

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

7 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
17 Illinois county fair association for use in conducting,
18 operating, or promoting the county fair.

19 (3) Personal property purchased by a not-for-profit arts or
20 cultural organization that establishes, by proof required by
21 the Department by rule, that it has received an exemption under
22 Section 501(c)(3) of the Internal Revenue Code and that is
23 organized and operated primarily for the presentation or

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

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

25 (5) Until July 1, 2003, a passenger car that is a
26 replacement vehicle to the extent that the purchase price of

1 the car is subject to the Replacement Vehicle Tax.

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

12 (7) Farm chemicals.

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

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

20 (10) A motor vehicle of the first division, a motor vehicle
21 of the second division that is a self-contained motor vehicle
22 designed or permanently converted to provide living quarters
23 for recreational, camping, or travel use, with direct walk
24 through to the living quarters from the driver's seat, or a
25 motor vehicle of the second division that is of the van
26 configuration designed for the transportation of not less than

1 7 nor more than 16 passengers, as defined in Section 1-146 of
2 the Illinois Vehicle Code, that is used for automobile renting,
3 as defined in the Automobile Renting Occupation and Use Tax
4 Act.

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

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

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

6 Farm machinery and equipment also includes computers,
7 sensors, software, and related equipment used primarily in the
8 computer-assisted operation of production agriculture
9 facilities, equipment, and activities such as, but not limited
10 to, the collection, monitoring, and correlation of animal and
11 crop data for the purpose of formulating animal diets and
12 agricultural chemicals. This item (11) is exempt from the
13 provisions of Section 3-90.

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

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

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

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

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

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

25 (17) Until July 1, 2003, distillation machinery and
26 equipment, sold as a unit or kit, assembled or installed by the

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

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

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

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

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

1 Jockey Club, as appropriate, used for purposes of breeding or
2 racing for prizes. This item (21) is exempt from the provisions
3 of Section 3-90, and the exemption provided for under this item
4 (21) applies for all periods beginning May 30, 1995, but no
5 claim for credit or refund is allowed on or after January 1,
6 2008 for such taxes paid during the period beginning May 30,
7 2000 and ending on January 1, 2008.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Health Rehabilitation Act.

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

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

24 (33) On and after July 1, 2003 and through June 30, 2004,
25 the use in this State of motor vehicles of the second division
26 with a gross vehicle weight in excess of 8,000 pounds and that

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

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

24 (35) Beginning January 1, 2010, materials, parts,
25 equipment, components, and furnishings incorporated into or
26 upon an aircraft as part of the modification, refurbishment,

1 completion, replacement, repair, or maintenance of the
2 aircraft. This exemption includes consumable supplies used in
3 the modification, refurbishment, completion, replacement,
4 repair, and maintenance of aircraft, but excludes any
5 materials, parts, equipment, components, and consumable
6 supplies used in the modification, replacement, repair, and
7 maintenance of aircraft engines or power plants, whether such
8 engines or power plants are installed or uninstalled upon any
9 such aircraft. "Consumable supplies" include, but are not
10 limited to, adhesive, tape, sandpaper, general purpose
11 lubricants, cleaning solution, latex gloves, and protective
12 films. This exemption applies only to the use of qualifying
13 tangible personal property by persons who modify, refurbish,
14 complete, repair, replace, or maintain aircraft and who ~~those~~
15 ~~organizations that~~ (i) hold an Air Agency Certificate and are
16 empowered to operate an approved repair station by the Federal
17 Aviation Administration, (ii) have a Class IV Rating, and (iii)
18 conduct operations in accordance with Part 145 of the Federal
19 Aviation Regulations. The exemption does not include aircraft
20 operated by a commercial air carrier providing scheduled
21 passenger air service pursuant to authority issued under Part
22 121 or Part 129 of the Federal Aviation Regulations. The
23 changes made to this paragraph (35) by this amendatory Act of
24 the 98th General Assembly are declarative of existing law.

25 (36) Tangible personal property purchased by a
26 public-facilities corporation, as described in Section

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

13 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;
14 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.
15 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431, eff.
16 8-16-11; 97-636, eff. 6-1-12; 97-767, eff. 7-9-12.)

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

19 (35 ILCS 110/3-5)

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

22 (1) Personal property purchased from a corporation,
23 society, association, foundation, institution, or
24 organization, other than a limited liability company, that is

1 organized and operated as a not-for-profit service enterprise
2 for the benefit of persons 65 years of age or older if the
3 personal property was not purchased by the enterprise for the
4 purpose of resale by the enterprise.

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

8 (3) Personal property purchased by 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 (4) Legal tender, currency, medallions, or gold or silver
24 coinage issued by the State of Illinois, the government of the
25 United States of America, or the government of any foreign
26 country, and bullion.

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

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

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

1 this item (7). Agricultural chemical tender tanks and dry boxes
2 shall include units sold separately from a motor vehicle
3 required to be licensed and units sold mounted on a motor
4 vehicle required to be licensed if the selling price of the
5 tender is separately stated.

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

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

22 (8) Fuel and petroleum products sold to or used by an air
23 common carrier, certified by the carrier to be used for
24 consumption, shipment, or storage in the conduct of its
25 business as an air common carrier, for a flight destined for or
26 returning from a location or locations outside the United

1 States without regard to previous or subsequent domestic
2 stopovers.

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

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

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

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

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

24 (15) Computers and communications equipment utilized for
25 any hospital purpose and equipment used in the diagnosis,
26 analysis, or treatment of hospital patients purchased by a

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 maintenance of aircraft engines or power plants, whether such
2 engines or power plants are installed or uninstalled upon any
3 such aircraft. "Consumable supplies" include, but are not
4 limited to, adhesive, tape, sandpaper, general purpose
5 lubricants, cleaning solution, latex gloves, and protective
6 films. This exemption applies only to the use of qualifying
7 tangible personal property transferred incident to the
8 modification, refurbishment, completion, replacement, repair,
9 or maintenance of aircraft by persons who ~~those organizations~~
10 ~~that~~ (i) hold an Air Agency Certificate and are empowered to
11 operate an approved repair station by the Federal Aviation
12 Administration, (ii) have a Class IV Rating, and (iii) conduct
13 operations in accordance with Part 145 of the Federal Aviation
14 Regulations. The exemption does not include aircraft operated
15 by a commercial air carrier providing scheduled passenger air
16 service pursuant to authority issued under Part 121 or Part 129
17 of the Federal Aviation Regulations. The changes made to this
18 paragraph (27) by this amendatory Act of the 98th General
19 Assembly are declarative of existing law.

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

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

8 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;
9 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.
10 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431, eff.
11 8-16-11; 97-636, eff. 6-1-12; 97-767, eff. 7-9-12.)

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

14 (35 ILCS 115/3-5)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Illinois Vehicle Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 engines or power plants are installed or uninstalled upon any
2 such aircraft. "Consumable supplies" include, but are not
3 limited to, adhesive, tape, sandpaper, general purpose
4 lubricants, cleaning solution, latex gloves, and protective
5 films. This exemption applies only to the transfer of
6 qualifying tangible personal property incident to the
7 modification, refurbishment, completion, replacement, repair,
8 or maintenance of an aircraft by persons who ~~those~~
9 ~~organizations that~~ (i) hold an Air Agency Certificate and are
10 empowered to operate an approved repair station by the Federal
11 Aviation Administration, (ii) have a Class IV Rating, and (iii)
12 conduct operations in accordance with Part 145 of the Federal
13 Aviation Regulations. The exemption does not include aircraft
14 operated by a commercial air carrier providing scheduled
15 passenger air service pursuant to authority issued under Part
16 121 or Part 129 of the Federal Aviation Regulations. The
17 changes made to this paragraph (29) by this amendatory Act of
18 the 98th General Assembly are declarative of existing law.

19 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;
20 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.
21 7-2-10; 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227, eff.
22 1-1-12; 97-431, eff. 8-16-11; 97-636, eff. 6-1-12; 97-767, eff.
23 7-9-12.)

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

1 (35 ILCS 120/2-5)

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

5 (1) Farm chemicals.

6 (2) Farm machinery and equipment, both new and used,
7 including that manufactured on special order, certified by 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 (2). 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

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

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

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

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

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

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

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

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

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

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

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

15 (10) 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 (11) Personal property sold to a governmental body, to a
23 corporation, society, association, foundation, or institution
24 organized and operated exclusively for charitable, religious,
25 or educational purposes, or to a not-for-profit corporation,
26 society, association, foundation, institution, or organization

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

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

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

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

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

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

1 machines, tools, dies, jigs, patterns, gauges, or other similar
2 items of no commercial value on special order for a particular
3 purchaser.

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

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

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

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

26 (19) 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 (20) Photoprocessing machinery and equipment, including
10 repair and replacement parts, both new and used, including that
11 manufactured on special order, certified by the purchaser to be
12 used primarily for photoprocessing, and including
13 photoprocessing machinery and equipment purchased for lease.

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

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

1 to previous or subsequent domestic stopovers.

2 (23) A transaction in which the purchase order is received
3 by a florist who is located outside Illinois, but who has a
4 florist located in Illinois deliver the property to the
5 purchaser or the purchaser's donee in Illinois.

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

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

24 (25-5) The exemption under item (25) does not apply if the
25 state in which the motor vehicle will be titled does not allow
26 a reciprocal exemption for a motor vehicle sold and delivered

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

26 (25-7) Beginning on July 1, 2007, no tax is imposed under

1 this Act on the sale of an aircraft, as defined in Section 3 of
2 the Illinois Aeronautics Act, if all of the following
3 conditions are met:

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

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

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

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

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

1 "Registered in this State" means an aircraft registered
2 with the Department of Transportation, Aeronautics Division,
3 or titled or registered with the Federal Aviation
4 Administration to an address located in this State.

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

7 (26) Semen used for artificial insemination of livestock
8 for direct agricultural production.

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

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

1 identification number by the Department under Section 1g of
2 this Act.

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

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

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

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

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

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

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

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

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

24 (35-5) Beginning August 23, 2001 and through June 30, 2016,
25 food for human consumption that is to be consumed off the
26 premises where it is sold (other than alcoholic beverages, soft

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

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

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

1 (38) Beginning on January 1, 2002 and through June 30,
2 2016, tangible personal property purchased from an Illinois
3 retailer by a taxpayer engaged in centralized purchasing
4 activities in Illinois who will, upon receipt of the property
5 in Illinois, temporarily store the property in Illinois (i) for
6 the purpose of subsequently transporting it outside this State
7 for use or consumption thereafter solely outside this State or
8 (ii) for the purpose of being processed, fabricated, or
9 manufactured into, attached to, or incorporated into other
10 tangible personal property to be transported outside this State
11 and thereafter used or consumed solely outside this State. The
12 Director of Revenue shall, pursuant to rules adopted in
13 accordance with the Illinois Administrative Procedure Act,
14 issue a permit to any taxpayer in good standing with the
15 Department who is eligible for the exemption under this
16 paragraph (38). The permit issued under this paragraph (38)
17 shall authorize the holder, to the extent and in the manner
18 specified in the rules adopted under this Act, to purchase
19 tangible personal property from a retailer exempt from the
20 taxes imposed by this Act. Taxpayers shall maintain all
21 necessary books and records to substantiate the use and
22 consumption of all such tangible personal property outside of
23 the State of Illinois.

24 (39) Beginning January 1, 2008, tangible personal property
25 used in the construction or maintenance of a community water
26 supply, as defined under Section 3.145 of the Environmental

1 Protection Act, that is operated by a not-for-profit
2 corporation that holds a valid water supply permit issued under
3 Title IV of the Environmental Protection Act. This paragraph is
4 exempt from the provisions of Section 2-70.

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

1 operated by a commercial air carrier providing scheduled
2 passenger air service pursuant to authority issued under Part
3 121 or Part 129 of the Federal Aviation Regulations. The
4 changes made to this paragraph (40) by this amendatory Act of
5 the 98th General Assembly are declarative of existing law.

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

20 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;
21 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.
22 7-2-10; 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227, eff.
23 1-1-12; 97-431, eff. 8-16-11; 97-636, eff. 6-1-12; 97-767, eff.
24 7-9-12.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.