



Rep. Jerry F. Costello, II

**Filed: 5/24/2012**

09700SB3241ham002

LRB097 14777 HLH 70017 a

1 AMENDMENT TO SENATE BILL 3241

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 3241 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Income Tax Act is amended by  
5 changing Section 217 and by adding Section 217.1 as follows:

6 (35 ILCS 5/217)

7 Sec. 217. Credit for wages paid to qualified veterans.

8 (a) For each taxable year beginning on or after January 1,  
9 2007 and ending on or before December 30, 2010, each taxpayer  
10 is entitled to a credit against the tax imposed by subsections  
11 (a) and (b) of Section 201 of this Act in an amount equal to 5%,  
12 but in no event to exceed \$600, of the gross wages paid by the  
13 taxpayer to a qualified veteran in the course of that veteran's  
14 sustained employment during the taxable year. For each taxable  
15 year beginning on or after January 1, 2010, each taxpayer is  
16 entitled to a credit against the tax imposed by subsections (a)

1 and (b) of Section 201 of this Act in an amount equal to 10%,  
2 but in no event to exceed \$1,200, of the gross wages paid by  
3 the taxpayer to a qualified veteran in the course of that  
4 veteran's sustained employment during the taxable year. For  
5 partners, shareholders of Subchapter S corporations, and  
6 owners of limited liability companies, if the liability company  
7 is treated as a partnership for purposes of federal and State  
8 income taxation, there shall be allowed a credit under this  
9 Section to be determined in accordance with the determination  
10 of income and distributive share of income under Sections 702  
11 and 704 and Subchapter S of the Internal Revenue Code.

12 (b) For purposes of this Section:

13 "Qualified veteran" means an Illinois resident who: (i) was  
14 a member of the Armed Forces of the United States, a member of  
15 the Illinois National Guard, or a member of any reserve  
16 component of the Armed Forces of the United States; (ii) served  
17 on active duty in connection with Operation Desert Storm,  
18 Operation Enduring Freedom, or Operation Iraqi Freedom; (iii)  
19 has provided, to the taxpayer, documentation showing that he or  
20 she was honorably discharged; and (iv) was initially hired by  
21 the taxpayer on or after January 1, 2007.

22 "Sustained employment" means a period of employment that is  
23 not less than 185 days during the taxable year.

24 (c) In no event shall a credit under this Section reduce  
25 the taxpayer's liability to less than zero. If the amount of  
26 the credit exceeds the tax liability for the year, the excess

1 may be carried forward and applied to the tax liability of the  
2 5 taxable years following the excess credit year. The tax  
3 credit shall be applied to the earliest year for which there is  
4 a tax liability. If there are credits for more than one year  
5 that are available to offset a liability, the earlier credit  
6 shall be applied first.

7 (d) A taxpayer who claims a credit under this Section for a  
8 taxable year with respect to a veteran shall not be allowed a  
9 credit under Section 217.1 of this Act with respect to the same  
10 veteran for that taxable year.

11 (Source: P.A. 96-101, eff. 1-1-10.)

12 (35 ILCS 5/217.1 new)

13 Sec. 217.1. Credit for wages paid to qualified unemployed  
14 veterans.

15 (a) For each taxable year ending on or after December 31,  
16 2012 and on or before December 31, 2016, each taxpayer is  
17 entitled to a credit against the tax imposed by subsections (a)  
18 and (b) of Section 201 of this Act in the amount equal to 20%,  
19 but in no event to exceed \$5,000, of the gross wages paid by  
20 the taxpayer to a qualified veteran in the course of that  
21 veteran's sustained employment during each taxable year ending  
22 on or after the date of hire by the taxpayer if that veteran  
23 was unemployed for an aggregate period of 4 weeks or more  
24 during the 6-week period ending on the Saturday immediately  
25 preceding the date he or she was hired by the taxpayer. For

1 partners, shareholders of Subchapter S corporations, and  
2 owners of limited liability companies, if the liability company  
3 is treated as a partnership for the purposes of federal and  
4 State income taxation, there shall be allowed a credit under  
5 this Section to be determined in accordance with the  
6 determination of income and distributive share of income under  
7 Sections 702 and 704 and Subchapter S of the Internal Revenue  
8 Code.

9 (b) For the purposes of this Section:

10 "Qualified veteran" means an Illinois resident who: (i) was  
11 a member of the Armed Forces of the United States, a member of  
12 the Illinois National Guard, or a member of any reserve  
13 component of the Armed Forces of the United States; (ii) served  
14 on active duty on or after September 11, 2001; (iii) has  
15 provided, to the taxpayer, documentation showing that he or she  
16 was honorably discharged; and (iv) was initially hired by the  
17 taxpayer on or after June 1, 2012.

18 "Sustained employment" means (i) a period of employment  
19 that is not less than 185 days following the date of hire or  
20 (ii) in the case of a veteran who was unemployed for an  
21 aggregate period of 6 months or more during the one-year period  
22 ending on the date the veteran was hired by the taxpayer, a  
23 period of employment that is more than 30 days following the  
24 date of hire. The period of sustained employment may be  
25 completed after the end of the taxable year in which the  
26 veteran is hired.

1       A veteran is "unemployed" for a week if he or she (i) has  
2       received unemployment benefits (as defined in Section 202 of  
3       the Unemployment Insurance Act, including but not limited to  
4       federally funded unemployment benefits) for the week, or (ii)  
5       has not been employed since being honorably discharged.

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

15       (d) A taxpayer who claims a credit under this Section for a  
16       taxable year with respect to a veteran shall not be allowed a  
17       credit under Section 217 of this Act with respect to the same  
18       veteran for that taxable year.

19       Section 10. The Use Tax Act is amended by changing Section  
20       3-5 as follows:

21       (35 ILCS 105/3-5)

22       (Text of Section before amendment by P.A. 97-636)

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

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

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

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

26           (4) Personal property purchased by a governmental body, by

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

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

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

1 (7) Farm chemicals.

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

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

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

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



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

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

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

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

3 (12) Fuel and petroleum products sold to or used by an air  
4 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 or  
7 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 of  
12 food and beverages purchased at retail from a retailer, to the  
13 extent that the proceeds of the service charge are in fact  
14 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) Until July 1, 2003, oil field exploration, drilling,  
19 and production equipment, including (i) rigs and parts of rigs,  
20 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
21 tubular goods, including casing and drill strings, (iii) pumps  
22 and 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.

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

6           (16) Until July 1, 2003, and beginning again on the  
7 effective date of this amendatory Act of the 97th General  
8 Assembly and thereafter, coal and aggregate exploration,  
9 mining, offhighway hauling, processing, maintenance, and  
10 reclamation equipment, including replacement parts and  
11 equipment, and including equipment purchased for lease, but  
12 excluding motor vehicles required to be registered under the  
13 Illinois Vehicle Code.

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

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

1 an incident to the seller's engaging in the service occupation  
2 of producing machines, tools, dies, jigs, patterns, gauges, or  
3 other similar items of no commercial value on special order for  
4 a particular purchaser.

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

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

12 (21) Horses, or interests in horses, registered with and  
13 meeting the requirements of any of the Arabian Horse Club  
14 Registry of America, Appaloosa Horse Club, American Quarter  
15 Horse Association, United States Trotting Association, or  
16 Jockey Club, as appropriate, used for purposes of breeding or  
17 racing for prizes. This item (21) is exempt from the provisions  
18 of Section 3-90, and the exemption provided for under this item  
19 (21) applies for all periods beginning May 30, 1995, but no  
20 claim for credit or refund is allowed on or after January 1,  
21 2008 for such taxes paid during the period beginning May 30,  
22 2000 and ending on January 1, 2008.

23 (22) Computers and communications equipment utilized for  
24 any hospital purpose and equipment used in the diagnosis,  
25 analysis, or treatment of hospital patients purchased by a  
26 lessor who leases the equipment, under a lease of one year or

1 longer executed or in effect at the time the lessor would  
2 otherwise be subject to the tax imposed by this Act, to a  
3 hospital that has been issued an active tax exemption  
4 identification number by the Department under Section 1g of the  
5 Retailers' Occupation Tax Act. If the equipment is leased in a  
6 manner that does not qualify for this exemption or is used in  
7 any other non-exempt manner, the lessor shall be liable for the  
8 tax imposed under this Act or the Service Use Tax Act, as the  
9 case may be, based on the fair market value of the property at  
10 the 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 Service Use Tax Act, as the case may be, if the tax  
14 has not been paid by the lessor. If a lessor improperly  
15 collects any such amount from the lessee, the lessee shall have  
16 a legal right to claim a refund of that amount from the lessor.  
17 If, however, that amount is not refunded to the lessee for any  
18 reason, the lessor is liable to pay that amount to the  
19 Department.

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

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

14 (24) 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 (25) 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 (26) Beginning July 1, 1999, game or game birds purchased  
11 at a "game breeding and hunting preserve area" as that term is  
12 used in the Wildlife Code. This paragraph is exempt from the  
13 provisions of Section 3-90.

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

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

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

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



1 gross 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 3-90.

4 (30) Beginning January 1, 2001 and through June 30, 2011,  
5 food for human consumption that is to be consumed off the  
6 premises where it is sold (other than alcoholic beverages, soft  
7 drinks, and food that has been prepared for immediate  
8 consumption) and prescription and nonprescription medicines,  
9 drugs, medical appliances, and insulin, urine testing  
10 materials, syringes, and needles used by diabetics, for human  
11 use, when purchased for use by a person receiving medical  
12 assistance under Article V of the Illinois Public Aid Code who  
13 resides in a licensed long-term care facility, as defined in  
14 the Nursing Home Care Act, or in a licensed facility as defined  
15 in the ID/DD Community Care Act or the Specialized Mental  
16 Health Rehabilitation Act.

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

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

16 (32) Beginning on the effective date of this amendatory Act  
17 of the 92nd General Assembly, personal property purchased by a  
18 lessor who leases the property, under a lease of one year or  
19 longer executed or in effect at the time the lessor would  
20 otherwise be subject to the tax imposed by this Act, to a  
21 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

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

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

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

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

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

1 films. This exemption applies only to those organizations that  
2 (i) hold an Air Agency Certificate and are empowered to operate  
3 an approved repair station by the Federal Aviation  
4 Administration, (ii) have a Class IV Rating, and (iii) conduct  
5 operations in accordance with Part 145 of the Federal Aviation  
6 Regulations. The exemption does not include aircraft operated  
7 by a commercial air carrier providing scheduled passenger air  
8 service pursuant to authority issued under Part 121 or Part 129  
9 of the Federal Aviation Regulations.

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

24 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
25 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
26 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431, eff.

1 8-16-11; revised 9-12-11.)

2 (Text of Section after amendment by P.A. 97-636)

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

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

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

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

1 of this amendatory Act of the 92nd General Assembly, however,  
2 an entity otherwise eligible for this exemption shall not make  
3 tax-free purchases unless it has an active identification  
4 number issued by the Department.

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

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

22 (6) Until July 1, 2003 and beginning again on September 1,  
23 2004 through August 30, 2014, graphic arts machinery and  
24 equipment, including repair and replacement parts, both new and  
25 used, and including that manufactured on special order,  
26 certified by the purchaser to be used primarily for graphic

1 arts production, and including machinery and equipment  
2 purchased for lease. Equipment includes chemicals or chemicals  
3 acting as catalysts but only if the chemicals or chemicals  
4 acting as catalysts effect a direct and immediate change upon a  
5 graphic arts product.

6 (7) Farm chemicals.

7 (8) 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 (9) Personal property purchased from a teacher-sponsored  
12 student organization affiliated with an elementary or  
13 secondary school located in Illinois.

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

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



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

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

26 Farm machinery and equipment also includes computers,

1 sensors, software, and related equipment used primarily in the  
2 computer-assisted operation of production agriculture  
3 facilities, equipment, and activities such as, but not limited  
4 to, the collection, monitoring, and correlation of animal and  
5 crop data for the purpose of formulating animal diets and  
6 agricultural chemicals. This item (11) is exempt from the  
7 provisions of Section 3-90.

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

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

23 (14) Until July 1, 2003, oil field exploration, drilling,  
24 and production equipment, including (i) rigs and parts of rigs,  
25 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
26 tubular goods, including casing and drill strings, (iii) pumps

1 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
2 individual replacement part for oil field exploration,  
3 drilling, and production equipment, and (vi) machinery and  
4 equipment purchased for lease; but excluding motor vehicles  
5 required to be registered under the Illinois Vehicle Code.

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

11 (16) Until July 1, 2003, and beginning again on the  
12 effective date of this amendatory Act of the 97th General  
13 Assembly and thereafter, coal and aggregate exploration,  
14 mining, offhighway hauling, processing, maintenance, and  
15 reclamation equipment, including replacement parts and  
16 equipment, and including equipment purchased for lease, but  
17 excluding motor vehicles required to be registered under the  
18 Illinois Vehicle Code.

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

25 (18) Manufacturing and assembling machinery and equipment  
26 used primarily in the process of manufacturing or assembling

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

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

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

17 (21) Horses, or interests in horses, registered with and  
18 meeting the requirements of any of the Arabian Horse Club  
19 Registry of America, Appaloosa Horse Club, American Quarter  
20 Horse Association, United States Trotting Association, or  
21 Jockey Club, as appropriate, used for purposes of breeding or  
22 racing for prizes. This item (21) is exempt from the provisions  
23 of Section 3-90, and the exemption provided for under this item  
24 (21) applies for all periods beginning May 30, 1995, but no  
25 claim for credit or refund is allowed on or after January 1,  
26 2008 for such taxes paid during the period beginning May 30,

1 2000 and ending on January 1, 2008.

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

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

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

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

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

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

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

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

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

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

25 (29) Beginning January 1, 2000 and through December 31,  
26 2001, new or used automatic vending machines that prepare and



1 serve hot food and beverages, including coffee, soup, and other  
2 items, and replacement parts for these machines. Beginning  
3 January 1, 2002 and through June 30, 2003, machines and parts  
4 for machines used in commercial, coin-operated amusement and  
5 vending business if a use or occupation tax is paid on the  
6 gross receipts derived from the use of the commercial,  
7 coin-operated amusement and vending machines. This paragraph  
8 is exempt from the provisions of Section 3-90.

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

22 (31) Beginning on the effective date of this amendatory Act  
23 of the 92nd General Assembly, computers and communications  
24 equipment utilized for any hospital purpose and equipment used  
25 in the diagnosis, analysis, or treatment of hospital patients  
26 purchased by a lessor who leases the equipment, under a lease

1 of one year or longer executed or in effect at the time the  
2 lessor would otherwise be subject to the tax imposed by this  
3 Act, to a hospital that has been issued an active tax exemption  
4 identification number by the Department under Section 1g of the  
5 Retailers' Occupation Tax Act. If the equipment is leased in a  
6 manner that does not qualify for this exemption or is used in  
7 any other nonexempt manner, the lessor shall be liable for the  
8 tax imposed under this Act or the Service Use Tax Act, as the  
9 case may be, based on the fair market value of the property at  
10 the time the nonqualifying 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 Service Use Tax Act, as the case may be, if the tax  
14 has not been paid by the lessor. If a lessor improperly  
15 collects any such amount from the lessee, the lessee shall have  
16 a legal right to claim a refund of that amount from the lessor.  
17 If, however, that amount is not refunded to the lessee for any  
18 reason, the lessor is liable to pay that amount to the  
19 Department. This paragraph is exempt from the provisions of  
20 Section 3-90.

21 (32) Beginning on the effective date of this amendatory Act  
22 of the 92nd General Assembly, personal property purchased by a  
23 lessor who leases the property, under a lease of one year or  
24 longer executed or in effect at the time the lessor would  
25 otherwise be subject to the tax imposed by this Act, to a  
26 governmental body that has been issued an active sales tax

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

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

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

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

18 (35) Beginning January 1, 2010, materials, parts,  
19 equipment, components, and furnishings incorporated into or  
20 upon an aircraft as part of the modification, refurbishment,  
21 completion, replacement, repair, or maintenance of the  
22 aircraft. This exemption includes consumable supplies used in  
23 the modification, refurbishment, completion, replacement,  
24 repair, and maintenance of aircraft, but excludes any  
25 materials, parts, equipment, components, and consumable  
26 supplies used in the modification, replacement, repair, and

1 maintenance of aircraft engines or power plants, whether such  
2 engines or power plants are installed or uninstalled upon any  
3 such aircraft. "Consumable supplies" include, but are not  
4 limited to, adhesive, tape, sandpaper, general purpose  
5 lubricants, cleaning solution, latex gloves, and protective  
6 films. This exemption applies only to those organizations that  
7 (i) hold an Air Agency Certificate and are empowered to operate  
8 an approved repair station by the Federal Aviation  
9 Administration, (ii) have a Class IV Rating, and (iii) conduct  
10 operations in accordance with Part 145 of the Federal Aviation  
11 Regulations. The exemption does not include aircraft operated  
12 by a commercial air carrier providing scheduled passenger air  
13 service pursuant to authority issued under Part 121 or Part 129  
14 of the Federal Aviation Regulations.

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

1 provided in Section 11-65-25 of the Illinois Municipal Code.  
2 This paragraph is exempt from the provisions of Section 3-90.  
3 (Source: P.A. 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; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431, eff.  
6 8-16-11; 97-636, eff. 6-1-12.)

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

9 (35 ILCS 110/3-5)

10 (Text of Section before amendment by P.A. 97-636)

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

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

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

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

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

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

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

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

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

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



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

5 Farm machinery and equipment also includes computers,  
6 sensors, software, and related equipment used primarily in the  
7 computer-assisted operation of production agriculture  
8 facilities, equipment, and activities such as, but not limited  
9 to, the collection, monitoring, and correlation of animal and  
10 crop data for the purpose of formulating animal diets and  
11 agricultural chemicals. This item (7) is exempt from the  
12 provisions of Section 3-75.

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

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

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

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

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

18 (12) Until July 1, 2003, and beginning again on the  
19 effective date of this amendatory Act of the 97th General  
20 Assembly and thereafter, coal and aggregate exploration,  
21 mining, offhighway hauling, processing, maintenance, and  
22 reclamation equipment, including replacement parts and  
23 equipment, and including equipment purchased for lease, but  
24 excluding motor vehicles required to be registered under the  
25 Illinois Vehicle Code.

26 (13) Semen used for artificial insemination of livestock

1 for direct agricultural production.

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

15 (15) Computers and communications equipment utilized for  
16 any hospital purpose and equipment used in the diagnosis,  
17 analysis, or treatment of hospital patients purchased by a  
18 lessor who leases the equipment, under a lease of one year or  
19 longer executed or in effect at the time the lessor would  
20 otherwise be subject to the tax imposed by this Act, to a  
21 hospital that has been issued an active tax exemption  
22 identification number by the Department under Section 1g of the  
23 Retailers' Occupation Tax Act. If the equipment is leased in a  
24 manner that does not qualify for this exemption or is used in  
25 any other non-exempt manner, the lessor shall be liable for the  
26 tax imposed under this Act or the Use Tax Act, as the case may

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

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

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

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

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

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

5           (20) 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           (21) 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 3-75.

11 (22) 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 3-75.

21 (23) Beginning August 23, 2001 and through June 30, 2011,  
22 food for human consumption that is to be consumed off the  
23 premises where it is sold (other than alcoholic beverages, soft  
24 drinks, and food that has been prepared for immediate  
25 consumption) and prescription and nonprescription medicines,  
26 drugs, medical appliances, and insulin, urine testing

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

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



1 from the lessee, the lessee shall have a legal right to claim a  
2 refund of that amount from the lessor. If, however, that amount  
3 is not refunded to the lessee for any reason, the lessor is  
4 liable to pay that amount to the Department. This paragraph is  
5 exempt from the provisions of Section 3-75.

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

1 exempt from the provisions of Section 3-75.

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

9 (27) Beginning January 1, 2010, materials, parts,  
10 equipment, components, and furnishings incorporated into or  
11 upon an aircraft as part of the modification, refurbishment,  
12 completion, replacement, repair, or maintenance of the  
13 aircraft. This exemption includes consumable supplies used in  
14 the modification, refurbishment, completion, replacement,  
15 repair, and maintenance of aircraft, but excludes any  
16 materials, parts, equipment, components, and consumable  
17 supplies used in the modification, replacement, repair, and  
18 maintenance of aircraft engines or power plants, whether such  
19 engines or power plants are installed or uninstalled upon any  
20 such aircraft. "Consumable supplies" include, but are not  
21 limited to, adhesive, tape, sandpaper, general purpose  
22 lubricants, cleaning solution, latex gloves, and protective  
23 films. This exemption applies only to those organizations that  
24 (i) hold an Air Agency Certificate and are empowered to operate  
25 an approved repair station by the Federal Aviation  
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation  
2 Regulations. The exemption does not include aircraft operated  
3 by a commercial air carrier providing scheduled passenger air  
4 service pursuant to authority issued under Part 121 or Part 129  
5 of the Federal Aviation Regulations.

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

20 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
21 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
22 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431, eff.  
23 8-16-11; revised 9-12-11.)

24 (Text of Section after amendment by P.A. 97-636)

25 Sec. 3-5. Exemptions. Use of the following tangible

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

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

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

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

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

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

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

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

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

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

18 Farm machinery and equipment also includes computers,  
19 sensors, software, and related equipment used primarily in the  
20 computer-assisted operation of production agriculture  
21 facilities, equipment, and activities such as, but not limited  
22 to, the collection, monitoring, and correlation of animal and  
23 crop data for the purpose of formulating animal diets and  
24 agricultural chemicals. This item (7) is exempt from the  
25 provisions of Section 3-75.

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

1 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 or  
4 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 of  
9 food and beverages acquired as an incident to the purchase of a  
10 service from a serviceman, to the extent that the proceeds of  
11 the service charge are in fact turned over as tips or as a  
12 substitute for tips to the employees who participate directly  
13 in preparing, serving, hosting or cleaning up the food or  
14 beverage function with respect to which the service charge is  
15 imposed.

16 (10) Until July 1, 2003, oil field exploration, drilling,  
17 and production equipment, including (i) rigs and parts of rigs,  
18 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
19 tubular goods, including casing and drill strings, (iii) pumps  
20 and 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 new

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

5 (12) Until July 1, 2003, and beginning again on the  
6 effective date of this amendatory Act of the 97th General  
7 Assembly and thereafter, coal and aggregate exploration,  
8 mining, offhighway hauling, processing, maintenance, and  
9 reclamation equipment, including replacement parts and  
10 equipment, and including equipment purchased for lease, but  
11 excluding motor vehicles required to be registered under the  
12 Illinois Vehicle Code.

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

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



1 General Assembly.

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

24 (16) Personal property purchased by a lessor who leases the  
25 property, under a lease of one year or longer executed or in  
26 effect at the time the lessor would otherwise be subject to the

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

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

1 who reside within the declared disaster area.

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

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

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

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

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

24 (22) Beginning January 1, 2000 and through December 31,  
25 2001, new or used automatic vending machines that prepare and  
26 serve hot food and beverages, including coffee, soup, and other

1 items, and replacement parts for these machines. Beginning  
2 January 1, 2002 and through June 30, 2003, machines and parts  
3 for machines used in commercial, coin-operated amusement and  
4 vending business if a use or occupation tax is paid on the  
5 gross receipts derived from the use of the commercial,  
6 coin-operated amusement and vending machines. This paragraph  
7 is exempt from the provisions of Section 3-75.

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

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 purchased by a lessor who leases the equipment, under a lease  
26 of one year or longer executed or in effect at the time the

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

19 (25) Beginning on the effective date of this amendatory Act  
20 of the 92nd General Assembly, personal property purchased by a  
21 lessor who leases the property, under a lease of one year or  
22 longer executed or in effect at the time the lessor would  
23 otherwise be subject to the tax imposed by this Act, to a  
24 governmental body that has been issued an active tax exemption  
25 identification number by the Department under Section 1g of the  
26 Retailers' Occupation Tax Act. If the property is leased in a

1 manner that does not qualify for this exemption or is used in  
2 any other nonexempt manner, the lessor shall be liable for the  
3 tax imposed under this Act or the Use Tax Act, as the case may  
4 be, 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 purports  
7 to reimburse that lessor for the tax imposed by this Act or the  
8 Use Tax Act, as the case may be, if the tax has not been paid by  
9 the lessor. If a lessor improperly collects any such amount  
10 from the lessee, the lessee shall have a legal right to claim a  
11 refund of that amount from the lessor. If, however, that amount  
12 is not refunded to the lessee for any reason, the lessor is  
13 liable to pay that amount to the Department. This paragraph is  
14 exempt from the provisions of Section 3-75.

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

22 (27) Beginning January 1, 2010, materials, parts,  
23 equipment, components, and furnishings incorporated into or  
24 upon an aircraft as part of the modification, refurbishment,  
25 completion, replacement, repair, or maintenance of the  
26 aircraft. This exemption includes consumable supplies used in

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

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



1 retirement or redemption of any bonds or other debt instruments  
2 issued by the public-facilities corporation in connection with  
3 the development of the municipal convention hall. This  
4 exemption includes existing public-facilities corporations as  
5 provided in Section 11-65-25 of the Illinois Municipal Code.  
6 This paragraph is exempt from the provisions of Section 3-75.

7 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
8 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
9 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431, eff.  
10 8-16-11; 97-636, eff. 6-1-12.)

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

13 (35 ILCS 115/3-5)

14 (Text of Section before amendment by P.A. 97-636)

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

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

24 (2) Personal property purchased by a not-for-profit

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

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

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

22 (5) Until July 1, 2003 and beginning again on September 1,  
23 2004 through August 30, 2014, graphic arts machinery and  
24 equipment, including repair and replacement parts, both new and  
25 used, and including that manufactured on special order or  
26 purchased for lease, certified by the purchaser to be used

1 primarily for graphic arts production. Equipment includes  
2 chemicals or chemicals acting as catalysts but only if the  
3 chemicals or chemicals acting as catalysts effect a direct and  
4 immediate change upon a graphic arts product.

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

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

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

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

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

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

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

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

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

20 (12) Until July 1, 2003, and beginning again on the  
21 effective date of this amendatory Act of the 97th General  
22 Assembly and thereafter, coal and aggregate exploration,  
23 mining, offhighway hauling, processing, maintenance, and  
24 reclamation equipment, including replacement parts and  
25 equipment, and including equipment purchased for lease, but  
26 excluding motor vehicles required to be registered under the

1 Illinois Vehicle Code.

2 (13) Beginning January 1, 1992 and through June 30, 2011,  
3 food for human consumption that is to be consumed off the  
4 premises where it is sold (other than alcoholic beverages, soft  
5 drinks and food that has been prepared for immediate  
6 consumption) and prescription and non-prescription medicines,  
7 drugs, medical appliances, and insulin, urine testing  
8 materials, syringes, and needles used by diabetics, for human  
9 use, when purchased for use by a person receiving medical  
10 assistance under Article V of the Illinois Public Aid Code who  
11 resides in a licensed long-term care facility, as defined in  
12 the Nursing Home Care Act, or in a licensed facility as defined  
13 in the ID/DD Community Care Act or the Specialized Mental  
14 Health Rehabilitation Act.

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

17 (15) Horses, or interests in horses, registered with and  
18 meeting the requirements of any of the Arabian Horse Club  
19 Registry of America, Appaloosa Horse Club, American Quarter  
20 Horse Association, United States Trotting Association, or  
21 Jockey Club, as appropriate, used for purposes of breeding or  
22 racing for prizes. This item (15) is exempt from the provisions  
23 of Section 3-55, and the exemption provided for under this item  
24 (15) applies for all periods beginning May 30, 1995, but no  
25 claim for credit or refund is allowed on or after January 1,  
26 2008 (the effective date of Public Act 95-88) for such taxes

1 paid during the period beginning May 30, 2000 and ending on  
2 January 1, 2008 (the effective date of Public Act 95-88).

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

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

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

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

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

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



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

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

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

1 January 1, 2002 and through June 30, 2003, machines and parts  
2 for machines used in commercial, coin-operated amusement and  
3 vending business if a use or occupation tax is paid on the  
4 gross receipts derived from the use of the commercial,  
5 coin-operated amusement and vending machines. This paragraph  
6 is exempt from the provisions of Section 3-55.

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

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

25 (26) Beginning on January 1, 2002 and through June 30,  
26 2016, tangible personal property purchased from an Illinois

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

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

1 Title IV of the Environmental Protection Act. This paragraph is  
2 exempt from the provisions of Section 3-55.

3 (28) Tangible personal property sold to a  
4 public-facilities corporation, as described in Section  
5 11-65-10 of the Illinois Municipal Code, for purposes of  
6 constructing or furnishing a municipal convention hall, but  
7 only if the legal title to the municipal convention hall is  
8 transferred to the municipality without any further  
9 consideration by or on behalf of the municipality at the time  
10 of the completion of the municipal convention hall or upon the  
11 retirement or redemption of any bonds or other debt instruments  
12 issued by the public-facilities corporation in connection with  
13 the development of the municipal convention hall. This  
14 exemption includes existing public-facilities corporations as  
15 provided in Section 11-65-25 of the Illinois Municipal Code.  
16 This paragraph is exempt from the provisions of Section 3-55.

17 (29) Beginning January 1, 2010, materials, parts,  
18 equipment, components, and furnishings incorporated into or  
19 upon an aircraft as part of the modification, refurbishment,  
20 completion, replacement, repair, or maintenance of the  
21 aircraft. This exemption includes consumable supplies used in  
22 the modification, refurbishment, completion, replacement,  
23 repair, and maintenance of aircraft, but excludes any  
24 materials, parts, equipment, components, and consumable  
25 supplies used in the modification, replacement, repair, and  
26 maintenance of aircraft engines or power plants, whether such

1 engines or power plants are installed or uninstalled upon any  
2 such aircraft. "Consumable supplies" include, but are not  
3 limited to, adhesive, tape, sandpaper, general purpose  
4 lubricants, cleaning solution, latex gloves, and protective  
5 films. This exemption applies only to those organizations that  
6 (i) hold an Air Agency Certificate and are empowered to operate  
7 an approved repair station by the Federal Aviation  
8 Administration, (ii) have a Class IV Rating, and (iii) conduct  
9 operations in accordance with Part 145 of the Federal Aviation  
10 Regulations. The exemption does not include aircraft operated  
11 by a commercial air carrier providing scheduled passenger air  
12 service pursuant to authority issued under Part 121 or Part 129  
13 of the Federal Aviation Regulations.

14 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
15 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
16 7-2-10; 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227, eff.  
17 1-1-12; 97-431, eff. 8-16-11; revised 9-12-11.)

18 (Text of Section after amendment by P.A. 97-636)

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

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

1 was not purchased by the enterprise for the purpose of resale  
2 by the enterprise.

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

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

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

25 (5) Until July 1, 2003 and beginning again on September 1,  
26 2004 through August 30, 2014, graphic arts machinery and

1 equipment, including repair and replacement parts, both new and  
2 used, and including that manufactured on special order or  
3 purchased for lease, certified by the purchaser to be used  
4 primarily for graphic arts production. Equipment includes  
5 chemicals or chemicals acting as catalysts but only if the  
6 chemicals or chemicals acting as catalysts effect a direct and  
7 immediate change upon a graphic arts product.

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

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

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

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

12 Farm machinery and equipment also includes computers,  
13 sensors, software, and related equipment used primarily in the  
14 computer-assisted operation of production agriculture  
15 facilities, equipment, and activities such as, but not limited  
16 to, the collection, monitoring, and correlation of animal and  
17 crop data for the purpose of formulating animal diets and  
18 agricultural chemicals. This item (7) is exempt from the  
19 provisions of Section 3-55.

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



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

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

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

23           (12) Until July 1, 2003, and beginning again on the  
24 effective date of this amendatory Act of the 97th General  
25 Assembly and thereafter, coal and aggregate exploration,  
26 mining, offhighway hauling, processing, maintenance, and

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

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

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

20 (15) Horses, or interests in horses, registered with and  
21 meeting the requirements of any of the Arabian Horse Club  
22 Registry of America, Appaloosa Horse Club, American Quarter  
23 Horse Association, United States Trotting Association, or  
24 Jockey Club, as appropriate, used for purposes of breeding or  
25 racing for prizes. This item (15) is exempt from the provisions  
26 of Section 3-55, and the exemption provided for under this item

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

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

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

20 (18) 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 for  
23 disaster relief to be used in a State or federally declared  
24 disaster area in Illinois or bordering Illinois by a  
25 manufacturer or retailer that is registered in this State to a  
26 corporation, society, association, foundation, or institution

1 that has been issued a sales tax exemption identification  
2 number by the Department that assists victims of the disaster  
3 who reside within the declared disaster area.

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

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

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

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

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

26 (23) Beginning January 1, 2000 and through December 31,

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

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

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

1 the provisions of Section 3-55.

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

25 (27) Beginning January 1, 2008, tangible personal property  
26 used in the construction or maintenance of a community water

1 supply, as defined under Section 3.145 of the Environmental  
2 Protection Act, that is operated by a not-for-profit  
3 corporation that holds a valid water supply permit issued under  
4 Title IV of the Environmental Protection Act. This paragraph is  
5 exempt from the provisions of Section 3-55.

6 (28) Tangible personal property sold to a  
7 public-facilities corporation, as described in Section  
8 11-65-10 of the Illinois Municipal Code, for purposes of  
9 constructing or furnishing a municipal convention hall, but  
10 only if the legal title to the municipal convention hall is  
11 transferred to the municipality without any further  
12 consideration by or on behalf of the municipality at the time  
13 of the completion of the municipal convention hall or upon the  
14 retirement or redemption of any bonds or other debt instruments  
15 issued by the public-facilities corporation in connection with  
16 the development of the municipal convention hall. This  
17 exemption includes existing public-facilities corporations as  
18 provided in Section 11-65-25 of the Illinois Municipal Code.  
19 This paragraph is exempt from the provisions of Section 3-55.

20 (29) Beginning January 1, 2010, materials, parts,  
21 equipment, components, and furnishings incorporated into or  
22 upon an aircraft as part of the modification, refurbishment,  
23 completion, replacement, repair, or maintenance of the  
24 aircraft. This exemption includes consumable supplies used in  
25 the modification, refurbishment, completion, replacement,  
26 repair, and maintenance of aircraft, but excludes any



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

17 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
18 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
19 7-2-10; 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227, eff.  
20 1-1-12; 97-431, eff. 8-16-11; 97-636, eff. 6-1-12.)

21 Section 25. The Retailers' Occupation Tax Act is amended by  
22 changing Section 2-5 as follows:

23 (35 ILCS 120/2-5)

24 (Text of Section before amendment by P.A. 97-636)

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

4           (1) Farm chemicals.

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

24           Farm machinery and equipment shall include precision  
25 farming equipment that is installed or purchased to be  
26 installed on farm machinery and equipment including, but not

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

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

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

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

1 chemicals or chemicals acting as catalysts effect a direct and  
2 immediate change upon a graphic arts product.

3 (5) A motor vehicle of the first division, a motor vehicle  
4 of the second division that is a self contained motor vehicle  
5 designed or permanently converted to provide living quarters  
6 for recreational, camping, or travel use, with direct walk  
7 through access to the living quarters from the driver's seat,  
8 or a motor vehicle of the second division that is of the van  
9 configuration designed for the transportation of not less than  
10 7 nor more than 16 passengers, as defined in Section 1-146 of  
11 the Illinois Vehicle Code, that is used for automobile renting,  
12 as defined in the Automobile Renting Occupation and Use Tax  
13 Act. This paragraph is exempt from the provisions of Section  
14 2-70.

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

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

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

24 (9) Personal property sold to a not-for-profit arts or  
25 cultural organization that establishes, by proof required by  
26 the Department by rule, that it has received an exemption under

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

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

20 (11) Personal property sold to a governmental body, to a  
21 corporation, society, association, foundation, or institution  
22 organized and operated exclusively for charitable, religious,  
23 or educational purposes, or to a not-for-profit corporation,  
24 society, association, foundation, institution, or organization  
25 that has no compensated officers or employees and that is  
26 organized and operated primarily for the recreation of persons

1 55 years of age or older. A limited liability company may  
2 qualify for the exemption under this paragraph only if the  
3 limited liability company is organized and operated  
4 exclusively for educational purposes. On and after July 1,  
5 1987, however, no entity otherwise eligible for this exemption  
6 shall make tax-free purchases unless it has an active  
7 identification number issued by the Department.

8 (12) Tangible personal property sold to interstate  
9 carriers for hire for use as rolling stock moving in interstate  
10 commerce or to lessors under leases of one year or longer  
11 executed or in effect at the time of purchase by interstate  
12 carriers for hire for use as rolling stock moving in interstate  
13 commerce and equipment operated by a telecommunications  
14 provider, licensed as a common carrier by the Federal  
15 Communications Commission, which is permanently installed in  
16 or affixed to aircraft moving in interstate commerce.

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

1 for commercial purposes. Through June 30, 2005, this exemption  
2 applies to repair and replacement parts added after the initial  
3 purchase of such a motor vehicle if that motor vehicle is used  
4 in a manner that would qualify for the rolling stock exemption  
5 otherwise provided for in this Act. For purposes of this  
6 paragraph, "used for commercial purposes" means the  
7 transportation of persons or property in furtherance of any  
8 commercial or industrial enterprise whether for-hire or not.

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

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

1 purchaser.

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

9 (16) Petroleum products sold to a purchaser if the seller  
10 is prohibited by federal law from charging tax to the  
11 purchaser.

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

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

24 (19) Until July 1 2003, oil field exploration, drilling,  
25 and production equipment, including (i) rigs and parts of rigs,  
26 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and



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

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

12 (21) Until July 1, 2003, and beginning again on the  
13 effective date of this amendatory Act of the 97th General  
14 Assembly and thereafter, coal and aggregate exploration,  
15 mining, offhighway hauling, processing, maintenance, and  
16 reclamation equipment, including replacement parts and  
17 equipment, and including equipment purchased for lease, but  
18 excluding motor vehicles required to be registered under the  
19 Illinois Vehicle Code.

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

26 (23) A transaction in which the purchase order is received

1 by a florist who is located outside Illinois, but who has a  
2 florist located in Illinois deliver the property to the  
3 purchaser or the purchaser's donee in Illinois.

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

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

22 (25-5) The exemption under item (25) does not apply if the  
23 state in which the motor vehicle will be titled does not allow  
24 a reciprocal exemption for a motor vehicle sold and delivered  
25 in that state to an Illinois resident but titled in Illinois.  
26 The tax collected under this Act on the sale of a motor vehicle

1 in this State to a resident of another state that does not  
2 allow a reciprocal exemption shall be imposed at a rate equal  
3 to the state's rate of tax on taxable property in the state in  
4 which the purchaser is a resident, except that the tax shall  
5 not exceed the tax that would otherwise be imposed under this  
6 Act. At the time of the sale, the purchaser shall execute a  
7 statement, signed under penalty of perjury, of his or her  
8 intent to title the vehicle in the state in which the purchaser  
9 is a resident within 30 days after the sale and of the fact of  
10 the payment to the State of Illinois of tax in an amount  
11 equivalent to the state's rate of tax on taxable property in  
12 his or her state of residence and shall submit the statement to  
13 the appropriate tax collection agency in his or her state of  
14 residence. In addition, the retailer must retain a signed copy  
15 of the statement in his or her records. Nothing in this item  
16 shall be construed to require the removal of the vehicle from  
17 this state following the filing of an intent to title the  
18 vehicle in the purchaser's state of residence if the purchaser  
19 titles the vehicle in his or her state of residence within 30  
20 days after the date of sale. The tax collected under this Act  
21 in accordance with this item (25-5) shall be proportionately  
22 distributed as if the tax were collected at the 6.25% general  
23 rate imposed under this Act.

24 (25-7) Beginning on July 1, 2007, no tax is imposed under  
25 this Act on the sale of an aircraft, as defined in Section 3 of  
26 the Illinois Aeronautics Act, if all of the following

1 conditions are met:

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

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

10 (3) the seller retains in his or her books and records  
11 and provides to the Department a signed and dated  
12 certification from the purchaser, on a form prescribed by  
13 the Department, certifying that the requirements of this  
14 item (25-7) are met. The certificate must also include the  
15 name and address of the purchaser, the address of the  
16 location where the aircraft is to be titled or registered,  
17 the address of the primary physical location of the  
18 aircraft, and other information that the Department may  
19 reasonably require.

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

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

25 "Registered in this State" means an aircraft registered  
26 with the Department of Transportation, Aeronautics Division,

1 or titled or registered with the Federal Aviation  
2 Administration to an address located in this State.

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

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

7 (27) Horses, or interests in horses, registered with and  
8 meeting the requirements of any of the Arabian Horse Club  
9 Registry of America, Appaloosa Horse Club, American Quarter  
10 Horse Association, United States Trotting Association, or  
11 Jockey Club, as appropriate, used for purposes of breeding or  
12 racing for prizes. This item (27) is exempt from the provisions  
13 of Section 2-70, and the exemption provided for under this item  
14 (27) applies for all periods beginning May 30, 1995, but no  
15 claim for credit or refund is allowed on or after January 1,  
16 2008 (the effective date of Public Act 95-88) for such taxes  
17 paid during the period beginning May 30, 2000 and ending on  
18 January 1, 2008 (the effective date of Public Act 95-88).

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

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

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

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

1 declared disaster area within 6 months after the disaster.

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

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

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

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

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

22 (35-5) Beginning August 23, 2001 and through June 30, 2011,  
23 food for human consumption that is to be consumed off the  
24 premises where it is sold (other than alcoholic beverages, soft  
25 drinks, and food that has been prepared for immediate  
26 consumption) and prescription and nonprescription medicines,



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

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

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

25 (38) Beginning on January 1, 2002 and through June 30,  
26 2016, tangible personal property purchased from an Illinois

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

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

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

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

26 (41) Tangible personal property sold to a

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

14 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
15 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
16 7-2-10; 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227, eff.  
17 1-1-12; 97-431, eff. 8-16-11; revised 9-12-11.)

18 (Text of Section after amendment by P.A. 97-636)

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

22 (1) Farm chemicals.

23 (2) 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

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

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

25 Farm machinery and equipment also includes computers,  
26 sensors, software, and related equipment used primarily in the

1 computer-assisted operation of production agriculture  
2 facilities, equipment, and activities such as, but not limited  
3 to, the collection, monitoring, and correlation of animal and  
4 crop data for the purpose of formulating animal diets and  
5 agricultural chemicals. This item (2) is exempt from the  
6 provisions of Section 2-70.

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

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

22 (5) A motor vehicle of the first division, a motor vehicle  
23 of the second division that is a self contained motor vehicle  
24 designed or permanently converted to provide living quarters  
25 for recreational, camping, or travel use, with direct walk  
26 through access to the living quarters from the driver's seat,

1 or a motor vehicle of the second division that is of the van  
2 configuration designed for the transportation of not less than  
3 7 nor more than 16 passengers, as defined in Section 1-146 of  
4 the Illinois Vehicle Code, that is used for automobile renting,  
5 as defined in the Automobile Renting Occupation and Use Tax  
6 Act. This paragraph is exempt from the provisions of Section  
7 2-70.

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

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

14 (8) Personal property sold to an Illinois county fair  
15 association for use in conducting, operating, or promoting the  
16 county fair.

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

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

6 (10) 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 (11) Personal property sold to a governmental body, to a  
14 corporation, society, association, foundation, or institution  
15 organized and operated exclusively for charitable, religious,  
16 or educational purposes, or to a not-for-profit corporation,  
17 society, association, foundation, institution, or organization  
18 that has no compensated officers or employees and that is  
19 organized and operated primarily for the recreation of persons  
20 55 years of age or older. A limited liability company may  
21 qualify for the exemption under this paragraph only if the  
22 limited liability company is organized and operated  
23 exclusively for educational purposes. On and after July 1,  
24 1987, however, no entity otherwise eligible for this exemption  
25 shall make tax-free purchases unless it has an active  
26 identification number issued by the Department.



1           (12) Tangible personal property sold to interstate  
2 carriers for hire for use as rolling stock moving in interstate  
3 commerce or to lessors under leases of one year or longer  
4 executed or in effect at the time of purchase by interstate  
5 carriers for hire for use as rolling stock moving in interstate  
6 commerce and equipment operated by a telecommunications  
7 provider, licensed as a common carrier by the Federal  
8 Communications Commission, which is permanently installed in  
9 or affixed to aircraft moving in interstate commerce.

10           (12-5) On and after July 1, 2003 and through June 30, 2004,  
11 motor vehicles of the second division with a gross vehicle  
12 weight in excess of 8,000 pounds that are subject to the  
13 commercial distribution fee imposed under Section 3-815.1 of  
14 the Illinois Vehicle Code. Beginning on July 1, 2004 and  
15 through June 30, 2005, the use in this State of motor vehicles  
16 of the second division: (i) with a gross vehicle weight rating  
17 in excess of 8,000 pounds; (ii) that are subject to the  
18 commercial distribution fee imposed under Section 3-815.1 of  
19 the Illinois Vehicle Code; and (iii) that are primarily used  
20 for commercial purposes. Through June 30, 2005, this exemption  
21 applies to repair and replacement parts added after the initial  
22 purchase of such a motor vehicle if that motor vehicle is used  
23 in a manner that would qualify for the rolling stock exemption  
24 otherwise provided for in this Act. For purposes of this  
25 paragraph, "used for commercial purposes" means the  
26 transportation of persons or property in furtherance of any

1 commercial or industrial enterprise whether for-hire or not.

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

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

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

1 with respect to which the service charge is imposed.

2 (16) Petroleum products sold to a purchaser if the seller  
3 is prohibited by federal law from charging tax to the  
4 purchaser.

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

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

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

26 (20) Photoprocessing machinery and equipment, including

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

5 (21) Until July 1, 2003, and beginning again on the  
6 effective date of this amendatory Act of the 97th General  
7 Assembly and thereafter, coal and aggregate exploration,  
8 mining, offhighway hauling, processing, maintenance, and  
9 reclamation equipment, including replacement parts and  
10 equipment, and including equipment purchased for lease, but  
11 excluding motor vehicles required to be registered under the  
12 Illinois Vehicle Code.

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

19 (23) A transaction in which the purchase order is received  
20 by a florist who is located outside Illinois, but who has a  
21 florist located in Illinois deliver the property to the  
22 purchaser or the purchaser's donee in Illinois.

23 (24) Fuel consumed or used in the operation of ships,  
24 barges, or vessels that are used primarily in or for the  
25 transportation of property or the conveyance of persons for  
26 hire on rivers bordering on this State if the fuel is delivered

1 by the seller to the purchaser's barge, ship, or vessel while  
2 it is afloat upon that bordering river.

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

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

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

17 (25-7) Beginning on July 1, 2007, no tax is imposed under  
18 this Act on the sale of an aircraft, as defined in Section 3 of  
19 the Illinois Aeronautics Act, if all of the following  
20 conditions are met:

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

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

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

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

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

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

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

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

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

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

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

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

25 (30) Beginning with taxable years ending on or after  
26 December 31, 1995 and ending with taxable years ending on or



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

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

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

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

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

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

1 another individual or entity that sold the property for the  
2 purpose of resale by the fundraising entity and that profits  
3 from the sale to the fundraising entity. This paragraph is  
4 exempt from the provisions of Section 2-70.

5 (35) Beginning January 1, 2000 and through December 31,  
6 2001, new or used automatic vending machines that prepare and  
7 serve hot food and beverages, including coffee, soup, and other  
8 items, and replacement parts for these machines. Beginning  
9 January 1, 2002 and through June 30, 2003, machines and parts  
10 for machines used in commercial, coin-operated amusement and  
11 vending business if a use or occupation tax is paid on the  
12 gross receipts derived from the use of the commercial,  
13 coin-operated amusement and vending machines. This paragraph  
14 is exempt from the provisions of Section 2-70.

15 (35-5) Beginning August 23, 2001 and through June 30, 2016,  
16 food for human consumption that is to be consumed off the  
17 premises where it is sold (other than alcoholic beverages, soft  
18 drinks, and food that has been prepared for immediate  
19 consumption) and prescription and nonprescription medicines,  
20 drugs, medical appliances, and insulin, urine testing  
21 materials, syringes, and needles used by diabetics, for human  
22 use, when purchased for use by a person receiving medical  
23 assistance under Article V of the Illinois Public Aid Code who  
24 resides in a licensed long-term care facility, as defined in  
25 the Nursing Home Care Act, or a licensed facility as defined in  
26 the ID/DD Community Care Act or the Specialized Mental Health

1 Rehabilitation Act.

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

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

18 (38) Beginning on January 1, 2002 and through June 30,  
19 2016, tangible personal property purchased from an Illinois  
20 retailer by a taxpayer engaged in centralized purchasing  
21 activities in Illinois who will, upon receipt of the property  
22 in Illinois, temporarily store the property in Illinois (i) for  
23 the purpose of subsequently transporting it outside this State  
24 for use or consumption thereafter solely outside this State or  
25 (ii) for the purpose of being processed, fabricated, or  
26 manufactured into, attached to, or incorporated into other

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

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

22 (40) Beginning January 1, 2010, materials, parts,  
23 equipment, components, and furnishings incorporated into or  
24 upon an aircraft as part of the modification, refurbishment,  
25 completion, replacement, repair, or maintenance of the  
26 aircraft. This exemption includes consumable supplies used in

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

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

1 retirement or redemption of any bonds or other debt instruments  
2 issued by the public-facilities corporation in connection with  
3 the development of the municipal convention hall. This  
4 exemption includes existing public-facilities corporations as  
5 provided in Section 11-65-25 of the Illinois Municipal Code.  
6 This paragraph is exempt from the provisions of Section 2-70.

7 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
8 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
9 7-2-10; 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227, eff.  
10 1-1-12; 97-431, eff. 8-16-11; 97-636, eff. 6-1-12.)

11 Section 30. The Property Tax Code is amended by changing  
12 Section 18-178 as follows:

13 (35 ILCS 200/18-178)

14 Sec. 18-178. Abatement for the residence of a surviving  
15 spouse of a fallen police officer, soldier, or rescue worker.

16 (a) The governing body of any county or municipality may,  
17 by ordinance, order the county clerk to abate any percentage of  
18 the taxes levied by the county or municipality on each parcel  
19 of qualified property within the boundaries of the county or  
20 municipality that is owned by the surviving spouse of a fallen  
21 police officer, soldier, or rescue worker.

22 (b) The governing body may provide, by ordinance, for the  
23 percentage amount and duration of an abatement under this  
24 Section and for any other provision necessary to carry out the

1 provisions of this Section. Upon passing an ordinance under  
2 this Section, the county or municipality must deliver a  
3 certified copy of the ordinance to the county clerk.

4 (c) As used in this Section:

5 "Fallen police officer, soldier, or rescue worker" means an  
6 individual who dies:

7 (1) as a result of or in the course of employment as a  
8 police officer; ~~or~~

9 (2) while in the active service of a fire, rescue, or  
10 emergency medical service; or ~~or~~

11 (3) while on active duty as a member of the United  
12 States Armed Services, including the National Guard,  
13 serving in Iraq or Afghanistan.

14 "Fallen police officer, soldier, or rescue worker", however,  
15 does not include any individual whose death was the result of  
16 that individual's own willful misconduct or abuse of alcohol or  
17 drugs.

18 "Qualified property" means a parcel of real property that  
19 is occupied by not more than 2 families, that is used as the  
20 principal residence by a surviving spouse, and that:

21 (1) was owned by the fallen police officer, soldier, or  
22 rescue worker or surviving spouse at the time of the police  
23 officer's, soldier's, or rescue worker's death;

24 (2) was acquired by the surviving spouse within 2 years  
25 after the police officer's, soldier's, or rescue worker's  
26 death if the surviving spouse was domiciled in the State at



1 the time of that death; or

2 (3) was acquired more than 2 years after the police  
3 officer's, soldier's, or rescue worker's death if  
4 surviving spouse qualified for an abatement for a former  
5 qualified property located in that municipality.

6 "Surviving spouse" means a spouse, who has not remarried,  
7 of a fallen police officer, soldier, or rescue worker.

8 (Source: P.A. 95-644, eff. 10-12-07.)

9 Section 95. No acceleration or delay. Where this Act makes  
10 changes in a statute that is represented in this Act by text  
11 that is not yet or no longer in effect (for example, a Section  
12 represented by multiple versions), the use of that text does  
13 not accelerate or delay the taking effect of (i) the changes  
14 made by this Act or (ii) provisions derived from any other  
15 Public Act.

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law."