



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

SB1888

Introduced 2/6/2025, by Sen. Donald P. DeWitte

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-55	from Ch. 120, par. 439.3-55
35 ILCS 110/3-45	from Ch. 120, par. 439.33-45
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 tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will, upon receipt of the property in Illinois, temporarily store the property in Illinois for specified purposes applies from January 1, 2026 through December 31, 2031. Effective immediately.

LRB104 08337 HLH 18388 b

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 3-55 as follows:

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or  
8 likely multistate taxation, the tax imposed by this Act does  
9 not apply to the use of tangible personal property in this  
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal property  
12 acquired outside this State by a nonresident individual and  
13 brought into this State by the individual for his or her own  
14 use while temporarily within this State or while passing  
15 through this State.

16 (b) (Blank).

17 (c) The use, in this State, by owners or lessors, lessees,  
18 or shippers of tangible personal property that is utilized by  
19 interstate carriers for hire for use as rolling stock moving  
20 in interstate commerce as long as so used by the interstate  
21 carriers for hire, and equipment operated by a  
22 telecommunications provider, licensed as a common carrier by  
23 the Federal Communications Commission, which is permanently

1 installed in or affixed to aircraft moving in interstate  
2 commerce.

3 (d) The use, in this State, of tangible personal property  
4 that is acquired outside this State and caused to be brought  
5 into this State by a person who has already paid a tax in  
6 another State in respect to the sale, purchase, or use of that  
7 property, to the extent of the amount of the tax properly due  
8 and paid in the other State.

9 (e) The temporary storage, in this State, of tangible  
10 personal property that is acquired outside this State and  
11 that, after being brought into this State and stored here  
12 temporarily, is used solely outside this State or is  
13 physically attached to or incorporated into other tangible  
14 personal property that is used solely outside this State, or  
15 is altered by converting, fabricating, manufacturing,  
16 printing, processing, or shaping, and, as altered, is used  
17 solely outside this State.

18 (f) The temporary storage in this State of building  
19 materials and fixtures that are acquired either in this State  
20 or outside this State by an Illinois registered combination  
21 retailer and construction contractor, and that the purchaser  
22 thereafter uses outside this State by incorporating that  
23 property into real estate located outside this State.

24 (g) The use or purchase of tangible personal property by a  
25 common carrier by rail or motor that receives the physical  
26 possession of the property in Illinois, and that transports

1 the property, or shares with another common carrier in the  
2 transportation of the property, out of Illinois on a standard  
3 uniform bill of lading showing the seller of the property as  
4 the shipper or consignor of the property to a destination  
5 outside Illinois, for use outside Illinois.

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

18 (h-1) The exemption under subsection (h) does not apply if  
19 the state in which the motor vehicle will be titled does not  
20 allow a reciprocal exemption for the use in that state of a  
21 motor vehicle sold and delivered in that state to an Illinois  
22 resident but titled in Illinois. The tax collected under this  
23 Act on the sale of a motor vehicle in this State to a resident  
24 of another state that does not allow a reciprocal exemption  
25 shall be imposed at a rate equal to the state's rate of tax on  
26 taxable property in the state in which the purchaser is a

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

21 (h-2) The following exemptions apply with respect to  
22 certain aircraft:

23 (1) Beginning on July 1, 2007, no tax is imposed under  
24 this Act on the purchase of an aircraft, as defined in  
25 Section 3 of the Illinois Aeronautics Act, if all of the  
26 following conditions are met:

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

8 (B) the aircraft is not based or registered in  
9 this State after the purchase of the aircraft; and

10 (C) the purchaser provides the Department with a  
11 signed and dated certification, on a form prescribed  
12 by the Department, certifying that the requirements of  
13 this item (1) are met. The certificate must also  
14 include the name and address of the purchaser, the  
15 address of the location where the aircraft is to be  
16 titled or registered, the address of the primary  
17 physical location of the aircraft, and other  
18 information that the Department may reasonably  
19 require.

20 (2) Beginning on July 1, 2007, no tax is imposed under  
21 this Act on the use of an aircraft, as defined in Section 3  
22 of the Illinois Aeronautics Act, that is temporarily  
23 located in this State for the purpose of a prepurchase  
24 evaluation if all of the following conditions are met:

25 (A) the aircraft is not based or registered in  
26 this State after the prepurchase evaluation; and

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

11 (3) Beginning on July 1, 2007, no tax is imposed under  
12 this Act on the use of an aircraft, as defined in Section 3  
13 of the Illinois Aeronautics Act, that is temporarily  
14 located in this State for the purpose of a post-sale  
15 customization if all of the following conditions are met:

16 (A) the aircraft leaves this State within 15 days  
17 after the authorized approval for return to service,  
18 completion of the maintenance record entry, and  
19 completion of the test flight and ground test for  
20 inspection, as required by 14 C.F.R. 91.407;

21 (B) the aircraft is not based or registered in  
22 this State either before or after the post-sale  
23 customization; and

24 (C) the purchaser provides the Department with a  
25 signed and dated certification, on a form prescribed  
26 by the Department, certifying that the requirements of

1           this item (3) are met. The certificate must also  
2           include the name and address of the purchaser, the  
3           address of the location where the aircraft is to be  
4           titled or registered, the address of the primary  
5           physical location of the aircraft, and other  
6           information that the Department may reasonably  
7           require.

8           If tax becomes due under this subsection (h-2) because of  
9           the purchaser's use of the aircraft in this State, the  
10          purchaser shall file a return with the Department and pay the  
11          tax on the fair market value of the aircraft. This return and  
12          payment of the tax must be made no later than 30 days after the  
13          aircraft is used in a taxable manner in this State. The tax is  
14          based on the fair market value of the aircraft on the date that  
15          it is first used in a taxable manner in this State.

16          For purposes of this subsection (h-2):

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

21          "Post-sale customization" means any improvement,  
22          maintenance, or repair that is performed on an aircraft  
23          following a transfer of ownership of the aircraft.

24          "Prepurchase evaluation" means an examination of an  
25          aircraft to provide a potential purchaser with information  
26          relevant to the potential purchase.

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

5 This subsection (h-2) is exempt from the provisions of  
6 Section 3-90.

7 (i) Beginning July 1, 1999, the use, in this State, of fuel  
8 acquired outside this State and brought into this State in the  
9 fuel supply tanks of locomotives engaged in freight hauling  
10 and passenger service for interstate commerce. This subsection  
11 is exempt from the provisions of Section 3-90.

12 (j) Beginning on January 1, 2002 and through June 30,  
13 2016, and beginning again on January 1, 2026 and through  
14 December 31, 2031, the use of tangible personal property  
15 purchased from an Illinois retailer by a taxpayer engaged in  
16 centralized purchasing activities in Illinois who will, upon  
17 receipt of the property in Illinois, temporarily store the  
18 property in Illinois (i) for the purpose of subsequently  
19 transporting it outside this State for use or consumption  
20 thereafter solely outside this State or (ii) for the purpose  
21 of being processed, fabricated, or manufactured into, attached  
22 to, or incorporated into other tangible personal property to  
23 be transported outside this State and thereafter used or  
24 consumed solely outside this State. The Director of Revenue  
25 shall, pursuant to rules adopted in accordance with the  
26 Illinois Administrative Procedure Act, issue a permit to any

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

10 (Source: P.A. 103-592, eff. 1-1-25.)

11 Section 10. The Service Use Tax Act is amended by changing  
12 Section 3-45 as follows:

13 (35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

14 Sec. 3-45. Multistate exemption. To prevent actual or  
15 likely multistate taxation, the tax imposed by this Act does  
16 not apply to the use of tangible personal property in this  
17 State under the following circumstances:

18 (a) The use, in this State, of property acquired outside  
19 this State by a nonresident individual and brought into this  
20 State by the individual for his or her own use while  
21 temporarily within this State or while passing through this  
22 State.

23 (b) The use, in this State, of property that is acquired  
24 outside this State and that is moved into this State for use as

1 rolling stock moving in interstate commerce.

2 (c) The use, in this State, of property that is acquired  
3 outside this State and caused to be brought into this State by  
4 a person who has already paid a tax in another state in respect  
5 to the sale, purchase, or use of that property, to the extent  
6 of the amount of the tax properly due and paid in the other  
7 state.

8 (d) The temporary storage, in this State, of property that  
9 is acquired outside this State and that after being brought  
10 into this State and stored here temporarily, is used solely  
11 outside this State or is physically attached to or  
12 incorporated into other property that is used solely outside  
13 this State, or is altered by converting, fabricating,  
14 manufacturing, printing, processing, or shaping, and, as  
15 altered, is used solely outside this State.

16 (e) Beginning July 1, 1999, the use, in this State, of fuel  
17 acquired outside this State and brought into this State in the  
18 fuel supply tanks of locomotives engaged in freight hauling  
19 and passenger service for interstate commerce. This subsection  
20 is exempt from the provisions of Section 3-75.

21 (f) Beginning on January 1, 2002 and through June 30,  
22 2016, and beginning again on January 1, 2026 and through  
23 December 31, 2031, the use of tangible personal property  
24 purchased from an Illinois retailer by a taxpayer engaged in  
25 centralized purchasing activities in Illinois who will, upon  
26 receipt of the property in Illinois, temporarily store the

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

19 (Source: P.A. 97-73, eff. 6-30-11.)

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

22 (35 ILCS 115/3-5)

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

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

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

11          (3) Personal property purchased by any not-for-profit arts  
12          or cultural organization that establishes, by proof required  
13          by the Department by rule, that it has received an exemption  
14          under Section 501(c)(3) of the Internal Revenue Code and that  
15          is organized and operated primarily for the presentation or  
16          support of arts or cultural programming, activities, or  
17          services. These organizations include, but are not limited to,  
18          music and dramatic arts organizations such as symphony  
19          orchestras and theatrical groups, arts and cultural service  
20          organizations, local arts councils, visual arts organizations,  
21          and media arts organizations. On and after July 1, 2001 (the  
22          effective date of Public Act 92-35), however, an entity  
23          otherwise eligible for this exemption shall not make tax-free  
24          purchases unless it has an active identification number issued  
25          by the Department.

26          (4) Legal tender, currency, medallions, or gold or silver

1 coinage issued by the State of Illinois, the government of the  
2 United States of America, or the government of any foreign  
3 country, and bullion.

4 (5) 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 or  
8 purchased for lease, certified by the purchaser to be used  
9 primarily for graphic arts production. Equipment includes  
10 chemicals or chemicals acting as catalysts but only if the  
11 chemicals or chemicals acting as catalysts effect a direct and  
12 immediate change upon a graphic arts product. Beginning on  
13 July 1, 2017, graphic arts machinery and equipment is included  
14 in the manufacturing and assembling machinery and equipment  
15 exemption under Section 2 of this Act.

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

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

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

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

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

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

4           This item (7) is exempt from the provisions of Section  
5 3-55.

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

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

23           (9) Proceeds of mandatory service charges separately  
24 stated on customers' bills for the purchase and consumption of  
25 food and beverages, to the extent that the proceeds of the  
26 service charge are in fact turned over as tips or as a

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

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

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

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

1 for credit or refund is allowed on or after August 16, 2013  
2 (the effective date of Public Act 98-456) for such taxes paid  
3 during the period beginning July 1, 2003 and ending on August  
4 16, 2013 (the effective date of Public Act 98-456).

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

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

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

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

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

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

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

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

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

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

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

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

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

1 from the sale to the fundraising entity. This paragraph is  
2 exempt from the provisions of Section 3-55.

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

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 sold to  
17 a lessor who leases the equipment, under a lease of one year or  
18 longer executed or in effect at the time of the purchase, to a  
19 hospital that has been issued an active tax exemption  
20 identification number by the Department under Section 1g of  
21 the Retailers' Occupation Tax Act. This paragraph is exempt  
22 from the provisions of Section 3-55.

23 (25) Beginning on August 2, 2001 (the effective date of  
24 Public Act 92-227), personal property sold to a lessor who  
25 leases the property, under a lease of one year or longer  
26 executed or in effect at the time of the purchase, to a

1 governmental body that has been issued an active tax exemption  
2 identification number by the Department under Section 1g of  
3 the Retailers' Occupation Tax Act. This paragraph is exempt  
4 from the provisions of Section 3-55.

5 (26) Beginning on January 1, 2002 and through June 30,  
6 2016, and beginning again on January 1, 2026 and through  
7 December 31, 2031, tangible personal property purchased from  
8 an Illinois retailer by a taxpayer engaged in centralized  
9 purchasing activities in Illinois who will, upon receipt of  
10 the property in Illinois, temporarily store the property in  
11 Illinois (i) for the purpose of subsequently transporting it  
12 outside this State for use or consumption thereafter solely  
13 outside this State or (ii) for the purpose of being processed,  
14 fabricated, or manufactured into, attached to, or incorporated  
15 into other tangible personal property to be transported  
16 outside this State and thereafter used or consumed solely  
17 outside this State. The Director of Revenue shall, pursuant to  
18 rules adopted in accordance with the Illinois Administrative  
19 Procedure Act, issue a permit to any taxpayer in good standing  
20 with the Department who is eligible for the exemption under  
21 this paragraph (26). The permit issued under this paragraph  
22 (26) shall authorize the holder, to the extent and in the  
23 manner specified in the rules adopted under this Act, to  
24 purchase tangible personal property from a retailer exempt  
25 from the taxes imposed by this Act. Taxpayers shall maintain  
26 all necessary books and records to substantiate the use and

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

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

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

25 (29) Beginning January 1, 2010 and continuing through  
26 December 31, 2029, materials, parts, equipment, components,

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

15 Beginning January 1, 2010 and continuing through December  
16 31, 2023, this exemption applies only to the transfer of  
17 qualifying tangible personal property incident to the  
18 modification, refurbishment, completion, replacement, repair,  
19 or maintenance of an aircraft by persons who (i) hold an Air  
20 Agency Certificate and are empowered to operate an approved  
21 repair station by the Federal Aviation Administration, (ii)  
22 have a Class IV Rating, and (iii) conduct operations in  
23 accordance with Part 145 of the Federal Aviation Regulations.  
24 The exemption does not include aircraft operated by a  
25 commercial air carrier providing scheduled passenger air  
26 service pursuant to authority issued under Part 121 or Part

1 129 of the Federal Aviation Regulations. From January 1, 2024  
2 through December 31, 2029, this exemption applies only to the  
3 transfer of qualifying tangible personal property incident to:  
4 (A) the modification, refurbishment, completion, repair,  
5 replacement, or maintenance of an aircraft by persons who (i)  
6 hold an Air Agency Certificate and are empowered to operate an  
7 approved repair station by the Federal Aviation  
8 Administration, (ii) have a Class IV Rating, and (iii) conduct  
9 operations in accordance with Part 145 of the Federal Aviation  
10 Regulations; and (B) the modification, replacement, repair,  
11 and maintenance of aircraft engines or power plants without  
12 regard to whether or not those persons meet the qualifications  
13 of item (A).

14 The changes made to this paragraph (29) by Public Act  
15 98-534 are declarative of existing law. It is the intent of the  
16 General Assembly that the exemption under this paragraph (29)  
17 applies continuously from January 1, 2010 through December 31,  
18 2024; however, no claim for credit or refund is allowed for  
19 taxes paid as a result of the disallowance of this exemption on  
20 or after January 1, 2015 and prior to February 5, 2020 (the  
21 effective date of Public Act 101-629).

22 (30) Beginning January 1, 2017 and through December 31,  
23 2026, menstrual pads, tampons, and menstrual cups.

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

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

15 The Department of Commerce and Economic Opportunity shall  
16 grant a certificate of exemption under this item (32) to  
17 qualified data centers as defined by Section 605-1025 of the  
18 Department of Commerce and Economic Opportunity Law of the  
19 Civil Administrative Code of Illinois.

20 For the purposes of this item (32):

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

25 "Qualified tangible personal property" means:  
26 electrical systems and equipment; climate control and

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

26 This item (32) is exempt from the provisions of Section

1 3-55.

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

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

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

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

25 "Breast pump collection and storage supplies" does not  
26 include: (1) bottles and bottle caps not specific to the

1 operation of the breast pump; (2) breast pump travel bags  
2 and other similar carrying accessories, including ice  
3 packs, labels, and other similar products; (3) breast pump  
4 cleaning supplies; (4) nursing bras, bra pads, breast  
5 shells, and other similar products; and (5) creams,  
6 ointments, and other similar products that relieve  
7 breastfeeding-related symptoms or conditions of the  
8 breasts or nipples, unless sold as part of a breast pump  
9 kit that is pre-packaged by the breast pump manufacturer  
10 or distributor.

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

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

22 (35) Beginning on January 1, 2024, tangible personal  
23 property purchased by an active duty member of the armed  
24 forces of the United States who presents valid military  
25 identification and purchases the property using a form of  
26 payment where the federal government is the payor. The member

1 of the armed forces must complete, at the point of sale, a form  
2 prescribed by the Department of Revenue documenting that the  
3 transaction is eligible for the exemption under this  
4 paragraph. Retailers must keep the form as documentation of  
5 the exemption in their records for a period of not less than 6  
6 years. "Armed forces of the United States" means the United  
7 States Army, Navy, Air Force, Space Force, Marine Corps, or  
8 Coast Guard. This paragraph is exempt from the provisions of  
9 Section 3-55.

10 (36) Beginning July 1, 2024, home-delivered meals provided  
11 to Medicare or Medicaid recipients when payment is made by an  
12 intermediary, such as a Medicare Administrative Contractor, a  
13 Managed Care Organization, or a Medicare Advantage  
14 Organization, pursuant to a government contract. This  
15 paragraph (36) ~~(35)~~ is exempt from the provisions of Section  
16 3-55.

17 (37) ~~(36)~~ Beginning on January 1, 2026, as further defined  
18 in Section 3-10, food prepared for immediate consumption and  
19 transferred incident to a sale of service subject to this Act  
20 or the Service Use Tax Act by an entity licensed under the  
21 Hospital Licensing Act, the Nursing Home Care Act, the  
22 Assisted Living and Shared Housing Act, the ID/DD Community  
23 Care Act, the MC/DD Act, the Specialized Mental Health  
24 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by  
25 an entity that holds a permit issued pursuant to the Life Care  
26 Facilities Act. This item (37) ~~(36)~~ is exempt from the

1 provisions of Section 3-55.

2 (38) ~~(37)~~ Beginning on January 1, 2026, as further defined  
3 in Section 3-10, food for human consumption that is to be  
4 consumed off the premises where it is sold (other than  
5 alcoholic beverages, food consisting of or infused with adult  
6 use cannabis, soft drinks, candy, and food that has been  
7 prepared for immediate consumption). This item (38) ~~(37)~~ is  
8 exempt from the provisions of Section 3-55.

9 (39) ~~(36)~~ The lease of the following tangible personal  
10 property:

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

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

15 (i) an electronic agreement in which the  
16 customer accepts the license by means of an  
17 electronic signature that is verifiable and can be  
18 authenticated and is attached to or made part of  
19 the license will comply with this requirement;

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

23 (B) it restricts the customer's duplication and  
24 use of the software;

25 (C) it prohibits the customer from licensing,  
26 sublicensing, or transferring the software to a third

1 party (except to a related party) without the  
2 permission and continued control of the licensor;

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

11 (E) the customer must destroy or return all copies  
12 of the software to the licensor at the end of the  
13 license period; this provision is deemed to be met, in  
14 the case of a perpetual license, without being set  
15 forth in the license agreement; and

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

20 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
21 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section  
22 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
23 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,  
24 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
25 103-592, eff. 1-1-25; 103-605, eff. 7-1-24; 103-643, eff.  
26 7-1-24; 103-746, eff. 1-1-25; 103-781, eff. 8-5-24; 103-995,

1 eff. 8-9-24; revised 11-26-24.)

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

4 (35 ILCS 120/2-5)

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

9 (1) Farm chemicals.

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

1 and equipment under this item (2). Agricultural chemical  
2 tender tanks and dry boxes shall include units sold  
3 separately from a motor vehicle required to be licensed  
4 and units sold mounted on a motor vehicle required to be  
5 licensed, if the selling price of the tender is separately  
6 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  
10 not limited to, tractors, harvesters, sprayers, planters,  
11 seeders, or spreaders. Precision farming equipment  
12 includes, but is not limited to, soil testing sensors,  
13 computers, monitors, software, global positioning and  
14 mapping systems, and other such equipment.

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

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

25 This item (2) is exempt from the provisions of Section  
26 2-70.

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

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

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

25          (6) Personal property sold by a teacher-sponsored  
26          student organization affiliated with an elementary or

1 secondary school located in Illinois.

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

5 (8) Personal property sold to an Illinois county fair  
6 association for use in conducting, operating, or promoting  
7 the county fair.

8 (9) Personal property sold to a not-for-profit arts or  
9 cultural organization that establishes, by proof required  
10 by the Department by rule, that it has received an  
11 exemption under Section 501(c)(3) of the Internal Revenue  
12 Code and that is organized and operated primarily for the  
13 presentation or support of arts or cultural programming,  
14 activities, or services. These organizations include, but  
15 are not limited to, music and dramatic arts organizations  
16 such as symphony orchestras and theatrical groups, arts  
17 and cultural service organizations, local arts councils,  
18 visual arts organizations, and media arts organizations.  
19 On and after July 1, 2001 (the effective date of Public Act  
20 92-35), however, an entity otherwise eligible for this  
21 exemption shall not make tax-free purchases unless it has  
22 an active identification number issued by the Department.

23 (10) Personal property sold by a corporation, society,  
24 association, foundation, institution, or organization,  
25 other than a limited liability company, that is organized  
26 and operated as a not-for-profit service enterprise for

1 the benefit of persons 65 years of age or older if the  
2 personal property was not purchased by the enterprise for  
3 the purpose of resale by the enterprise.

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

20 (12) (Blank).

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

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

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

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

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

23 (15) Proceeds of mandatory service charges separately  
24 stated on customers' bills for purchase and consumption of  
25 food and beverages, to the extent that the proceeds of the  
26 service charge are in fact turned over as tips or as a

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

5 (16) Tangible personal property sold to a purchaser if  
6 the purchaser is exempt from use tax by operation of  
7 federal law. This paragraph is exempt from the provisions  
8 of Section 2-70.

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

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

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

1 replacement part for oil field exploration, drilling, and  
2 production equipment, and (vi) machinery and equipment  
3 purchased for lease; but excluding motor vehicles required  
4 to be registered under the Illinois Vehicle Code.

5 (20) Photoprocessing machinery and equipment,  
6 including repair and replacement parts, both new and used,  
7 including that manufactured on special order, certified by  
8 the purchaser to be used primarily for photoprocessing,  
9 and including photoprocessing machinery and equipment  
10 purchased for lease.

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

23 (22) Until June 30, 2013, fuel and petroleum products  
24 sold to or used by an air carrier, certified by the carrier  
25 to be used for consumption, shipment, or storage in the  
26 conduct of its business as an air common carrier, for a

1 flight destined for or returning from a location or  
2 locations outside the United States without regard to  
3 previous or subsequent domestic stopovers.

4 Beginning July 1, 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 that (i) is engaged in foreign trade or is engaged  
9 in trade between the United States and any of its  
10 possessions and (ii) transports at least one individual or  
11 package for hire from the city of origination to the city  
12 of final destination on the same aircraft, without regard  
13 to a change in the flight number of that aircraft.

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

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

24 (25) Except as provided in item (25-5) of this  
25 Section, a motor vehicle sold in this State to a  
26 nonresident even though the motor vehicle is delivered to

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

11 (25-5) The exemption under item (25) does not apply if  
12 the state in which the motor vehicle will be titled does  
13 not allow a reciprocal exemption for a motor vehicle sold  
14 and delivered in that state to an Illinois resident but  
15 titled in Illinois. The tax collected under this Act on  
16 the sale of a motor vehicle in this State to a resident of  
17 another state that does not allow a reciprocal exemption  
18 shall be imposed at a rate equal to the state's rate of tax  
19 on taxable property in the state in which the purchaser is  
20 a resident, except that the tax shall not exceed the tax  
21 that would otherwise be imposed under this Act. At the  
22 time of the sale, the purchaser shall execute a statement,  
23 signed under penalty of perjury, of his or her intent to  
24 title the vehicle in the state in which the purchaser is a  
25 resident within 30 days after the sale and of the fact of  
26 the payment to the State of Illinois of tax in an amount

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

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

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

26 (2) the aircraft is not based or registered in

1           this State after the sale of the aircraft; and

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

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

14           "Based in this State" means hangared, stored, or  
15 otherwise used, excluding post-sale customizations as  
16 defined in this Section, for 10 or more days in each  
17 12-month period immediately following the date of the sale  
18 of the aircraft.

19           "Registered in this State" means an aircraft  
20 registered with the Department of Transportation,  
21 Aeronautics Division, or titled or registered with the  
22 Federal Aviation Administration to an address located in  
23 this State.

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

26           (26) Semen used for artificial insemination of

1 livestock for direct agricultural production.

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

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

24 (29) Personal property sold to a lessor who leases the  
25 property, under a lease of one year or longer executed or  
26 in effect at the time of the purchase, to a governmental

1 body that has been issued an active tax exemption  
2 identification number by the Department under Section 1g  
3 of this Act.

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

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

1 declared disaster area within 6 months after the disaster.

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

6 (33) A motor vehicle, as that term is defined in  
7 Section 1-146 of the Illinois Vehicle Code, that is  
8 donated to a corporation, limited liability company,  
9 society, association, foundation, or institution that is  
10 determined by the Department to be organized and operated  
11 exclusively for educational purposes. For purposes of this  
12 exemption, "a corporation, limited liability company,  
13 society, association, foundation, or institution organized  
14 and operated exclusively for educational purposes" means  
15 all tax-supported public schools, private schools that  
16 offer systematic instruction in useful branches of  
17 learning by methods common to public schools and that  
18 compare favorably in their scope and intensity with the  
19 course of study presented in tax-supported schools, and  
20 vocational or technical schools or institutes organized  
21 and operated exclusively to provide a course of study of  
22 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 (34) Beginning January 1, 2000, personal property,

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

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

26 (35-5) Beginning August 23, 2001 and through June 30,

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

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

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

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

5 (38) Beginning on January 1, 2002 and through June 30,  
6 2016, and beginning again on January 1, 2026 and through  
7 December 31, 2031, tangible personal property purchased  
8 from an Illinois retailer by a taxpayer engaged in  
9 centralized purchasing activities in Illinois who will,  
10 upon receipt of the property in Illinois, temporarily  
11 store the property in Illinois (i) for the purpose of  
12 subsequently transporting it outside this State for use or  
13 consumption thereafter solely outside this State or (ii)  
14 for the purpose of being processed, fabricated, or  
15 manufactured into, attached to, or incorporated into other  
16 tangible personal property to be transported outside this  
17 State and thereafter used or consumed solely outside this  
18 State. The Director of Revenue shall, pursuant to rules  
19 adopted in accordance with the Illinois Administrative  
20 Procedure Act, issue a permit to any taxpayer in good  
21 standing with the Department who is eligible for the  
22 exemption under this paragraph (38). The permit issued  
23 under this paragraph (38) shall authorize the holder, to  
24 the extent and in the manner specified in the rules  
25 adopted under this Act, to purchase tangible personal  
26 property from a retailer exempt from the taxes imposed by

1           this Act. Taxpayers shall maintain all necessary books and  
2           records to substantiate the use and consumption of all  
3           such tangible personal property outside of the State of  
4           Illinois.

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

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

1 include, but are not limited to, adhesive, tape,  
2 sandpaper, general purpose lubricants, cleaning solution,  
3 latex gloves, and protective films.

4 Beginning January 1, 2010 and continuing through  
5 December 31, 2023, this exemption applies only to the sale  
6 of qualifying tangible personal property to persons who  
7 modify, refurbish, complete, replace, or maintain an  
8 aircraft and who (i) hold an Air Agency Certificate and  
9 are empowered to operate an approved repair station by the  
10 Federal Aviation Administration, (ii) have a Class IV  
11 Rating, and (iii) conduct operations in accordance with  
12 Part 145 of the Federal Aviation Regulations. The  
13 exemption does not include aircraft operated by a  
14 commercial air carrier providing scheduled passenger air  
15 service pursuant to authority issued under Part 121 or  
16 Part 129 of the Federal Aviation Regulations. From January  
17 1, 2024 through December 31, 2029, this exemption applies  
18 only to the sale of qualifying tangible personal property  
19 to: (A) persons who modify, refurbish, complete, repair,  
20 replace, or maintain aircraft and who (i) hold an Air  
21 Agency Certificate and are empowered to operate an  
22 approved repair station by the Federal Aviation  
23 Administration, (ii) have a Class IV Rating, and (iii)  
24 conduct operations in accordance with Part 145 of the  
25 Federal Aviation Regulations; and (B) persons who engage  
26 in the modification, replacement, repair, and maintenance

1 of aircraft engines or power plants without regard to  
2 whether or not those persons meet the qualifications of  
3 item (A).

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

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

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

2 (42) Beginning January 1, 2017 and through December  
3 31, 2026, menstrual pads, tampons, and menstrual cups.

4 (43) Merchandise that is subject to the Rental  
5 Purchase Agreement Occupation and Use Tax. The purchaser  
6 must certify that the item is purchased to be rented  
7 subject to a rental-purchase agreement, as defined in the  
8 Rental-Purchase Agreement Act, and provide proof of  
9 registration under the Rental Purchase Agreement  
10 Occupation and Use Tax Act. This paragraph is exempt from  
11 the provisions of Section 2-70.

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

1           The Department of Commerce and Economic Opportunity  
2 shall grant a certificate of exemption under this item  
3 (44) to qualified data centers as defined by Section  
4 605-1025 of the Department of Commerce and Economic  
5 Opportunity Law of the Civil Administrative Code of  
6 Illinois.

7           For the purposes of this item (44):

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

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

1 maintenance, repair, refurbishment, and replacement of  
2 qualified tangible personal property to generate,  
3 transform, transmit, distribute, or manage electricity  
4 necessary to operate qualified tangible personal  
5 property; and all other tangible personal property  
6 that is essential to the operations of a computer data  
7 center. The term "qualified tangible personal  
8 property" also includes building materials physically  
9 incorporated into the qualifying data center. To  
10 document the exemption allowed under this Section, the  
11 retailer must obtain from the purchaser a copy of the  
12 certificate of eligibility issued by the Department of  
13 Commerce and Economic Opportunity.

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

16 (45) Beginning January 1, 2020 and through December  
17 31, 2020, sales of tangible personal property made by a  
18 marketplace seller over a marketplace for which tax is due  
19 under this Act but for which use tax has been collected and  
20 remitted to the Department by a marketplace facilitator  
21 under Section 2d of the Use Tax Act are exempt from tax  
22 under this Act. A marketplace seller claiming this  
23 exemption shall maintain books and records demonstrating  
24 that the use tax on such sales has been collected and  
25 remitted by a marketplace facilitator. Marketplace sellers  
26 that have properly remitted tax under this Act on such

1 sales may file a claim for credit as provided in Section 6  
2 of this Act. No claim is allowed, however, for such taxes  
3 for which a credit or refund has been issued to the  
4 marketplace facilitator under the Use Tax Act, or for  
5 which the marketplace facilitator has filed a claim for  
6 credit or refund under the Use Tax Act.

7 (46) Beginning July 1, 2022, breast pumps, breast pump  
8 collection and storage supplies, and breast pump kits.  
9 This item (46) is exempt from the provisions of Section  
10 2-70. As used in this item (46):

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

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

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

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

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

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

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

1           (48) Beginning on January 1, 2024, tangible personal  
2 property purchased by an active duty member of the armed  
3 forces of the United States who presents valid military  
4 identification and purchases the property using a form of  
5 payment where the federal government is the payor. The  
6 member of the armed forces must complete, at the point of  
7 sale, a form prescribed by the Department of Revenue  
8 documenting that the transaction is eligible for the  
9 exemption under this paragraph. Retailers must keep the  
10 form as documentation of the exemption in their records  
11 for a period of not less than 6 years. "Armed forces of the  
12 United States" means the United States Army, Navy, Air  
13 Force, Space Force, Marine Corps, or Coast Guard. This  
14 paragraph is exempt from the provisions of Section 2-70.

15           (49) Beginning July 1, 2024, home-delivered meals  
16 provided to Medicare or Medicaid recipients when payment  
17 is made by an intermediary, such as a Medicare  
18 Administrative Contractor, a Managed Care Organization, or  
19 a Medicare Advantage Organization, pursuant to a  
20 government contract. This paragraph (49) is exempt from  
21 the provisions of Section 2-70.

22           (50) ~~(49)~~ Beginning on January 1, 2026, as further  
23 defined in Section 2-10, food for human consumption that  
24 is to be consumed off the premises where it is sold (other  
25 than alcoholic beverages, food consisting of or infused  
26 with adult use cannabis, soft drinks, candy, and food that

1 has been prepared for immediate consumption). This item  
2 (50) ~~(49)~~ is exempt from the provisions of Section 2-70.

3 (51) ~~(49)~~ Gross receipts from the lease of the  
4 following tangible personal property:

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

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

9 (i) an electronic agreement in which the  
10 customer accepts the license by means of an  
11 electronic signature that is verifiable and  
12 can be authenticated and is attached to or  
13 made part of the license will comply with this  
14 requirement;

15 (ii) a license agreement in which the  
16 customer electronically accepts the terms by  
17 clicking "I agree" does not comply with this  
18 requirement;

19 (B) it restricts the customer's duplication  
20 and use of the software;

21 (C) it prohibits the customer from licensing,  
22 sublicensing, or transferring the software to a  
23 third party (except to a related party) without  
24 the permission and continued control of the  
25 licensor;

26 (D) the licensor has a policy of providing

1 another copy at minimal or no charge if the  
2 customer loses or damages the software, or of  
3 permitting the licensee to make and keep an  
4 archival copy, and such policy is either stated in  
5 the license agreement, supported by the licensor's  
6 books and records, or supported by a notarized  
7 statement made under penalties of perjury by the  
8 licensor; and

9 (E) the customer must destroy or return all  
10 copies of the software to the licensor at the end  
11 of the license period; this provision is deemed to  
12 be met, in the case of a perpetual license,  
13 without being set forth in the license agreement;  
14 and

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

19 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;  
20 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,  
21 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.  
22 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section  
23 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.  
24 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; 103-592,  
25 eff. 1-1-25; 103-605, eff. 7-1-24; 103-643, eff. 7-1-24;  
26 103-746, eff. 1-1-25; 103-781, eff. 8-5-24; 103-995, eff.

1 8-9-24; revised 11-26-24.)

2 Section 99. Effective date. This Act takes effect upon  
3 becoming law.