintain an  
25 aircraft and who (i) hold an Air Agency Certificate and  
26 are empowered to operate an approved repair station by the

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

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

1 disallowance of this exemption on or after January 1, 2015  
2 and prior to February 5, 2020 (the effective date of  
3 Public Act 101-629).

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

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

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

1 Purchase Agreement Occupation and Use Tax Act. This  
2 paragraph is exempt from the provisions of Section 2-70.

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

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

24 For the purposes of this item (44):

25 "Data center" means a building or a series of  
26 buildings rehabilitated or constructed to house

1 working servers in one physical location or multiple  
2 sites within the State of Illinois.

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

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

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

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

24 (46) Beginning July 1, 2022, breast pumps, breast pump  
25 collection and storage supplies, and breast pump kits.  
26 This item (46) is exempt from the provisions of Section

1 2-70. As used in this item (46):

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

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

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

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

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

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

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

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

24 (Text of Section after amendment by P.A. 103-384)  
25 Sec. 2-5. Exemptions. Gross receipts from proceeds from



1 the sale of the following tangible personal property are  
2 exempt from the tax imposed by this Act:

3 (1) Farm chemicals.

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

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

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

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

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

17 This item (2) is exempt from the provisions of Section  
18 2-70.

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

26 (4) Until July 1, 2003 and beginning again September

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

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

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

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

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

26 (9) Personal property sold to a not-for-profit arts or

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

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

22 (11) Except as otherwise provided in this Section,  
23 personal property sold to a governmental body, to a  
24 corporation, society, association, foundation, or  
25 institution organized and operated exclusively for  
26 charitable, religious, or educational purposes, or to a

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

12 (12) (Blank).

13 (12-5) On and after July 1, 2003 and through June 30,  
14 2004, motor vehicles of the second division with a gross  
15 vehicle weight in excess of 8,000 pounds that are subject  
16 to the commercial distribution fee imposed under Section  
17 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
18 2004 and through June 30, 2005, the use in this State of  
19 motor vehicles of the second division: (i) with a gross  
20 vehicle weight rating in excess of 8,000 pounds; (ii) that  
21 are subject to the commercial distribution fee imposed  
22 under Section 3-815.1 of the Illinois Vehicle Code; and  
23 (iii) that are primarily used for commercial purposes.  
24 Through June 30, 2005, this exemption applies to repair  
25 and replacement parts added after the initial purchase of  
26 such a motor vehicle if that motor vehicle is used in a

1 manner that would qualify for the rolling stock exemption  
2 otherwise provided for in this Act. For purposes of this  
3 paragraph, "used for commercial purposes" means the  
4 transportation of persons or property in furtherance of  
5 any commercial or industrial enterprise whether for-hire  
6 or not.

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

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

1 exemption provided by this paragraph (14) does not include  
2 machinery and equipment used in (i) the generation of  
3 electricity for wholesale or retail sale; (ii) the  
4 generation or treatment of natural or artificial gas for  
5 wholesale or retail sale that is delivered to customers  
6 through pipes, pipelines, or mains; or (iii) the treatment  
7 of water for wholesale or retail sale that is delivered to  
8 customers through pipes, pipelines, or mains. The  
9 provisions of Public Act 98-583 are declaratory of  
10 existing law as to the meaning and scope of this  
11 exemption. Beginning on July 1, 2017, the exemption  
12 provided by this paragraph (14) includes, but is not  
13 limited to, graphic arts machinery and equipment, as  
14 defined in paragraph (4) of this Section.

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

23 (16) Tangible personal property sold to a purchaser if  
24 the purchaser is exempt from use tax by operation of  
25 federal law. This paragraph is exempt from the provisions  
26 of Section 2-70.

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

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

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

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



1 and including photoprocessing machinery and equipment  
2 purchased for lease.

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

15 (22) Until June 30, 2013, fuel and petroleum products  
16 sold to or used by an air 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  
19 flight destined for or returning from a location or  
20 locations outside the United States without regard to  
21 previous or subsequent domestic stopovers.

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

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

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

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

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

1           prima facie evidence that the motor vehicle will not be  
2           titled in this State.

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

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

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

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

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

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

1 aircraft is to be titled or registered, the address of  
2 the primary physical location of the aircraft, and  
3 other information that the Department may reasonably  
4 require.

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

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

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

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

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

20 (27) Horses, or interests in horses, registered with  
21 and meeting the requirements of any of the Arabian Horse  
22 Club Registry of America, Appaloosa Horse Club, American  
23 Quarter Horse Association, United States Trotting  
24 Association, or Jockey Club, as appropriate, used for  
25 purposes of breeding or racing for prizes. This item (27)  
26 is exempt from the provisions of Section 2-70, and the

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

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

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

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

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

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

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

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

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

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



1 instruction or (ii) for which the fundraising entity  
2 purchases the personal property sold at the events from  
3 another individual or entity that sold the property for  
4 the purpose of resale by the fundraising entity and that  
5 profits from the sale to the fundraising entity. This  
6 paragraph is exempt from the provisions of Section 2-70.

7 (35) Beginning January 1, 2000 and through December  
8 31, 2001, new or used automatic vending machines that  
9 prepare and serve hot food and beverages, including  
10 coffee, soup, and other items, and replacement parts for  
11 these machines. Beginning January 1, 2002 and through June  
12 30, 2003, machines and parts for machines used in  
13 commercial, coin-operated amusement and vending business  
14 if a use or occupation tax is paid on the gross receipts  
15 derived from the use of the commercial, coin-operated  
16 amusement and vending machines. This paragraph is exempt  
17 from the provisions of Section 2-70.

18 (35-5) Beginning August 23, 2001 and through June 30,  
19 2016, food for human consumption that is to be consumed  
20 off the premises where it is sold (other than alcoholic  
21 beverages, soft drinks, and food that has been prepared  
22 for immediate consumption) and prescription and  
23 nonprescription medicines, drugs, medical appliances, and  
24 insulin, urine testing materials, syringes, and needles  
25 used by diabetics, for human use, when purchased for use  
26 by a person receiving medical assistance under Article V

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

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

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

23 (38) Beginning on January 1, 2002 and through June 30,  
24 2016, tangible personal property purchased from an  
25 Illinois retailer by a taxpayer engaged in centralized  
26 purchasing activities in Illinois who will, upon receipt

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

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

1 Protection Act. This paragraph is exempt from the  
2 provisions of Section 2-70.

3 (40) Beginning January 1, 2010 and continuing through  
4 December 31, 2029, materials, parts, equipment,  
5 components, and furnishings incorporated into or upon an  
6 aircraft as part of the modification, refurbishment,  
7 completion, replacement, repair, or maintenance of the  
8 aircraft. This exemption includes consumable supplies used  
9 in the modification, refurbishment, completion,  
10 replacement, repair, and maintenance of aircraft. However,  
11 until January 1, 2024, this exemption excludes any  
12 materials, parts, equipment, components, and consumable  
13 supplies used in the modification, replacement, repair,  
14 and maintenance of aircraft engines or power plants,  
15 whether such engines or power plants are installed or  
16 uninstalled upon any such aircraft. "Consumable supplies"  
17 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  
21 December 31, 2023, this exemption applies only to the sale  
22 of qualifying tangible personal property to persons who  
23 modify, refurbish, complete, replace, or maintain an  
24 aircraft and who (i) hold an Air Agency Certificate and  
25 are empowered to operate an approved repair station by the  
26 Federal Aviation Administration, (ii) have a Class IV

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

20 The changes made to this paragraph (40) by Public Act  
21 98-534 are declarative of existing law. It is the intent  
22 of the General Assembly that the exemption under this  
23 paragraph (40) applies continuously from January 1, 2010  
24 through December 31, 2024; however, no claim for credit or  
25 refund is allowed for taxes paid as a result of the  
26 disallowance of this exemption on or after January 1, 2015

1 and prior to February 5, 2020 (the effective date of  
2 Public Act 101-629).

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

18 (42) Beginning January 1, 2017 and through December  
19 31, 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

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

23 For the purposes of this item (44):

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

1 sites within 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;  
8 cabinets; telecommunications cabling infrastructure;  
9 raised floor systems; peripheral components or  
10 systems; software; mechanical, electrical, or plumbing  
11 systems; battery systems; cooling systems and towers;  
12 temperature control systems; other cabling; and other  
13 data center infrastructure equipment and systems  
14 necessary to operate qualified tangible personal  
15 property, including fixtures; and component parts of  
16 any of the foregoing, including installation,  
17 maintenance, repair, refurbishment, and replacement of  
18 qualified tangible personal property to generate,  
19 transform, transmit, distribute, or manage electricity  
20 necessary to operate qualified tangible personal  
21 property; and all other tangible personal property  
22 that is essential to the operations of a computer data  
23 center. The term "qualified tangible personal  
24 property" also includes building materials physically  
25 incorporated into the qualifying data center. To  
26 document the exemption allowed under this Section, the



1 retailer must obtain from the purchaser a copy of the  
2 certificate of eligibility issued by the Department of  
3 Commerce and Economic Opportunity.

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

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

23 (46) Beginning July 1, 2022, breast pumps, breast pump  
24 collection and storage supplies, and breast pump kits.  
25 This item (46) is exempt from the provisions of Section  
26 2-70. As used in this item (46):

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

17 (48) 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  
22 member of the armed forces must complete, at the point of  
23 sale, a form prescribed by the Department of Revenue  
24 documenting that the transaction is eligible for the  
25 exemption under this paragraph. Retailers must keep the  
26 form as documentation of the exemption in their records

1 for a period of not less than 6 years. "Armed forces of the  
2 United States" means the United States Army, Navy, Air  
3 Force, Marine Corps, or Coast Guard. This paragraph is  
4 exempt from the provisions of Section 2-70.

5 (49) Beginning July 1, 2024, home-delivered meals  
6 provided to Medicare or Medicaid recipients when payment  
7 is made by an intermediary, such as a Medicare  
8 Administrative Contractor, a Managed Care Organization, or  
9 a Medicare Advantage Organization, pursuant to a  
10 government contract. This paragraph (49) is exempt from  
11 the provisions of Section 2-70.

12 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;  
13 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,  
14 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.  
15 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section  
16 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.  
17 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised  
18 9-26-23.)

19 Section 95. No acceleration or delay. Where this Act makes  
20 changes in a statute that is represented in this Act by text  
21 that is not yet or no longer in effect (for example, a Section  
22 represented by multiple versions), the use of that text does  
23 not accelerate or delay the taking effect of (i) the changes  
24 made by this Act or (ii) provisions derived from any other  
25 Public Act.

1           Section 99. Effective date. This Act takes effect upon  
2    becoming law.