



Rep. Michael J. Zalewski

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LRB098 15451 HLH 57281 a

1 AMENDMENT TO HOUSE BILL 3883

2 AMENDMENT NO. _____. Amend House Bill 3883 by replacing
3 everything after the enacting clause with the following:

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

6 (35 ILCS 105/3-5)

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

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

16 (2) Personal property purchased by a 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 a not-for-profit arts or
4 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) Personal property purchased by a governmental body, by
19 a corporation, society, association, foundation, or
20 institution organized and operated exclusively for charitable,
21 religious, or educational purposes, or by a not-for-profit
22 corporation, society, association, foundation, institution, or
23 organization that has no compensated officers or employees and
24 that is organized and operated primarily for the recreation of
25 persons 55 years of age or older. A limited liability company
26 may qualify for the exemption under this paragraph only if the

1 limited liability company is organized and operated
2 exclusively for educational purposes. On and after July 1,
3 1987, however, no entity otherwise eligible for this exemption
4 shall make tax-free purchases unless it has an active exemption
5 identification number issued by the Department.

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

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

19 (7) Farm chemicals.

20 (8) 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 (9) Personal property purchased from a teacher-sponsored
25 student organization affiliated with an elementary or
26 secondary school located in Illinois.

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

4 (11) 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 (11). Agricultural chemical tender tanks and dry
19 boxes 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 (11) is exempt from the
12 provisions of Section 3-90.

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

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

1 origination to the city of final destination on the same
2 aircraft, without regard to a change in the flight number of
3 that aircraft.

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

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

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

26 (16) Coal and aggregate exploration, mining, off-highway

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

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

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

1 of producing machines, tools, dies, jigs, patterns, gauges, or
2 other similar items of no commercial value on special order for
3 a particular purchaser. The exemption provided by this
4 paragraph (18) does not include machinery and equipment used in
5 (i) the generation of electricity for wholesale or retail sale;
6 (ii) the generation or treatment of natural or artificial gas
7 for wholesale or retail sale that is delivered to customers
8 through pipes, pipelines, or mains; or (iii) the treatment of
9 water for wholesale or retail sale that is delivered to
10 customers through pipes, pipelines, or mains. The provisions of
11 Public Act 98-583 ~~this amendatory Act of the 98th General~~
12 ~~Assembly~~ are declaratory of existing law as to the meaning and
13 scope of this exemption.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 from the sale to the fundraising entity. This paragraph is
2 exempt from the provisions of Section 3-90.

3 (29) Beginning January 1, 2000 and through December 31,
4 2001, new or used automatic vending machines that prepare and
5 serve hot food and beverages, including coffee, soup, and other
6 items, and replacement parts for these machines. Beginning
7 January 1, 2002 and through June 30, 2003, machines and parts
8 for machines used in commercial, coin-operated amusement and
9 vending business if a use or occupation tax is paid on the
10 gross receipts derived from the use of the commercial,
11 coin-operated amusement and vending machines. This paragraph
12 is exempt from the provisions of Section 3-90.

13 (30) Beginning January 1, 2001 and through June 30, 2016,
14 food for human consumption that is to be consumed off the
15 premises where it is sold (other than alcoholic beverages, soft
16 drinks, and food that has been prepared for immediate
17 consumption) and prescription and nonprescription medicines,
18 drugs, medical appliances, and insulin, urine testing
19 materials, syringes, and needles used by diabetics, for human
20 use, when purchased for use by a person receiving medical
21 assistance under Article V of the Illinois Public Aid Code who
22 resides in a licensed long-term care facility, as defined in
23 the Nursing Home Care Act, or in a licensed facility as defined
24 in the ID/DD Community Care Act or the Specialized Mental
25 Health Rehabilitation Act of 2013.

26 (31) Beginning on the effective date of this amendatory Act

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

25 (32) Beginning on the effective date of this amendatory Act
26 of the 92nd General Assembly, personal property purchased by a

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

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

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

15 (34) 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 3-90.

22 (35) 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 the use of qualifying
11 tangible personal property by persons who modify, refurbish,
12 complete, repair, replace, or maintain aircraft and who (i)
13 hold an Air Agency Certificate and are empowered to operate an
14 approved repair station by the Federal Aviation
15 Administration, (ii) have a Class IV Rating, and (iii) conduct
16 operations in accordance with Part 145 of the Federal Aviation
17 Regulations. The exemption does not include aircraft operated
18 by a commercial air carrier providing scheduled passenger air
19 service pursuant to authority issued under Part 121 or Part 129
20 of the Federal Aviation Regulations. The changes made to this
21 paragraph (35) by Public Act 98-534 ~~this amendatory Act of the~~
22 ~~98th General Assembly~~ are declarative of existing law.

23 (36) Tangible personal property purchased by a
24 public-facilities corporation, as described in Section
25 11-65-10 of the Illinois Municipal Code, for purposes of
26 constructing or furnishing a municipal convention hall, but

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

11 (37) Beginning on July 1, 2014, qualified tangible personal
12 property used in the construction or operation of a data center
13 that has been granted a Certificate of Exemption by the
14 Department of Commerce and Economic Opportunity, whether that
15 tangible personal property is purchased by the owner of the
16 data center or by a contractor or subcontractor of the owner.

17 The Department of Commerce and Economic Opportunity shall
18 grant a Certificate of Exemption under this item (37) if the
19 owner or operator of the data center makes a capital investment
20 of at least \$200,000,000 at the data center within a 5-year
21 period from the date the certificate is issued.

22 For the purposes of this item (37):

23 "Data center" means a building or a series of buildings
24 rehabilitated or constructed to house a group of networked
25 server computers in one physical location or several sites
26 within a single county in order to centralize the storage,

1 management, and dissemination of data and information.

2 "Qualified tangible personal property" means
3 electrical systems and equipment; mechanical systems and
4 equipment; emergency generators; hardware or distributed
5 computers or servers; data storage devices; network
6 connectivity equipment; racks; cabinets; raised floor
7 systems; peripheral components or systems; software;
8 mechanical, electrical, or plumbing systems necessary to
9 operate other items of tangible personal property,
10 including fixtures; and component parts of any of the
11 foregoing, including installation, maintenance, repair,
12 refurbishment, and replacement of qualified tangible
13 personal property.

14 This item (37) is exempt from the provisions of Section
15 3-90.

16 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431,
17 eff. 8-16-11; 97-636, eff. 6-1-12; 97-767, eff. 7-9-12; 98-104,
18 eff. 7-22-13; 98-422, eff. 8-16-13; 98-456, eff. 8-16-13;
19 98-534, eff. 8-23-13; 98-574, eff. 1-1-14; 98-583, eff. 1-1-14;
20 revised 9-9-13.)

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

23 (35 ILCS 110/3-5)

24 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) Until June 30, 2013, fuel and petroleum products sold

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

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

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

26 (10) Until July 1, 2003, oil field exploration, drilling,

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

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

15 (12) Coal and aggregate exploration, mining, off-highway
16 ~~offhighway~~ hauling, processing, maintenance, and reclamation
17 equipment, including replacement parts and equipment, and
18 including equipment purchased for lease, but excluding motor
19 vehicles required to be registered under the Illinois Vehicle
20 Code. The changes made to this Section by Public Act 97-767
21 apply on and after July 1, 2003, but no claim for credit or
22 refund is allowed on or after August 16, 2013 (the effective
23 date of Public Act 98-456) ~~this amendatory Act of the 98th~~
24 ~~General Assembly~~ for such taxes paid during the period
25 beginning July 1, 2003 and ending on August 16, 2013 (the
26 effective date of Public Act 98-456) ~~this amendatory Act of the~~

1 ~~98th General Assembly.~~

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

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

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

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

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

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

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

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 used in the
20 performance of infrastructure repairs in this State, including
21 but not limited to municipal roads and streets, access roads,
22 bridges, sidewalks, waste disposal systems, water and sewer
23 line extensions, water distribution and purification
24 facilities, storm water drainage and retention facilities, and
25 sewage treatment facilities, resulting from a State or
26 federally declared disaster in Illinois or bordering Illinois

1 when such repairs are initiated on facilities located in the
2 declared disaster area within 6 months after the disaster.

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

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

25 (21) Beginning January 1, 2000, personal property,
26 including food, purchased through fundraising events for the

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

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

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

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

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

1 Use Tax Act, as the case may be, if the tax has not been paid by
2 the lessor. If a lessor improperly collects any such amount
3 from the lessee, the lessee shall have a legal right to claim a
4 refund of that amount from the lessor. If, however, that amount
5 is not refunded to the lessee for any reason, the lessor is
6 liable to pay that amount to the Department. This paragraph is
7 exempt from the provisions of Section 3-75.

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

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

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

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

1 modification, refurbishment, completion, replacement, repair,
2 or maintenance of aircraft by persons who (i) hold an Air
3 Agency Certificate and are empowered to operate an approved
4 repair station by the Federal Aviation Administration, (ii)
5 have a Class IV Rating, and (iii) conduct operations in
6 accordance with Part 145 of the Federal Aviation Regulations.
7 The exemption does not include aircraft operated by a
8 commercial air carrier providing scheduled passenger air
9 service pursuant to authority issued under Part 121 or Part 129
10 of the Federal Aviation Regulations. The changes made to this
11 paragraph (27) by Public Act 98-534 ~~this amendatory Act of the~~
12 ~~98th General Assembly~~ are declarative of existing law.

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

1 (29) Beginning on July 1, 2014, qualified tangible personal
2 property used in the construction or operation of a data center
3 that has been granted a Certificate of Exemption by the
4 Department of Commerce and Economic Opportunity, whether that
5 tangible personal property is purchased by the owner of the
6 data center or by a contractor or subcontractor of the owner.

7 The Department of Commerce and Economic Opportunity shall
8 grant a Certificate of Exemption under this item (29) if the
9 owner or operator of the data center makes a capital investment
10 of at least \$200,000,000 at the data center within a 5-year
11 period from the date the certificate is issued.

12 For the purposes of this item (29):

13 "Data center" means a building or a series of buildings
14 rehabilitated or constructed to house a group of networked
15 server computers in one physical location or several sites
16 within a single county in order to centralize the storage,
17 management, and dissemination of data and information.

18 "Qualified tangible personal property" means
19 electrical systems and equipment; mechanical systems and
20 equipment; emergency generators; hardware or distributed
21 computers or servers; data storage devices; network
22 connectivity equipment; racks; cabinets; raised floor
23 systems; peripheral components or systems; software;
24 mechanical, electrical, or plumbing systems necessary to
25 operate other items of tangible personal property,
26 including fixtures; and component parts of any of the

1 foregoing, including installation, maintenance, repair,
2 refurbishment, and replacement of qualified tangible
3 personal property.

4 This item (29) is exempt from the provisions of Section
5 3-75.

6 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431,
7 eff. 8-16-11; 97-636, eff. 6-1-12; 97-767, eff. 7-9-12; 98-104,
8 eff. 7-22-13; 98-422, eff. 8-16-13; 98-456, eff. 8-16-13;
9 98-534, eff. 8-23-13; revised 9-9-13.)

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

12 (35 ILCS 115/3-5)

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

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

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

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

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

20 (5) Until July 1, 2003 and beginning again on 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 (6) Personal property sold by a teacher-sponsored student
4 organization affiliated with an elementary or secondary school
5 located in Illinois.

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

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

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

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

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

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

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

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

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

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

1 photoprocessing machinery and equipment purchased for lease.

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

15 (13) Beginning January 1, 1992 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 non-prescription medicines,
20 drugs, medical appliances, and insulin, urine testing
21 materials, syringes, and needles used by diabetics, for human
22 use, when purchased for use by a person receiving medical
23 assistance under Article V of the Illinois Public Aid Code who
24 resides in a licensed long-term care facility, as defined in
25 the Nursing Home Care Act, or in a licensed facility as defined
26 in the ID/DD Community Care Act or the Specialized Mental

1 Health Rehabilitation Act of 2013.

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

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

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

24 (17) Personal property sold to a lessor who leases the
25 property, under a lease of one year or longer executed or in
26 effect at the time of the purchase, to a governmental body that

1 has been issued an active tax exemption identification number
2 by the Department under Section 1g of the Retailers' Occupation
3 Tax Act.

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

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

26 (20) Beginning July 1, 1999, game or game birds sold at a

1 "game breeding and hunting preserve area" as that term is used
2 in the Wildlife Code. This paragraph is exempt from the
3 provisions of Section 3-55.

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

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

1 district that consists primarily of volunteers and includes
2 parents and teachers of the school children. This paragraph
3 does not apply to fundraising events (i) for the benefit of
4 private home instruction or (ii) for which the fundraising
5 entity purchases the personal property sold at the events from
6 another individual or entity that sold the property for the
7 purpose of resale by the fundraising entity and that profits
8 from the sale to the fundraising entity. This paragraph is
9 exempt from the provisions of Section 3-55.

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

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

1 exemption identification number by the Department under
2 Section 1g of the Retailers' Occupation Tax Act. This paragraph
3 is exempt from the provisions of Section 3-55.

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

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

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

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

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

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

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

1 commercial air carrier providing scheduled passenger air
2 service pursuant to authority issued under Part 121 or Part 129
3 of the Federal Aviation Regulations. The changes made to this
4 paragraph (29) by Public Act 98-534 ~~this amendatory Act of the~~
5 ~~98th General Assembly~~ are declarative of existing law.

6 (30) Beginning on July 1, 2014, qualified tangible personal
7 property used in the construction or operation of a data center
8 that has been granted a Certificate of Exemption by the
9 Department of Commerce and Economic Opportunity, whether that
10 tangible personal property is purchased by the owner of the
11 data center or by a contractor or subcontractor of the owner.

12 The Department of Commerce and Economic Opportunity shall
13 grant a Certificate of Exemption under this item (30) if the
14 owner or operator of the data center makes a capital investment
15 of at least \$200,000,000 at the data center within a 5-year
16 period from the date the certificate is issued.

17 For the purposes of this item (30):

18 "Data center" means a building or a series of buildings
19 rehabilitated or constructed to house a group of networked
20 server computers in one physical location or several sites
21 within a single county in order to centralize the storage,
22 management, and dissemination of data and information.

23 "Qualified tangible personal property" means
24 electrical systems and equipment; mechanical systems and
25 equipment; emergency generators; hardware or distributed
26 computers or servers; data storage devices; network

1 connectivity equipment; racks; cabinets; raised floor
2 systems; peripheral components or systems; software;
3 mechanical, electrical, or plumbing systems necessary to
4 operate other items of tangible personal property,
5 including fixtures; and component parts of any of the
6 foregoing, including installation, maintenance, repair,
7 refurbishment, and replacement of qualified tangible
8 personal property.

9 This item (30) is exempt from the provisions of Section
10 3-55.

11 (Source: P.A. 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227,
12 eff. 1-1-12; 97-431, eff. 8-16-11; 97-636, eff. 6-1-12; 97-767,
13 eff. 7-9-12; 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;
14 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; revised 9-9-13.)

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

17 (35 ILCS 120/2-5)

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

21 (1) Farm chemicals.

22 (2) Farm machinery and equipment, both new and used,
23 including that manufactured on special order, certified by the
24 purchaser to be used primarily for production agriculture or

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 that is used for automobile renting, as
23 defined in the Automobile Renting Occupation and Use Tax Act.
24 This paragraph is exempt from the provisions of Section 2-70.

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

1 located in Illinois.

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

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

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

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

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

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

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

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

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

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

1 purchaser, or a lessee of the purchaser, primarily in the
2 process of manufacturing or assembling tangible personal
3 property for wholesale or retail sale or lease, whether the
4 sale or lease is made directly by the manufacturer or by some
5 other person, whether the materials used in the process are
6 owned by the manufacturer or some other person, or whether the
7 sale or lease is made apart from or as an incident to the
8 seller's engaging in the service occupation of producing
9 machines, tools, dies, jigs, patterns, gauges, or other similar
10 items of no commercial value on special order for a particular
11 purchaser. The exemption provided by this paragraph (14) does
12 not include machinery and equipment used in (i) the generation
13 of electricity for wholesale or retail sale; (ii) the
14 generation or treatment of natural or artificial gas for
15 wholesale or retail sale that is delivered to customers through
16 pipes, pipelines, or mains; or (iii) the treatment of water for
17 wholesale or retail sale that is delivered to customers through
18 pipes, pipelines, or mains. The provisions of Public Act 98-583
19 ~~this amendatory Act of the 98th General Assembly~~ are
20 declaratory of existing law as to the meaning and scope of this
21 exemption.

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

1 serving, hosting or cleaning up the food or beverage function
2 with respect to which the service charge is imposed.

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

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

14 (18) 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 (19) 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 (20) 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 (21) Coal and aggregate exploration, mining, off-highway
7 ~~off-highway~~ hauling, processing, maintenance, and reclamation
8 equipment, including replacement parts and equipment, and
9 including equipment purchased for lease, but excluding motor
10 vehicles required to be registered under the Illinois Vehicle
11 Code. The changes made to this Section by Public Act 97-767
12 apply on and after July 1, 2003, but no claim for credit or
13 refund is allowed on or after August 16, 2013 (the effective
14 date of Public Act 98-456) ~~this amendatory Act of the 98th~~
15 ~~General Assembly~~ for such taxes paid during the period
16 beginning July 1, 2003 and ending on August 16, 2013 (the
17 effective date of Public Act 98-456) ~~this amendatory Act of the~~
18 ~~98th General Assembly~~.

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

26 Beginning July 1, 2013, fuel and petroleum products sold to

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

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

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

20 (25) Except as provided in item (25-5) of this Section, a
21 motor vehicle sold in this State to a nonresident even though
22 the motor vehicle is delivered to the nonresident in this
23 State, if the motor vehicle is not to be titled in this State,
24 and if a drive-away permit is issued to the motor vehicle as
25 provided in Section 3-603 of the Illinois Vehicle Code or if
26 the nonresident purchaser has vehicle registration plates to

1 transfer to the motor vehicle upon returning to his or her home
2 state. The issuance of the drive-away permit or having the
3 out-of-state registration plates to be transferred is prima
4 facie evidence that the motor vehicle will not be titled in
5 this State.

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

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

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

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

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

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

1 the address of the primary physical location of the
2 aircraft, and other information that the Department may
3 reasonably require.

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

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

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

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

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

17 (27) 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 (27) is exempt from the provisions
23 of Section 2-70, and the exemption provided for under this item
24 (27) 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 (28) 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
10 this Act.

11 (29) 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 this Act.

16 (30) 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 donated for
19 disaster relief to be used in a State or federally declared
20 disaster area in Illinois or bordering Illinois by a
21 manufacturer or retailer that is registered in this State to a
22 corporation, society, association, foundation, or institution
23 that has been issued a sales tax exemption identification
24 number by the Department that assists victims of the disaster
25 who reside within the declared disaster area.

26 (31) Beginning with taxable years ending on or after

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

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

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

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

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

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

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

6 (35-5) Beginning August 23, 2001 and through June 30, 2016,
7 food for human consumption that is to be consumed off the
8 premises where it is sold (other than alcoholic beverages, soft
9 drinks, and food that has been prepared for immediate
10 consumption) and prescription and nonprescription medicines,
11 drugs, medical appliances, and insulin, urine testing
12 materials, syringes, and needles used by diabetics, for human
13 use, when purchased for use by a person receiving medical
14 assistance under Article V of the Illinois Public Aid Code who
15 resides in a licensed long-term care facility, as defined in
16 the Nursing Home Care Act, or a licensed facility as defined in
17 the ID/DD Community Care Act or the Specialized Mental Health
18 Rehabilitation Act of 2013.

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

1 provisions of Section 2-70.

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

9 (38) Beginning on January 1, 2002 and through June 30,
10 2016, tangible personal property purchased from an Illinois
11 retailer by a taxpayer engaged in centralized purchasing
12 activities in Illinois who will, upon receipt of the property
13 in Illinois, temporarily store the property in Illinois (i) for
14 the purpose of subsequently transporting it outside this State
15 for use or consumption thereafter solely outside this State or
16 (ii) for the purpose of being processed, fabricated, or
17 manufactured into, attached to, or incorporated into other
18 tangible personal property to be transported outside this State
19 and thereafter used or consumed solely outside this State. The
20 Director of Revenue shall, pursuant to rules adopted in
21 accordance with the Illinois Administrative Procedure Act,
22 issue a permit to any taxpayer in good standing with the
23 Department who is eligible for the exemption under this
24 paragraph (38). The permit issued under this paragraph (38)
25 shall authorize the holder, to the extent and in the manner
26 specified in the rules adopted under this Act, to purchase

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

6 (39) 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 2-70.

13 (40) 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 the sale of qualifying
2 tangible personal property to persons who modify, refurbish,
3 complete, replace, or maintain an aircraft and who (i) hold an
4 Air Agency Certificate and are empowered to operate an approved
5 repair station by the Federal Aviation Administration, (ii)
6 have a Class IV Rating, and (iii) conduct operations in
7 accordance with Part 145 of the Federal Aviation Regulations.
8 The exemption does not include aircraft operated by a
9 commercial air carrier providing scheduled passenger air
10 service pursuant to authority issued under Part 121 or Part 129
11 of the Federal Aviation Regulations. The changes made to this
12 paragraph (40) by Public Act 98-534 ~~this amendatory Act of the~~
13 ~~98th General Assembly~~ are declarative of existing law.

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

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

2 (42) Beginning on July 1, 2014, qualified tangible personal
3 property used in the construction or operation of a data center
4 that has been granted a Certificate of Exemption by the
5 Department of Commerce and Economic Opportunity, whether that
6 tangible personal property is purchased by the owner of the
7 data center or by a contractor or subcontractor of the owner.

8 The Department of Commerce and Economic Opportunity shall
9 grant a Certificate of Exemption under this item (42) if the
10 owner or operator of the data center makes a capital investment
11 of at least \$200,000,000 at the data center within a 5-year
12 period from the date the certificate is issued.

13 For the purposes of this item (42):

14 "Data center" means a building or a series of buildings
15 rehabilitated or constructed to house a group of networked
16 server computers in one physical location or several sites
17 within a single county in order to centralize the storage,
18 management, and dissemination of data and information.

19 "Qualified tangible personal property" means
20 electrical systems and equipment; mechanical systems and
21 equipment; emergency generators; hardware or distributed
22 computers or servers; data storage devices; network
23 connectivity equipment; racks; cabinets; raised floor
24 systems; peripheral components or systems; software;
25 mechanical, electrical, or plumbing systems necessary to
26 operate other items of tangible personal property,

1 including fixtures; and component parts of any of the
2 foregoing, including installation, maintenance, repair,
3 refurbishment, and replacement of qualified tangible
4 personal property.

5 This item (42) is exempt from the provisions of Section
6 2-70.

7 (Source: P.A. 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227,
8 eff. 1-1-12; 97-431, eff. 8-16-11; 97-636, eff. 6-1-12; 97-767,
9 eff. 7-9-12; 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;
10 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-574, eff.
11 1-1-14; 98-583, eff. 1-1-14; revised 9-9-13.)

12 Section 25. The Electricity Excise Tax Law is amended by
13 changing Section 2-4 as follows:

14 (35 ILCS 640/2-4)

15 Sec. 2-4. Tax imposed.

16 (a) Except as provided in subsection (b), a tax is imposed
17 on the privilege of using in this State electricity purchased
18 for use or consumption and not for resale, other than by
19 municipal corporations owning and operating a local
20 transportation system for public service, at the following
21 rates per kilowatt-hour delivered to the purchaser:

22 (i) For the first 2000 kilowatt-hours used or consumed
23 in a month: 0.330 cents per kilowatt-hour;

24 (ii) For the next 48,000 kilowatt-hours used or

1 consumed in a month: 0.319 cents per kilowatt-hour;

2 (iii) For the next 50,000 kilowatt-hours used or
3 consumed in a month: 0.303 cents per kilowatt-hour;

4 (iv) For the next 400,000 kilowatt-hours used or
5 consumed in a month: 0.297 cents per kilowatt-hour;

6 (v) For the next 500,000 kilowatt-hours used or
7 consumed in a month: 0.286 cents per kilowatt-hour;

8 (vi) For the next 2,000,000 kilowatt-hours used or
9 consumed in a month: 0.270 cents per kilowatt-hour;

10 (vii) For the next 2,000,000 kilowatt-hours used or
11 consumed in a month: 0.254 cents per kilowatt-hour;

12 (viii) For the next 5,000,000 kilowatt-hours used or
13 consumed in a month: 0.233 cents per kilowatt-hour;

14 (ix) For the next 10,000,000 kilowatt-hours used or
15 consumed in a month: 0.207 cents per kilowatt-hour;

16 (x) For all electricity in excess of 20,000,000
17 kilowatt-hours used or consumed in a month: 0.202 cents per
18 kilowatt-hour.

19 Provided, that in lieu of the foregoing rates, the tax is
20 imposed on a self-assessing purchaser at the rate of 5.1% of
21 the self-assessing purchaser's purchase price for all
22 electricity distributed, supplied, furnished, sold,
23 transmitted and delivered to the self-assessing purchaser in a
24 month.

25 (b) A tax is imposed on the privilege of using in this
26 State electricity purchased from a municipal system or electric

1 cooperative, as defined in Article XVII of the Public Utilities
2 Act, which has not made an election as permitted by either
3 Section 17-200 or Section 17-300 of such Act, at the lesser of
4 0.32 cents per kilowatt hour of all electricity distributed,
5 supplied, furnished, sold, transmitted, and delivered by such
6 municipal system or electric cooperative to the purchaser or 5%
7 of each such purchaser's purchase price for all electricity
8 distributed, supplied, furnished, sold, transmitted, and
9 delivered by such municipal system or electric cooperative to
10 the purchaser, whichever is the lower rate as applied to each
11 purchaser in each billing period.

12 (c) The tax imposed by this Section 2-4 is not imposed with
13 respect to any use of electricity by business enterprises
14 certified under Section 9-222.1 or 9-222.1A of the Public
15 Utilities Act, as amended, to the extent of such exemption and
16 during the time specified by the Department of Commerce and
17 Economic Opportunity; or with respect to any transaction in
18 interstate commerce, or otherwise, to the extent to which such
19 transaction may not, under the Constitution and statutes of the
20 United States, be made the subject of taxation by this State.

21 (d) Beginning July 1, 2014, a business enterprise that is
22 certified as a data center by the Department of Commerce and
23 Economic Opportunity is exempt from the tax imposed under this
24 Section. The Department of Commerce and Economic Opportunity
25 may adopt rules to carry out the provisions of this subsection,
26 including procedures for applying for the exemption. The

1 Department of Commerce and Economic Opportunity may require
2 that the business enterprise repay the exempted amount if the
3 business enterprise fails to comply with the terms and
4 conditions certification. Upon certification of the business
5 enterprise, the Department of Commerce and Economic
6 Opportunity shall notify the Department of Revenue of the
7 certification. The Department of Revenue shall then notify the
8 public utility of the exemption status of the business
9 enterprise. The exemption shall take effect upon certification
10 of the business enterprise.

11 (Source: P.A. 94-793, eff. 5-19-06.)

12 Section 99. Effective date. This Act takes effect upon
13 becoming law."