

1 AN ACT in relation to taxes.

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
5 Section 3-5 as follows:

6 (35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

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

30 (4) Personal property purchased by a governmental body,
31 by a corporation, society, association, foundation, or

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

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

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

23 (7) Farm chemicals.

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

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

31 (10) A motor vehicle of the first division, a motor
32 vehicle of the second division that is a self-contained motor
33 vehicle designed or permanently converted to provide living
34 quarters for recreational, camping, or travel use, with

1 direct walk through to the living quarters from the driver's
2 seat, or a motor vehicle of the second division that is of
3 the van configuration designed for the transportation of not
4 less than 7 nor more than 16 passengers, as defined in
5 Section 1-146 of the Illinois Vehicle Code, that is used for
6 automobile renting, as defined in the Automobile Renting
7 Occupation and Use Tax Act.

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

27 Farm machinery and equipment shall include precision
28 farming equipment that is installed or purchased to be
29 installed on farm machinery and equipment including, but not
30 limited to, tractors, harvesters, sprayers, planters,
31 seeders, or spreaders. Precision farming equipment includes,
32 but is not limited to, soil testing sensors, computers,
33 monitors, software, global positioning and mapping systems,
34 and other such equipment.

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

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

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

24 (14) Oil field exploration, drilling, and production
25 equipment, including (i) rigs and parts of rigs, rotary rigs,
26 cable tool rigs, and workover rigs, (ii) pipe and tubular
27 goods, including casing and drill strings, (iii) pumps and
28 pump-jack units, (iv) storage tanks and flow lines, (v) any
29 individual replacement part for oil field exploration,
30 drilling, and production equipment, and (vi) machinery and
31 equipment purchased for lease; but excluding motor vehicles
32 required to be registered under the Illinois Vehicle Code.

33 (15) Photoprocessing machinery and equipment, including
34 repair and replacement parts, both new and used, including

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

5 (16) Coal exploration, mining, offhighway hauling,
6 processing, maintenance, and reclamation equipment, including
7 replacement parts and equipment, and including equipment
8 purchased for lease, but excluding motor vehicles required to
9 be registered under the Illinois Vehicle Code.

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

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

27 (19) Personal property delivered to a purchaser or
28 purchaser's donee inside Illinois when the purchase order for
29 that personal property was received by a florist located
30 outside Illinois who has a florist located inside Illinois
31 deliver the personal property.

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

34 (21) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club
2 Registry of America, Appaloosa Horse Club, American Quarter
3 Horse Association, United States Trotting Association, or
4 Jockey Club, as appropriate, used for purposes of breeding or
5 racing for prizes.

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

29 (23) Personal property purchased by a lessor who leases
30 the property, under a lease of one year or longer executed
31 or in effect at the time the lessor would otherwise be
32 subject to the tax imposed by this Act, to a governmental
33 body that has been issued an active sales tax exemption
34 identification number by the Department under Section 1g of

1 the Retailers' Occupation Tax Act. If the property is leased
2 in a manner that does not qualify for this exemption or used
3 in any other non-exempt manner, the lessor shall be liable
4 for the tax imposed under this Act or the Service Use Tax
5 Act, as the case may be, based on the fair market value of
6 the property at the time the non-qualifying use occurs. No
7 lessor shall collect or attempt to collect an amount (however
8 designated) that purports to reimburse that lessor for the
9 tax imposed by this Act or the Service Use Tax Act, as the
10 case may be, if the tax has not been paid by the lessor. If
11 a lessor improperly collects any such amount from the lessee,
12 the lessee shall have a legal right to claim a refund of that
13 amount from the lessor. If, however, that amount is not
14 refunded to the lessee for any reason, the lessor is liable
15 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
19 for disaster relief to be used in a State or federally
20 declared disaster area in Illinois or bordering Illinois by a
21 manufacturer or retailer that is registered in this State to
22 a corporation, society, association, foundation, or
23 institution that has been issued a sales tax exemption
24 identification number by the Department that assists victims
25 of the disaster who reside within the declared disaster area.

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

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

5 (26) Beginning July 1, 1999, game or game birds
6 purchased at a "game breeding and hunting preserve area" or
7 an "exotic game hunting area" as those terms are used in the
8 Wildlife Code or at a hunting enclosure approved through
9 rules adopted by the Department of Natural Resources. This
10 paragraph is exempt from the provisions of Section 3-90.

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

30 (28) Beginning January 1, 2000, personal property,
31 including food, purchased through fundraising events for the
32 benefit of a public or private elementary or secondary
33 school, a group of those schools, or one or more school
34 districts if the events are sponsored by an entity recognized

1 by the school district that consists primarily of volunteers
2 and includes parents and teachers of the school children.
3 This paragraph does not apply to fundraising events (i) for
4 the benefit of private home instruction or (ii) for which the
5 fundraising entity purchases the personal property sold at
6 the events from another individual or entity that sold the
7 property for the purpose of resale by the fundraising entity
8 and that profits from the sale to the fundraising entity.
9 This paragraph is exempt from the provisions of Section 3-90.

10 (29) Beginning January 1, 2000, new or used automatic
11 vending machines that prepare and serve hot food and
12 beverages, including coffee, soup, and other items, and
13 replacement parts for these machines. This paragraph is
14 exempt from the provisions of Section 3-90.

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

25 (31) Beginning January 1, 2002, all machinery and
26 equipment for the installation or conversion of machinery to
27 burn corn, soy diesel, or other agricultural products to
28 generate one or any combination of the following:
29 electricity, steam, hot water, and heat. This paragraph is
30 exempt from the provisions of Section 3-90.

31 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
32 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
33 7-20-99; 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644,
34 eff. 8-20-99; 91-901, eff. 1-1-01.)

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

3 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)

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

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

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

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

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

31 (5) Graphic arts machinery and equipment, including
32 repair and replacement parts, both new and used, and
33 including that manufactured on special order or purchased for

1 lease, certified by the purchaser to be used primarily for
2 graphic arts production.

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

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

25 Farm machinery and equipment shall include precision
26 farming equipment that is installed or purchased to be
27 installed on farm machinery and equipment including, but not
28 limited to, tractors, harvesters, sprayers, planters,
29 seeders, or spreaders. Precision farming equipment includes,
30 but is not limited to, soil testing sensors, computers,
31 monitors, software, global positioning and mapping systems,
32 and other such equipment.

33 Farm machinery and equipment also includes computers,
34 sensors, software, and related equipment used primarily in

1 the computer-assisted operation of production agriculture
2 facilities, equipment, and activities such as, but not
3 limited to, the collection, monitoring, and correlation of
4 animal and crop data for the purpose of formulating animal
5 diets and agricultural chemicals. This item (7) is exempt
6 from the provisions of Section 3-75.

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

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

23 (10) Oil field exploration, drilling, and production
24 equipment, including (i) rigs and parts of rigs, rotary rigs,
25 cable tool rigs, and workover rigs, (ii) pipe and tubular
26 goods, including casing and drill strings, (iii) pumps and
27 pump-jack units, (iv) storage tanks and flow lines, (v) any
28 individual replacement part for oil field exploration,
29 drilling, and production equipment, and (vi) machinery and
30 equipment purchased for lease; but excluding motor vehicles
31 required to be registered under the Illinois Vehicle Code.

32 (11) Proceeds from the sale of photoprocessing machinery
33 and equipment, including repair and replacement parts, both
34 new and used, including that manufactured on special order,

1 certified by the purchaser to be used primarily for
2 photoprocessing, and including photoprocessing machinery and
3 equipment purchased for lease.

4 (12) Coal exploration, mining, offhighway hauling,
5 processing, maintenance, and reclamation equipment, including
6 replacement parts and equipment, and including equipment
7 purchased for lease, but excluding motor vehicles required to
8 be registered under the Illinois Vehicle Code.

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

11 (14) Horses, or interests in horses, registered with and
12 meeting the requirements of any of the Arabian Horse Club
13 Registry of America, Appaloosa Horse Club, American Quarter
14 Horse Association, United States Trotting Association, or
15 Jockey Club, as appropriate, used for purposes of breeding or
16 racing for prizes.

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

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

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

27 (17) Beginning with taxable years ending on or after
28 December 31, 1995 and ending with taxable years ending on or
29 before December 31, 2004, personal property that is donated
30 for disaster relief to be used in a State or federally
31 declared disaster area in Illinois or bordering Illinois by a
32 manufacturer or retailer that is registered in this State to
33 a corporation, society, association, foundation, or
34 institution that has been issued a sales tax exemption

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

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

16 (19) Beginning July 1, 1999, game or game birds
17 purchased at a "game breeding and hunting preserve area" or
18 an "exotic game hunting area" as those terms are used in the
19 Wildlife Code or at a hunting enclosure approved through
20 rules adopted by the Department of Natural Resources. This
21 paragraph is exempt from the provisions of Section 3-75.

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

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

7 (21) ~~(20)~~ Beginning January 1, 2000, personal property,
 8 including food, purchased through fundraising events for the
 9 benefit of a public or private elementary or secondary
 10 school, a group of those schools, or one or more school
 11 districts if the events are sponsored by an entity recognized
 12 by the school district that consists primarily of volunteers
 13 and includes parents and teachers of the school children.
 14 This paragraph does not apply to fundraising events (i) for
 15 the benefit of private home instruction or (ii) for which the
 16 fundraising entity purchases the personal property sold at
 17 the events from another individual or entity that sold the
 18 property for the purpose of resale by the fundraising entity
 19 and that profits from the sale to the fundraising entity.
 20 This paragraph is exempt from the provisions of Section 3-75.

21 (22) ~~(19)~~ Beginning January 1, 2000, new or used
 22 automatic vending machines that prepare and serve hot food
 23 and beverages, including coffee, soup, and other items, and
 24 replacement parts for these machines. This paragraph is
 25 exempt from the provisions of Section 3-75.

26 (23) Beginning January 1, 2002, all machinery and
 27 equipment for the installation or conversion of machinery to
 28 burn corn, soy diesel, or other agricultural products to
 29 generate one or any combination of the following:
 30 electricity, steam, hot water, and heat. This paragraph is
 31 exempt from the provisions of Section 3-75.

32 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
 33 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
 34 7-20-99; 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644,

1 eff. 8-20-99; revised 9-29-99.)

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

4 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

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

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

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

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

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

32 (5) Graphic arts machinery and equipment, including

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

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

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

27 Farm machinery and equipment shall include precision
28 farming equipment that is installed or purchased to be
29 installed on farm machinery and equipment including, but not
30 limited to, tractors, harvesters, sprayers, planters,
31 seeders, or spreaders. Precision farming equipment includes,
32 but is not limited to, soil testing sensors, computers,
33 monitors, software, global positioning and mapping systems,
34 and other such equipment.

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

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

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

24 (10) Oil field exploration, drilling, and production
25 equipment, including (i) rigs and parts of rigs, rotary rigs,
26 cable tool rigs, and workover rigs, (ii) pipe and tubular
27 goods, including casing and drill strings, (iii) pumps and
28 pump-jack units, (iv) storage tanks and flow lines, (v) any
29 individual replacement part for oil field exploration,
30 drilling, and production equipment, and (vi) machinery and
31 equipment purchased for lease; but excluding motor vehicles
32 required to be registered under the Illinois Vehicle Code.

33 (11) Photoprocessing machinery and equipment, including
34 repair and replacement parts, both new and used, including

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

5 (12) Coal exploration, mining, offhighway hauling,
6 processing, maintenance, and reclamation equipment, including
7 replacement parts and equipment, and including equipment
8 purchased for lease, but excluding motor vehicles required to
9 be registered under the Illinois Vehicle Code.

10 (13) Food for human consumption that is to be consumed
11 off the premises where it is sold (other than alcoholic
12 beverages, soft drinks and food that has been prepared for
13 immediate consumption) and prescription and non-prescription
14 medicines, drugs, medical appliances, and insulin, urine
15 testing materials, syringes, and needles used by diabetics,
16 for human use, when purchased for use by a person receiving
17 medical assistance under Article 5 of the Illinois Public Aid
18 Code who resides in a licensed long-term care facility, as
19 defined in the Nursing Home Care Act.

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

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

28 (16) Computers and communications equipment utilized for
29 any hospital purpose and equipment used in the diagnosis,
30 analysis, or treatment of hospital patients sold to a lessor
31 who leases the equipment, under a lease of one year or longer
32 executed or in effect at the time of the purchase, to a
33 hospital that has been issued an active tax exemption
34 identification number by the Department under Section 1g of

1 the Retailers' Occupation Tax Act.

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

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

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

31 (20) Beginning July 1, 1999, game or game birds sold at
32 a "game breeding and hunting preserve area" or an "exotic
33 game hunting area" as those terms are used in the Wildlife
34 Code or at a hunting enclosure approved through rules adopted

1 by the Department of Natural Resources. This paragraph is
2 exempt from the provisions of Section 3-55.

3 (21) ~~(20)~~ A motor vehicle, as that term is defined in
4 Section 1-146 of the Illinois Vehicle Code, that is donated
5 to a corporation, limited liability company, society,
6 association, foundation, or institution that is determined by
7 the Department to be organized and operated exclusively for
8 educational purposes. For purposes of this exemption, "a
9 corporation, limited liability company, society, association,
10 foundation, or institution organized and operated exclusively
11 for educational purposes" means all tax-supported public
12 schools, private schools that offer systematic instruction in
13 useful branches of learning by methods common to public
14 schools and that compare favorably in their scope and
15 intensity with the course of study presented in tax-supported
16 schools, and vocational or technical schools or institutes
17 organized and operated exclusively to provide a course of
18 study of not less than 6 weeks duration and designed to
19 prepare individuals to follow a trade or to pursue a manual,
20 technical, mechanical, industrial, business, or commercial
21 occupation.

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

1 This paragraph is exempt from the provisions of Section 3-55.

2 (23) ~~(20)~~ Beginning January 1, 2000, new or used
3 automatic vending machines that prepare and serve hot food
4 and beverages, including coffee, soup, and other items, and
5 replacement parts for these machines. This paragraph is
6 exempt from the provisions of Section 3-55.

7 (24) Beginning January 1, 2002, all machinery and
8 equipment for the installation or conversion of machinery to
9 burn corn, soy diesel, or other agricultural products to
10 generate one or any combination of the following:
11 electricity, steam, hot water, and heat. This paragraph is
12 exempt from the provisions of Section 3-55.

13 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;
14 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.
15 7-20-99; 91-439, eff. 8-6-99; 91-533, eff. 8-13-99; 91-637,
16 eff. 8-20-99; 91-644, eff. 8-20-99; revised 9-29-99.)

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

19 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

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

23 (1) Farm chemicals.

24 (2) Farm machinery and equipment, both new and used,
25 including that manufactured on special order, certified by
26 the purchaser to be used primarily for production agriculture
27 or State or federal agricultural programs, including
28 individual replacement parts for the machinery and equipment,
29 including machinery and equipment purchased for lease, and
30 including implements of husbandry defined in Section 1-130 of
31 the Illinois Vehicle Code, farm machinery and agricultural
32 chemical and fertilizer spreaders, and nurse wagons required

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

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

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

27 (3) Distillation machinery and equipment, sold as a unit
28 or kit, assembled or installed by the retailer, certified by
29 the user to be used only for the production of ethyl alcohol
30 that will be used for consumption as motor fuel or as a
31 component of motor fuel for the personal use of the user, and
32 not subject to sale or resale.

33 (4) Graphic arts machinery and equipment, including
34 repair and replacement parts, both new and used, and

1 including that manufactured on special order or purchased for
2 lease, certified by the purchaser to be used primarily for
3 graphic arts production.

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

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

18 (7) Proceeds of that portion of the selling price of a
19 passenger car the sale of which is subject to the Replacement
20 Vehicle Tax.

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

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

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

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

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

31 (13) Proceeds from sales to owners, lessors, or shippers
32 of tangible personal property that is utilized by interstate
33 carriers for hire for use as rolling stock moving in
34 interstate commerce and equipment operated by a

1 telecommunications provider, licensed as a common carrier by
2 the Federal Communications Commission, which is permanently
3 installed in or affixed to aircraft moving in interstate
4 commerce.

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

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

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

28 (17) Tangible personal property sold to a common carrier
29 by rail or motor that receives the physical possession of the
30 property in Illinois and that transports the property, or
31 shares with another common carrier in the transportation of
32 the property, out of Illinois on a standard uniform bill of
33 lading showing the seller of the property as the shipper or
34 consignor of the property to a destination outside Illinois,

1 for use outside Illinois.

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

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

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

21 (21) Coal exploration, mining, offhighway hauling,
22 processing, maintenance, and reclamation equipment, including
23 replacement parts and equipment, and including equipment
24 purchased for lease, but excluding motor vehicles required to
25 be registered under the Illinois Vehicle Code.

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

33 (23) A transaction in which the purchase order is
34 received by a florist who is located outside Illinois, but

1 who has a florist located in Illinois deliver the property to
2 the purchaser or the purchaser's donee in Illinois.

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

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

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

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

28 (28) Computers and communications equipment utilized for
29 any hospital purpose and equipment used in the diagnosis,
30 analysis, or treatment of hospital patients sold to a lessor
31 who leases the equipment, under a lease of one year or longer
32 executed or in effect at the time of the purchase, to a
33 hospital that has been issued an active tax exemption
34 identification number by the Department under Section 1g of

1 this Act.

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

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

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

30 (32) Beginning July 1, 1999, game or game birds sold at
31 a "game breeding and hunting preserve area" or an "exotic
32 game hunting area" as those terms are used in the Wildlife
33 Code or at a hunting enclosure approved through rules adopted
34 by the Department of Natural Resources. This paragraph is

1 exempt from the provisions of Section 2-70.

2 (33) ~~(32)~~ A motor vehicle, as that term is defined in
3 Section 1-146 of the Illinois Vehicle Code, that is donated
4 to a corporation, limited liability company, society,
5 association, foundation, or institution that is determined by
6 the Department to be organized and operated exclusively for
7 educational purposes. For purposes of this exemption, "a
8 corporation, limited liability company, society, association,
9 foundation, or institution organized and operated exclusively
10 for educational purposes" means all tax-supported public
11 schools, private schools that offer systematic instruction in
12 useful branches of learning by methods common to public
13 schools and that compare favorably in their scope and
14 intensity with the course of study presented in tax-supported
15 schools, and vocational or technical schools or institutes
16 organized and operated exclusively to provide a course of
17 study of not less than 6 weeks duration and designed to
18 prepare individuals to follow a trade or to pursue a manual,
19 technical, mechanical, industrial, business, or commercial
20 occupation.

21 (34) ~~(33)~~ Beginning January 1, 2000, personal property,
22 including food, purchased through fundraising events for the
23 benefit of a public or private elementary or secondary
24 school, a group of those schools, or one or more school
25 districts if the events are sponsored by an entity recognized
26 by the school district that consists primarily of volunteers
27 and includes parents and teachers of the school children.
28 This paragraph does not apply to fundraising events (i) for
29 the benefit of private home instruction or (ii) for which the
30 fundraising entity purchases the personal property sold at
31 the events from another individual or entity that sold the
32 property for the purpose of resale by the fundraising entity
33 and that profits from the sale to the fundraising entity.
34 This paragraph is exempt from the provisions of Section 2-70.

1 (35) ~~(32)~~ Beginning January 1, 2000, new or used
2 automatic vending machines that prepare and serve hot food
3 and beverages, including coffee, soup, and other items, and
4 replacement parts for these machines. This paragraph is
5 exempt from the provisions of Section 2-70.

6 (36) Beginning January 1, 2002, all machinery and
7 equipment for the installation or conversion of machinery to
8 burn corn, soy diesel, or other agricultural products to
9 generate one or any combination of the following:
10 electricity, steam, hot water, and heat. This paragraph is
11 exempt from the provisions of Section 2-70.

12 (Source: P.A. 90-14, eff. 7-1-97; 90-519, eff. 6-1-98;
13 90-552, eff. 12-12-97; 90-605, eff. 6-30-98; 91-51, eff.
14 6-30-99; 91-200, eff. 7-20-99; 91-439, eff. 8-6-99; 91-533,
15 eff. 8-13-99; 91-637, eff. 8-20-99; 91-644, eff. 8-20-99;
16 revised 9-28-99.)

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