

1 AN ACT in relation to health.

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

4 Section 1. Short title. This Act may be cited as the
5 Physical Fitness Facility Medical Emergency Preparedness Act.

6 Section 5. Definitions. In this Act, words and phrases
7 have the meanings set forth in the following Sections.

8 Section 5.5. Automated external defibrillator.
9 "Automated external defibrillator" or "AED" means an
10 automated external defibrillator as defined in the Automated
11 External Defibrillator Act.

12 Section 5.10. Department. "Department" means the
13 Department of Public Health.

14 Section 5.15. Director. "Director" means the Director of
15 Public Health.

16 Section 5.20. Medical emergency. "Medical emergency"
17 means the occurrence of a sudden, serious, and unexpected
18 sickness or injury that would lead a reasonable person,
19 possessing an average knowledge of medicine and health, to
20 believe that the sick or injured person requires urgent or
21 unscheduled medical care.

22 Section 5.25. Physical fitness facility.

23 (a) "Physical fitness facility" means the following:

24 (1) Any of the following that is (i) owned or
25 operated by a park district, municipality, or other unit
26 of local government or by a public or private elementary

1 or secondary school, college, university, or technical or
2 trade school and (ii) supervised by one or more persons
3 employed by the unit of local government, school,
4 college, or university for the purpose of supervising the
5 use of the facility: swimming pool; stadium; athletic
6 field; track and field facility; tennis court; basketball
7 court; or volleyball court.

8 (2) A golf course.

9 (3) Except as provided in subsection (b), any other
10 establishment, whether public or private, that provides
11 services or facilities for preserving, maintaining,
12 encouraging, or developing physical fitness or
13 well-being, including an establishment designated as a
14 "health club", "fitness club", or "exercise gym" or by
15 any other term of similar import.

16 (b) "Physical fitness facility" does not include a
17 facility located in a hospital or in a hotel or motel. The
18 term also does not include any facility that does not employ
19 any persons to provide instruction, training, or assistance
20 for persons using the facility.

21 Section 10. Medical emergency plan required.

22 (a) Before July 1, 2004, every physical fitness facility
23 must adopt and implement a written plan for responding to
24 medical emergencies that occur at the facility during the
25 time that the facility is open for use by its members or by
26 the public. The plan must comply with this Act and rules
27 adopted by the Department to implement this Act. The facility
28 must file a copy of the plan with the Department.

29 (b) Whenever there is a change in the structure occupied
30 by the facility or in the services provided or offered by the
31 facility that would materially affect the facility's ability
32 to respond to a medical emergency, the facility must promptly
33 update its plan developed under subsection (a) and must file

1 a copy of the updated plan with the Department.

2 Section 15. Automated external defibrillator required.

3 (a) Before July 1, 2004, every physical fitness facility
4 must have at least one automated external defibrillator on
5 the facility's premises. The Department shall adopt rules to
6 ensure coordination with local emergency medical services
7 systems regarding the placement and use of AEDs in physical
8 fitness facilities. The Department may adopt rules requiring
9 a facility to have more than one AED on the premises, based
10 on factors that include, but need not be limited to, the
11 following:

12 (1) The size of the area or the number of buildings
13 or floors occupied by the facility.

14 (2) The number of persons using the facility.

15 (b) During the time that a physical fitness facility is
16 open for use by its members or by the public, the facility
17 must ensure that there is on the premises at least one
18 trained AED user for every AED. As used in this subsection,
19 "trained AED user" has the same meaning as in the Automated
20 External Defibrillator Act.

21 (c) Every physical fitness facility must ensure that
22 every AED on the facility's premises is properly tested and
23 maintained in accordance with rules adopted by the
24 Department.

25 Section 20. Training. The Department shall adopt rules
26 to establish programs to train physical fitness facility
27 staff on the role of cardiopulmonary resuscitation and the
28 use of automated external defibrillators. The rules must be
29 consistent with those adopted by the Department for training
30 AED users under the Automated External Defibrillator Act.

31 Section 25. Economic incentives.

1 (a) The Department must work with physical fitness
2 facilities and manufacturers and distributors of automated
3 external defibrillators to develop a procedure by which 2 or
4 more facilities may submit a joint bid for the purchase of
5 AEDs in order to maximize their purchasing power.

6 (b) A private physical fitness facility that purchases
7 an automated external defibrillator in order to comply with
8 this Act is eligible for a tax exemption as provided in
9 Section 3-5 of the Use Tax Act, Section 3-5 of the Service
10 Use Tax Act, Section 3-5 of the Service Occupation Tax Act,
11 and Section 2-5 of the Retailers' Occupation Tax Act.

12 Section 30. Inspections. The Department shall inspect a
13 physical fitness facility in response to a complaint filed
14 with the Department alleging a violation of this Act. For the
15 purpose of ensuring compliance with this Act, the Department
16 may inspect a physical fitness facility at other times in
17 accordance with rules adopted by the Department.

18 Section 35. Penalties for violations.

19 (a) If a physical fitness facility violates this Act by
20 (i) failing to adopt or implement a plan for responding to
21 medical emergencies under Section 10 or (ii) failing to have
22 on the premises an AED or trained AED user as required under
23 subsection (a) or (b) of Section 15, the Director may impose
24 a civil penalty against the facility as follows:

25 (1) At least \$250 but less than \$500 for a first
26 violation.

27 (2) At least \$500 but less than \$1,000 for a second
28 violation.

29 (3) At least \$1,000 for a third or subsequent
30 violation.

31 (b) The Director may impose a civil penalty under this
32 Section only after it provides the following to the facility:

1 (1) Written notice of the alleged violation.

2 (2) Written notice of the facility's right to
3 request an administrative hearing on the question of the
4 alleged violation.

5 (3) An opportunity to present evidence, orally or
6 in writing or both, on the question of the alleged
7 violation before an impartial hearing examiner appointed
8 by the Director.

9 (4) A written decision from the Director, based on
10 the evidence introduced at the hearing and the hearing
11 examiner's recommendations, finding that the facility
12 violated this Act and imposing the civil penalty.

13 (c) The Attorney General may bring an action in the
14 circuit court to enforce the collection of a monetary penalty
15 imposed under this Section.

16 Section 40. Rules. The Department shall adopt rules to
17 implement this Act.

18 Section 45. Liability. Nothing in this Act shall be
19 construed to either limit or expand the exemptions from civil
20 liability in connection with the purchase or use of an
21 automated external defibrillator that are provided under the
22 Automated External Defibrillator Act or under any other
23 provision of law.

24 Section 90. The Use Tax Act is amended by changing
25 Section 3-5 as follows:

26 (35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

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

29 (1) Personal property purchased from a corporation,
30 society, association, foundation, institution, or

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

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

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

24 (4) Personal property purchased by a governmental body,
25 by a corporation, society, association, foundation, or
26 institution organized and operated exclusively for
27 charitable, religious, or educational purposes, or by a
28 not-for-profit corporation, society, association, foundation,
29 institution, or organization that has no compensated officers
30 or employees and that is organized and operated primarily for
31 the recreation of persons 55 years of age or older. A limited
32 liability company may qualify for the exemption under this
33 paragraph only if the limited liability company is organized
34 and operated exclusively for educational purposes. On and

1 after July 1, 1987, however, no entity otherwise eligible for
2 this exemption shall make tax-free purchases unless it has an
3 active exemption identification number issued by the
4 Department.

5 (5) A passenger car that is a replacement vehicle to the
6 extent that the purchase price of the car is subject to the
7 Replacement Vehicle Tax.

8 (6) Graphic arts machinery and equipment, including
9 repair and replacement parts, both new and used, and
10 including that manufactured on special order, certified by
11 the purchaser to be used primarily for graphic arts
12 production, and including machinery and equipment purchased
13 for lease. Equipment includes chemicals or chemicals acting
14 as catalysts but only if the chemicals or chemicals acting as
15 catalysts effect a direct and immediate change upon a graphic
16 arts product.

17 (7) Farm chemicals.

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

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

25 (10) A motor vehicle of the first division, a motor
26 vehicle of the second division that is a self-contained motor
27 vehicle designed or permanently converted to provide living
28 quarters for recreational, camping, or travel use, with
29 direct walk through to the living quarters from the driver's
30 seat, or a motor vehicle of the second division that is of
31 the van configuration designed for the transportation of not
32 less than 7 nor more than 16 passengers, as defined in
33 Section 1-146 of the Illinois Vehicle Code, that is used for
34 automobile renting, as defined in the Automobile Renting

1 Occupation and Use Tax Act.

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

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

29 Farm machinery and equipment also includes computers,
30 sensors, software, and related equipment used primarily in
31 the computer-assisted operation of production agriculture
32 facilities, equipment, and activities such as, but not
33 limited to, the collection, monitoring, and correlation of
34 animal and crop data for the purpose of formulating animal

1 diets and agricultural chemicals. This item (11) is exempt
2 from the provisions of Section 3-90.

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

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

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

27 (15) Photoprocessing machinery and equipment, including
28 repair and replacement parts, both new and used, including
29 that manufactured on special order, certified by the
30 purchaser to be used primarily for photoprocessing, and
31 including photoprocessing machinery and equipment purchased
32 for lease.

33 (16) Coal exploration, mining, offhighway hauling,
34 processing, maintenance, and reclamation equipment, including

1 replacement parts and equipment, and including equipment
2 purchased for lease, but excluding motor vehicles required to
3 be registered under the Illinois Vehicle Code.

4 (17) Distillation machinery and equipment, sold as a
5 unit or kit, assembled or installed by the retailer,
6 certified by the user to be used only for the production of
7 ethyl alcohol that will be used for consumption as motor fuel
8 or as a component of motor fuel for the personal use of the
9 user, and not subject to sale or resale.

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

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

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

28 (21) Horses, or interests in horses, registered with and
29 meeting the requirements of any of the Arabian Horse Club
30 Registry of America, Appaloosa Horse Club, American Quarter
31 Horse Association, United States Trotting Association, or
32 Jockey Club, as appropriate, used for purposes of breeding or
33 racing for prizes.

34 (22) Computers and communications equipment utilized for

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

23 (23) Personal property purchased by a lessor who leases
24 the property, under a lease of one year or longer executed
25 or in effect at the time the lessor would otherwise be
26 subject to the tax imposed by this Act, to a governmental
27 body that has been issued an active sales tax exemption
28 identification number by the Department under Section 1g of
29 the Retailers' Occupation Tax Act. If the property is leased
30 in a manner that does not qualify for this exemption or used
31 in any other non-exempt manner, the lessor shall be liable
32 for the tax imposed under this Act or the Service Use Tax
33 Act, as the case may be, based on the fair market value of
34 the property at the time the non-qualifying use occurs. No

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

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

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

33 (26) Beginning July 1, 1999, game or game birds
34 purchased at a "game breeding and hunting preserve area" or

1 an "exotic game hunting area" as those terms are used in the
2 Wildlife Code or at a hunting enclosure approved through
3 rules adopted by the Department of Natural Resources. This
4 paragraph is exempt from the provisions of Section 3-90.

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

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

1 property for the purpose of resale by the fundraising entity
2 and that profits from the sale to the fundraising entity.
3 This paragraph is exempt from the provisions of Section 3-90.

4 (29) 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, machines and parts for machines
9 used in commercial, coin-operated amusement and vending
10 business if a use or occupation tax is paid on the gross
11 receipts derived from the use of the commercial,
12 coin-operated amusement and vending machines. This paragraph
13 is exempt from the provisions of Section 3-90.

14 (30) Food for human consumption that is to be consumed
15 off the premises where it is sold (other than alcoholic
16 beverages, soft drinks, and food that has been prepared for
17 immediate consumption) and prescription and nonprescription
18 medicines, drugs, medical appliances, and insulin, urine
19 testing materials, syringes, and needles used by diabetics,
20 for human use, when purchased for use by a person receiving
21 medical assistance under Article 5 of the Illinois Public Aid
22 Code who resides in a licensed long-term care facility, as
23 defined in the Nursing Home Care Act.

24 (31) Beginning on the effective date of this amendatory
25 Act of the 92nd General Assembly, computers and
26 communications equipment utilized for any hospital purpose
27 and equipment used in the diagnosis, analysis, or treatment
28 of hospital patients purchased by a lessor who leases the
29 equipment, under a lease of one year or longer executed or in
30 effect at the time the lessor would otherwise be subject to
31 the tax imposed by this Act, to a hospital that has been
32 issued an active tax exemption identification number by the
33 Department under Section 1g of the Retailers' Occupation Tax
34 Act. If the equipment is leased in a manner that does not

1 qualify for this exemption or is used in any other nonexempt
2 manner, the lessor shall be liable for the tax imposed under
3 this Act or the Service Use Tax Act, as the case may be,
4 based on the fair market value of the property at the time
5 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 Service Use Tax Act, as the case may be, if the
9 tax has not been paid by the lessor. If a lessor improperly
10 collects any such amount from the lessee, the lessee shall
11 have a legal right to claim a refund of that amount from the
12 lessor. If, however, that amount is not refunded to the
13 lessee for any reason, the lessor is liable to pay that
14 amount to the Department. This paragraph is exempt from the
15 provisions of Section 3-90.

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

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

5 (33) Beginning January 1, 2004 and ending December 31,
6 2006, automated external defibrillators purchased by a
7 physical fitness facility for the purpose of complying with
8 the Physical Fitness Facility Medical Emergency Preparedness
9 Act, up to a maximum exemption of \$300 per year. For purposes
10 of this paragraph (33), "physical fitness facility" is
11 defined as in the Physical Fitness Facility Medical Emergency
12 Preparedness Act, except that the term does not include any
13 facility that is owned or operated by a unit of local
14 government or a public school, college, or university.

15 (Source: P.A. 91-51, eff. 6-30-99; 91-200, eff. 7-20-99;
16 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644, eff.
17 8-20-99; 91-901, eff. 1-1-01; 92-35, eff. 7-1-01; 92-227,
18 eff. 8-2-01; 92-337, eff. 8-10-01; 92-484, eff. 8-23-01;
19 92-651, eff. 7-11-02.)

20 Section 91. The Service Use Tax Act is amended by
21 changing Section 3-5 as follows:

- 22 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)
23 Sec. 3-5. Exemptions. Use of the following tangible
24 personal property is exempt from the tax imposed by this Act:
25 (1) Personal property purchased from a corporation,
26 society, association, foundation, institution, or
27 organization, other than a limited liability company, that is
28 organized and operated as a not-for-profit service enterprise
29 for the benefit of persons 65 years of age or older if the
30 personal property was not purchased by the enterprise for the
31 purpose of resale by the enterprise.
32 (2) Personal property purchased by a non-profit Illinois

1 county fair association for use in conducting, operating, or
2 promoting the county fair.

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

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

22 (5) Graphic arts machinery and equipment, including
23 repair and replacement parts, both new and used, and
24 including that manufactured on special order or purchased for
25 lease, certified by the purchaser to be used primarily for
26 graphic arts production. Equipment includes chemicals or
27 chemicals acting as catalysts but only if the chemicals or
28 chemicals acting as catalysts effect a direct and immediate
29 change upon a graphic arts product.

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

33 (7) Farm machinery and equipment, both new and used,
34 including that manufactured on special order, certified by

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

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

26 Farm machinery and equipment also includes computers,
27 sensors, software, and related equipment used primarily in
28 the computer-assisted operation of production agriculture
29 facilities, equipment, and activities such as, but not
30 limited to, the collection, monitoring, and correlation of
31 animal and crop data for the purpose of formulating animal
32 diets and agricultural chemicals. This item (7) is exempt
33 from the provisions of Section 3-75.

34 (8) Fuel and petroleum products sold to or used by an

1 air common carrier, certified by the carrier to be used for
2 consumption, shipment, or storage in the conduct of its
3 business as an air common carrier, for a flight destined for
4 or returning from a location or locations outside the United
5 States without regard to previous or subsequent domestic
6 stopovers.

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

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

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

31 (12) Coal exploration, mining, offhighway hauling,
32 processing, maintenance, and reclamation equipment, including
33 replacement parts and equipment, and including equipment
34 purchased for lease, but excluding motor vehicles required to

1 be registered under the Illinois Vehicle Code.

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

4 (14) Horses, or interests in horses, registered with and
5 meeting the requirements of any of the Arabian Horse Club
6 Registry of America, Appaloosa Horse Club, American Quarter
7 Horse Association, United States Trotting Association, or
8 Jockey Club, as appropriate, used for purposes of breeding or
9 racing for prizes.

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
20 used in any other non-exempt manner, the lessor shall be
21 liable for the tax imposed under this Act or the Use Tax Act,
22 as the case may be, based on the fair market value of the
23 property at the time the non-qualifying use occurs. No
24 lessor shall collect or attempt to collect an amount (however
25 designated) that purports to reimburse that lessor for the
26 tax imposed by this Act or the Use Tax Act, as the case may
27 be, if the tax has not been paid by the lessor. If a lessor
28 improperly collects any such amount from the lessee, the
29 lessee shall have a legal right to claim a refund of that
30 amount from the lessor. If, however, that amount is not
31 refunded to the lessee for any reason, the lessor is liable
32 to pay that amount to the Department.

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

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

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

30 (18) Beginning with taxable years ending on or after
31 December 31, 1995 and ending with taxable years ending on or
32 before December 31, 2004, personal property that is used in
33 the performance of infrastructure repairs in this State,
34 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
7 located in the declared disaster area within 6 months after
8 the disaster.

9 (19) Beginning July 1, 1999, game or game birds
10 purchased at a "game breeding and hunting preserve area" or
11 an "exotic game hunting area" as those terms are used in the
12 Wildlife Code or at a hunting enclosure approved through
13 rules adopted by the Department of Natural Resources. This
14 paragraph is exempt from the provisions of Section 3-75.

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

34 (21) Beginning January 1, 2000, personal property,

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

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

24 (23) Food for human consumption that is to be consumed
25 off the premises where it is sold (other than alcoholic
26 beverages, soft drinks, and food that has been prepared for
27 immediate consumption) and prescription and nonprescription
28 medicines, drugs, medical appliances, and insulin, urine
29 testing materials, syringes, and needles used by diabetics,
30 for human use, when purchased for use by a person receiving
31 medical assistance under Article 5 of the Illinois Public Aid
32 Code who resides in a licensed long-term care facility, as
33 defined in the Nursing Home Care Act.

34 (24) Beginning on the effective date of this

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

26 (25) Beginning on the effective date of this amendatory
27 Act of the 92nd General Assembly, personal property purchased
28 by a lessor who leases the property, under a lease of one
29 year or longer executed or in effect at the time the lessor
30 would otherwise be subject to the tax imposed by this Act, to
31 a governmental body that has been issued an active tax
32 exemption identification number by the Department under
33 Section 1g of the Retailers' Occupation Tax Act. If the
34 property is leased in a manner that does not qualify for this

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

15 (26) Beginning January 1, 2004 and ending December 31,
 16 2006, automated external defibrillators purchased by a
 17 physical fitness facility for the purpose of complying with
 18 the Physical Fitness Facility Medical Emergency Preparedness
 19 Act, up to a maximum exemption of \$300 per year. For purposes
 20 of this paragraph (26), "physical fitness facility" is
 21 defined as in the Physical Fitness Facility Medical Emergency
 22 Preparedness Act, except that the term does not include any
 23 facility that is owned or operated by a unit of local
 24 government or a public school, college, or university.

25 (Source: P.A. 91-51, eff. 6-30-99; 91-200, eff. 7-20-99;
 26 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644, eff.
 27 8-20-99; 92-16, eff. 6-28-01; 92-35, eff. 7-1-01; 92-227,
 28 eff. 8-2-01; 92-337, eff. 8-10-01; 92-484, eff. 8-23-01;
 29 92-651, eff. 7-11-02.)

30 Section 92. The Service Occupation Tax Act is amended by
 31 changing Section 3-5 as follows:

32 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

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

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

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

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

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

32 (5) Graphic arts machinery and equipment, including
33 repair and replacement parts, both new and used, and
34 including that manufactured on special order or purchased for

1 lease, certified by the purchaser to be used primarily for
2 graphic arts production. Equipment includes chemicals or
3 chemicals acting as catalysts but only if the chemicals or
4 chemicals acting as catalysts effect a direct and immediate
5 change upon a graphic arts product.

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

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

28 Farm machinery and equipment shall include precision
29 farming equipment that is installed or purchased to be
30 installed on farm machinery and equipment including, but not
31 limited to, tractors, harvesters, sprayers, planters,
32 seeders, or spreaders. Precision farming equipment includes,
33 but is not limited to, soil testing sensors, computers,
34 monitors, software, global positioning and mapping systems,

1 and other such equipment.

2 Farm machinery and equipment also includes computers,
3 sensors, software, and related equipment used primarily in
4 the computer-assisted operation of production agriculture
5 facilities, equipment, and activities such as, but not
6 limited to, the collection, monitoring, and correlation of
7 animal and crop data for the purpose of formulating animal
8 diets and agricultural chemicals. This item (7) is exempt
9 from the provisions of Section 3-55.

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

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

25 (10) Oil field exploration, drilling, and production
26 equipment, including (i) rigs and parts of rigs, rotary rigs,
27 cable tool rigs, and workover rigs, (ii) pipe and tubular
28 goods, including casing and drill strings, (iii) pumps and
29 pump-jack units, (iv) storage tanks and flow lines, (v) any
30 individual replacement part for oil field exploration,
31 drilling, and production equipment, and (vi) machinery and
32 equipment purchased for lease; but excluding motor vehicles
33 required to be registered under the Illinois Vehicle Code.

34 (11) Photoprocessing machinery and equipment, including

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

6 (12) Coal exploration, mining, offhighway hauling,
7 processing, maintenance, and reclamation equipment, including
8 replacement parts and equipment, and including equipment
9 purchased for lease, but excluding motor vehicles required to
10 be registered under the Illinois Vehicle Code.

11 (13) Food for human consumption that is to be consumed
12 off the premises where it is sold (other than alcoholic
13 beverages, soft drinks and food that has been prepared for
14 immediate consumption) and prescription and non-prescription
15 medicines, drugs, medical appliances, and insulin, urine
16 testing materials, syringes, and needles used by diabetics,
17 for human use, when purchased for use by a person receiving
18 medical assistance under Article 5 of the Illinois Public Aid
19 Code who resides in a licensed long-term care facility, as
20 defined in the Nursing Home Care Act.

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
27 Jockey Club, as appropriate, used for purposes of breeding or
28 racing for prizes.

29 (16) Computers and communications equipment utilized for
30 any hospital purpose and equipment used in the diagnosis,
31 analysis, or treatment of hospital patients sold to a lessor
32 who leases the equipment, under a lease of one year or longer
33 executed or in effect at the time of the purchase, to a
34 hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g of
2 the Retailers' Occupation Tax Act.

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

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

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

32 (20) Beginning July 1, 1999, game or game birds sold at
33 a "game breeding and hunting preserve area" or an "exotic
34 game hunting area" as those terms are used in the Wildlife

1 Code or at a hunting enclosure approved through rules adopted
2 by the Department of Natural Resources. This paragraph is
3 exempt from the provisions of Section 3-55.

4 (21) 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
20 prepare individuals to follow a trade or to pursue a manual,
21 technical, mechanical, industrial, business, or commercial
22 occupation.

23 (22) 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
26 school, a group of those schools, or one or more school
27 districts if the events are sponsored by an entity recognized
28 by the school district that consists primarily of volunteers
29 and includes parents and teachers of the school children.
30 This paragraph does not apply to fundraising events (i) for
31 the benefit of private home instruction or (ii) for which the
32 fundraising entity purchases the personal property sold at
33 the events from another individual or entity that sold the
34 property for the purpose of resale by the fundraising entity

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

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

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

24 (25) Beginning on the effective date of this amendatory
25 Act of the 92nd General Assembly, personal property sold to a
26 lessor who leases the property, under a lease of one year or
27 longer executed or in effect at the time of the purchase, to
28 a governmental body that has been issued an active tax
29 exemption identification number by the Department under
30 Section 1g of the Retailers' Occupation Tax Act. This
31 paragraph is exempt from the provisions of Section 3-55.

32 (26) Beginning on January 1, 2002, tangible personal
33 property purchased from an Illinois retailer by a taxpayer
34 engaged in centralized purchasing activities in Illinois who

1 will, upon receipt of the property in Illinois, temporarily
2 store the property in Illinois (i) for the purpose of
3 subsequently transporting it outside this State for use or
4 consumption thereafter solely outside this State or (ii) for
5 the 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 (26). The permit issued under this paragraph (26)
14 shall authorize the holder, to the extent and in the manner
15 specified in the rules adopted under this Act, to purchase
16 tangible personal property from a retailer exempt from the
17 taxes imposed by this Act. Taxpayers shall maintain all
18 necessary books and records to substantiate the use and
19 consumption of all such tangible personal property outside of
20 the State of Illinois.

21 (27) Beginning January 1, 2004 and ending December 31,
22 2006, automated external defibrillators purchased by a
23 physical fitness facility for the purpose of complying with
24 the Physical Fitness Facility Medical Emergency Preparedness
25 Act, up to a maximum exemption of \$300 per year. For purposes
26 of this paragraph (27), "physical fitness facility" is
27 defined as in the Physical Fitness Facility Medical Emergency
28 Preparedness Act, except that the term does not include any
29 facility that is owned or operated by a unit of local
30 government or a public school, college, or university.

31 (Source: P.A. 91-51, eff. 6-30-99; 91-200, eff. 7-20-99;
32 91-439, eff. 8-6-99; 91-533, eff. 8-13-99; 91-637, eff.
33 8-20-99; 91-644, eff. 8-20-99; 92-16, eff. 6-28-01; 92-35,
34 eff. 7-1-01; 92-227, eff. 8-2-01; 92-337, eff. 8-10-01;

1 92-484, eff. 8-23-01; 92-488, eff. 8-23-01; 92-651, eff.
2 7-11-02.)

3 Section 93. The Retailers' Occupation Tax Act is amended
4 by changing Section 2-5 as follows:

5 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

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

9 (1) Farm chemicals.

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

29 Farm machinery and equipment shall include precision
30 farming equipment that is installed or purchased to be
31 installed on farm machinery and equipment including, but not
32 limited to, tractors, harvesters, sprayers, planters,

1 seeders, or spreaders. Precision farming equipment includes,
2 but is not limited to, soil testing sensors, computers,
3 monitors, software, global positioning and mapping systems,
4 and other such equipment.

5 Farm machinery and equipment also includes computers,
6 sensors, software, and related equipment used primarily in
7 the computer-assisted operation of production agriculture
8 facilities, equipment, and activities such as, but not
9 limited to, the collection, monitoring, and correlation of
10 animal and crop data for the purpose of formulating animal
11 diets and agricultural chemicals. This item (7) is exempt
12 from the provisions of Section 2-70.

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

19 (4) Graphic arts machinery and equipment, including
20 repair and replacement parts, both new and used, and
21 including that manufactured on special order or purchased for
22 lease, certified by the purchaser to be used primarily for
23 graphic arts production. Equipment includes chemicals or
24 chemicals acting as catalysts but only if the chemicals or
25 chemicals acting as catalysts effect a direct and immediate
26 change upon a graphic arts product.

27 (5) A motor vehicle of the first division, a motor
28 vehicle of the second division that is a self-contained motor
29 vehicle designed or permanently converted to provide living
30 quarters for recreational, camping, or travel use, with
31 direct walk through access to the living quarters from the
32 driver's seat, or a motor vehicle of the second division that
33 is of the van configuration designed for the transportation
34 of not less than 7 nor more than 16 passengers, as defined in

1 Section 1-146 of the Illinois Vehicle Code, that is used for
2 automobile renting, as defined in the Automobile Renting
3 Occupation and Use Tax Act.

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

7 (7) Proceeds of that portion of the selling price of a
8 passenger car the sale of which is subject to the Replacement
9 Vehicle Tax.

10 (8) Personal property sold to an Illinois county fair
11 association for use in conducting, operating, or promoting
12 the county fair.

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

28 (10) Personal property sold by a corporation, society,
29 association, foundation, institution, or organization, other
30 than a limited liability company, that is organized and
31 operated as a not-for-profit service enterprise for the
32 benefit of persons 65 years of age or older if the personal
33 property was not purchased by the enterprise for the purpose
34 of resale by the enterprise.

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

15 (12) Personal property sold to interstate carriers for
16 hire for use as rolling stock moving in interstate commerce
17 or to lessors under leases of one year or longer executed or
18 in effect at the time of purchase by interstate carriers for
19 hire for use as rolling stock moving in interstate commerce
20 and equipment operated by a telecommunications provider,
21 licensed as a common carrier by the Federal Communications
22 Commission, which is permanently installed in or affixed to
23 aircraft moving in interstate commerce.

24 (13) Proceeds from sales to owners, lessors, or shippers
25 of tangible personal property that is utilized by interstate
26 carriers for hire for use as rolling stock moving in
27 interstate commerce and equipment operated by a
28 telecommunications provider, licensed as a common carrier by
29 the Federal Communications Commission, which is permanently
30 installed in or affixed to aircraft moving in interstate
31 commerce.

32 (14) Machinery and equipment that will be used by the
33 purchaser, or a lessee of the purchaser, primarily in the
34 process of manufacturing or assembling tangible personal

1 property for wholesale or retail sale or lease, whether the
2 sale or lease is made directly by the manufacturer or by some
3 other person, whether the materials used in the process are
4 owned by the manufacturer or some other person, or whether
5 the sale or lease is made apart from or as an incident to the
6 seller's engaging in the service occupation of producing
7 machines, tools, dies, jigs, patterns, gauges, or other
8 similar items of no commercial value on special order for a
9 particular purchaser.

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

18 (16) Petroleum products sold to a purchaser if the
19 seller is prohibited by federal law from charging tax to the
20 purchaser.

21 (17) Tangible personal property sold to a common carrier
22 by rail or motor that receives the physical possession of the
23 property in Illinois and that transports the property, or
24 shares with another common carrier in the transportation of
25 the property, out of Illinois on a standard uniform bill of
26 lading showing the seller of the property as the shipper or
27 consignor of the property to a destination outside Illinois,
28 for use outside Illinois.

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

33 (19) Oil field exploration, drilling, and production
34 equipment, including (i) rigs and parts of rigs, rotary rigs,

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

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

14 (21) Coal exploration, mining, offhighway hauling,
15 processing, maintenance, and reclamation equipment, including
16 replacement parts and equipment, and including equipment
17 purchased for lease, but excluding motor vehicles required to
18 be registered under the Illinois Vehicle Code.

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

26 (23) A transaction in which the purchase order is
27 received by a florist who is located outside Illinois, but
28 who has a florist located in Illinois deliver the property to
29 the purchaser or the purchaser's donee in Illinois.

30 (24) Fuel consumed or used in the operation of ships,
31 barges, or vessels that are used primarily in or for the
32 transportation of property or the conveyance of persons for
33 hire on rivers bordering on this State if the fuel is
34 delivered by the seller to the purchaser's barge, ship, or

1 vessel while it is afloat upon that bordering river.

2 (25) A motor vehicle sold in this State to a nonresident
3 even though the motor vehicle is delivered to the nonresident
4 in this State, if the motor vehicle is not to be titled in
5 this State, and if a drive-away permit is issued to the motor
6 vehicle as provided in Section 3-603 of the Illinois Vehicle
7 Code or if the nonresident purchaser has vehicle registration
8 plates to transfer to the motor vehicle upon returning to his
9 or her home state. The issuance of the drive-away permit or
10 having the out-of-state registration plates to be transferred
11 is prima facie evidence that the motor vehicle will not be
12 titled in this State.

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

15 (27) Horses, or interests in horses, registered with and
16 meeting the requirements of any of the Arabian Horse Club
17 Registry of America, Appaloosa Horse Club, American Quarter
18 Horse Association, United States Trotting Association, or
19 Jockey Club, as appropriate, used for purposes of breeding or
20 racing for prizes.

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

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

34 (30) Beginning with taxable years ending on or after

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

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

23 (32) Beginning July 1, 1999, game or game birds sold at
24 a "game breeding and hunting preserve area" or an "exotic
25 game hunting area" as those terms are used in the Wildlife
26 Code or at a hunting enclosure approved through rules adopted
27 by the Department of Natural Resources. This paragraph is
28 exempt from the provisions of Section 2-70.

29 (33) A motor vehicle, as that term is defined in Section
30 1-146 of the Illinois Vehicle Code, that is donated to a
31 corporation, limited liability company, society, association,
32 foundation, or institution that is determined by the
33 Department to be organized and operated exclusively for
34 educational purposes. For purposes of this exemption, "a

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

14 (34) Beginning January 1, 2000, personal property,
15 including food, purchased through fundraising events for the
16 benefit of a public or private elementary or secondary
17 school, a group of those schools, or one or more school
18 districts if the events are sponsored by an entity recognized
19 by the school district that consists primarily of volunteers
20 and includes parents and teachers of the school children.
21 This paragraph does not apply to fundraising events (i) for
22 the benefit of private home instruction or (ii) for which the
23 fundraising entity purchases the personal property sold at
24 the events from another individual or entity that sold the
25 property for the purpose of resale by the fundraising entity
26 and that profits from the sale to the fundraising entity.
27 This paragraph is exempt from the provisions of Section 2-70.

28 (35) Beginning January 1, 2000 and through December 31,
29 2001, new or used automatic vending machines that prepare and
30 serve hot food and beverages, including coffee, soup, and
31 other items, and replacement parts for these machines.
32 Beginning January 1, 2002, machines and parts for machines
33 used in commercial, coin-operated amusement and vending
34 business if a use or occupation tax is paid on the gross

1 receipts derived from the use of the commercial,
2 coin-operated amusement and vending machines. This paragraph
3 is exempt from the provisions of Section 2-70.

4 (36) Beginning on the effective date of this amendatory
5 Act of the 92nd General Assembly, computers and
6 communications equipment utilized for any hospital purpose
7 and equipment used in the diagnosis, analysis, or treatment
8 of hospital patients sold to a lessor who leases the
9 equipment, under a lease of one year or longer executed or in
10 effect at the time of the purchase, to a hospital that has
11 been issued an active tax exemption identification number by
12 the Department under Section 1g of this Act. This paragraph
13 is exempt from the provisions of Section 2-70.

14 (37) Beginning on the effective date of this amendatory
15 Act of the 92nd General Assembly, personal property sold to a
16 lessor who leases the property, under a lease of one year or
17 longer executed or in effect at the time of the purchase, to
18 a governmental body that has been issued an active tax
19 exemption identification number by the Department under
20 Section 1g of this Act. This paragraph is exempt from the
21 provisions of Section 2-70.

22 (38) Beginning on January 1, 2002, tangible personal
23 property purchased from an Illinois retailer by a taxpayer
24 engaged in centralized purchasing activities in Illinois who
25 will, upon receipt of the property in Illinois, temporarily
26 store the property in Illinois (i) for the purpose of
27 subsequently transporting it outside this State for use or
28 consumption thereafter solely outside this State or (ii) for
29 the purpose of being processed, fabricated, or manufactured
30 into, attached to, or incorporated into other tangible
31 personal property to be transported outside this State and
32 thereafter used or consumed solely outside this State. The
33 Director of Revenue shall, pursuant to rules adopted in
34 accordance with the Illinois Administrative Procedure Act,

1 issue a permit to any taxpayer in good standing with the
2 Department who is eligible for the exemption under this
3 paragraph (38). The permit issued under this paragraph (38)
4 shall authorize the holder, to the extent and in the manner
5 specified in the rules adopted under this Act, to purchase
6 tangible personal property from a retailer exempt from the
7 taxes imposed by this Act. Taxpayers shall maintain all
8 necessary books and records to substantiate the use and
9 consumption of all such tangible personal property outside of
10 the State of Illinois.

11 (39) Beginning January 1, 2004 and ending December 31,
12 2006, automated external defibrillators purchased by a
13 physical fitness facility for the purpose of complying with
14 the Physical Fitness Facility Medical Emergency Preparedness
15 Act, up to a maximum exemption of \$300 per year. For
16 purposes of this paragraph (39), "physical fitness facility"
17 is defined as in the Physical Fitness Facility Medical
18 Emergency Preparedness Act, except that the term does not
19 include any facility that is owned or operated by a unit of
20 local government or a public school, college, or university.

21 (Source: P.A. 91-51, eff. 6-30-99; 91-200, eff. 7-20-99;
22 91-439, eff. 8-6-99; 91-533, eff. 8-13-99; 91-637, eff.
23 8-20-99; 91-644, eff. 8-20-99; 92-16, eff. 6-28-01; 92-35,
24 eff. 7-1-01; 92-227, eff. 8-2-01; 92-337, eff. 8-10-01;
25 92-484, eff. 8-23-01; 92-488, eff. 8-23-01; 92-651, eff.
26 7-11-02; 92-680, eff. 7-16-02.)