

1 AN ACT concerning fuels.

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

4 Section 5. The Illinois Renewable Fuels Development
5 Program Act is amended by changing Sections 10, 15, and 20 and
6 by adding Sections 15-b, 20-a, and 35 as follows:

7 (20 ILCS 689/10)

8 Sec. 10. Definitions. As used in this Act:

9 "Biodiesel" means a renewable diesel fuel derived from
10 biomass that is intended for use in diesel engines.

11 "Biodiesel blend" means a blend of biodiesel with
12 petroleum-based diesel fuel in which the resultant product
13 contains no less than 1% and no more than 99% biodiesel.

14 "Biomass" means non-fossil organic materials that have an
15 intrinsic chemical energy content. "Biomass" includes, but is
16 not limited to, soybean oil, other vegetable oils, and ethanol.

17 "Department" means the Department of Commerce and Economic
18 Opportunity.

19 "Diesel fuel" means any product intended for use or offered
20 for sale as a fuel for engines in which the fuel is injected
21 into the combustion chamber and ignited by pressure without
22 electric spark.

23 "Director" means the Director of Commerce and Economic

1 Opportunity.

2 "Denatured ethanol" means an agriculturally derived ethyl
3 alcohol for blending with gasoline for use as automotive
4 spark-ignition engine fuel.

5 "Ethanol" means a product produced from agricultural
6 commodities or by-products used as a fuel or to be blended with
7 other fuels for use in motor vehicles.

8 "Fuel" means fuel as defined in Section 1.19 of the Motor
9 Fuel Tax Law.

10 "Gasohol" means motor fuel that is no more than 90%
11 gasoline and at least 10% denatured ethanol that contains no
12 more than 1.25% water by weight.

13 "Gasoline" means all products commonly or commercially
14 known or sold as gasoline (including casing head and absorption
15 or natural gasoline).

16 "Illinois agricultural product" means any agricultural
17 commodity grown in Illinois that is used by a production
18 facility to produce renewable fuel in Illinois, including, but
19 not limited to, corn, barley, and soy beans.

20 "Labor Organization" means any organization defined as a
21 "labor organization" under Section 2 of the National Labor
22 Relations Act (29 U.S.C. 152).

23 "Majority blended ethanol fuel" means motor fuel that
24 contains no less than 70% and no more than 90% denatured
25 ethanol and no less than 10% and no more than 30% gasoline.

26 "Motor vehicles" means motor vehicles as defined in the

1 Illinois Vehicle Code and watercraft propelled by an internal
2 combustion engine.

3 "Owner" means any individual, sole proprietorship, limited
4 partnership, co-partnership, joint venture, corporation,
5 cooperative, or other legal entity, including its agents, that
6 operates or will operate a plant located within the State of
7 Illinois.

8 "Plant" means a production facility that produces a
9 renewable fuel. "Plant" includes land, any building or other
10 improvement on or to land, and any personal properties deemed
11 necessary or suitable for use, whether or not now in existence,
12 in the processing of fuel from agricultural commodities or
13 by-products.

14 "Renewable fuel" means ethanol, gasohol, majority blended
15 ethanol fuel, biodiesel blend fuel, and biodiesel.

16 (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03;
17 94-793, eff. 5-19-06.)

18 (20 ILCS 689/15)

19 Sec. 15. Illinois Renewable Fuels Development Program.

20 (a) The Department must develop and administer the Illinois
21 Renewable Fuels Development Program to assist in the
22 construction, modification, alteration, or retrofitting of
23 renewable fuel plants in Illinois. The recipient of a grant
24 under this Section must:

25 (1) be constructing, modifying, altering, or

1 retrofitting a plant in the State of Illinois;

2 (2) be constructing, modifying, altering, or
3 retrofitting (i) an ethanol a plant that has annual
4 production capacity of no less than 30,000,000 gallons of
5 renewable fuel per year or (ii) a biodiesel plant; and

6 (3) enter into a project labor agreement as prescribed
7 by Section 25 of this Act.

8 (b) Grant applications must be made on forms provided by
9 and in accordance with procedures established by the
10 Department.

11 (c) The Department must give preference to applicants that
12 use Illinois agricultural products in the production of
13 renewable fuel at the plant for which the grant is being
14 requested.

15 (Source: P.A. 93-15, eff. 6-11-03.)

16 (20 ILCS 689/15-b new)

17 Sec. 15-b. Illinois Corn Grain to Fuel Research Consortium
18 Assistance Program. The Department shall develop and
19 administer a grant program to assist members of the Illinois
20 Corn Grain to Fuel Research Consortium in research and support
21 efforts on behalf of corn kernel to fuel alcohol and value
22 added co-products, corn stover to fuel alcohol, and cellulosic
23 fuel alcohol production. The Department shall solicit
24 proposals for funding if they provide for research in the
25 Consortium member's own laboratories, for research

1 collaborations among Consortium members, or for members
2 outside the Consortium conducting pilot testing at the National
3 Corn-to-Ethanol Research Center. Preference will be given to
4 projects in partnership with industry or for project pilot
5 scale demonstration that advance Illinois leadership in the
6 development of a bio-based economy.

7 (20 ILCS 689/20)

8 Sec. 20. Grants. Subject to appropriation, the Director is
9 authorized to award Renewable Fuels Development Program Fund
10 grants to eligible applicants. The annual aggregate amount of
11 grants awarded for:

12 (1) the Illinois Renewable Fuels Development Program
13 may ~~shall~~ not exceed \$25,000,000 in Fiscal Years 2009
14 through 2013 ~~\$20,000,000~~. For the purposes of this item
15 (1): in Fiscal Year 2009 and 2010, 70% of annual grant
16 funds must be used for ethanol facilities and 30% must be
17 used for biodiesel facilities; and in Fiscal Year 2011 and
18 thereafter, no more than \$5,000,000 annually may be used
19 for biodiesel facilities. If, in any one year, the
20 Department determines that there are not sufficient
21 proposed facilities for ethanol or biodiesel facilities to
22 use the maximum grant funds available, as specified above
23 for the category of facility, then the Department may use
24 the appropriated grant funds for the other category of
25 facility.

1 (2) the Illinois Corn Grain to Fuel Research Consortium
2 Assistance Program may not exceed \$20,000,000 annually, of
3 which no less than \$5,000,000 annually shall be used for
4 corn stover to fuel alcohol and other cellulosic fuel
5 alcohol research.

6 (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03;
7 94-839, eff. 6-6-06.)

8 (20 ILCS 689/20-a new)

9 Sec. 20-a. Limitation on expenses. Expenditures for the
10 normal operation and execution of renewable fuels programs in
11 existence on January 1, 2006 within the Department from the
12 Renewable Fuels Development Program Fund shall not exceed
13 \$5,000,000 annually.

14 Section 10. The State Finance Act is amended by adding
15 Section 5.708 as follows:

16 (30 ILCS 105/5.708 new)

17 Sec. 5.708. The Renewable Fuels Development Program Fund.
18 The Renewable Fuels Development Program Fund is created as a
19 special fund in the State treasury. Moneys in the Fund may be
20 used by the Department of Commerce and Economic Opportunity,
21 subject to appropriation, for the Illinois Renewable Fuels
22 Program, the Illinois Corn Grain to Fuel Research Consortium
23 Assistance Program, and other renewable fuel programs as

1 contained in Sections 20 and 20-a of the Illinois Renewable
2 Fuels Development Program Act.

3 Moneys received for the purpose of this Section, including,
4 without limitation, fund transfers, gifts, grants, and awards
5 from any public or private entity, must be deposited into the
6 Fund. Any interest earned on moneys in the Fund must be
7 deposited into the Fund.

8 The State Comptroller and State Treasurer shall
9 automatically transfer on the last day of each month, beginning
10 on July 30, 2008 and continuing through and including June 30,
11 2013, from the General Revenue Fund to the Renewable Fuels
12 Development Program Fund, an amount equal to 1/12 of
13 \$25,000,000.

14 There must be deposited into the Renewable Fuels
15 Development Program Fund such bond proceeds and other moneys as
16 may, from time to time, be provided by law.

17 Section 15. The Use Tax Act is amended by changing Section
18 3-5 as follows:

19 (35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

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

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

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

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

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

23 (4) Personal property purchased by a governmental body, by
24 a corporation, society, association, foundation, or
25 institution organized and operated exclusively for charitable,
26 religious, or educational purposes, or by a not-for-profit

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

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

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

23 (7) Farm chemicals.

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

1 country, and bullion.

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

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

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

1 under the Illinois Vehicle Code. Horticultural polyhouses or
2 hoop houses used for propagating, growing, or overwintering
3 plants shall be considered farm machinery and equipment under
4 this item (11). Agricultural chemical tender tanks and dry
5 boxes shall include units sold separately from a motor vehicle
6 required to be licensed and units sold mounted on a motor
7 vehicle required to be licensed if the selling price of the
8 tender is separately stated.

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

17 Farm machinery and equipment also includes computers,
18 sensors, software, and related equipment used primarily in the
19 computer-assisted operation of production agriculture
20 facilities, equipment, and activities such as, but not limited
21 to, the collection, monitoring, and correlation of animal and
22 crop data for the purpose of formulating animal diets and
23 agricultural chemicals. This item (11) is exempt from the
24 provisions of Section 3-90.

25 (12) Fuel and petroleum products sold to or used by an air
26 common carrier, certified by the carrier to be used for

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

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

14 (14) 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 (15) 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 (16) Until July 1, 2003, coal exploration, mining,
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.

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

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

25 (19) Personal property delivered to a purchaser or
26 purchaser's donee inside Illinois when the purchase order for

1 that personal property was received by a florist located
2 outside Illinois who has a florist located inside Illinois
3 deliver the personal property.

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

6 (21) Horses, or interests in horses, registered with and
7 meeting the requirements of any of the Arabian Horse Club
8 Registry of America, Appaloosa Horse Club, American Quarter
9 Horse Association, United States Trotting Association, or
10 Jockey Club, as appropriate, used for purposes of breeding or
11 racing for prizes. This item (21) is exempt from the provisions
12 of Section 3-90, and the exemption provided for under this item
13 (21) applies for all periods beginning May 30, 1995, but no
14 claim for credit or refund is allowed on or after January 1,
15 2008 ~~the effective date of this amendatory Act of the 95th~~
16 ~~General Assembly~~ for such taxes paid during the period
17 beginning May 30, 2000 and ending on January 1, 2008 ~~the~~
18 ~~effective date of this amendatory Act of the 95th General~~
19 ~~Assembly.~~

20 (22) Computers and communications equipment utilized for
21 any hospital purpose and equipment used in the diagnosis,
22 analysis, or treatment of hospital patients purchased by a
23 lessor who leases the equipment, under a lease of one year or
24 longer executed or in effect at the time the lessor would
25 otherwise be subject to the tax imposed by this Act, to a
26 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 non-exempt 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 non-qualifying 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.

17 (23) Personal property purchased by a lessor who leases the
18 property, under a lease of one year or longer executed or in
19 effect at the time the lessor would otherwise be subject to the
20 tax imposed by this Act, to a governmental body that has been
21 issued an active sales tax exemption identification number by
22 the Department under Section 1g of the Retailers' Occupation
23 Tax Act. If the property is leased in a manner that does not
24 qualify for this exemption or used in any other non-exempt
25 manner, the lessor shall be liable for the tax imposed under
26 this Act or the Service Use Tax Act, as the case may be, based

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

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

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

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

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

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

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

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

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

1 coin-operated amusement and vending machines. This paragraph
2 is exempt from the provisions of Section 3-90.

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

14 (31) Beginning on the effective date of this amendatory Act
15 of the 92nd General Assembly, computers and communications
16 equipment utilized for any hospital purpose and equipment used
17 in the diagnosis, analysis, or treatment of hospital patients
18 purchased by a lessor who leases the equipment, under a lease
19 of one year or longer executed or in effect at the time the
20 lessor would otherwise be subject to the tax imposed by this
21 Act, to a hospital that has been issued an active tax exemption
22 identification number by the Department under Section 1g of the
23 Retailers' Occupation Tax Act. If the equipment is leased in a
24 manner that does not qualify for this exemption or is used in
25 any other nonexempt manner, the lessor shall be liable for the
26 tax imposed under this Act or the Service Use Tax Act, as the

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

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

1 (however designated) that purports to reimburse that lessor for
2 the tax imposed by this Act or the Service Use Tax Act, as the
3 case may be, if the tax has not been paid by the lessor. If a
4 lessor improperly collects any such amount from the lessee, the
5 lessee shall have a legal right to claim a refund of that
6 amount from the lessor. If, however, that amount is not
7 refunded to the lessee for any reason, the lessor is liable to
8 pay that amount to the Department. This paragraph is exempt
9 from the provisions of Section 3-90.

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

1 furtherance of any commercial or industrial enterprise,
2 whether for-hire or not.

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

10 (35) Beginning on July 1, 2008, that part of the selling
11 price of motor fuel or gasohol that exceeds \$2.50 per gallon.
12 This paragraph is exempt from the provisions of Section 3-90.

13 (Source: P.A. 94-1002, eff. 7-3-06; 95-88, eff. 1-1-08; 95-538,
14 eff. 1-1-08; revised 10-31-07.)

15 Section 20. The Service Use Tax Act is amended by changing
16 Section 3-5 as follows:

17 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)

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, graphic arts machinery and equipment, including repair

1 and replacement parts, both new and used, and including that
2 manufactured on special order or purchased for lease, certified
3 by the purchaser to be used primarily for graphic arts
4 production. Equipment includes chemicals or chemicals acting
5 as catalysts but only if the chemicals or chemicals acting as
6 catalysts effect a direct and immediate change upon a graphic
7 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) Fuel and petroleum products sold to or used by an air
21 common carrier, certified by the carrier to be used for
22 consumption, shipment, or storage in the conduct of its
23 business as an air common carrier, for a flight destined for or
24 returning from a location or locations outside the United
25 States without regard to previous or subsequent domestic
26 stopovers.

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

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

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

25 (12) Until July 1, 2003, coal exploration, mining,
26 offhighway hauling, processing, maintenance, and reclamation

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

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

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

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

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

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

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

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

1 facilities, storm water drainage and retention facilities, and
2 sewage treatment facilities, resulting from a State or
3 federally declared disaster in Illinois or bordering Illinois
4 when such repairs are initiated on facilities located in the
5 declared disaster area within 6 months after the disaster.

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

12 (20) 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 (21) 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 3-75.

18 (22) 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 3-75.

2 (23) Beginning August 23, 2001 and through June 30, 2011,
3 food for human consumption that is to be consumed off the
4 premises where it is sold (other than alcoholic beverages, soft
5 drinks, and food that has been prepared for immediate
6 consumption) and prescription and 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 5 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.

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

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

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

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

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

14 (27) Beginning on July 1, 2008, that part of the selling
15 price of motor fuel or gasohol that exceeds \$2.50 per gallon.
16 This paragraph is exempt from the provisions of Section 3-75.

17 (Source: P.A. 94-1002, eff. 7-3-06; 95-88, eff. 1-1-08; 95-538,
18 eff. 1-1-08; revised 11-2-07.)

19 Section 25. The Service Occupation Tax Act is amended by
20 changing Section 3-5 as follows:

21 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

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

24 (1) Personal property sold by a corporation, society,

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

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

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

25 (4) Legal tender, currency, medallions, or gold or silver
26 coinage issued by the State of Illinois, the government of the

1 United States of America, or the government of any foreign
2 country, and bullion.

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

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

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

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

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

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

24 (8) Fuel and petroleum products sold to or used by an air
25 common carrier, certified by the carrier to be used for
26 consumption, shipment, or storage in the conduct of its

1 business as an air common carrier, for a flight destined for or
2 returning from a location or locations outside the United
3 States without regard to previous or subsequent domestic
4 stopovers.

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

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

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

1 (12) Until July 1, 2003, coal exploration, mining,
2 offhighway hauling, processing, maintenance, and reclamation
3 equipment, including replacement parts and equipment, and
4 including equipment purchased for lease, but excluding motor
5 vehicles required to be registered under the Illinois Vehicle
6 Code.

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

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

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

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

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

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

22 (18) 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 donated for
25 disaster relief to be used in a State or federally declared
26 disaster area in Illinois or bordering Illinois by a

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

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

18 (20) Beginning July 1, 1999, game or game birds sold at a
19 "game breeding and hunting preserve area" or an "exotic game
20 hunting area" as those terms are used in the Wildlife Code or
21 at a hunting enclosure approved through rules adopted by the
22 Department of Natural Resources. This paragraph is exempt from
23 the provisions of Section 3-55.

24 (21) A motor vehicle, as that term is defined in Section
25 1-146 of the Illinois Vehicle Code, that is donated to a
26 corporation, limited liability company, society, association,

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

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

1 purpose of resale by the fundraising entity and that profits
2 from the sale to the fundraising entity. This paragraph is
3 exempt from the provisions of Section 3-55.

4 (23) Beginning January 1, 2000 and through December 31,
5 2001, new or used automatic vending machines that prepare and
6 serve hot food and beverages, including coffee, soup, and other
7 items, and replacement parts for these machines. Beginning
8 January 1, 2002 and through June 30, 2003, machines and parts
9 for machines used in commercial, coin-operated amusement and
10 vending business if a use or occupation tax is paid on the
11 gross receipts derived from the use of the commercial,
12 coin-operated amusement and vending machines. This paragraph
13 is exempt from the provisions of Section 3-55.

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

24 (25) Beginning on the effective date of this amendatory Act
25 of the 92nd General Assembly, personal property sold to a
26 lessor who leases the property, under a lease of one year or

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

6 (26) Beginning on January 1, 2002 and through June 30,
7 2011, tangible personal property purchased from an Illinois
8 retailer by a taxpayer engaged in centralized purchasing
9 activities in Illinois who will, upon receipt of the property
10 in Illinois, temporarily store the property in Illinois (i) for
11 the purpose of subsequently transporting it outside this State
12 for use or consumption thereafter solely outside this State or
13 (ii) for the purpose of being processed, fabricated, or
14 manufactured into, attached to, or incorporated into other
15 tangible personal property to be transported outside this State
16 and thereafter used or consumed solely outside this State. The
17 Director of Revenue shall, pursuant to rules adopted in
18 accordance with the Illinois Administrative Procedure Act,
19 issue a permit to any taxpayer in good standing with the
20 Department who is eligible for the exemption under this
21 paragraph (26). The permit issued under this paragraph (26)
22 shall authorize the holder, to the extent and in the manner
23 specified in the rules adopted under this Act, to purchase
24 tangible personal property from a retailer exempt from the
25 taxes imposed by this Act. Taxpayers shall maintain all
26 necessary books and records to substantiate the use and

1 consumption of all such tangible personal property outside of
2 the State of Illinois.

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

10 (28) Beginning on July 1, 2008, that part of the selling
11 price of motor fuel or gasohol that exceeds \$2.50 per gallon.
12 This paragraph is exempt from the provisions of Section 3-55.

13 (Source: P.A. 94-1002, eff. 7-3-06; 95-88, eff. 1-1-08; 95-538,
14 eff. 1-1-08; revised 11-2-07.)

15 Section 30. The Retailers' Occupation Tax Act is amended by
16 changing Section 2-5 as follows:

17 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

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

21 (1) Farm chemicals.

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

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

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

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

1 computer-assisted operation of production agriculture
2 facilities, equipment, and activities such as, but not limited
3 to, the collection, monitoring, and correlation of animal and
4 crop data for the purpose of formulating animal diets and
5 agricultural chemicals. This item (7) is exempt from the
6 provisions of Section 2-70.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 with respect to which the service charge is imposed.

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

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

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

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

26 (20) Photoprocessing machinery and equipment, including

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

5 (21) Until July 1, 2003, coal exploration, mining,
6 offhighway hauling, processing, maintenance, and reclamation
7 equipment, including replacement parts and equipment, and
8 including equipment purchased for lease, but excluding motor
9 vehicles required to be registered under the Illinois Vehicle
10 Code.

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

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

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

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

13 (25-5) The exemption under item (25) does not apply if the
14 state in which the motor vehicle will be titled does not allow
15 a reciprocal exemption for a motor vehicle sold and delivered
16 in that state to an Illinois resident but titled in Illinois.
17 The tax collected under this Act on the sale of a motor vehicle
18 in this State to a resident of another state that does not
19 allow a reciprocal exemption shall be imposed at a rate equal
20 to the state's rate of tax on taxable property in the state in
21 which the purchaser is a resident, except that the tax shall
22 not exceed the tax that would otherwise be imposed under this
23 Act. At the time of the sale, the purchaser shall execute a
24 statement, signed under penalty of perjury, of his or her
25 intent to title the vehicle in the state in which the purchaser
26 is a resident within 30 days after the sale and of the fact of

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

15 (25-7) Beginning on July 1, 2007, no tax is imposed under
16 this Act on the sale of an aircraft, as defined in Section 3 of
17 the Illinois Aeronautics Act, if all of the following
18 conditions are met:

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

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

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

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

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

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

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

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

24 (27) 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 (27) is exempt from the provisions
4 of Section 2-70, and the exemption provided for under this item
5 (27) applies for all periods beginning May 30, 1995, but no
6 claim for credit or refund is allowed on or after January 1,
7 2008 (the effective date of Public Act 95-88) for such taxes
8 paid during the period beginning May 30, 2000 and ending on
9 January 1, 2008 (the effective date of Public Act 95-88) .

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

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

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

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

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

19 (32) Beginning July 1, 1999, game or game birds sold at a
20 "game breeding and hunting preserve area" or an "exotic game
21 hunting area" as those terms are used in the Wildlife Code or
22 at a hunting enclosure approved through rules adopted by the
23 Department of Natural Resources. This paragraph is exempt from
24 the provisions of Section 2-70.

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

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

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

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

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

15 (35-5) Beginning August 23, 2001 and through June 30, 2011,
16 food for human consumption that is to be consumed off the
17 premises where it is sold (other than alcoholic beverages, soft
18 drinks, and food that has been prepared for immediate
19 consumption) and prescription and nonprescription medicines,
20 drugs, medical appliances, and insulin, urine testing
21 materials, syringes, and needles used by diabetics, for human
22 use, when purchased for use by a person receiving medical
23 assistance under Article 5 of the Illinois Public Aid Code who
24 resides in a licensed long-term care facility, as defined in
25 the Nursing Home Care Act.

26 (36) Beginning August 2, 2001, computers and

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

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

16 (38) Beginning on January 1, 2002 and through June 30,
17 2011, tangible personal property purchased from an Illinois
18 retailer by a taxpayer engaged in centralized purchasing
19 activities in Illinois who will, upon receipt of the property
20 in Illinois, temporarily store the property in Illinois (i) for
21 the purpose of subsequently transporting it outside this State
22 for use or consumption thereafter solely outside this State or
23 (ii) for the purpose of being processed, fabricated, or
24 manufactured into, attached to, or incorporated into other
25 tangible personal property to be transported outside this State
26 and thereafter used or consumed solely outside this State. The

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

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

20 (40) Beginning on July 1, 2008, that part of the selling
21 price of motor fuel or gasohol that exceeds \$2.50 per gallon.
22 This paragraph is exempt from the provisions of Section 2-70.

23 (Source: P.A. 94-1002, eff. 7-3-06; 95-88, eff. 1-1-08; 95-233,
24 eff. 8-16-07; 95-304, eff. 8-20-07; 95-538, eff. 1-1-08;
25 95-707, eff. 1-11-08.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.