



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2619

Introduced 11/6/2013, by Sen. Dave Syverson

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5
35 ILCS 110/3-5
35 ILCS 115/3-5
35 ILCS 120/2-5

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Creates an exemption for qualified tangible personal property used in the construction or operation of a data center. Effective immediately.

LRB098 14608 HLH 49405 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

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 that is used for automobile renting,
21 as defined in the Automobile Renting Occupation and Use Tax
22 Act.

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

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

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

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

1 facilities, equipment, and activities such as, but not limited
2 to, the collection, monitoring, and correlation of animal and
3 crop data for the purpose of formulating animal diets and
4 agricultural chemicals. This item (11) is exempt from the
5 provisions of Section 3-90.

6 (12) Until June 30, 2013, fuel and petroleum products sold
7 to or used by an air common carrier, certified by the carrier
8 to be used for consumption, shipment, or storage in the conduct
9 of its business as an air common carrier, for a flight destined
10 for or returning from a location or locations outside the
11 United States without regard to previous or subsequent domestic
12 stopovers.

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

23 (13) Proceeds of mandatory service charges separately
24 stated on customers' bills for the purchase and consumption of
25 food and beverages purchased at retail from a retailer, to the
26 extent that the proceeds of the service charge are in fact

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

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

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

19 (16) Coal and aggregate exploration, mining, off-highway
20 ~~off-highway~~ hauling, processing, maintenance, and reclamation
21 equipment, including replacement parts and equipment, and
22 including equipment purchased for lease, but excluding motor
23 vehicles required to be registered under the Illinois Vehicle
24 Code. The changes made to this Section by Public Act 97-767
25 apply on and after July 1, 2003, but no claim for credit or
26 refund is allowed on or after August 16, 2013 (the effective

1 date of Public Act 98-456 ~~this amendatory Act of the 98th~~
2 ~~General Assembly~~ for such taxes paid during the period
3 beginning July 1, 2003 and ending on August 16, 2013 (the
4 effective date of Public Act 98-456) ~~this amendatory Act of the~~
5 ~~98th General Assembly~~.

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

12 (18) Manufacturing and assembling machinery and equipment
13 used primarily in the process of manufacturing or assembling
14 tangible personal property for wholesale or retail sale or
15 lease, whether that sale or lease is made directly by the
16 manufacturer or by some other person, whether the materials
17 used in the process are owned by the manufacturer or some other
18 person, or whether that sale or lease is made apart from or as
19 an incident to the seller's engaging in the service occupation
20 of producing machines, tools, dies, jigs, patterns, gauges, or
21 other similar items of no commercial value on special order for
22 a particular purchaser. The exemption provided by this
23 paragraph (18) does not include machinery and equipment used in
24 (i) the generation of electricity for wholesale or retail sale;
25 (ii) the generation or treatment of natural or artificial gas
26 for wholesale or retail sale that is delivered to customers

1 through pipes, pipelines, or mains; or (iii) the treatment of
2 water for wholesale or retail sale that is delivered to
3 customers through pipes, pipelines, or mains. The provisions of
4 Public Act 98-583 ~~this amendatory Act of the 98th General~~
5 ~~Assembly~~ are declaratory of existing law as to the meaning and
6 scope of this exemption.

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

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

14 (21) Horses, or interests in horses, registered with and
15 meeting the requirements of any of the Arabian Horse Club
16 Registry of America, Appaloosa Horse Club, American Quarter
17 Horse Association, United States Trotting Association, or
18 Jockey Club, as appropriate, used for purposes of breeding or
19 racing for prizes. This item (21) is exempt from the provisions
20 of Section 3-90, and the exemption provided for under this item
21 (21) applies for all periods beginning May 30, 1995, but no
22 claim for credit or refund is allowed on or after January 1,
23 2008 for such taxes paid during the period beginning May 30,
24 2000 and ending on January 1, 2008.

25 (22) Computers and communications equipment utilized for
26 any hospital purpose and equipment used in the diagnosis,

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

22 (23) Personal property purchased by a lessor who leases the
23 property, under a lease of one year or longer executed or in
24 effect at the time the lessor would otherwise be subject to the
25 tax imposed by this Act, to a governmental body that has been
26 issued an active sales tax exemption identification number by

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

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

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

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

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

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

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

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

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

1 for machines used in commercial, coin-operated amusement and
2 vending business if a use or occupation tax is paid on the
3 gross receipts derived from the use of the commercial,
4 coin-operated amusement and vending machines. This paragraph
5 is exempt from the provisions of Section 3-90.

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

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

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

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

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

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

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

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

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

1 limited to, adhesive, tape, sandpaper, general purpose
2 lubricants, cleaning solution, latex gloves, and protective
3 films. This exemption applies only to the use of qualifying
4 tangible personal property by persons who modify, refurbish,
5 complete, repair, replace, or maintain aircraft and who (i)
6 hold an Air Agency Certificate and are empowered to operate an
7 approved repair station by the Federal Aviation
8 Administration, (ii) have a Class IV Rating, and (iii) conduct
9 operations in accordance with Part 145 of the Federal Aviation
10 Regulations. The exemption does not include aircraft operated
11 by a commercial air carrier providing scheduled passenger air
12 service pursuant to authority issued under Part 121 or Part 129
13 of the Federal Aviation Regulations. The changes made to this
14 paragraph (35) by Public Act 98-534 ~~this amendatory Act of the~~
15 ~~98th General Assembly~~ are declarative of existing law.

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

1 exemption includes existing public-facilities corporations as
2 provided in Section 11-65-25 of the Illinois Municipal Code.
3 This paragraph is exempt from the provisions of Section 3-90.

4 (37) Beginning on July 1, 2014 and until July 1, 2024,
5 qualified tangible personal property used in the construction
6 or operation of a data center that has been granted a
7 Certificate of Exemption by the Department of Commerce and
8 Economic Opportunity.

9 The Department of Commerce and Economic Opportunity shall
10 grant a Certificate of Exemption under this item (37) if: (i)
11 the data center creates and retains at least 30 full-time
12 equivalent jobs; (ii) each of those employees is paid at least
13 125% of the median wage paid to full-time employees in the
14 county where the data center is located, as determined by the
15 United States Bureau of Labor Statistics; and (iii) the owner
16 or operator of the data center makes a capital investment of at
17 least \$200,000,000 at the data center within a period of time
18 specified by the Department of Commerce and Economic
19 Opportunity by rule.

20 For the purposes of this item (37):

21 "Data center" means a building rehabilitated or
22 constructed to house a group of networked server computers
23 in one physical location in order to centralize the
24 storage, management, and dissemination of data and
25 information pertaining to a particular business, taxonomy,
26 or body of knowledge.

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

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

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

17 (35 ILCS 110/3-5)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 equipment purchased for lease; but excluding motor vehicles
2 required to be registered under the Illinois Vehicle Code.

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

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

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

24 (14) Horses, or interests in horses, registered with and
25 meeting the requirements of any of the Arabian Horse Club
26 Registry of America, Appaloosa Horse Club, American Quarter

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

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

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

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

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

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

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

1 (20) A motor vehicle, as that term is defined in Section
2 1-146 of the Illinois Vehicle Code, that is donated to a
3 corporation, limited liability company, society, association,
4 foundation, or institution that is determined by the Department
5 to be organized and operated exclusively for educational
6 purposes. For purposes of this exemption, "a corporation,
7 limited liability company, society, association, foundation,
8 or institution organized and operated exclusively for
9 educational purposes" means all tax-supported public schools,
10 private schools that offer systematic instruction in useful
11 branches of learning by methods common to public schools and
12 that compare favorably in their scope and intensity with the
13 course of study presented in tax-supported schools, and
14 vocational or technical schools or institutes organized and
15 operated exclusively to provide a course of study of not less
16 than 6 weeks duration and designed to prepare individuals to
17 follow a trade or to pursue a manual, technical, mechanical,
18 industrial, business, or commercial occupation.

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

1 private home instruction or (ii) for which the fundraising
2 entity purchases the personal property sold at the events from
3 another individual or entity that sold the property for the
4 purpose of resale by the fundraising entity and that profits
5 from the sale to the fundraising entity. This paragraph is
6 exempt from the provisions of Section 3-75.

7 (22) Beginning January 1, 2000 and through December 31,
8 2001, new or used automatic vending machines that prepare and
9 serve hot food and beverages, including coffee, soup, and other
10 items, and replacement parts for these machines. Beginning
11 January 1, 2002 and through June 30, 2003, machines and parts
12 for machines used in commercial, coin-operated amusement and
13 vending business if a use or occupation tax is paid on the
14 gross receipts derived from the use of the commercial,
15 coin-operated amusement and vending machines. This paragraph
16 is exempt from the provisions of Section 3-75.

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

1 the Nursing Home Care Act, or in a licensed facility as defined
2 in the ID/DD Community Care Act or the Specialized Mental
3 Health Rehabilitation Act of 2013.

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

1 exempt from the provisions of Section 3-75.

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

24 (26) 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 3-75.

5 (27) 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 use of qualifying
20 tangible personal property transferred incident to the
21 modification, refurbishment, completion, replacement, repair,
22 or maintenance of aircraft by persons who (i) hold an Air
23 Agency Certificate and are empowered to operate an approved
24 repair station by the Federal Aviation Administration, (ii)
25 have a Class IV Rating, and (iii) conduct operations in
26 accordance with Part 145 of the Federal Aviation Regulations.

1 The exemption does not include aircraft operated by a
2 commercial air carrier providing scheduled passenger air
3 service pursuant to authority issued under Part 121 or Part 129
4 of the Federal Aviation Regulations. The changes made to this
5 paragraph (27) by Public Act 98-534 ~~this amendatory Act of the~~
6 ~~98th General Assembly~~ are declarative of existing law.

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

21 (29) Beginning on July 1, 2014 and until July 1, 2024,
22 qualified tangible personal property used in the construction
23 or operation of a data center that has been granted a
24 Certificate of Exemption by the Department of Commerce and
25 Economic Opportunity.

26 The Department of Commerce and Economic Opportunity shall

1 grant a Certificate of Exemption under this item (29) if: (i)
2 the data center creates and retains at least 30 full-time
3 equivalent jobs; (ii) each of those employees is paid at least
4 125% of the median wage paid to full-time employees in the
5 county where the data center is located, as determined by the
6 United States Bureau of Labor Statistics; and (iii) the owner
7 or operator of the data center makes a capital investment of at
8 least \$200,000,000 at the data center within a period of time
9 specified by the Department of Commerce and Economic
10 Opportunity by rule.

11 For the purposes of this item (29):

12 "Data center" means a building rehabilitated or
13 constructed to house a group of networked server computers
14 in one physical location in order to centralize the
15 storage, management, and dissemination of data and
16 information pertaining to a particular business, taxonomy,
17 or body of knowledge.

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

1 (Source: P.A. 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431,
2 eff. 8-16-11; 97-636, eff. 6-1-12; 97-767, eff. 7-9-12; 98-104,
3 eff. 7-22-13; 98-422, eff. 8-16-13; 98-456, eff. 8-16-13;
4 98-534, eff. 8-23-13; revised 9-9-13.)

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

7 (35 ILCS 115/3-5)

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

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

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

20 (3) Personal property purchased by any not-for-profit arts
21 or cultural organization that establishes, by proof required by
22 the Department by rule, that it has received an exemption under
23 Section 501(c)(3) of the Internal Revenue Code and that is
24 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) Legal tender, currency, medallions, or gold or silver
12 coinage issued by the State of Illinois, the government of the
13 United States of America, or the government of any foreign
14 country, and bullion.

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

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

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

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

1 such equipment.

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

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

17 Beginning July 1, 2013, fuel and petroleum products sold to
18 or used by an air carrier, certified by the carrier to be used
19 for consumption, shipment, or storage in the conduct of its
20 business as an air common carrier, for a flight that (i) is
21 engaged in foreign trade or is engaged in trade between the
22 United States and any of its possessions and (ii) transports at
23 least one individual or package for hire from the city of
24 origination to the city of final destination on the same
25 aircraft, without regard to a change in the flight number of
26 that aircraft.

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

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

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

23 (12) Coal and aggregate exploration, mining, off-highway
24 ~~off-highway~~ hauling, processing, maintenance, and reclamation
25 equipment, including replacement parts and equipment, and
26 including equipment purchased for lease, but excluding motor

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

10 (13) Beginning January 1, 1992 and through June 30, 2016,
11 food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic beverages, soft
13 drinks and food that has been prepared for immediate
14 consumption) and prescription and non-prescription medicines,
15 drugs, medical appliances, and insulin, urine testing
16 materials, syringes, and needles used by diabetics, for human
17 use, when purchased for use by a person receiving medical
18 assistance under Article V of the Illinois Public Aid Code who
19 resides in a licensed long-term care facility, as defined in
20 the Nursing Home Care Act, or in a licensed facility as defined
21 in the ID/DD Community Care Act or the Specialized Mental
22 Health Rehabilitation Act of 2013.

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

25 (15) Horses, or interests in horses, registered with and
26 meeting the requirements of any of the Arabian Horse Club

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

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

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

25 (18) 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 (19) 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 (20) Beginning July 1, 1999, game or game birds sold at a
22 "game breeding and hunting preserve area" as that term is used
23 in the Wildlife Code. This paragraph is exempt from the
24 provisions of Section 3-55.

25 (21) 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 (22) 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 3-55.

5 (23) 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 3-55.

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

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

1 lessor who leases the property, under a lease of one year or
2 longer executed or in effect at the time of the purchase, to a
3 governmental body that has been issued an active tax exemption
4 identification number by the Department under Section 1g of the
5 Retailers' Occupation Tax Act. This paragraph is exempt from
6 the provisions of Section 3-55.

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

1 necessary books and records to substantiate the use and
2 consumption of all such tangible personal property outside of
3 the State of Illinois.

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

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

25 (29) Beginning January 1, 2010, materials, parts,
26 equipment, components, and furnishings incorporated into or

1 upon an aircraft as part of the modification, refurbishment,
2 completion, replacement, repair, or maintenance of the
3 aircraft. This exemption includes consumable supplies used in
4 the modification, refurbishment, completion, replacement,
5 repair, and maintenance of aircraft, but excludes any
6 materials, parts, equipment, components, and consumable
7 supplies used in the modification, replacement, repair, and
8 maintenance of aircraft engines or power plants, whether such
9 engines or power plants are installed or uninstalled upon any
10 such aircraft. "Consumable supplies" include, but are not
11 limited to, adhesive, tape, sandpaper, general purpose
12 lubricants, cleaning solution, latex gloves, and protective
13 films. This exemption applies only to the transfer of
14 qualifying tangible personal property incident to the
15 modification, refurbishment, completion, replacement, repair,
16 or maintenance of an aircraft by persons who (i) hold an Air
17 Agency Certificate and are empowered to operate an approved
18 repair station by the Federal Aviation Administration, (ii)
19 have a Class IV Rating, and (iii) conduct operations in
20 accordance with Part 145 of the Federal Aviation Regulations.
21 The exemption does not include aircraft operated by a
22 commercial air carrier providing scheduled passenger air
23 service pursuant to authority issued under Part 121 or Part 129
24 of the Federal Aviation Regulations. The changes made to this
25 paragraph (29) by Public Act 98-534 ~~this amendatory Act of the~~
26 ~~98th General Assembly~~ are declarative of existing law.

1 (30) Beginning on July 1, 2014 and until July 1, 2024,
2 qualified tangible personal property used in the construction
3 or operation of a data center that has been granted a
4 Certificate of Exemption by the Department of Commerce and
5 Economic Opportunity.

6 The Department of Commerce and Economic Opportunity shall
7 grant a Certificate of Exemption under this item (30) if: (i)
8 the data center creates and retains at least 30 full-time
9 equivalent jobs; (ii) each of those employees is paid at least
10 125% of the median wage paid to full-time employees in the
11 county where the data center is located, as determined by the
12 United States Bureau of Labor Statistics; and (iii) the owner
13 or operator of the data center makes a capital investment of at
14 least \$200,000,000 at the data center within a period of time
15 specified by the Department of Commerce and Economic
16 Opportunity by rule.

17 For the purposes of this item (30):

18 "Data center" means a building rehabilitated or
19 constructed to house a group of networked server computers
20 in one physical location in order to centralize the
21 storage, management, and dissemination of data and
22 information pertaining to a particular business, taxonomy,
23 or body of knowledge.

24 "Qualified tangible personal property" means
25 electrical systems; cooling systems; emergency generators;
26 hardware or distributed mainframe computers or servers;

1 data storage devices; network connectivity equipment;
2 racks; cabinets; raised floor systems; peripheral
3 components or systems; software; mechanical, electrical,
4 or plumbing systems necessary to operate other items of
5 tangible personal property, including fixtures; and
6 component parts of any of the foregoing.

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

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

13 (35 ILCS 120/2-5)

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

17 (1) Farm chemicals.

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

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

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

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

1 agricultural chemicals. This item (2) is exempt from the
2 provisions of Section 2-70.

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

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

18 (5) A motor vehicle that is used for automobile renting, as
19 defined in the Automobile Renting Occupation and Use Tax Act.
20 This paragraph is exempt from the provisions of Section 2-70.

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

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

1 (8) Personal property sold to an Illinois county fair
2 association for use in conducting, operating, or promoting the
3 county fair.

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

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

26 (11) Personal property sold to a governmental body, to a

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

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

23 (12-5) On and after July 1, 2003 and through June 30, 2004,
24 motor vehicles of the second division with a gross vehicle
25 weight in excess of 8,000 pounds that are subject to the
26 commercial distribution fee imposed under Section 3-815.1 of

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

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

22 (14) Machinery and equipment that will be used by the
23 purchaser, or a lessee of the purchaser, primarily in the
24 process of manufacturing or assembling tangible personal
25 property for wholesale or retail sale or lease, whether the
26 sale or lease is made directly by the manufacturer or by some

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

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

25 (16) Petroleum products sold to a purchaser if the seller
26 is prohibited by federal law from charging tax to the

1 purchaser.

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

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

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

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

1 photoprocessing machinery and equipment purchased for lease.

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

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

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

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

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

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

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

1 this State.

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

1 in accordance with this item (25-5) shall be proportionately
2 distributed as if the tax were collected at the 6.25% general
3 rate imposed under this Act.

4 (25-7) Beginning on July 1, 2007, no tax is imposed under
5 this Act on the sale of an aircraft, as defined in Section 3 of
6 the Illinois Aeronautics Act, if all of the following
7 conditions are met:

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

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

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

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

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

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

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

11 (26) Semen used for artificial insemination of livestock
12 for direct agricultural production.

13 (27) Horses, or interests in horses, registered with and
14 meeting the requirements of any of the Arabian Horse Club
15 Registry of America, Appaloosa Horse Club, American Quarter
16 Horse Association, United States Trotting Association, or
17 Jockey Club, as appropriate, used for purposes of breeding or
18 racing for prizes. This item (27) is exempt from the provisions
19 of Section 2-70, and the exemption provided for under this item
20 (27) applies for all periods beginning May 30, 1995, but no
21 claim for credit or refund is allowed on or after January 1,
22 2008 (the effective date of Public Act 95-88) for such taxes
23 paid during the period beginning May 30, 2000 and ending on
24 January 1, 2008 (the effective date of Public Act 95-88).

25 (28) Computers and communications equipment utilized for
26 any hospital purpose and equipment used in the diagnosis,

1 analysis, or treatment of hospital patients sold to a lessor
2 who leases the equipment, under a lease of one year or longer
3 executed or in effect at the time of the purchase, to a
4 hospital that has been issued an active tax exemption
5 identification number by the Department under Section 1g of
6 this Act.

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

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

22 (31) Beginning with taxable years ending on or after
23 December 31, 1995 and ending with taxable years ending on or
24 before December 31, 2004, personal property that is used in the
25 performance of infrastructure repairs in this State, including
26 but not limited to municipal roads and streets, access roads,

1 bridges, sidewalks, waste disposal systems, water and sewer
2 line extensions, water distribution and purification
3 facilities, storm water drainage and retention facilities, and
4 sewage treatment facilities, resulting from a State or
5 federally declared disaster in Illinois or bordering Illinois
6 when such repairs are initiated on facilities located in the
7 declared disaster area within 6 months after the disaster.

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

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

1 than 6 weeks duration and designed to prepare individuals to
2 follow a trade or to pursue a manual, technical, mechanical,
3 industrial, business, or commercial occupation.

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

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

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

2 (35-5) Beginning August 23, 2001 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 nonprescription 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 a licensed facility as defined in
13 the ID/DD Community Care Act or the Specialized Mental Health
14 Rehabilitation Act of 2013.

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

24 (37) Beginning August 2, 2001, personal property sold to a
25 lessor who leases the property, under a lease of one year or
26 longer executed or in effect at the time of the purchase, to a

1 governmental body that has been issued an active tax exemption
2 identification number by the Department under Section 1g of
3 this Act. This paragraph is exempt from the provisions of
4 Section 2-70.

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

1 the State of Illinois.

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

9 (40) Beginning January 1, 2010, materials, parts,
10 equipment, components, and furnishings incorporated into or
11 upon an aircraft as part of the modification, refurbishment,
12 completion, replacement, repair, or maintenance of the
13 aircraft. This exemption includes consumable supplies used in
14 the modification, refurbishment, completion, replacement,
15 repair, and maintenance of aircraft, but excludes any
16 materials, parts, equipment, components, and consumable
17 supplies used in the modification, replacement, repair, and
18 maintenance of aircraft engines or power plants, whether such
19 engines or power plants are installed or uninstalled upon any
20 such aircraft. "Consumable supplies" include, but are not
21 limited to, adhesive, tape, sandpaper, general purpose
22 lubricants, cleaning solution, latex gloves, and protective
23 films. This exemption applies only to the sale of qualifying
24 tangible personal property to persons who modify, refurbish,
25 complete, replace, or maintain an aircraft and who (i) hold an
26 Air Agency Certificate and are empowered to operate an approved

1 repair station by the Federal Aviation Administration, (ii)
2 have a Class IV Rating, and (iii) conduct operations in
3 accordance with Part 145 of the Federal Aviation Regulations.
4 The exemption does not include aircraft operated by a
5 commercial air carrier providing scheduled passenger air
6 service pursuant to authority issued under Part 121 or Part 129
7 of the Federal Aviation Regulations. The changes made to this
8 paragraph (40) by Public Act 98-534 ~~this amendatory Act of the~~
9 ~~98th General Assembly~~ are declarative of existing law.

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

24 (42) Beginning on July 1, 2014 and until July 1, 2024,
25 qualified tangible personal property used in the construction
26 or operation of a data center that has been granted a

1 Certificate of Exemption by the Department of Commerce and
2 Economic Opportunity.

3 The Department of Commerce and Economic Opportunity shall
4 grant a Certificate of Exemption under this item (42) if: (i)
5 the data center creates and retains at least 30 full-time
6 equivalent jobs; (ii) each of those employees is paid at least
7 125% of the median wage paid to full-time employees in the
8 county where the data center is located, as determined by the
9 United States Bureau of Labor Statistics; and (iii) the owner
10 or operator of the data center makes a capital investment of at
11 least \$200,000,000 at the data center within a period of time
12 specified by the Department of Commerce and Economic
13 Opportunity by rule.

14 For the purposes of this item (42):

15 "Data center" means a building rehabilitated or
16 constructed to house a group of networked server computers
17 in one physical location in order to centralize the
18 storage, management, and dissemination of data and
19 information pertaining to a particular business, taxonomy,
20 or body of knowledge.

21 "Qualified tangible personal property" means
22 electrical systems; cooling systems; emergency generators;
23 hardware or distributed mainframe computers or servers;
24 data storage devices; network connectivity equipment;
25 racks; cabinets; raised floor systems; peripheral
26 components or systems; software; mechanical, electrical,

1 or plumbing systems necessary to operate other items of
2 tangible personal property, including fixtures; and
3 component parts of any of the foregoing.

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

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.