



Rep. Tony McCombie

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10000HB5504ham001

LRB100 17008 HLH 36680 a

1 AMENDMENT TO HOUSE BILL 5504

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 5504 by replacing  
3 everything after the enacting clause with the following:

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).

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

9           (d) The use, in this State, of tangible personal property  
10 that is acquired outside this State and caused to be brought  
11 into this State by a person who has already paid a tax in  
12 another State in respect to the sale, purchase, or use of that  
13 property, to the extent of the amount of the tax properly due  
14 and paid in the other State.

15           (e) The temporary storage, in this State, of tangible  
16 personal property that is acquired outside this State and that,  
17 after being brought into this State and stored here  
18 temporarily, is used solely outside this State or is physically  
19 attached to or incorporated into other tangible personal  
20 property that is used solely outside this State, or is altered  
21 by converting, fabricating, manufacturing, printing,  
22 processing, or shaping, and, as altered, is used solely outside  
23 this State. For purposes of this subsection, use in this State  
24 does not include the return of the property of a lessor or  
25 purchaser to this State for storage, repair, or refurbishment  
26 so long as the property is not utilized by a lessee or

1 purchaser in this State. Refurbishment includes the  
2 replacement of component parts as well as upgrades.

3 (f) The temporary storage in this State of building  
4 materials and fixtures that are acquired either in this State  
5 or outside this State by an Illinois registered combination  
6 retailer and construction contractor, and that the purchaser  
7 thereafter uses outside this State by incorporating that  
8 property into real estate located outside this State.

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

17 (h) Except as provided in subsection (h-1), the use, in  
18 this State, of a motor vehicle that was sold in this State to a  
19 nonresident, even though the motor vehicle is delivered to the  
20 nonresident in this State, if the motor vehicle is not to be  
21 titled in this State, and if a drive-away permit is issued to  
22 the motor vehicle as provided in Section 3-603 of the Illinois  
23 Vehicle Code or if the nonresident purchaser has vehicle  
24 registration plates to transfer to the motor vehicle upon  
25 returning to his or her home state. The issuance of the  
26 drive-away permit or having the out-of-state registration

1 plates to be transferred shall be prima facie evidence that the  
2 motor vehicle will not be titled in this State.

3 (h-1) The exemption under subsection (h) does not apply if  
4 the state in which the motor vehicle will be titled does not  
5 allow a reciprocal exemption for the use in that state of a  
6 motor vehicle sold and delivered in that state to an Illinois  
7 resident but titled in Illinois. The tax collected under this  
8 Act on the sale of a motor vehicle in this State to a resident  
9 of another state that does not allow a reciprocal exemption  
10 shall be imposed at a rate equal to the state's rate of tax on  
11 taxable property in the state in which the purchaser is a  
12 resident, except that the tax shall not exceed the tax that  
13 would otherwise be imposed under this Act. At the time of the  
14 sale, the purchaser shall execute a statement, signed under  
15 penalty of perjury, of his or her intent to title the vehicle  
16 in the state in which the purchaser is a resident within 30  
17 days after the sale and of the fact of the payment to the State  
18 of Illinois of tax in an amount equivalent to the state's rate  
19 of tax on taxable property in his or her state of residence and  
20 shall submit the statement to the appropriate tax collection  
21 agency in his or her state of residence. In addition, the  
22 retailer must retain a signed copy of the statement in his or  
23 her records. Nothing in this subsection shall be construed to  
24 require the removal of the vehicle from this state following  
25 the filing of an intent to title the vehicle in the purchaser's  
26 state of residence if the purchaser titles the vehicle in his

1 or her state of residence within 30 days after the date of  
2 sale. The tax collected under this Act in accordance with this  
3 subsection (h-1) shall be proportionately distributed as if the  
4 tax were collected at the 6.25% general rate imposed under this  
5 Act.

6 (h-2) The following exemptions apply with respect to  
7 certain aircraft:

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

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

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

21 (C) the purchaser provides the Department with a  
22 signed and dated certification, on a form prescribed by  
23 the Department, certifying that the requirements of  
24 this item (1) are met. The certificate must also  
25 include the name and address of the purchaser, the  
26 address of the location where the aircraft is to be

1           titled or registered, the address of the primary  
2           physical location of the aircraft, and other  
3           information that the Department may reasonably  
4           require.

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

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

12           (B) the purchaser provides the Department with a  
13           signed and dated certification, on a form prescribed by  
14           the Department, certifying that the requirements of  
15           this item (2) are met. The certificate must also  
16           include the name and address of the purchaser, the  
17           address of the location where the aircraft is to be  
18           titled or registered, the address of the primary  
19           physical location of the aircraft, and other  
20           information that the Department may reasonably  
21           require.

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

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

6           (B) the aircraft is not based or registered in this  
7           State either before or after the post-sale  
8           customization; and

9           (C) the purchaser provides the Department with a  
10          signed and dated certification, on a form prescribed by  
11          the Department, certifying that the requirements of  
12          this item (3) are met. The certificate must also  
13          include the name and address of the purchaser, the  
14          address of the location where the aircraft is to be  
15          titled or registered, the address of the primary  
16          physical location of the aircraft, and other  
17          information that the Department may reasonably  
18          require.

19          If tax becomes due under this subsection (h-2) because of  
20          the purchaser's use of the aircraft in this State, the  
21          purchaser shall file a return with the Department and pay the  
22          tax on the fair market value of the aircraft. This return and  
23          payment of the tax must be made no later than 30 days after the  
24          aircraft is used in a taxable manner in this State. The tax is  
25          based on the fair market value of the aircraft on the date that  
26          it is first used in a taxable manner in this State.

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

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

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

9 "Prepurchase evaluation" means an examination of an  
10 aircraft to provide a potential purchaser with information  
11 relevant to the potential purchase.

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

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

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

23 (j) Beginning on January 1, 2002 and through June 30, 2016,  
24 the use of tangible personal property purchased from an  
25 Illinois retailer by a taxpayer engaged in centralized  
26 purchasing activities in Illinois who will, upon receipt of the



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

20 (Source: P.A. 100-321, eff. 8-24-17.)

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

23 (35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

24 Sec. 3-45. Multistate exemption. To prevent actual or

1 likely multistate taxation, the tax imposed by this Act does  
2 not apply to the use of tangible personal property in this  
3 State under the following circumstances:

4 (a) The use, in this State, of property acquired outside  
5 this State by a nonresident individual and brought into this  
6 State by the individual for his or her own use while  
7 temporarily within this State or while passing through this  
8 State.

9 (b) The use, in this State, of property that is acquired  
10 outside this State and that is moved into this State for use as  
11 rolling stock moving in interstate commerce.

12 (c) The use, in this State, of property that is acquired  
13 outside this State and caused to be brought into this State by  
14 a person who has already paid a tax in another state in respect  
15 to the sale, purchase, or use of that property, to the extent  
16 of the amount of the tax properly due and paid in the other  
17 state.

18 (d) The temporary storage, in this State, of property that  
19 is acquired outside this State and that after being brought  
20 into this State and stored here temporarily, is used solely  
21 outside this State or is physically attached to or incorporated  
22 into other property that is used solely outside this State, or  
23 is altered by converting, fabricating, manufacturing,  
24 printing, processing, or shaping, and, as altered, is used  
25 solely outside this State. For purposes of this subsection, use  
26 in this State does not include the return of the property of a

1 lessor or purchaser to this State for storage, repair, or  
2 refurbishment so long as the property is not utilized by a  
3 lessee or purchaser in this State. Refurbishment includes the  
4 replacement of component parts as well as upgrades.

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

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

1 specified in the rules adopted under this Act, to purchase  
2 tangible personal property from a retailer exempt from the  
3 taxes imposed by this Act. Taxpayers shall maintain all  
4 necessary books and records to substantiate the use and  
5 consumption of all such tangible personal property outside of  
6 the State of Illinois.

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

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