

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 3-55 as follows:

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or  
8 likely multistate taxation, the tax imposed by this Act does  
9 not apply to the use of tangible personal property in this  
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal property  
12 acquired outside this State by a nonresident individual and  
13 brought into this State by the individual for his or her own  
14 use while temporarily within this State or while passing  
15 through this State.

16 (b) The use, in this State, of tangible personal property  
17 by an interstate carrier for hire as rolling stock moving in  
18 interstate commerce or by lessors under a lease of one year or  
19 longer executed or in effect at the time of purchase of  
20 tangible personal property by interstate carriers for-hire for  
21 use as rolling stock moving in interstate commerce as long as  
22 so used by the interstate carriers for-hire, and equipment  
23 operated by a telecommunications provider, licensed as a common

1 carrier by the Federal Communications Commission, which is  
2 permanently installed in or affixed to aircraft moving in  
3 interstate commerce.

4 (c) The use, in this State, by owners, lessors, or shippers  
5 of tangible personal property that is utilized by interstate  
6 carriers for hire for use as rolling stock moving in interstate  
7 commerce as long as so used by the interstate carriers for  
8 hire, and equipment operated by a telecommunications provider,  
9 licensed as a common carrier by the Federal Communications  
10 Commission, which is permanently installed in or affixed to  
11 aircraft moving in interstate commerce.

12 (d) The use, in this State, of tangible personal property  
13 that is acquired outside this State and caused to be brought  
14 into this State by a person who has already paid a tax in  
15 another State in respect to the sale, purchase, or use of that  
16 property, to the extent of the amount of the tax properly due  
17 and paid in the other State.

18 (e) The temporary storage, in this State, of tangible  
19 personal property that is acquired outside this State and that,  
20 after being brought into this State and stored here  
21 temporarily, is used solely outside this State or is physically  
22 attached to or incorporated into other tangible personal  
23 property that is used solely outside this State, or is altered  
24 by converting, fabricating, manufacturing, printing,  
25 processing, or shaping, and, as altered, is used solely outside  
26 this State.

1           (f) The temporary storage in this State of building  
2 materials and fixtures that are acquired either in this State  
3 or outside this State by an Illinois registered combination  
4 retailer and construction contractor, and that the purchaser  
5 thereafter uses outside this State by incorporating that  
6 property into real estate located outside this State.

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

15           (h) Except as provided in subsection (h-1), the use, in  
16 this State, of a motor vehicle that was sold in this State to a  
17 nonresident, even though the motor vehicle is delivered to the  
18 nonresident in this State, if the motor vehicle is not to be  
19 titled in this State, and if a drive-away permit is issued to  
20 the motor vehicle as provided in Section 3-603 of the Illinois  
21 Vehicle Code or if the nonresident purchaser has vehicle  
22 registration plates to transfer to the motor vehicle upon  
23 returning to his or her home state. The issuance of the  
24 drive-away permit or having the out-of-state registration  
25 plates to be transferred shall be prima facie evidence that the  
26 motor vehicle will not be titled in this State.

1 (h-1) The exemption under subsection (h) does not apply if  
2 the state in which the motor vehicle will be titled does not  
3 allow a reciprocal exemption for the use in that state of a  
4 motor vehicle sold and delivered in that state to an Illinois  
5 resident but titled in Illinois. The tax collected under this  
6 Act on the sale of a motor vehicle in this State to a resident  
7 of another state that does not allow a reciprocal exemption  
8 shall be imposed at a rate equal to the state's rate of tax on  
9 taxable property in the state in which the purchaser is a  
10 resident, except that the tax shall not exceed the tax that  
11 would otherwise be imposed under this Act. At the time of the  
12 sale, the purchaser shall execute a statement, signed under  
13 penalty of perjury, of his or her intent to title the vehicle  
14 in the state in which the purchaser is a resident within 30  
15 days after the sale and of the fact of the payment to the State  
16 of Illinois of tax in an amount equivalent to the state's rate  
17 of tax on taxable property in his or her state of residence and  
18 shall submit the statement to the appropriate tax collection  
19 agency in his or her state of residence. In addition, the  
20 retailer must retain a signed copy of the statement in his or  
21 her records. Nothing in this subsection shall be construed to  
22 require the removal of the vehicle from this state following  
23 the filing of an intent to title the vehicle in the purchaser's  
24 state of residence if the purchaser titles the vehicle in his  
25 or her state of residence within 30 days after the date of  
26 sale. The tax collected under this Act in accordance with this

1 subsection (h-1) shall be proportionately distributed as if the  
2 tax were collected at the 6.25% general rate imposed under this  
3 Act.

4 (h-2) The following exemptions apply with respect to  
5 certain aircraft:

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

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

17 (B) the aircraft is not based or registered in this  
18 State after the purchase of the aircraft; and

19 (C) the purchaser provides the Department with a  
20 signed and dated certification, on a form prescribed by  
21 the Department, certifying that the requirements of  
22 this item (1) are met. The certificate must also  
23 include the name and address of the purchaser, the  
24 address of the location where the aircraft is to be  
25 titled or registered, the address of the primary  
26 physical location of the aircraft, and other

1 information that the Department may reasonably  
2 require.

3 (2) Beginning on July 1, 2007, no tax is imposed under  
4 this Act on the use of an aircraft, as defined in Section 3  
5 of the Illinois Aeronautics Act, that is temporarily  
6 located in this State for the purpose of a prepurchase  
7 evaluation if all of the following conditions are met:

8 (A) the aircraft is not based or registered in this  
9 State after the prepurchase evaluation; and

10 (B) the purchaser provides the Department with a  
11 signed and dated certification, on a form prescribed by  
12 the Department, certifying that the requirements of  
13 this item (2) are met. The certificate must also  
14 include the name and address of the purchaser, the  
15 address of the location where the aircraft is to be  
16 titled or registered, the address of the primary  
17 physical location of the aircraft, and other  
18 information that the Department may reasonably  
19 require.

20 (3) Beginning on July 1, 2007, no tax is imposed under  
21 this Act on the use of an aircraft, as defined in Section 3  
22 of the Illinois Aeronautics Act, that is temporarily  
23 located in this State for the purpose of a post-sale  
24 customization if all of the following conditions are met:

25 (A) the aircraft leaves this State within 15 days  
26 after the authorized approval for return to service,

1 completion of the maintenance record entry, and  
2 completion of the test flight and ground test for  
3 inspection, as required by 14 C.F.R. 91.407;

4 (B) the aircraft is not based or registered in this  
5 State either before or after the post-sale  
6 customization; and

7 (C) the purchaser provides the Department with a  
8 signed and dated certification, on a form prescribed by  
9 the Department, certifying that the requirements of  
10 this item (3) are met. The certificate must also  
11 include the name and address of the purchaser, the  
12 address of the location where the aircraft is to be  
13 titled or registered, the address of the primary  
14 physical location of the aircraft, and other  
15 information that the Department may reasonably  
16 require.

17 If tax becomes due under this subsection (h-2) because of  
18 the purchaser's use of the aircraft in this State, the  
19 purchaser shall file a return with the Department and pay the  
20 tax on the fair market value of the aircraft. This return and  
21 payment of the tax must be made no later than 30 days after the  
22 aircraft is used in a taxable manner in this State. The tax is  
23 based on the fair market value of the aircraft on the date that  
24 it is first used in a taxable manner in this State.

25 For purposes of this subsection (h-2):

26 "Based in this State" means hangared, stored, or otherwise

1 used, excluding post-sale customizations as defined in this  
2 Section, for 10 or more days in each 12-month period  
3 immediately following the date of the sale of the aircraft.

4 "Post-sale customization" means any improvement,  
5 maintenance, or repair that is performed on an aircraft  
6 following a transfer of ownership of the aircraft.

7 "Prepurchase evaluation" means an examination of an  
8 aircraft to provide a potential purchaser with information  
9 relevant to the potential purchase.

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

14 This subsection (h-2) is exempt from the provisions of  
15 Section 3-90.

16 (i) Beginning July 1, 1999, the use, in this State, of fuel  
17 acquired outside this State and brought into this State in the  
18 fuel supply tanks of locomotives engaged in freight hauling and  
19 passenger service for interstate commerce. This subsection is  
20 exempt from the provisions of Section 3-90.

21 (j) Beginning on January 1, 2002 and through June 30, 2016  
22 ~~2011~~, the use of tangible personal property purchased from an  
23 Illinois retailer by a taxpayer engaged in centralized  
24 purchasing activities in Illinois who will, upon receipt of the  
25 property in Illinois, temporarily store the property in  
26 Illinois (i) for the purpose of subsequently transporting it



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

18 (Source: P.A. 94-1002, eff. 7-3-06; 95-304, eff. 8-20-07.)

19 Section 10. The Service Use Tax Act is amended by changing  
20 Section 3-45 as follows:

21 (35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

22 Sec. 3-45. Multistate exemption. To prevent actual or  
23 likely multistate taxation, the tax imposed by this Act does  
24 not apply to the use of tangible personal property in this

1 State under the following circumstances:

2 (a) The use, in this State, of property acquired outside  
3 this State by a nonresident individual and brought into this  
4 State by the individual for his or her own use while  
5 temporarily within this State or while passing through this  
6 State.

7 (b) The use, in this State, of property that is acquired  
8 outside this State and that is moved into this State for use as  
9 rolling stock moving in interstate commerce.

10 (c) The use, in this State, of property that is acquired  
11 outside this State and caused to be brought into this State by  
12 a person who has already paid a tax in another state in respect  
13 to the sale, purchase, or use of that property, to the extent  
14 of the amount of the tax properly due and paid in the other  
15 state.

16 (d) The temporary storage, in this State, of property that  
17 is acquired outside this State and that after being brought  
18 into this State and stored here temporarily, is used solely  
19 outside this State or is physically attached to or incorporated  
20 into other property that is used solely outside this State, or  
21 is altered by converting, fabricating, manufacturing,  
22 printing, processing, or shaping, and, as altered, is used  
23 solely outside this State.

24 (e) Beginning July 1, 1999, the use, in this State, of fuel  
25 acquired outside this State and brought into this State in the  
26 fuel supply tanks of locomotives engaged in freight hauling and

1 passenger service for interstate commerce. This subsection is  
2 exempt from the provisions of Section 3-75.

3 (f) Beginning on January 1, 2002 and through June 30, 2016  
4 ~~2011~~, the use of tangible personal property purchased from an  
5 Illinois retailer by a taxpayer engaged in centralized  
6 purchasing activities in Illinois who will, upon receipt of the  
7 property in Illinois, temporarily store the property in  
8 Illinois (i) for the purpose of subsequently transporting it  
9 outside this State for use or consumption thereafter solely  
10 outside this State or (ii) for the purpose of being processed,  
11 fabricated, or manufactured into, attached to, or incorporated  
12 into other tangible personal property to be transported outside  
13 this State and thereafter used or consumed solely outside this  
14 State. The Director of Revenue shall, pursuant to rules adopted  
15 in accordance with the Illinois Administrative Procedure Act,  
16 issue a permit to any taxpayer in good standing with the  
17 Department who is eligible for the exemption under this  
18 subsection (f). The permit issued under this subsection (f)  
19 shall authorize the holder, to the extent and in the manner  
20 specified in the rules adopted under this Act, to purchase  
21 tangible personal property from a retailer exempt from the  
22 taxes imposed by this Act. Taxpayers shall maintain all  
23 necessary books and records to substantiate the use and  
24 consumption of all such tangible personal property outside of  
25 the State of Illinois.

26 (Source: P.A. 93-23, eff. 6-20-03; 94-1002, eff. 7-3-06.)

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

3           (35 ILCS 115/3-5)

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

6           (1) Personal property sold by a corporation, society,  
7 association, foundation, institution, or organization, other  
8 than a limited liability company, that is organized and  
9 operated as a not-for-profit service enterprise for the benefit  
10 of persons 65 years of age or older if the personal property  
11 was not purchased by the enterprise for the purpose of resale  
12 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 any not-for-profit arts  
17 or cultural organization that establishes, by proof required by  
18 the Department by rule, that it has received an exemption under  
19 Section 501(c)(3) of the Internal Revenue Code and that is  
20 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

1 organizations, local arts councils, visual arts organizations,  
2 and media arts organizations. On and after the effective date  
3 of this amendatory Act of the 92nd General Assembly, however,  
4 an entity otherwise eligible for this exemption shall not make  
5 tax-free purchases unless it has an active identification  
6 number issued by the Department.

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

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

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

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

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

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

24 Farm machinery and equipment also includes computers,  
25 sensors, software, and related equipment used primarily in the  
26 computer-assisted operation of production agriculture

1 facilities, equipment, and activities such as, but not limited  
2 to, the collection, monitoring, and correlation of animal and  
3 crop data for the purpose of formulating animal diets and  
4 agricultural chemicals. This item (7) is exempt from the  
5 provisions of Section 3-55.

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

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

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

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

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

9 (12) Until July 1, 2003, coal exploration, mining,  
10 offhighway hauling, processing, maintenance, and reclamation  
11 equipment, including replacement parts and equipment, and  
12 including equipment purchased for lease, but excluding motor  
13 vehicles required to be registered under the Illinois Vehicle  
14 Code.

15 (13) Beginning January 1, 1992 and through June 30, 2011,  
16 food for human consumption that is to be consumed off the  
17 premises where it is sold (other than alcoholic beverages, soft  
18 drinks and food that has been prepared for immediate  
19 consumption) and prescription and non-prescription medicines,  
20 drugs, medical appliances, and insulin, urine testing  
21 materials, syringes, and needles used by diabetics, for human  
22 use, when purchased for use by a person receiving medical  
23 assistance under Article V of the Illinois Public Aid Code who  
24 resides in a licensed long-term care facility, as defined in  
25 the Nursing Home Care Act, or in a licensed facility as defined  
26 in the MR/DD Community Care Act.



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

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

15           (16) Computers and communications equipment utilized for  
16 any hospital purpose and equipment used in the diagnosis,  
17 analysis, or treatment of hospital patients sold to a lessor  
18 who leases the equipment, under a lease of one year or longer  
19 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 the  
22 Retailers' Occupation Tax Act.

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

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

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

25 (20) Beginning July 1, 1999, game or game birds sold at a  
26 "game breeding and hunting preserve area" or an "exotic game

1 hunting area" as those terms are used in the Wildlife Code or  
2 at a hunting enclosure approved through rules adopted by the  
3 Department of Natural Resources. This paragraph is exempt from  
4 the provisions of Section 3-55.

5 (21) 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 Department  
9 to be organized and operated exclusively for educational  
10 purposes. For purposes of this exemption, "a corporation,  
11 limited liability company, society, association, foundation,  
12 or institution organized and operated exclusively for  
13 educational purposes" means all tax-supported public schools,  
14 private schools that offer systematic instruction in useful  
15 branches of learning by methods common to public schools and  
16 that compare favorably in their scope and intensity with the  
17 course of study presented in tax-supported schools, and  
18 vocational or technical schools or institutes organized and  
19 operated exclusively to provide a course of study of not less  
20 than 6 weeks duration and designed to prepare individuals to  
21 follow a trade or to pursue a manual, technical, mechanical,  
22 industrial, business, or commercial 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 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 3-55.

11 (23) 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 other  
14 items, and replacement parts for these machines. Beginning  
15 January 1, 2002 and through June 30, 2003, machines and parts  
16 for machines used in commercial, coin-operated amusement and  
17 vending business if a use or occupation tax is paid on the  
18 gross receipts derived from the use of the commercial,  
19 coin-operated amusement and vending machines. This paragraph  
20 is exempt from the provisions of Section 3-55.

21 (24) Beginning on the effective date of this amendatory Act  
22 of the 92nd General Assembly, computers and communications  
23 equipment utilized for any hospital purpose and equipment used  
24 in the diagnosis, analysis, or treatment of hospital patients  
25 sold to a lessor who leases the equipment, under a lease of one  
26 year or longer executed or in effect at the time of the

1 purchase, to a hospital that has been issued an active tax  
2 exemption identification number by the Department under  
3 Section 1g of the Retailers' Occupation Tax Act. This paragraph  
4 is exempt from the provisions of Section 3-55.

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

13 (26) Beginning on January 1, 2002 and through June 30, 2016  
14 ~~2011~~, tangible personal property purchased from an Illinois  
15 retailer by a taxpayer engaged in centralized purchasing  
16 activities in Illinois who will, upon receipt of the property  
17 in Illinois, temporarily store the property in Illinois (i) for  
18 the purpose of subsequently transporting it outside this State  
19 for use or consumption thereafter solely outside this State or  
20 (ii) for the purpose of being processed, fabricated, or  
21 manufactured into, attached to, or incorporated into other  
22 tangible personal property to be transported outside this State  
23 and thereafter used or consumed solely outside this State. The  
24 Director of Revenue shall, pursuant to rules adopted in  
25 accordance with the Illinois Administrative Procedure Act,  
26 issue a permit to any taxpayer in good standing with the

1 Department who is eligible for the exemption under this  
2 paragraph (26). The permit issued under this paragraph (26)  
3 shall authorize the holder, to the extent and in the manner  
4 specified in the rules adopted under this Act, to purchase  
5 tangible personal property from a retailer exempt from the  
6 taxes imposed by this Act. Taxpayers shall maintain all  
7 necessary books and records to substantiate the use and  
8 consumption of all such tangible personal property outside of  
9 the State of Illinois.

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

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

1 the development of the municipal convention hall. This  
2 exemption includes existing public-facilities corporations as  
3 provided in Section 11-65-25 of the Illinois Municipal Code.  
4 This paragraph is exempt from the provisions of Section 3-55.

5 (29) Beginning January 1, 2010, materials, parts,  
6 equipment, components, and furnishings incorporated into or  
7 upon an aircraft as part of the modification, refurbishment,  
8 completion, replacement, repair, or maintenance of the  
9 aircraft. This exemption includes consumable supplies used in  
10 the modification, refurbishment, completion, replacement,  
11 repair, and maintenance of aircraft, but excludes any  
12 materials, parts, equipment, components, and consumable  
13 supplies used in the modification, replacement, repair, and  
14 maintenance of aircraft engines or power plants, whether such  
15 engines or power plants are installed or uninstalled upon any  
16 such aircraft. "Consumable supplies" include, but are not  
17 limited to, adhesive, tape, sandpaper, general purpose  
18 lubricants, cleaning solution, latex gloves, and protective  
19 films. This exemption applies only to those organizations that  
20 (i) hold an Air Agency Certificate and are empowered to operate  
21 an approved repair station by the Federal Aviation  
22 Administration, (ii) have a Class IV Rating, and (iii) conduct  
23 operations in accordance with Part 145 of the Federal Aviation  
24 Regulations. The exemption does not include aircraft operated  
25 by a commercial air carrier providing scheduled passenger air  
26 service pursuant to authority issued under Part 121 or Part 129

1 of the Federal Aviation Regulations.

2 (Source: P.A. 95-88, eff. 1-1-08; 95-538, eff. 1-1-08; 95-876,  
3 eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
4 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
5 7-2-10.)

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

8 (35 ILCS 120/2-5)

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

12 (1) Farm chemicals.

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



1 hoop houses used for propagating, growing, or overwintering  
2 plants shall be considered farm machinery and equipment under  
3 this item (2). Agricultural chemical tender tanks and dry boxes  
4 shall include units sold separately from a motor vehicle  
5 required to be licensed and units sold mounted on a motor  
6 vehicle required to be licensed, if the selling price of the  
7 tender is separately stated.

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

16 Farm machinery and equipment also includes computers,  
17 sensors, software, and related equipment used primarily in the  
18 computer-assisted operation of production agriculture  
19 facilities, equipment, and activities such as, but not limited  
20 to, the collection, monitoring, and correlation of animal and  
21 crop data for the purpose of formulating animal diets and  
22 agricultural chemicals. This item (7) is exempt from the  
23 provisions of Section 2-70.

24 (3) Until July 1, 2003, distillation machinery and  
25 equipment, sold as a unit or kit, assembled or installed by the  
26 retailer, certified by the user to be used only for the

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

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

13 (5) A motor vehicle of the first division, a motor vehicle  
14 of the second division that is a self contained motor vehicle  
15 designed or permanently converted to provide living quarters  
16 for recreational, camping, or travel use, with direct walk  
17 through access to the living quarters from the driver's seat,  
18 or a motor vehicle of the second division that is of the van  
19 configuration designed for the transportation of not less than  
20 7 nor more than 16 passengers, as defined in Section 1-146 of  
21 the Illinois Vehicle Code, that is used for automobile renting,  
22 as defined in the Automobile Renting Occupation and Use Tax  
23 Act. This paragraph is exempt from the provisions of Section  
24 2-70.

25 (6) Personal property sold by a teacher-sponsored student  
26 organization affiliated with an elementary or secondary school

1 located in Illinois.

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

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

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

23 (10) Personal property sold by a corporation, society,  
24 association, foundation, institution, or organization, other  
25 than a limited liability company, that is organized and  
26 operated as a not-for-profit service enterprise for the benefit

1 of persons 65 years of age or older if the personal property  
2 was not purchased by the enterprise for the purpose of resale  
3 by the enterprise.

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

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

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

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

26           (14) Machinery and equipment that will be used by the

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

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

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

22 (17) Tangible personal property sold to a common carrier by  
23 rail or motor that receives the physical possession of the  
24 property in Illinois and that transports the property, or  
25 shares with another common carrier in the transportation of the  
26 property, out of Illinois on a standard uniform bill of lading

1 showing the seller of the property as the shipper or consignor  
2 of the property to a destination outside Illinois, for use  
3 outside Illinois.

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

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

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

22 (21) Until July 1, 2003, coal exploration, mining,  
23 offhighway hauling, processing, maintenance, and reclamation  
24 equipment, including replacement parts and equipment, and  
25 including equipment purchased for lease, but excluding motor  
26 vehicles required to be registered under the Illinois Vehicle

1 Code.

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

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

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

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



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

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

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

6 (25-7) Beginning on July 1, 2007, no tax is imposed under  
7 this Act on the sale of an aircraft, as defined in Section 3 of  
8 the Illinois Aeronautics Act, if all of the following  
9 conditions are met:

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

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

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

1 reasonably require.

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

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

7 "Registered in this State" means an aircraft registered  
8 with the Department of Transportation, Aeronautics Division,  
9 or titled or registered with the Federal Aviation  
10 Administration to an address located in this State.

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

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. This item (27) is exempt from the provisions  
21 of Section 2-70, and the exemption provided for under this item  
22 (27) applies for all periods beginning May 30, 1995, but no  
23 claim for credit or refund is allowed on or after January 1,  
24 2008 (the effective date of Public Act 95-88) for such taxes  
25 paid during the period beginning May 30, 2000 and ending on  
26 January 1, 2008 (the effective date of Public Act 95-88).

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

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

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

24           (31) 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 used in the

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

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

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

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

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

22 (35) Beginning January 1, 2000 and through December 31,  
23 2001, new or used automatic vending machines that prepare and  
24 serve hot food and beverages, including coffee, soup, and other  
25 items, and replacement parts for these machines. Beginning  
26 January 1, 2002 and through June 30, 2003, machines and parts

1 for machines used in commercial, coin-operated amusement and  
2 vending business if a use or occupation tax is paid on the  
3 gross receipts derived from the use of the commercial,  
4 coin-operated amusement and vending machines. This paragraph  
5 is exempt from the provisions of Section 2-70.

6 (35-5) Beginning August 23, 2001 and through June 30, 2011,  
7 food for human consumption that is to be consumed off the  
8 premises where it is sold (other than alcoholic beverages, soft  
9 drinks, and food that has been prepared for immediate  
10 consumption) and prescription and nonprescription 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 a licensed facility as defined in  
17 the MR/DD Community Care Act.

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

1           (37) Beginning August 2, 2001, personal property sold to a  
2           lessor who leases the property, under a lease of one year or  
3           longer 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           this Act. This paragraph is exempt from the provisions of  
7           Section 2-70.

8           (38) Beginning on January 1, 2002 and through June 30, 2016  
9           ~~2011~~, 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) for  
13          the purpose of subsequently transporting it outside this State  
14          for use or consumption thereafter solely outside this State or  
15          (ii) for the purpose of being processed, fabricated, or  
16          manufactured into, attached to, or incorporated into other  
17          tangible personal property to be transported outside this State  
18          and thereafter used or consumed solely outside this State. The  
19          Director of Revenue shall, pursuant to rules adopted in  
20          accordance with the Illinois Administrative Procedure Act,  
21          issue a permit to any taxpayer in good standing with the  
22          Department who is eligible for the exemption under this  
23          paragraph (38). The permit issued under this paragraph (38)  
24          shall authorize the holder, to the extent and in the manner  
25          specified in the rules adopted under this Act, to purchase  
26          tangible personal property from a retailer exempt from the



1 taxes imposed by this Act. Taxpayers shall maintain all  
2 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 (39) 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 under  
10 Title IV of the Environmental Protection Act. This paragraph is  
11 exempt from the provisions of Section 2-70.

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

1 (i) hold an Air Agency Certificate and are empowered to operate  
2 an 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. The exemption does not include aircraft operated  
6 by a commercial air carrier providing scheduled passenger air  
7 service pursuant to authority issued under Part 121 or Part 129  
8 of the Federal Aviation Regulations.

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

23 (Source: P.A. 95-88, eff. 1-1-08; 95-233, eff. 8-16-07; 95-304,  
24 eff. 8-20-07; 95-538, eff. 1-1-08; 95-707, eff. 1-11-08;  
25 95-876, eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff.  
26 7-1-10; 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000,

1     eff. 7-2-10.)

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