

# HB5531



## 104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB5531

Introduced 2/13/2026, by Rep. Travis Weaver

### SYNOPSIS AS INTRODUCED:

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

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that an exemption for farm machinery and equipment applies if the equipment is used for certain purposes (currently, primarily used for those purposes).

LRB104 19795 HLH 33245 b

A BILL FOR

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

7 Sec. 3-5. Exemptions. Use, which, on and after January 1,  
8 2025, includes use by a lessee, of the following tangible  
9 personal property is exempt from the tax imposed by this Act:

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

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

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

1 is organized and operated primarily for the presentation or  
2 support of arts or cultural programming, activities, or  
3 services. These organizations include, but are not limited to,  
4 music and dramatic arts organizations such as symphony  
5 orchestras and theatrical groups, arts and cultural service  
6 organizations, local arts councils, visual arts organizations,  
7 and media arts organizations. On and after July 1, 2001 (the  
8 effective date of Public Act 92-35), however, an entity  
9 otherwise eligible for this exemption shall not make tax-free  
10 purchases unless it has an active identification number issued  
11 by the Department.

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

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

4           (6) Until July 1, 2003 and beginning again on September 1,  
5 2004 through August 30, 2014, graphic arts machinery and  
6 equipment, including repair and replacement parts, both new  
7 and used, and including that manufactured on special order,  
8 certified by the purchaser to be used primarily for graphic  
9 arts production, and including machinery and equipment  
10 purchased for lease. Equipment includes chemicals or chemicals  
11 acting as catalysts but only if the chemicals or chemicals  
12 acting as catalysts effect a direct and immediate change upon  
13 a graphic arts product. Beginning on July 1, 2017, graphic  
14 arts machinery and equipment is included in the manufacturing  
15 and assembling machinery and equipment exemption under  
16 paragraph (18).

17           (7) Farm chemicals.

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

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

25           (10) A motor vehicle that is used for automobile renting,  
26 as defined in the Automobile Renting Occupation and Use Tax

1 Act.

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

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

1 software, global positioning and mapping systems, and other  
2 such equipment.

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

10 Beginning on January 1, 2024, farm machinery and equipment  
11 also includes electrical power generation equipment used  
12 primarily for production agriculture.

13 This item (11) is exempt from the provisions of Section  
14 3-90.

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

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

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

6 (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  
16 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)  
17 pipe and tubular goods, including casing and drill strings,  
18 (iii) pumps and pump-jack units, (iv) storage tanks and flow  
19 lines, (v) any individual replacement part for oil field  
20 exploration, drilling, and production equipment, and (vi)  
21 machinery and equipment purchased for lease; but excluding  
22 motor vehicles required to be registered under the Illinois  
23 Vehicle Code.

24 (15) Photoprocessing machinery and equipment, including  
25 repair and replacement parts, both new and used, including  
26 that manufactured on special order, certified by the purchaser

1 to be used primarily for photoprocessing, and including  
2 photoprocessing machinery and equipment purchased for lease.

3 (16) Until July 1, 2028, coal and aggregate exploration,  
4 mining, off-highway hauling, processing, maintenance, and  
5 reclamation equipment, including replacement parts and  
6 equipment, and including equipment purchased for lease, but  
7 excluding motor vehicles required to be registered under the  
8 Illinois Vehicle Code. The changes made to this Section by  
9 Public Act 97-767 apply on and after July 1, 2003, but no claim  
10 for credit or refund is allowed on or after August 16, 2013  
11 (the effective date of Public Act 98-456) for such taxes paid  
12 during the period beginning July 1, 2003 and ending on August  
13 16, 2013 (the effective date of Public Act 98-456).

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

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

1 an incident to the seller's engaging in the service occupation  
2 of producing machines, tools, dies, jigs, patterns, gauges, or  
3 other similar items of no commercial value on special order  
4 for a particular purchaser. The exemption provided by this  
5 paragraph (18) includes production related tangible personal  
6 property, as defined in Section 3-50, purchased on or after  
7 July 1, 2019. The exemption provided by this paragraph (18)  
8 does not include machinery and equipment used in (i) the  
9 generation of electricity for wholesale or retail sale; (ii)  
10 the generation or treatment of natural or artificial gas for  
11 wholesale or retail sale that is delivered to customers  
12 through pipes, pipelines, or mains; or (iii) the treatment of  
13 water for wholesale or retail sale that is delivered to  
14 customers through pipes, pipelines, or mains. The provisions  
15 of Public Act 98-583 are declaratory of existing law as to the  
16 meaning and scope of this exemption. Beginning on July 1,  
17 2017, the exemption provided by this paragraph (18) includes,  
18 but is not limited to, graphic arts machinery and equipment,  
19 as defined in paragraph (6) of this Section.

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

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

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

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

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

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

1 lessor. If, however, that amount is not refunded to the lessee  
2 for any reason, the lessor is liable to pay that amount to the  
3 Department.

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

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

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

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

24           (28) Beginning January 1, 2000, personal property,  
25 including food, purchased through fundraising events for the  
26 benefit of a public or private elementary or secondary school,

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

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

22 (30) Beginning January 1, 2001 and through June 30, 2016,  
23 food for human consumption that is to be consumed off the  
24 premises where it is sold (other than alcoholic beverages,  
25 soft drinks, and food that has been prepared for immediate  
26 consumption) and prescription and nonprescription medicines,

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

9 (31) Beginning on August 2, 2001 (the effective date of  
10 Public Act 92-227), computers and communications equipment  
11 utilized for any hospital purpose and equipment used in the  
12 diagnosis, analysis, or treatment of hospital patients  
13 purchased by a lessor who leases the equipment, under a lease  
14 of one year or longer executed or in effect at the time the  
15 lessor would otherwise be subject to the tax imposed by this  
16 Act, to a hospital that has been issued an active tax exemption  
17 identification number by the Department under Section 1g of  
18 the Retailers' Occupation Tax Act. If the equipment is leased  
19 in a manner that does not qualify for this exemption or is used  
20 in any other nonexempt manner, the lessor shall be liable for  
21 the tax imposed under this Act or the Service Use Tax Act, as  
22 the case may be, based on the fair market value of the property  
23 at the time the nonqualifying use occurs. No lessor shall  
24 collect or attempt to collect an amount (however designated)  
25 that purports to reimburse that lessor for the tax imposed by  
26 this Act or the Service Use Tax Act, as the case may be, if the

1 tax has not been paid by the lessor. If a lessor improperly  
2 collects any such amount from the lessee, the lessee shall  
3 have a legal right to claim a refund of that amount from the  
4 lessor. If, however, that amount is not refunded to the lessee  
5 for any reason, the lessor is liable to pay that amount to the  
6 Department. This paragraph is exempt from the provisions of  
7 Section 3-90.

8 (32) Beginning on August 2, 2001 (the effective date of  
9 Public Act 92-227), personal property purchased by a lessor  
10 who leases the property, under a lease of one year or longer  
11 executed or in effect at the time the lessor would otherwise be  
12 subject to the tax imposed by this Act, to a governmental body  
13 that has been issued an active sales tax exemption  
14 identification number by the Department under Section 1g of  
15 the Retailers' Occupation Tax Act. If the property is leased  
16 in a manner that does not qualify for this exemption or used in  
17 any other nonexempt manner, the lessor shall be liable for the  
18 tax imposed under this Act or the Service Use Tax Act, as the  
19 case may be, based on the fair market value of the property at  
20 the time the nonqualifying use occurs. No lessor shall collect  
21 or attempt to collect an amount (however designated) that  
22 purports to reimburse that lessor for the tax imposed by this  
23 Act or the Service Use Tax Act, as the case may be, if the tax  
24 has not been paid by the lessor. If a lessor improperly  
25 collects any such amount from the lessee, the lessee shall  
26 have a legal right to claim a refund of that amount from the

1 lessor. If, however, that amount is not refunded to the lessee  
2 for any reason, the lessor is liable to pay that amount to the  
3 Department. This paragraph is exempt from the provisions of  
4 Section 3-90.

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

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

1 Protection Act, that is operated by a not-for-profit  
2 corporation that holds a valid water supply permit issued  
3 under Title IV of the Environmental Protection Act. This  
4 paragraph is exempt from the provisions of Section 3-90.

5 (35) Beginning January 1, 2010 and continuing through  
6 December 31, 2029, materials, parts, equipment, components,  
7 and furnishings incorporated into or upon an aircraft as part  
8 of the modification, refurbishment, completion, replacement,  
9 repair, or maintenance of the aircraft. This exemption  
10 includes consumable supplies used in the modification,  
11 refurbishment, completion, replacement, repair, and  
12 maintenance of aircraft. However, until January 1, 2024, this  
13 exemption excludes any materials, parts, equipment,  
14 components, and consumable supplies used in the modification,  
15 replacement, repair, and maintenance of aircraft engines or  
16 power plants, whether such engines or power plants are  
17 installed or uninstalled upon any such aircraft. "Consumable  
18 supplies" include, but are not limited to, adhesive, tape,  
19 sandpaper, general purpose lubricants, cleaning solution,  
20 latex gloves, and protective films.

21 Beginning January 1, 2010 and continuing through December  
22 31, 2023, this exemption applies only to the use of qualifying  
23 tangible personal property by persons who modify, refurbish,  
24 complete, repair, replace, or maintain aircraft and who (i)  
25 hold an Air Agency Certificate and are empowered to operate an  
26 approved repair station by the Federal Aviation

1 Administration, (ii) have a Class IV Rating, and (iii) conduct  
2 operations in accordance with Part 145 of the Federal Aviation  
3 Regulations. From January 1, 2024 through December 31, 2029,  
4 this exemption applies only to the use of qualifying tangible  
5 personal property by: (A) persons who modify, refurbish,  
6 complete, repair, replace, or maintain aircraft and who (i)  
7 hold an Air Agency Certificate and are empowered to operate an  
8 approved repair station by the Federal Aviation  
9 Administration, (ii) have a Class IV Rating, and (iii) conduct  
10 operations in accordance with Part 145 of the Federal Aviation  
11 Regulations; and (B) persons who engage in the modification,  
12 replacement, repair, and maintenance of aircraft engines or  
13 power plants without regard to whether or not those persons  
14 meet the qualifications of item (A).

15 The exemption does not include aircraft operated by a  
16 commercial air carrier providing scheduled passenger air  
17 service pursuant to authority issued under Part 121 or Part  
18 129 of the Federal Aviation Regulations. The changes made to  
19 this paragraph (35) by Public Act 98-534 are declarative of  
20 existing law. It is the intent of the General Assembly that the  
21 exemption under this paragraph (35) applies continuously from  
22 January 1, 2010 through December 31, 2024; however, no claim  
23 for credit or refund is allowed for taxes paid as a result of  
24 the disallowance of this exemption on or after January 1, 2015  
25 and prior to February 5, 2020 (the effective date of Public Act  
26 101-629).

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

16           (37) Beginning January 1, 2017 and through December 31,  
17 2026, menstrual pads, tampons, and menstrual cups.

18           (38) Merchandise that is subject to the Rental Purchase  
19 Agreement Occupation and Use Tax. The purchaser must certify  
20 that the item is purchased to be rented subject to a  
21 rental-purchase agreement, as defined in the Rental-Purchase  
22 Agreement Act, and provide proof of registration under the  
23 Rental Purchase Agreement Occupation and Use Tax Act. This  
24 paragraph is exempt from the provisions of Section 3-90.

25           (39) Tangible personal property purchased by a purchaser  
26 who is exempt from the tax imposed by this Act by operation of

1 federal law. This paragraph is exempt from the provisions of  
2 Section 3-90.

3 (40) Qualified tangible personal property used in the  
4 construction or operation of a data center that has been  
5 granted a certificate of exemption by the Department of  
6 Commerce and Economic Opportunity, whether that tangible  
7 personal property is purchased by the owner, operator, or  
8 tenant of the data center or by a contractor or subcontractor  
9 of the owner, operator, or tenant. Data centers that would  
10 have qualified for a certificate of exemption prior to January  
11 1, 2020 had Public Act 101-31 been in effect may apply for and  
12 obtain an exemption for subsequent purchases of computer  
13 equipment or enabling software purchased or leased to upgrade,  
14 supplement, or replace computer equipment or enabling software  
15 purchased or leased in the original investment that would have  
16 qualified.

17 The Department of Commerce and Economic Opportunity shall  
18 grant a certificate of exemption under this item (40) to  
19 qualified data centers as defined by Section 605-1025 of the  
20 Department of Commerce and Economic Opportunity Law of the  
21 Civil Administrative Code of Illinois.

22 For the purposes of this item (40):

23 "Data center" means a building or a series of  
24 buildings rehabilitated or constructed to house working  
25 servers in one physical location or multiple sites within  
26 the State of Illinois.

1           "Qualified tangible personal property" means:  
2           electrical systems and equipment; climate control and  
3           chilling equipment and systems; mechanical systems and  
4           equipment; monitoring and secure systems; emergency  
5           generators; hardware; computers; servers; data storage  
6           devices; network connectivity equipment; racks; cabinets;  
7           telecommunications cabling infrastructure; raised floor  
8           systems; peripheral components or systems; software;  
9           mechanical, electrical, or plumbing systems; battery  
10          systems; cooling systems and towers; temperature control  
11          systems; other cabling; and other data center  
12          infrastructure equipment and systems necessary to operate  
13          qualified tangible personal property, including fixtures;  
14          and component parts of any of the foregoing, including  
15          installation, maintenance, repair, refurbishment, and  
16          replacement of qualified tangible personal property to  
17          generate, transform, transmit, distribute, or manage  
18          electricity necessary to operate qualified tangible  
19          personal property; and all other tangible personal  
20          property that is essential to the operations of a computer  
21          data center. The term "qualified tangible personal  
22          property" also includes building materials physically  
23          incorporated into the qualifying data center. To document  
24          the exemption allowed under this Section, the retailer  
25          must obtain from the purchaser a copy of the certificate  
26          of eligibility issued by the Department of Commerce and

1 Economic Opportunity.

2 This item (40) is exempt from the provisions of Section  
3 3-90.

4 (41) Beginning July 1, 2022, breast pumps, breast pump  
5 collection and storage supplies, and breast pump kits. This  
6 item (41) is exempt from the provisions of Section 3-90. As  
7 used in this item (41):

8 "Breast pump" means an electrically controlled or  
9 manually controlled pump device designed or marketed to be  
10 used to express milk from a human breast during lactation,  
11 including the pump device and any battery, AC adapter, or  
12 other power supply unit that is used to power the pump  
13 device and is packaged and sold with the pump device at the  
14 time of sale.

15 "Breast pump collection and storage supplies" means  
16 items of tangible personal property designed or marketed  
17 to be used in conjunction with a breast pump to collect  
18 milk expressed from a human breast and to store collected  
19 milk until it is ready for consumption.

20 "Breast pump collection and storage supplies"  
21 includes, but is not limited to: breast shields and breast  
22 shield connectors; breast pump tubes and tubing adapters;  
23 breast pump valves and membranes; backflow protectors and  
24 backflow protector adaptors; bottles and bottle caps  
25 specific to the operation of the breast pump; and breast  
26 milk storage bags.

1 "Breast pump collection and storage supplies" does not  
2 include: (1) bottles and bottle caps not specific to the  
3 operation of the breast pump; (2) breast pump travel bags  
4 and other similar carrying accessories, including ice  
5 packs, labels, and other similar products; (3) breast pump  
6 cleaning supplies; (4) nursing bras, bra pads, breast  
7 shells, and other similar products; and (5) creams,  
8 ointments, and other similar products that relieve  
9 breastfeeding-related symptoms or conditions of the  
10 breasts or nipples, unless sold as part of a breast pump  
11 kit that is pre-packaged by the breast pump manufacturer  
12 or distributor.

13 "Breast pump kit" means a kit that: (1) contains no  
14 more than a breast pump, breast pump collection and  
15 storage supplies, a rechargeable battery for operating the  
16 breast pump, a breastmilk cooler, bottle stands, ice  
17 packs, and a breast pump carrying case; and (2) is  
18 pre-packaged as a breast pump kit by the breast pump  
19 manufacturer or distributor.

20 (42) Tangible personal property sold by or on behalf of  
21 the State Treasurer pursuant to the Revised Uniform Unclaimed  
22 Property Act. This item (42) is exempt from the provisions of  
23 Section 3-90.

24 (43) Beginning on January 1, 2024, tangible personal  
25 property purchased by an active duty member of the armed  
26 forces of the United States who presents valid military

1 identification and purchases the property using a form of  
2 payment where the federal government is the payor. The member  
3 of the armed forces must complete, at the point of sale, a form  
4 prescribed by the Department of Revenue documenting that the  
5 transaction is eligible for the exemption under this  
6 paragraph. Retailers must keep the form as documentation of  
7 the exemption in their records for a period of not less than 6  
8 years. "Armed forces of the United States" means the United  
9 States Army, Navy, Air Force, Space Force, Marine Corps, or  
10 Coast Guard. This paragraph is exempt from the provisions of  
11 Section 3-90.

12 (44) Beginning July 1, 2024, home-delivered meals provided  
13 to Medicare or Medicaid recipients when payment is made by an  
14 intermediary, such as a Medicare Administrative Contractor, a  
15 Managed Care Organization, or a Medicare Advantage  
16 Organization, pursuant to a government contract. This item  
17 (44) is exempt from the provisions of Section 3-90.

18 (45) Beginning on January 1, 2026, as further defined in  
19 Section 3-10, food for human consumption that is to be  
20 consumed off the premises where it is sold (other than  
21 alcoholic beverages, food consisting of or infused with adult  
22 use cannabis, soft drinks, candy, and food that has been  
23 prepared for immediate consumption). This item (45) is exempt  
24 from the provisions of Section 3-90.

25 (46) Use by the lessee of the following leased tangible  
26 personal property:

1           (1) software transferred subject to a license that  
2 meets the following requirements:

3           (A) it is evidenced by a written agreement signed  
4 by the licensor and the customer;

5                 (i) an electronic agreement in which the  
6 customer accepts the license by means of an  
7 electronic signature that is verifiable and can be  
8 authenticated and is attached to or made part of  
9 the license will comply with this requirement;

10                (ii) a license agreement in which the customer  
11 electronically accepts the terms by clicking "I  
12 agree" does not comply with this requirement;

13           (B) it restricts the customer's duplication and  
14 use of the software;

15           (C) it prohibits the customer from licensing,  
16 sublicensing, or transferring the software to a third  
17 party (except to a related party) without the  
18 permission and continued control of the licensor;

19           (D) the licensor has a policy of providing another  
20 copy at minimal or no charge if the customer loses or  
21 damages the software, or of permitting the licensee to  
22 make and keep an archival copy, and such policy is  
23 either stated in the license agreement, supported by  
24 the licensor's books and records, or supported by a  
25 notarized statement made under penalties of perjury by  
26 the licensor; and

1 (E) the customer must destroy or return all copies  
2 of the software to the licensor at the end of the  
3 license period; this provision is deemed to be met, in  
4 the case of a perpetual license, without being set  
5 forth in the license agreement; and

6 (2) property that is subject to a tax on lease  
7 receipts imposed by a home rule unit of local government  
8 if the ordinance imposing that tax was adopted prior to  
9 January 1, 2023.

10 (Source: P.A. 103-9, Article 5, Section 5-5, eff. 6-7-23;  
11 103-9, Article 15, Section 15-5, eff. 6-7-23; 103-154, eff.  
12 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,  
13 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;  
14 103-781, eff. 8-5-24; 104-417, eff. 8-15-25.)

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

17 (35 ILCS 110/3-5)

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

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

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

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

6 (3) Personal property purchased by a not-for-profit arts  
7 or cultural organization that establishes, by proof required  
8 by the Department by rule, that it has received an exemption  
9 under Section 501(c)(3) of the Internal Revenue Code and that  
10 is 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 July 1, 2001 (the  
17 effective date of Public Act 92-35), however, an entity  
18 otherwise eligible for this exemption shall not make tax-free  
19 purchases unless it has an active identification number issued  
20 by the Department.

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

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

1 equipment, including repair and replacement parts, both new  
2 and used, and including that manufactured on special order or  
3 purchased for lease, certified by the purchaser to be used  
4 primarily for graphic arts production. Equipment includes  
5 chemicals or chemicals acting as catalysts but only if the  
6 chemicals or chemicals acting as catalysts effect a direct and  
7 immediate change upon a graphic arts product. Beginning on  
8 July 1, 2017, graphic arts machinery and equipment is included  
9 in the manufacturing and assembling machinery and equipment  
10 exemption under Section 2 of this Act.

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

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

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

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

15 Farm machinery and equipment also includes computers,  
16 sensors, software, and related equipment used ~~primarily~~ in the  
17 computer-assisted operation of production agriculture  
18 facilities, equipment, and activities such as, but not limited  
19 to, the collection, monitoring, and correlation of animal and  
20 crop data for the purpose of formulating animal diets and  
21 agricultural chemicals.

22 Beginning on January 1, 2024, farm machinery and equipment  
23 also includes electrical power generation equipment used  
24 ~~primarily~~ for production agriculture.

25 This item (7) is exempt from the provisions of Section  
26 3-75.

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

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

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

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

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

17 (12) Until July 1, 2028, coal and aggregate exploration,  
18 mining, off-highway hauling, processing, maintenance, and  
19 reclamation equipment, including replacement parts and  
20 equipment, and including equipment purchased for lease, but  
21 excluding motor vehicles required to be registered under the  
22 Illinois Vehicle Code. The changes made to this Section by  
23 Public Act 97-767 apply on and after July 1, 2003, but no claim  
24 for credit or refund is allowed on or after August 16, 2013  
25 (the effective date of Public Act 98-456) for such taxes paid  
26 during the period beginning July 1, 2003 and ending on August

1 16, 2013 (the effective date of Public Act 98-456).

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

4 (14) Horses, or interests in horses, registered with and  
5 meeting the requirements of any of the Arabian Horse Club  
6 Registry of America, Appaloosa Horse Club, American Quarter  
7 Horse Association, United States Trotting Association, or  
8 Jockey Club, as appropriate, used for purposes of breeding or  
9 racing for prizes. This item (14) is exempt from the  
10 provisions of Section 3-75, and the exemption provided for  
11 under this item (14) applies for all periods beginning May 30,  
12 1995, but no claim for credit or refund is allowed on or after  
13 January 1, 2008 (the effective date of Public Act 95-88) for  
14 such taxes paid during the period beginning May 30, 2000 and  
15 ending on January 1, 2008 (the effective date of Public Act  
16 95-88).

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

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

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

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

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

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

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

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

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

1 occupation.

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

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

26 (23) Beginning August 23, 2001 and through June 30, 2016,

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

13 (24) Beginning on August 2, 2001 (the effective date of  
14 Public Act 92-227), computers and communications equipment  
15 utilized for any hospital purpose and equipment used in the  
16 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  
22 the Retailers' Occupation Tax Act. If the equipment is leased  
23 in a manner that does not qualify for this exemption or is used  
24 in any other nonexempt manner, the lessor shall be liable for  
25 the tax imposed under this Act or the Use Tax Act, as the case  
26 may be, based on the fair market value of the property at the

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

12 (25) Beginning on August 2, 2001 (the effective date of  
13 Public Act 92-227), personal property purchased by a lessor  
14 who leases the property, under a lease of one year or longer  
15 executed or in effect at the time the lessor would otherwise be  
16 subject to the tax imposed by this Act, to a governmental body  
17 that has been issued an active tax exemption identification  
18 number by the Department under Section 1g of the Retailers'  
19 Occupation Tax Act. If the property is leased in a manner that  
20 does not qualify for this exemption or is used in any other  
21 nonexempt manner, the lessor shall be liable for the tax  
22 imposed under this Act or the Use Tax Act, as the case may be,  
23 based on the fair market value of the property at the time the  
24 nonqualifying use occurs. No lessor shall collect or attempt  
25 to collect an amount (however designated) that purports to  
26 reimburse that lessor for the tax imposed by this Act or the

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

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

15 (27) Beginning January 1, 2010 and continuing through  
16 December 31, 2029, materials, parts, equipment, components,  
17 and furnishings incorporated into or upon an aircraft as part  
18 of the modification, refurbishment, completion, replacement,  
19 repair, or maintenance of the aircraft. This exemption  
20 includes consumable supplies used in the modification,  
21 refurbishment, completion, replacement, repair, and  
22 maintenance of aircraft. However, until January 1, 2024, this  
23 exemption excludes any materials, parts, equipment,  
24 components, and consumable supplies used in the modification,  
25 replacement, repair, and maintenance of aircraft engines or  
26 power plants, whether such engines or power plants are

1 installed or uninstalled upon any such aircraft. "Consumable  
2 supplies" include, but are not limited to, adhesive, tape,  
3 sandpaper, general purpose lubricants, cleaning solution,  
4 latex gloves, and protective films.

5 Beginning January 1, 2010 and continuing through December  
6 31, 2023, this exemption applies only to the use of qualifying  
7 tangible personal property transferred incident to the  
8 modification, refurbishment, completion, replacement, repair,  
9 or maintenance of aircraft by persons who (i) hold an Air  
10 Agency Certificate and are empowered to operate an approved  
11 repair station by the Federal Aviation Administration, (ii)  
12 have a Class IV Rating, and (iii) conduct operations in  
13 accordance with Part 145 of the Federal Aviation Regulations.  
14 From January 1, 2024 through December 31, 2029, this exemption  
15 applies only to the use of qualifying tangible personal  
16 property transferred incident to: (A) the modification,  
17 refurbishment, completion, repair, replacement, or maintenance  
18 of an aircraft by persons who (i) hold an Air Agency  
19 Certificate and are empowered to operate an approved repair  
20 station by the Federal Aviation Administration, (ii) have a  
21 Class IV Rating, and (iii) conduct operations in accordance  
22 with Part 145 of the Federal Aviation Regulations; and (B) the  
23 modification, replacement, repair, and maintenance of aircraft  
24 engines or power plants without regard to whether or not those  
25 persons meet the qualifications of item (A).

26 The exemption does not include aircraft operated by a

1 commercial air carrier providing scheduled passenger air  
2 service pursuant to authority issued under Part 121 or Part  
3 129 of the Federal Aviation Regulations. The changes made to  
4 this paragraph (27) by Public Act 98-534 are declarative of  
5 existing law. It is the intent of the General Assembly that the  
6 exemption under this paragraph (27) applies continuously from  
7 January 1, 2010 through December 31, 2024; however, no claim  
8 for credit or refund is allowed for taxes paid as a result of  
9 the disallowance of this exemption on or after January 1, 2015  
10 and prior to February 5, 2020 (the effective date of Public Act  
11 101-629).

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

1           (29) Beginning January 1, 2017 and through December 31,  
2 2026, menstrual pads, tampons, and menstrual cups.

3           (30) Tangible personal property transferred to a purchaser  
4 who is exempt from the tax imposed by this Act by operation of  
5 federal law. This paragraph is exempt from the provisions of  
6 Section 3-75.

7           (31) Qualified tangible personal property used in the  
8 construction or operation of a data center that has been  
9 granted a certificate of exemption by the Department of  
10 Commerce and Economic Opportunity, whether that tangible  
11 personal property is purchased by the owner, operator, or  
12 tenant of the data center or by a contractor or subcontractor  
13 of the owner, operator, or tenant. Data centers that would  
14 have qualified for a certificate of exemption prior to January  
15 1, 2020 had Public Act 101-31 been in effect, may apply for and  
16 obtain an exemption for subsequent purchases of computer  
17 equipment or enabling software purchased or leased to upgrade,  
18 supplement, or replace computer equipment or enabling software  
19 purchased or leased in the original investment that would have  
20 qualified.

21           The Department of Commerce and Economic Opportunity shall  
22 grant a certificate of exemption under this item (31) to  
23 qualified data centers as defined by Section 605-1025 of the  
24 Department of Commerce and Economic Opportunity Law of the  
25 Civil Administrative Code of Illinois.

26           For the purposes of this item (31):

1           "Data center" means a building or a series of  
2 buildings rehabilitated or constructed to house working  
3 servers in one physical location or multiple sites within  
4 the State of Illinois.

5           "Qualified tangible personal property" means:  
6 electrical systems and equipment; climate control and  
7 chilling equipment and systems; mechanical systems and  
8 equipment; monitoring and secure systems; emergency  
9 generators; hardware; computers; servers; data storage  
10 devices; network connectivity equipment; racks; cabinets;  
11 telecommunications cabling infrastructure; raised floor  
12 systems; peripheral components or systems; software;  
13 mechanical, electrical, or plumbing systems; battery  
14 systems; cooling systems and towers; temperature control  
15 systems; other cabling; and other data center  
16 infrastructure equipment and systems necessary to operate  
17 qualified tangible personal property, including fixtures;  
18 and component parts of any of the foregoing, including  
19 installation, maintenance, repair, refurbishment, and  
20 replacement of qualified tangible personal property to  
21 generate, transform, transmit, distribute, or manage  
22 electricity necessary to operate qualified tangible  
23 personal property; and all other tangible personal  
24 property that is essential to the operations of a computer  
25 data center. The term "qualified tangible personal  
26 property" also includes building materials physically

1 incorporated into the qualifying data center. To document  
2 the exemption allowed under this Section, the retailer  
3 must obtain from the purchaser a copy of the certificate  
4 of eligibility issued by the Department of Commerce and  
5 Economic Opportunity.

6 This item (31) is exempt from the provisions of Section  
7 3-75.

8 (32) Beginning July 1, 2022, breast pumps, breast pump  
9 collection and storage supplies, and breast pump kits. This  
10 item (32) is exempt from the provisions of Section 3-75. As  
11 used in this item (32):

12 "Breast pump" means an electrically controlled or  
13 manually controlled pump device designed or marketed to be  
14 used to express milk from a human breast during lactation,  
15 including the pump device and any battery, AC adapter, or  
16 other power supply unit that is used to power the pump  
17 device and is packaged and sold with the pump device at the  
18 time of sale.

19 "Breast pump collection and storage supplies" means  
20 items of tangible personal property designed or marketed  
21 to be used in conjunction with a breast pump to collect  
22 milk expressed from a human breast and to store collected  
23 milk until it is ready for consumption.

24 "Breast pump collection and storage supplies"  
25 includes, but is not limited to: breast shields and breast  
26 shield connectors; breast pump tubes and tubing adapters;

1 breast pump valves and membranes; backflow protectors and  
2 backflow protector adaptors; bottles and bottle caps  
3 specific to the operation of the breast pump; and breast  
4 milk storage bags.

5 "Breast pump collection and storage supplies" does not  
6 include: (1) bottles and bottle caps not specific to the  
7 operation of the breast pump; (2) breast pump travel bags  
8 and other similar carrying accessories, including ice  
9 packs, labels, and other similar products; (3) breast pump  
10 cleaning supplies; (4) nursing bras, bra pads, breast  
11 shells, and other similar products; and (5) creams,  
12 ointments, and other similar products that relieve  
13 breastfeeding-related symptoms or conditions of the  
14 breasts or nipples, unless sold as part of a breast pump  
15 kit that is pre-packaged by the breast pump manufacturer  
16 or distributor.

17 "Breast pump kit" means a kit that: (1) contains no  
18 more than a breast pump, breast pump collection and  
19 storage supplies, a rechargeable battery for operating the  
20 breast pump, a breastmilk cooler, bottle stands, ice  
21 packs, and a breast pump carrying case; and (2) is  
22 pre-packaged as a breast pump kit by the breast pump  
23 manufacturer or distributor.

24 (33) Tangible personal property sold by or on behalf of  
25 the State Treasurer pursuant to the Revised Uniform Unclaimed  
26 Property Act. This item (33) is exempt from the provisions of

1 Section 3-75.

2 (34) Beginning on January 1, 2024, tangible personal  
3 property purchased by an active duty member of the armed  
4 forces of the United States who presents valid military  
5 identification and purchases the property using a form of  
6 payment where the federal government is the payor. The member  
7 of the armed forces must complete, at the point of sale, a form  
8 prescribed by the Department of Revenue documenting that the  
9 transaction is eligible for the exemption under this  
10 paragraph. Retailers must keep the form as documentation of  
11 the exemption in their records for a period of not less than 6  
12 years. "Armed forces of the United States" means the United  
13 States Army, Navy, Air Force, Space Force, Marine Corps, or  
14 Coast Guard. This paragraph is exempt from the provisions of  
15 Section 3-75.

16 (35) Beginning July 1, 2024, home-delivered meals provided  
17 to Medicare or Medicaid recipients when payment is made by an  
18 intermediary, such as a Medicare Administrative Contractor, a  
19 Managed Care Organization, or a Medicare Advantage  
20 Organization, pursuant to a government contract. This  
21 paragraph (35) is exempt from the provisions of Section 3-75.

22 (36) Beginning on January 1, 2026, as further defined in  
23 Section 3-10, food prepared for immediate consumption and  
24 transferred incident to a sale of service subject to this Act  
25 or the Service Occupation Tax Act by an entity licensed under  
26 the Hospital Licensing Act, the Nursing Home Care Act, the

1 Assisted Living and Shared Housing Act, the ID/DD Community  
2 Care Act, the MC/DD Act, the Specialized Mental Health  
3 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by  
4 an entity that holds a permit issued pursuant to the Life Care  
5 Facilities Act. This item (36) is exempt from the provisions  
6 of Section 3-75.

7 (37) Beginning on January 1, 2026, as further defined in  
8 Section 3-10, food for human consumption that is to be  
9 consumed off the premises where it is sold (other than  
10 alcoholic beverages, food consisting of or infused with adult  
11 use cannabis, soft drinks, candy, and food that has been  
12 prepared for immediate consumption). This item (37) is exempt  
13 from the provisions of Section 3-75.

14 (38) Use by a lessee of the following leased tangible  
15 personal property:

16 (1) software transferred subject to a license that  
17 meets the following requirements:

18 (A) it is evidenced by a written agreement signed  
19 by the licensor and the customer;

20 (i) an electronic agreement in which the  
21 customer accepts the license by means of an  
22 electronic signature that is verifiable and can be  
23 authenticated and is attached to or made part of  
24 the license will comply with this requirement;

25 (ii) a license agreement in which the customer  
26 electronically accepts the terms by clicking "I

1           agree" does not comply with this requirement;

2           (B) it restricts the customer's duplication and  
3 use of the software;

4           (C) it prohibits the customer from licensing,  
5 sublicensing, or transferring the software to a third  
6 party (except to a related party) without the  
7 permission and continued control of the licensor;

8           (D) the licensor has a policy of providing another  
9 copy at minimal or no charge if the customer loses or  
10 damages the software, or of permitting the licensee to  
11 make and keep an archival copy, and such policy is  
12 either stated in the license agreement, supported by  
13 the licensor's books and records, or supported by a  
14 notarized statement made under penalties of perjury by  
15 the licensor; and

16           (E) the customer must destroy or return all copies  
17 of the software to the licensor at the end of the  
18 license period; this provision is deemed to be met, in  
19 the case of a perpetual license, without being set  
20 forth in the license agreement; and

21           (2) property that is subject to a tax on lease  
22 receipts imposed by a home rule unit of local government  
23 if the ordinance imposing that tax was adopted prior to  
24 January 1, 2023.

25           (Source: P.A. 103-9, Article 5, Section 5-10, eff. 6-7-23;  
26 103-9, Article 15, Section 15-10, eff. 6-7-23; 103-154, eff.

1 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,  
2 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;  
3 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff.  
4 8-15-25.)

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

7 (35 ILCS 115/3-5)

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

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

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

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

1 support of arts or cultural programming, activities, or  
2 services. These organizations include, but are not limited to,  
3 music and dramatic arts organizations such as symphony  
4 orchestras and theatrical groups, arts and cultural service  
5 organizations, local arts councils, visual arts organizations,  
6 and media arts organizations. On and after July 1, 2001 (the  
7 effective date of Public Act 92-35), however, an entity  
8 otherwise eligible for this exemption shall not make tax-free  
9 purchases unless it has an active identification number issued  
10 by the Department.

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

15 (5) Until July 1, 2003 and beginning again on September 1,  
16 2004 through August 30, 2014, graphic arts machinery and  
17 equipment, including repair and replacement parts, both new  
18 and used, and including that manufactured on special order or  
19 purchased for lease, certified by the purchaser to be used  
20 primarily for graphic arts production. Equipment includes  
21 chemicals or chemicals acting as catalysts but only if the  
22 chemicals or chemicals acting as catalysts effect a direct and  
23 immediate change upon a graphic arts product. Beginning on  
24 July 1, 2017, graphic arts machinery and equipment is included  
25 in the manufacturing and assembling machinery and equipment  
26 exemption under Section 2 of this Act.

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

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

23           Farm machinery and equipment shall include precision  
24 farming equipment that is installed or purchased to be  
25 installed on farm machinery and equipment, including, but not  
26 limited to, tractors, harvesters, sprayers, planters, seeders,

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

5 Farm machinery and equipment also includes computers,  
6 sensors, software, and related equipment used ~~primarily~~ in the  
7 computer-assisted operation of production agriculture  
8 facilities, equipment, and activities such as, but not limited  
9 to, the collection, monitoring, and correlation of animal and  
10 crop data for the purpose of formulating animal diets and  
11 agricultural chemicals.

12 Beginning on January 1, 2024, farm machinery and equipment  
13 also includes electrical power generation equipment used  
14 ~~primarily~~ for production agriculture.

15 This item (7) is exempt from the provisions of Section  
16 3-55.

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

24 Beginning July 1, 2013, fuel and petroleum products sold  
25 to or used by an air carrier, certified by the carrier to be  
26 used for consumption, shipment, or storage in the conduct of

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

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

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

26 (11) Photoprocessing machinery and equipment, including

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

5 (12) Until July 1, 2028, coal and aggregate exploration,  
6 mining, off-highway hauling, processing, maintenance, and  
7 reclamation equipment, including replacement parts and  
8 equipment, and including equipment purchased for lease, but  
9 excluding motor vehicles required to be registered under the  
10 Illinois Vehicle Code. The changes made to this Section by  
11 Public Act 97-767 apply on and after July 1, 2003, but no claim  
12 for credit or refund is allowed on or after August 16, 2013  
13 (the effective date of Public Act 98-456) for such taxes paid  
14 during the period beginning July 1, 2003 and ending on August  
15 16, 2013 (the effective date of Public Act 98-456).

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

1 in the ID/DD Community Care Act, the MC/DD Act, or the  
2 Specialized Mental Health Rehabilitation Act of 2013.

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

5 (15) Horses, or interests in horses, registered with and  
6 meeting the requirements of any of the Arabian Horse Club  
7 Registry of America, Appaloosa Horse Club, American Quarter  
8 Horse Association, United States Trotting Association, or  
9 Jockey Club, as appropriate, used for purposes of breeding or  
10 racing for prizes. This item (15) is exempt from the  
11 provisions of Section 3-55, and the exemption provided for  
12 under this item (15) applies for all periods beginning May 30,  
13 1995, but no claim for credit or refund is allowed on or after  
14 January 1, 2008 (the effective date of Public Act 95-88) for  
15 such taxes paid during the period beginning May 30, 2000 and  
16 ending on January 1, 2008 (the effective date of Public Act  
17 95-88).

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

26 (17) Personal property sold to a lessor who leases the

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

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

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

1 in the declared disaster area within 6 months after the  
2 disaster.

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

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

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

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

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

24 (24) Beginning on August 2, 2001 (the effective date of  
25 Public Act 92-227), computers and communications equipment  
26 utilized for any hospital purpose and equipment used in the

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

8 (25) Beginning on August 2, 2001 (the effective date of  
9 Public Act 92-227), personal property sold to a lessor who  
10 leases the property, under a lease of one year or longer  
11 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 the Retailers' Occupation Tax Act. This paragraph is exempt  
15 from the provisions of Section 3-55.

16 (26) Beginning on January 1, 2002 and through June 30,  
17 2016, 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)  
21 for the purpose of subsequently transporting it outside this  
22 State for use or consumption thereafter solely outside this  
23 State or (ii) for the purpose of being processed, fabricated,  
24 or manufactured into, attached to, or incorporated into other  
25 tangible personal property to be transported outside this  
26 State and thereafter used or consumed solely outside this

1 State. The Director of Revenue shall, pursuant to rules  
2 adopted in accordance with the Illinois Administrative  
3 Procedure Act, issue a permit to any taxpayer in good standing  
4 with the Department who is eligible for the exemption under  
5 this paragraph (26). The permit issued under this paragraph  
6 (26) shall authorize the holder, to the extent and in the  
7 manner specified in the rules adopted under this Act, to  
8 purchase tangible personal property from a retailer exempt  
9 from the taxes imposed by this Act. Taxpayers shall maintain  
10 all 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 (27) 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  
18 under Title IV of the Environmental Protection Act. This  
19 paragraph is exempt from the provisions of Section 3-55.

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

1 of the completion of the municipal convention hall or upon the  
2 retirement or redemption of any bonds or other debt  
3 instruments issued by the public-facilities corporation in  
4 connection with the development of the municipal convention  
5 hall. This exemption includes existing public-facilities  
6 corporations as provided in Section 11-65-25 of the Illinois  
7 Municipal Code. This paragraph is exempt from the provisions  
8 of Section 3-55.

9 (29) Beginning January 1, 2010 and continuing through  
10 December 31, 2029, materials, parts, equipment, components,  
11 and furnishings incorporated into or upon an aircraft as part  
12 of the modification, refurbishment, completion, replacement,  
13 repair, or maintenance of the aircraft. This exemption  
14 includes consumable supplies used in the modification,  
15 refurbishment, completion, replacement, repair, and  
16 maintenance of aircraft. However, until January 1, 2024, this  
17 exemption excludes any materials, parts, equipment,  
18 components, and consumable supplies used in the modification,  
19 replacement, repair, and maintenance of aircraft engines or  
20 power plants, whether such engines or power plants are  
21 installed or uninstalled upon any such aircraft. "Consumable  
22 supplies" include, but are not limited to, adhesive, tape,  
23 sandpaper, general purpose lubricants, cleaning solution,  
24 latex gloves, and protective films.

25 Beginning January 1, 2010 and continuing through December  
26 31, 2023, this exemption applies only to the transfer of

1 qualifying tangible personal property incident to the  
2 modification, refurbishment, completion, replacement, repair,  
3 or maintenance of an aircraft by persons who (i) hold an Air  
4 Agency Certificate and are empowered to operate an approved  
5 repair station by the Federal Aviation Administration, (ii)  
6 have a Class IV Rating, and (iii) conduct operations in  
7 accordance with Part 145 of the Federal Aviation Regulations.  
8 The exemption does not include aircraft operated by a  
9 commercial air carrier providing scheduled passenger air  
10 service pursuant to authority issued under Part 121 or Part  
11 129 of the Federal Aviation Regulations. From January 1, 2024  
12 through December 31, 2029, this exemption applies only to the  
13 transfer of qualifying tangible personal property incident to:  
14 (A) the modification, refurbishment, completion, repair,  
15 replacement, or maintenance of an aircraft by persons who (i)  
16 hold an Air Agency Certificate and are empowered to operate an  
17 approved repair station by the Federal Aviation  
18 Administration, (ii) have a Class IV Rating, and (iii) conduct  
19 operations in accordance with Part 145 of the Federal Aviation  
20 Regulations; and (B) the modification, replacement, repair,  
21 and maintenance of aircraft engines or power plants without  
22 regard to whether or not those persons meet the qualifications  
23 of item (A).

24 The changes made to this paragraph (29) by Public Act  
25 98-534 are declarative of existing law. It is the intent of the  
26 General Assembly that the exemption under this paragraph (29)

1 applies continuously from January 1, 2010 through December 31,  
2 2024; however, no claim for credit or refund is allowed for  
3 taxes paid as a result of the disallowance of this exemption on  
4 or after January 1, 2015 and prior to February 5, 2020 (the  
5 effective date of Public Act 101-629).

6 (30) Beginning January 1, 2017 and through December 31,  
7 2026, menstrual pads, tampons, and menstrual cups.

8 (31) Tangible personal property transferred to a purchaser  
9 who is exempt from tax by operation of federal law. This  
10 paragraph is exempt from the provisions of Section 3-55.

11 (32) Qualified tangible personal property used in the  
12 construction or operation of a data center that has been  
13 granted a certificate of exemption by the Department of  
14 Commerce and Economic Opportunity, whether that tangible  
15 personal property is purchased by the owner, operator, or  
16 tenant of the data center or by a contractor or subcontractor  
17 of the owner, operator, or tenant. Data centers that would  
18 have qualified for a certificate of exemption prior to January  
19 1, 2020 had Public Act 101-31 been in effect, may apply for and  
20 obtain an exemption for subsequent purchases of computer  
21 equipment or enabling software purchased or leased to upgrade,  
22 supplement, or replace computer equipment or enabling software  
23 purchased or leased in the original investment that would have  
24 qualified.

25 The Department of Commerce and Economic Opportunity shall  
26 grant a certificate of exemption under this item (32) to

1 qualified data centers as defined by Section 605-1025 of the  
2 Department of Commerce and Economic Opportunity Law of the  
3 Civil Administrative Code of Illinois.

4 For the purposes of this item (32):

5 "Data center" means a building or a series of  
6 buildings rehabilitated or constructed to house working  
7 servers in one physical location or multiple sites within  
8 the State of Illinois.

9 "Qualified tangible personal property" means:  
10 electrical systems and equipment; climate control and  
11 chilling equipment and systems; mechanical systems and  
12 equipment; monitoring and secure systems; emergency  
13 generators; hardware; computers; servers; data storage  
14 devices; network connectivity equipment; racks; cabinets;  
15 telecommunications cabling infrastructure; raised floor  
16 systems; peripheral components or systems; software;  
17 mechanical, electrical, or plumbing systems; battery  
18 systems; cooling systems and towers; temperature control  
19 systems; other cabling; and other data center  
20 infrastructure equipment and systems necessary to operate  
21 qualified tangible personal property, including fixtures;  
22 and component parts of any of the foregoing, including  
23 installation, maintenance, repair, refurbishment, and  
24 replacement of qualified tangible personal property to  
25 generate, transform, transmit, distribute, or manage  
26 electricity necessary to operate qualified tangible

1 personal property; and all other tangible personal  
2 property that is essential to the operations of a computer  
3 data center. The term "qualified tangible personal  
4 property" also includes building materials physically  
5 incorporated into the qualifying data center. To document  
6 the exemption allowed under this Section, the retailer  
7 must obtain from the purchaser a copy of the certificate  
8 of eligibility issued by the Department of Commerce and  
9 Economic Opportunity.

10 This item (32) is exempt from the provisions of Section  
11 3-55.

12 (33) Beginning July 1, 2022, breast pumps, breast pump  
13 collection and storage supplies, and breast pump kits. This  
14 item (33) is exempt from the provisions of Section 3-55. As  
15 used in this item (33):

16 "Breast pump" means an electrically controlled or  
17 manually controlled pump device designed or marketed to be  
18 used to express milk from a human breast during lactation,  
19 including the pump device and any battery, AC adapter, or  
20 other power supply unit that is used to power the pump  
21 device and is packaged and sold with the pump device at the  
22 time of sale.

23 "Breast pump collection and storage supplies" means  
24 items of tangible personal property designed or marketed  
25 to be used in conjunction with a breast pump to collect  
26 milk expressed from a human breast and to store collected

1 milk until it is ready for consumption.

2 "Breast pump collection and storage supplies"  
3 includes, but is not limited to: breast shields and breast  
4 shield connectors; breast pump tubes and tubing adapters;  
5 breast pump valves and membranes; backflow protectors and  
6 backflow protector adaptors; bottles and bottle caps  
7 specific to the operation of the breast pump; and breast  
8 milk storage bags.

9 "Breast pump collection and storage supplies" does not  
10 include: (1) bottles and bottle caps not specific to the  
11 operation of the breast pump; (2) breast pump travel bags  
12 and other similar carrying accessories, including ice  
13 packs, labels, and other similar products; (3) breast pump  
14 cleaning supplies; (4) nursing bras, bra pads, breast  
15 shells, and other similar products; and (5) creams,  
16 ointments, and other similar products that relieve  
17 breastfeeding-related symptoms or conditions of the  
18 breasts or nipples, unless sold as part of a breast pump  
19 kit that is pre-packaged by the breast pump manufacturer  
20 or distributor.

21 "Breast pump kit" means a kit that: (1) contains no  
22 more than a breast pump, breast pump collection and  
23 storage supplies, a rechargeable battery for operating the  
24 breast pump, a breastmilk cooler, bottle stands, ice  
25 packs, and a breast pump carrying case; and (2) is  
26 pre-packaged as a breast pump kit by the breast pump

1 manufacturer or distributor.

2 (34) Tangible personal property sold by or on behalf of  
3 the State Treasurer pursuant to the Revised Uniform Unclaimed  
4 Property Act. This item (34) is exempt from the provisions of  
5 Section 3-55.

6 (35) Beginning on January 1, 2024, tangible personal  
7 property purchased by an active duty member of the armed  
8 forces of the United States who presents valid military  
9 identification and purchases the property using a form of  
10 payment where the federal government is the payor. The member  
11 of the armed forces must complete, at the point of sale, a form  
12 prescribed by the Department of Revenue documenting that the  
13 transaction is eligible for the exemption under this  
14 paragraph. Retailers must keep the form as documentation of  
15 the exemption in their records for a period of not less than 6  
16 years. "Armed forces of the United States" means the United  
17 States Army, Navy, Air Force, Space Force, Marine Corps, or  
18 Coast Guard. This paragraph is exempt from the provisions of  
19 Section 3-55.

20 (36) Beginning July 1, 2024, home-delivered meals provided  
21 to Medicare or Medicaid recipients when payment is made by an  
22 intermediary, such as a Medicare Administrative Contractor, a  
23 Managed Care Organization, or a Medicare Advantage  
24 Organization, pursuant to a government contract. This  
25 paragraph (36) is exempt from the provisions of Section 3-55.

26 (37) Beginning on January 1, 2026, as further defined in

1 Section 3-10, food prepared for immediate consumption and  
2 transferred incident to a sale of service subject to this Act  
3 or the Service Use Tax Act by an entity licensed under the  
4 Hospital Licensing Act, the Nursing Home Care Act, the  
5 Assisted Living and Shared Housing Act, the ID/DD Community  
6 Care Act, the MC/DD Act, the Specialized Mental Health  
7 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by  
8 an entity that holds a permit issued pursuant to the Life Care  
9 Facilities Act. This item (37) is exempt from the provisions  
10 of Section 3-55.

11 (38) Beginning on January 1, 2026, as further defined in  
12 Section 3-10, food for human consumption that is to be  
13 consumed off the premises where it is sold (other than  
14 alcoholic beverages, food consisting of or infused with adult  
15 use cannabis, soft drinks, candy, and food that has been  
16 prepared for immediate consumption). This item (38) is exempt  
17 from the provisions of Section 3-55.

18 (39) The lease of the following tangible personal  
19 property:

20 (1) computer software transferred subject to a license  
21 that meets the following requirements:

22 (A) it is evidenced by a written agreement signed  
23 by the licensor and the customer;

24 (i) an electronic agreement in which the  
25 customer accepts the license by means of an  
26 electronic signature that is verifiable and can be

1           authenticated and is attached to or made part of  
2           the license will comply with this requirement;

3           (ii) a license agreement in which the customer  
4           electronically accepts the terms by clicking "I  
5           agree" does not comply with this requirement;

6           (B) it restricts the customer's duplication and  
7           use of the software;

8           (C) it prohibits the customer from licensing,  
9           sublicensing, or transferring the software to a third  
10          party (except to a related party) without the  
11          permission and continued control of the licensor;

12          (D) the licensor has a policy of providing another  
13          copy at minimal or no charge if the customer loses or  
14          damages the software, or of permitting the licensee to  
15          make and keep an archival copy, and such policy is  
16          either stated in the license agreement, supported by  
17          the licensor's books and records, or supported by a  
18          notarized statement made under penalties of perjury by  
19          the licensor; and

20          (E) the customer must destroy or return all copies  
21          of the software to the licensor at the end of the  
22          license period; this provision is deemed to be met, in  
23          the case of a perpetual license, without being set  
24          forth in the license agreement; and

25          (2) property that is subject to a tax on lease  
26          receipts imposed by a home rule unit of local government

1 if the ordinance imposing that tax was adopted prior to  
2 January 1, 2023.

3 (Source: P.A. 103-9, Article 5, Section 5-15, eff. 6-7-23;  
4 103-9, Article 15, Section 15-15, eff. 6-7-23; 103-154, eff.  
5 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,  
6 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;  
7 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-417, eff.  
8 8-15-25.)

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

11 (35 ILCS 120/2-5)

12 Sec. 2-5. Exemptions. Gross receipts from proceeds from  
13 the sale, which, on and after January 1, 2025, includes the  
14 lease, of the following tangible personal property are exempt  
15 from the tax imposed by this Act:

16 (1) Farm chemicals.

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

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

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

22 Farm machinery and equipment also includes computers,  
23 sensors, software, and related equipment used ~~primarily~~  
24 the computer-assisted operation of production agriculture  
25 facilities, equipment, and activities such as, but not  
26 limited to, the collection, monitoring, and correlation of

1 animal and crop data for the purpose of formulating animal  
2 diets and agricultural chemicals.

3 Beginning on January 1, 2024, farm machinery and  
4 equipment also includes electrical power generation  
5 equipment used ~~primarily~~ for production agriculture.

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

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

15 (4) Until July 1, 2003 and beginning again September  
16 1, 2004 through August 30, 2014, graphic arts machinery  
17 and equipment, including repair and replacement parts,  
18 both new and used, and including that manufactured on  
19 special order or purchased for lease, certified by the  
20 purchaser to be used primarily for graphic arts  
21 production. Equipment includes chemicals or chemicals  
22 acting as catalysts but only if the chemicals or chemicals  
23 acting as catalysts effect a direct and immediate change  
24 upon a graphic arts product. Beginning on July 1, 2017,  
25 graphic arts machinery and equipment is included in the  
26 manufacturing and assembling machinery and equipment

1 exemption under paragraph (14).

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

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

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

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

15 (9) Personal property sold to a not-for-profit arts or  
16 cultural organization that establishes, by proof required  
17 by the Department by rule, that it has received an  
18 exemption under Section 501(c)(3) of the Internal Revenue  
19 Code and that is organized and operated primarily for the  
20 presentation or support of arts or cultural programming,  
21 activities, or services. These organizations include, but  
22 are not limited to, music and dramatic arts organizations  
23 such as symphony orchestras and theatrical groups, arts  
24 and cultural service organizations, local arts councils,  
25 visual arts organizations, and media arts organizations.  
26 On and after July 1, 2001 (the effective date of Public Act

1 92-35), however, an entity otherwise eligible for this  
2 exemption shall not make tax-free purchases unless it has  
3 an active identification number issued by the Department.

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

11 (11) Except as otherwise provided in this Section,  
12 personal property sold to a governmental body, to a  
13 corporation, society, association, foundation, or  
14 institution organized and operated exclusively for  
15 charitable, religious, or educational purposes, or to a  
16 not-for-profit corporation, society, association,  
17 foundation, institution, or organization that has no  
18 compensated officers or employees and that is organized  
19 and operated primarily for the recreation of persons 55  
20 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  
25 exemption shall make tax-free purchases unless it has an  
26 active identification number issued by the Department.

1 (12) (Blank).

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

22 (13) Proceeds from sales to owners or lessors,  
23 lessees, or shippers of tangible personal property that is  
24 utilized by interstate carriers for hire for use as  
25 rolling stock moving in interstate commerce and equipment  
26 operated by a telecommunications provider, licensed as a

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

4 (14) Machinery and equipment that will be used by the  
5 purchaser, or a lessee of the purchaser, primarily in the  
6 process of manufacturing or assembling tangible personal  
7 property for wholesale or retail sale or lease, whether  
8 the sale or lease is made directly by the manufacturer or  
9 by some other person, whether the materials used in the  
10 process are owned by the manufacturer or some other  
11 person, or whether the sale or lease is made apart from or  
12 as an incident to the seller's engaging in the service  
13 occupation of producing machines, tools, dies, jigs,  
14 patterns, gauges, or other similar items of no commercial  
15 value on special order for a particular purchaser. The  
16 exemption provided by this paragraph (14) does not include  
17 machinery and equipment used in (i) the generation of  
18 electricity for wholesale or retail sale; (ii) the  
19 generation or treatment of natural or artificial gas for  
20 wholesale or retail sale that is delivered to customers  
21 through pipes, pipelines, or mains; or (iii) the treatment  
22 of water for wholesale or retail sale that is delivered to  
23 customers through pipes, pipelines, or mains. The  
24 provisions of Public Act 98-583 are declaratory of  
25 existing law as to the meaning and scope of this  
26 exemption. Beginning on July 1, 2017, the exemption

1 provided by this paragraph (14) includes, but is not  
2 limited to, graphic arts machinery and equipment, as  
3 defined in paragraph (4) of this Section.

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

12 (16) Tangible personal property sold to a purchaser if  
13 the purchaser is exempt from use tax by operation of  
14 federal law. This paragraph is exempt from the provisions  
15 of Section 2-70.

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

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

1 government of any foreign country, and bullion.

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

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

18 (21) Until July 1, 2028, coal and aggregate  
19 exploration, mining, off-highway hauling, processing,  
20 maintenance, and reclamation equipment, including  
21 replacement parts and equipment, and including equipment  
22 purchased for lease, but excluding motor vehicles required  
23 to be registered under the Illinois Vehicle Code. The  
24 changes made to this Section by Public Act 97-767 apply on  
25 and after July 1, 2003, but no claim for credit or refund  
26 is allowed on or after August 16, 2013 (the effective date

1 of Public Act 98-456) for such taxes paid during the  
2 period beginning July 1, 2003 and ending on August 16,  
3 2013 (the effective date of Public Act 98-456).

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

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

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

25 (24) Fuel consumed or used in the operation of ships,  
26 barges, or vessels that are used primarily in or for the

1 transportation of property or the conveyance of persons  
2 for hire on rivers bordering on this State if the fuel is  
3 delivered by the seller to the purchaser's barge, ship, or  
4 vessel while it is afloat upon that bordering river.

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

18 (25-5) The exemption under item (25) does not apply if  
19 the state in which the motor vehicle will be titled does  
20 not allow a reciprocal exemption for a motor vehicle sold  
21 and delivered in that state to an Illinois resident but  
22 titled in Illinois. The tax collected under this Act on  
23 the sale of a motor vehicle in this State to a resident of  
24 another state that does not allow a reciprocal exemption  
25 shall be imposed at a rate equal to the state's rate of tax  
26 on taxable property in the state in which the purchaser is

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

22 (25-6) There is a rebuttable presumption that the  
23 exemption under item (25) does not apply if the purchaser  
24 is a limited liability company and a member of the limited  
25 liability company is a resident of Illinois. This  
26 presumption may be rebutted by other evidence, such as

1 evidence the motor vehicle is insured at a garaging or  
2 storage address outside Illinois or other evidence of the  
3 physical address at which the motor vehicle will be  
4 permanently stored or garaged outside Illinois.

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

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

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

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

1 other information that the Department may reasonably  
2 require.

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

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

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

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

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

18 (27) Horses, or interests in horses, registered with  
19 and meeting the requirements of any of the Arabian Horse  
20 Club Registry of America, Appaloosa Horse Club, American  
21 Quarter Horse Association, United States Trotting  
22 Association, or Jockey Club, as appropriate, used for  
23 purposes of breeding or racing for prizes. This item (27)  
24 is exempt from the provisions of Section 2-70, and the  
25 exemption provided for under this item (27) applies for  
26 all periods beginning May 30, 1995, but no claim for

1 credit or refund is allowed on or after January 1, 2008  
2 (the effective date of Public Act 95-88) for such taxes  
3 paid during the period beginning May 30, 2000 and ending  
4 on January 1, 2008 (the effective date of Public Act  
5 95-88).

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

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

20 (30) Beginning with taxable years ending on or after  
21 December 31, 1995 and ending with taxable years ending on  
22 or before December 31, 2004, personal property that is  
23 donated for disaster relief to be used in a State or  
24 federally declared disaster area in Illinois or bordering  
25 Illinois by a manufacturer or retailer that is registered  
26 in this State to a corporation, society, association,

1 foundation, or institution that has been issued a sales  
2 tax exemption identification number by the Department that  
3 assists victims of the disaster who reside within the  
4 declared disaster area.

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

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

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

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

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

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

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

16 (35-5) Beginning August 23, 2001 and through June 30,  
17 2016, food for human consumption that is to be consumed  
18 off the premises where it is sold (other than alcoholic  
19 beverages, soft drinks, and food that has been prepared  
20 for immediate consumption) and prescription and  
21 nonprescription medicines, drugs, medical appliances, and  
22 insulin, urine testing materials, syringes, and needles  
23 used by diabetics, for human use, when purchased for use  
24 by a person receiving medical assistance under Article V  
25 of the Illinois Public Aid Code who resides in a licensed  
26 long-term care facility, as defined in the Nursing Home

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

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

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

21 (38) Beginning on January 1, 2002 and through June 30,  
22 2016, tangible personal property purchased from an  
23 Illinois retailer by a taxpayer engaged in centralized  
24 purchasing activities in Illinois who will, upon receipt  
25 of the property in Illinois, temporarily store the  
26 property in Illinois (i) for the purpose of subsequently

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

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

1           (40) Beginning January 1, 2010 and continuing through  
2           December 31, 2029, materials, parts, equipment,  
3           components, and furnishings incorporated into or upon an  
4           aircraft as part of the modification, refurbishment,  
5           completion, replacement, repair, or maintenance of the  
6           aircraft. This exemption includes consumable supplies used  
7           in the modification, refurbishment, completion,  
8           replacement, repair, and maintenance of aircraft. However,  
9           until January 1, 2024, this exemption excludes any  
10          materials, parts, equipment, components, and consumable  
11          supplies used in the modification, replacement, repair,  
12          and maintenance of aircraft engines or power plants,  
13          whether such engines or power plants are installed or  
14          uninstalled upon any such aircraft. "Consumable supplies"  
15          include, but are not limited to, adhesive, tape,  
16          sandpaper, general purpose lubricants, cleaning solution,  
17          latex gloves, and protective films.

18          Beginning January 1, 2010 and continuing through  
19          December 31, 2023, this exemption applies only to the sale  
20          of qualifying tangible personal property to persons who  
21          modify, refurbish, complete, replace, or maintain an  
22          aircraft and who (i) hold an Air Agency Certificate and  
23          are empowered to operate an approved repair station by the  
24          Federal Aviation Administration, (ii) have a Class IV  
25          Rating, and (iii) conduct operations in accordance with  
26          Part 145 of the Federal Aviation Regulations. The

1 exemption does not include aircraft operated by a  
2 commercial air carrier providing scheduled passenger air  
3 service pursuant to authority issued under Part 121 or  
4 Part 129 of the Federal Aviation Regulations. From January  
5 1, 2024 through December 31, 2029, this exemption applies  
6 only to the sale of qualifying tangible personal property  
7 to: (A) persons who modify, refurbish, complete, repair,  
8 replace, or maintain aircraft and who (i) hold an Air  
9 Agency Certificate and are empowered to operate an  
10 approved repair station by the Federal Aviation  
11 Administration, (ii) have a Class IV Rating, and (iii)  
12 conduct operations in accordance with Part 145 of the  
13 Federal Aviation Regulations; and (B) persons who engage  
14 in the modification, replacement, repair, and maintenance  
15 of aircraft engines or power plants without regard to  
16 whether or not those persons meet the qualifications of  
17 item (A).

18 The changes made to this paragraph (40) by Public Act  
19 98-534 are declarative of existing law. It is the intent  
20 of the General Assembly that the exemption under this  
21 paragraph (40) applies continuously from January 1, 2010  
22 through December 31, 2024; however, no claim for credit or  
23 refund is allowed for taxes paid as a result of the  
24 disallowance of this exemption on or after January 1, 2015  
25 and prior to February 5, 2020 (the effective date of  
26 Public Act 101-629).

1           (41) Tangible personal property sold to a  
2 public-facilities corporation, as described in Section  
3 11-65-10 of the Illinois Municipal Code, for purposes of  
4 constructing or furnishing a municipal convention hall,  
5 but only if the legal title to the municipal convention  
6 hall is transferred to the municipality without any  
7 further consideration by or on behalf of the municipality  
8 at the time of the completion of the municipal convention  
9 hall or upon the retirement or redemption of any bonds or  
10 other debt instruments issued by the public-facilities  
11 corporation in connection with the development of the  
12 municipal convention hall. This exemption includes  
13 existing public-facilities corporations as provided in  
14 Section 11-65-25 of the Illinois Municipal Code. This  
15 paragraph is exempt from the provisions of Section 2-70.

16           (42) Beginning January 1, 2017 and through December  
17 31, 2026, menstrual pads, tampons, and menstrual cups.

18           (43) Merchandise that is subject to the Rental  
19 Purchase Agreement Occupation and Use Tax. The purchaser  
20 must certify that the item is purchased to be rented  
21 subject to a rental-purchase agreement, as defined in the  
22 Rental-Purchase Agreement Act, and provide proof of  
23 registration under the Rental Purchase Agreement  
24 Occupation and Use Tax Act. This paragraph is exempt from  
25 the provisions of Section 2-70.

26           (44) Qualified tangible personal property used in the

1 construction or operation of a data center that has been  
2 granted a certificate of exemption by the Department of  
3 Commerce and Economic Opportunity, whether that tangible  
4 personal property is purchased by the owner, operator, or  
5 tenant of the data center or by a contractor or  
6 subcontractor of the owner, operator, or tenant. Data  
7 centers that would have qualified for a certificate of  
8 exemption prior to January 1, 2020 had Public Act 101-31  
9 been in effect, may apply for and obtain an exemption for  
10 subsequent purchases of computer equipment or enabling  
11 software purchased or leased to upgrade, supplement, or  
12 replace computer equipment or enabling software purchased  
13 or leased in the original investment that would have  
14 qualified.

15 The Department of Commerce and Economic Opportunity  
16 shall grant a certificate of exemption under this item  
17 (44) to qualified data centers as defined by Section  
18 605-1025 of the Department of Commerce and Economic  
19 Opportunity Law of the Civil Administrative Code of  
20 Illinois.

21 For the purposes of this item (44):

22 "Data center" means a building or a series of  
23 buildings rehabilitated or constructed to house  
24 working servers in one physical location or multiple  
25 sites within the State of Illinois.

26 "Qualified tangible personal property" means:

1 electrical systems and equipment; climate control and  
2 chilling equipment and systems; mechanical systems and  
3 equipment; monitoring and secure systems; emergency  
4 generators; hardware; computers; servers; data storage  
5 devices; network connectivity equipment; racks;  
6 cabinets; telecommunications cabling infrastructure;  
7 raised floor systems; peripheral components or  
8 systems; software; mechanical, electrical, or plumbing  
9 systems; battery systems; cooling systems and towers;  
10 temperature control systems; other cabling; and other  
11 data center infrastructure equipment and systems  
12 necessary to operate qualified tangible personal  
13 property, including fixtures; and component parts of  
14 any of the foregoing, including installation,  
15 maintenance, repair, refurbishment, and replacement of  
16 qualified tangible personal property to generate,  
17 transform, transmit, distribute, or manage electricity  
18 necessary to operate qualified tangible personal  
19 property; and all other tangible personal property  
20 that is essential to the operations of a computer data  
21 center. The term "qualified tangible personal  
22 property" also includes building materials physically  
23 incorporated into the qualifying data center. To  
24 document the exemption allowed under this Section, the  
25 retailer must obtain from the purchaser a copy of the  
26 certificate of eligibility issued by the Department of

1 Commerce and Economic Opportunity.

2 This item (44) is exempt from the provisions of  
3 Section 2-70.

4 (45) Beginning January 1, 2020 and through December  
5 31, 2020, sales of tangible personal property made by a  
6 marketplace seller over a marketplace for which tax is due  
7 under this Act but for which use tax has been collected and  
8 remitted to the Department by a marketplace facilitator  
9 under Section 2d of the Use Tax Act are exempt from tax  
10 under this Act. A marketplace seller claiming this  
11 exemption shall maintain books and records demonstrating  
12 that the use tax on such sales has been collected and  
13 remitted by a marketplace facilitator. Marketplace sellers  
14 that have properly remitted tax under this Act on such  
15 sales may file a claim for credit as provided in Section 6  
16 of this Act. No claim is allowed, however, for such taxes  
17 for which a credit or refund has been issued to the  
18 marketplace facilitator under the Use Tax Act, or for  
19 which the marketplace facilitator has filed a claim for  
20 credit or refund under the Use Tax Act.

21 (46) Beginning July 1, 2022, breast pumps, breast pump  
22 collection and storage supplies, and breast pump kits.  
23 This item (46) is exempt from the provisions of Section  
24 2-70. As used in this item (46):

25 "Breast pump" means an electrically controlled or  
26 manually controlled pump device designed or marketed to be

1 used to express milk from a human breast during lactation,  
2 including the pump device and any battery, AC adapter, or  
3 other power supply unit that is used to power the pump  
4 device and is packaged and sold with the pump device at the  
5 time of sale.

6 "Breast pump collection and storage supplies" means  
7 items of tangible personal property designed or marketed  
8 to be used in conjunction with a breast pump to collect  
9 milk expressed from a human breast and to store collected  
10 milk until it is ready for consumption.

11 "Breast pump collection and storage supplies"  
12 includes, but is not limited to: breast shields and breast  
13 shield connectors; breast pump tubes and tubing adapters;  
14 breast pump valves and membranes; backflow protectors and  
15 backflow protector adaptors; bottles and bottle caps  
16 specific to the operation of the breast pump; and breast  
17 milk storage bags.

18 "Breast pump collection and storage supplies" does not  
19 include: (1) bottles and bottle caps not specific to the  
20 operation of the breast pump; (2) breast pump travel bags  
21 and other similar carrying accessories, including ice  
22 packs, labels, and other similar products; (3) breast pump  
23 cleaning supplies; (4) nursing bras, bra pads, breast  
24 shells, and other similar products; and (5) creams,  
25 ointments, and other similar products that relieve  
26 breastfeeding-related symptoms or conditions of the

1           breasts or nipples, unless sold as part of a breast pump  
2           kit that is pre-packaged by the breast pump manufacturer  
3           or distributor.

4           "Breast pump kit" means a kit that: (1) contains no  
5           more than a breast pump, breast pump collection and  
6           storage supplies, a rechargeable battery for operating the  
7           breast pump, a breastmilk cooler, bottle stands, ice  
8           packs, and a breast pump carrying case; and (2) is  
9           pre-packaged as a breast pump kit by the breast pump  
10          manufacturer or distributor.

11          (47) Tangible personal property sold by or on behalf  
12          of the State Treasurer pursuant to the Revised Uniform  
13          Unclaimed Property Act. This item (47) is exempt from the  
14          provisions of Section 2-70.

15          (48) Beginning on January 1, 2024, tangible personal  
16          property purchased by an active duty member of the armed  
17          forces of the United States who presents valid military  
18          identification and purchases the property using a form of  
19          payment where the federal government is the payor. The  
20          member of the armed forces must complete, at the point of  
21          sale, a form prescribed by the Department of Revenue  
22          documenting that the transaction is eligible for the  
23          exemption under this paragraph. Retailers must keep the  
24          form as documentation of the exemption in their records  
25          for a period of not less than 6 years. "Armed forces of the  
26          United States" means the United States Army, Navy, Air

1 Force, Space Force, Marine Corps, or Coast Guard. This  
2 paragraph is exempt from the provisions of Section 2-70.

3 (49) Beginning July 1, 2024, home-delivered meals  
4 provided to Medicare or Medicaid recipients when payment  
5 is made by an intermediary, such as a Medicare  
6 Administrative Contractor, a Managed Care Organization, or  
7 a Medicare Advantage Organization, pursuant to a  
8 government contract. This paragraph (49) is exempt from  
9 the provisions of Section 2-70.

10 (50) Beginning on January 1, 2026, as further defined  
11 in Section 2-10, food for human consumption that is to be  
12 consumed off the premises where it is sold (other than  
13 alcoholic beverages, food consisting of or infused with  
14 adult use cannabis, soft drinks, candy, and food that has  
15 been prepared for immediate consumption). This item (50)  
16 is exempt from the provisions of Section 2-70.

17 (51) Gross receipts from the lease of the following  
18 tangible personal property:

19 (1) computer software transferred subject to a  
20 license that meets the following requirements:

21 (A) it is evidenced by a written agreement  
22 signed by the licensor and the customer;

23 (i) an electronic agreement in which the  
24 customer accepts the license by means of an  
25 electronic signature that is verifiable and  
26 can be authenticated and is attached to or

1           made part of the license will comply with this  
2           requirement;

3           (ii) a license agreement in which the  
4           customer electronically accepts the terms by  
5           clicking "I agree" does not comply with this  
6           requirement;

7           (B) it restricts the customer's duplication  
8           and use of the software;

9           (C) it prohibits the customer from licensing,  
10          sublicensing, or transferring the software to a  
11          third party (except to a related party) without  
12          the permission and continued control of the  
13          licensor;

14          (D) the licensor has a policy of providing  
15          another copy at minimal or no charge if the  
16          customer loses or damages the software, or of  
17          permitting the licensee to make and keep an  
18          archival copy, and such policy is either stated in  
19          the license agreement, supported by the licensor's  
20          books and records, or supported by a notarized  
21          statement made under penalties of perjury by the  
22          licensor; and

23          (E) the customer must destroy or return all  
24          copies of the software to the licensor at the end  
25          of the license period; this provision is deemed to  
26          be met, in the case of a perpetual license,

1 without being set forth in the license agreement;

2 and

3 (2) property that is subject to a tax on lease  
4 receipts imposed by a home rule unit of local  
5 government if the ordinance imposing that tax was  
6 adopted prior to January 1, 2023.

7 (Source: P.A. 103-9, Article 5, Section 5-20, eff. 6-7-23;  
8 103-9, Article 15, Section 15-20, eff. 6-7-23; 103-154, eff.  
9 6-30-23; 103-384, eff. 1-1-24; 103-592, eff. 1-1-25; 103-605,  
10 eff. 7-1-24; 103-643, eff. 7-1-24; 103-746, eff. 1-1-25;  
11 103-781, eff. 8-5-24; 103-995, eff. 8-9-24; 104-6, eff.  
12 6-16-25; 104-417, eff. 8-15-25.)