

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

25 (5) Until July 1, 2003, a passenger car that is a
26 replacement vehicle to the extent that the purchase price of

1 the car is subject to the Replacement Vehicle Tax.

2 (6) Until July 1, 2003 and beginning again on September 1,
3 2004 through August 30, 2014, graphic arts machinery and
4 equipment, including repair and replacement parts, both new and
5 used, and including that manufactured on special order,
6 certified by the purchaser to be used primarily for graphic
7 arts production, and including machinery and equipment
8 purchased for lease. Equipment includes chemicals or chemicals
9 acting as catalysts but only if the chemicals or chemicals
10 acting as catalysts effect a direct and immediate change upon a
11 graphic arts product. Beginning on July 1, 2017, graphic arts
12 machinery and equipment is included in the manufacturing and
13 assembling machinery and equipment exemption under paragraph
14 (18).

15 (7) Farm chemicals.

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

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

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

26 (11) Farm machinery and equipment, both new and used,

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

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

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

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

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

26 (13) Proceeds of mandatory service charges separately

1 stated on customers' bills for the purchase and consumption of
2 food and beverages purchased at retail from a retailer, to the
3 extent that the proceeds of the service charge are in fact
4 turned over as tips or as a substitute for tips to the
5 employees who participate directly in preparing, serving,
6 hosting or cleaning up the food or beverage function with
7 respect to which the service charge is imposed.

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

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

22 (16) Until July 1, 2023, coal and aggregate exploration,
23 mining, off-highway hauling, processing, maintenance, and
24 reclamation equipment, including replacement parts and
25 equipment, and including equipment purchased for lease, but
26 excluding motor vehicles required to be registered under the

1 Illinois Vehicle Code. The changes made to this Section by
2 Public Act 97-767 apply on and after July 1, 2003, but no claim
3 for credit or refund is allowed on or after August 16, 2013
4 (the effective date of Public Act 98-456) for such taxes paid
5 during the period beginning July 1, 2003 and ending on August
6 16, 2013 (the effective date of Public Act 98-456).

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

13 (18) Manufacturing and assembling machinery and equipment
14 used primarily in the process of manufacturing or assembling
15 tangible personal property for wholesale or retail sale or
16 lease, whether that sale or lease is made directly by the
17 manufacturer or by some other person, whether the materials
18 used in the process are owned by the manufacturer or some other
19 person, or whether that sale or lease is made apart from or as
20 an incident to the seller's engaging in the service occupation
21 of producing machines, tools, dies, jigs, patterns, gauges, or
22 other similar items of no commercial value on special order for
23 a particular purchaser. The exemption provided by this
24 paragraph (18) includes production related tangible personal
25 property, as defined in Section 3-50, purchased on or after
26 July 1, 2019. The exemption provided by this paragraph (18)

1 does not include machinery and equipment used in (i) the
2 generation of electricity for wholesale or retail sale; (ii)
3 the generation or treatment of natural or artificial gas for
4 wholesale or retail sale that is delivered to customers through
5 pipes, pipelines, or mains; or (iii) the treatment of water for
6 wholesale or retail sale that is delivered to customers through
7 pipes, pipelines, or mains. The provisions of Public Act 98-583
8 are declaratory of existing law as to the meaning and scope of
9 this exemption. Beginning on July 1, 2017, the exemption
10 provided by this paragraph (18) includes, but is not limited
11 to, graphic arts machinery and equipment, as defined in
12 paragraph (6) of this Section.

13 (19) Personal property delivered to a purchaser or
14 purchaser's donee inside Illinois when the purchase order for
15 that personal property was received by a florist located
16 outside Illinois who has a florist located inside Illinois
17 deliver the personal property.

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

20 (21) 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 (21) is exempt from the provisions
26 of Section 3-90, and the exemption provided for under this item

1 (21) applies for all periods beginning May 30, 1995, but no
2 claim for credit or refund is allowed on or after January 1,
3 2008 for such taxes paid during the period beginning May 30,
4 2000 and ending on January 1, 2008.

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

1 Department.

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

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

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

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

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

22 (27) 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 Department
26 to be organized and operated exclusively for educational

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

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

1 exempt from the provisions of Section 3-90.

2 (29) Beginning January 1, 2000 and through December 31,
3 2001, new or used automatic vending machines that prepare and
4 serve hot food and beverages, including coffee, soup, and other
5 items, and replacement parts for these machines. Beginning
6 January 1, 2002 and through June 30, 2003, machines and parts
7 for machines used in commercial, coin-operated amusement and
8 vending business if a use or occupation tax is paid on the
9 gross receipts derived from the use of the commercial,
10 coin-operated amusement and vending machines. This paragraph
11 is exempt from the provisions of Section 3-90.

12 (30) Beginning January 1, 2001 and through June 30, 2016,
13 food for human consumption that is to be consumed off the
14 premises where it is sold (other than alcoholic beverages, soft
15 drinks, and food that has been prepared for immediate
16 consumption) and prescription and nonprescription medicines,
17 drugs, medical appliances, and insulin, urine testing
18 materials, syringes, and needles used by diabetics, for human
19 use, when purchased for use by a person receiving medical
20 assistance under Article V of the Illinois Public Aid Code who
21 resides in a licensed long-term care facility, as defined in
22 the Nursing Home Care Act, or in a licensed facility as defined
23 in the ID/DD Community Care Act, the MC/DD Act, or the
24 Specialized Mental Health Rehabilitation Act of 2013.

25 (31) Beginning on August 2, 2001 (the effective date of
26 Public Act 92-227), computers and communications equipment

1 utilized for any hospital purpose and equipment used in the
2 diagnosis, analysis, or treatment of hospital patients
3 purchased by a lessor who leases the equipment, under a lease
4 of one year or longer executed or in effect at the time the
5 lessor would otherwise be subject to the tax imposed by this
6 Act, to a hospital that has been issued an active tax exemption
7 identification number by the Department under Section 1g of the
8 Retailers' Occupation Tax Act. If the equipment is leased in a
9 manner that does not qualify for this exemption or is used in
10 any other nonexempt manner, the lessor shall be liable for the
11 tax imposed under this Act or the Service Use Tax Act, as the
12 case may be, based on the fair market value of the property at
13 the time the nonqualifying use occurs. No lessor shall collect
14 or attempt to collect an amount (however designated) that
15 purports to reimburse that lessor for the tax imposed by this
16 Act or the Service Use Tax Act, as the case may be, if the tax
17 has not been paid by the lessor. If a lessor improperly
18 collects any such amount from the lessee, the lessee shall have
19 a legal right to claim a refund of that amount from the lessor.
20 If, however, that amount is not refunded to the lessee for any
21 reason, the lessor is liable to pay that amount to the
22 Department. This paragraph is exempt from the provisions of
23 Section 3-90.

24 (32) Beginning on August 2, 2001 (the effective date of
25 Public Act 92-227), personal property purchased by a lessor who
26 leases the property, under a lease of one year or longer

1 executed or in effect at the time the lessor would otherwise be
2 subject to the tax imposed by this Act, to a governmental body
3 that has been issued an active sales tax exemption
4 identification number by the Department under Section 1g of the
5 Retailers' Occupation Tax Act. If the property is leased in a
6 manner that does not qualify for this exemption or used in any
7 other nonexempt manner, the lessor shall be liable for the tax
8 imposed under this Act or the Service Use Tax Act, as the case
9 may be, based on the fair market value of the property at the
10 time the nonqualifying use occurs. No lessor shall collect or
11 attempt to collect an amount (however designated) that purports
12 to reimburse that lessor for the tax imposed by this Act or the
13 Service Use Tax Act, as the case may be, if the tax has not been
14 paid by the lessor. If a lessor improperly collects any such
15 amount from the lessee, the lessee shall have a legal right to
16 claim a refund of that amount from the lessor. If, however,
17 that amount is not refunded to the lessee for any reason, the
18 lessor is liable to pay that amount to the Department. This
19 paragraph is exempt from the provisions of Section 3-90.

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

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

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

20 (35) Beginning January 1, 2010 and continuing through
21 December 31, 2024, materials, parts, equipment, components,
22 and furnishings incorporated into or upon an aircraft as part
23 of the modification, refurbishment, completion, replacement,
24 repair, or maintenance of the aircraft. This exemption includes
25 consumable supplies used in the modification, refurbishment,
26 completion, replacement, repair, and maintenance of aircraft,

1 but excludes any materials, parts, equipment, components, and
2 consumable supplies used in the modification, replacement,
3 repair, and maintenance of aircraft engines or power plants,
4 whether such engines or power plants are installed or
5 uninstalled upon any such aircraft. "Consumable supplies"
6 include, but are not limited to, adhesive, tape, sandpaper,
7 general purpose lubricants, cleaning solution, latex gloves,
8 and protective films. This exemption applies only to the use of
9 qualifying tangible personal property by persons who modify,
10 refurbish, complete, repair, replace, or maintain aircraft and
11 who (i) hold an Air Agency Certificate and are empowered to
12 operate an approved repair station by the Federal Aviation
13 Administration, (ii) have a Class IV Rating, and (iii) conduct
14 operations in accordance with Part 145 of the Federal Aviation
15 Regulations. The exemption does not include aircraft operated
16 by a commercial air carrier providing scheduled passenger air
17 service pursuant to authority issued under Part 121 or Part 129
18 of the Federal Aviation Regulations. The changes made to this
19 paragraph (35) by Public Act 98-534 are declarative of existing
20 law. It is the intent of the General Assembly that the
21 exemption under this paragraph (35) applies continuously from
22 January 1, 2010 through December 31, 2024; however, no claim
23 for credit or refund is allowed for taxes paid as a result of
24 the disallowance of this exemption on or after January 1, 2015
25 and prior to the effective date of this amendatory Act of the
26 101st General Assembly.

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

15 (37) Beginning January 1, 2017, menstrual pads, tampons,
16 and menstrual cups.

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

24 (39) Tangible personal property purchased by a purchaser
25 who is exempt from the tax imposed by this Act by operation of
26 federal law. This paragraph is exempt from the provisions of

1 Section 3-90.

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

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

21 For the purposes of this item (40):

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

26 "Qualified tangible personal property" means:

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

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

3 (Source: P.A. 100-22, eff. 7-6-17; 100-437, eff. 1-1-18;
4 100-594, eff. 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff.
5 1-4-19; 101-9, eff. 6-5-19; 101-31, eff. 6-28-19; 101-81, eff.
6 7-12-19; revised 9-23-19.)

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

9 (35 ILCS 110/3-5)

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

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

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

22 (3) Personal property purchased by a not-for-profit arts or
23 cultural organization that establishes, by proof required by
24 the Department by rule, that it has received an exemption under

1 Section 501(c)(3) of the Internal Revenue Code and that is
2 organized and operated primarily for the presentation or
3 support of arts or cultural programming, activities, or
4 services. These organizations include, but are not limited to,
5 music and dramatic arts organizations such as symphony
6 orchestras and theatrical groups, arts and cultural service
7 organizations, local arts councils, visual arts organizations,
8 and media arts organizations. On and after July 1, 2001 (the
9 effective date of Public Act 92-35), however, an entity
10 otherwise eligible for this exemption shall not make tax-free
11 purchases unless it has an active identification number issued
12 by the Department.

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

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

1 the manufacturing and assembling machinery and equipment
2 exemption under Section 2 of this Act.

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

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

25 Farm machinery and equipment shall include precision
26 farming equipment that is installed or purchased to be

1 installed on farm machinery and equipment including, but not
2 limited to, tractors, harvesters, sprayers, planters, seeders,
3 or spreaders. Precision farming equipment includes, but is not
4 limited to, soil testing sensors, computers, monitors,
5 software, global positioning and mapping systems, and other
6 such equipment.

7 Farm machinery and equipment also includes computers,
8 sensors, software, and related equipment used primarily in the
9 computer-assisted operation of production agriculture
10 facilities, equipment, and activities such as, but not limited
11 to, the collection, monitoring, and correlation of animal and
12 crop data for the purpose of formulating animal diets and
13 agricultural chemicals. This item (7) is exempt from the
14 provisions of Section 3-75.

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

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

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

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

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

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

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

4 (12) Until July 1, 2023, coal and aggregate exploration,
5 mining, off-highway hauling, processing, maintenance, and
6 reclamation equipment, including replacement parts and
7 equipment, and including equipment purchased for lease, but
8 excluding motor vehicles required to be registered under the
9 Illinois Vehicle Code. The changes made to this Section by
10 Public Act 97-767 apply on and after July 1, 2003, but no claim
11 for credit or refund is allowed on or after August 16, 2013
12 (the effective date of Public Act 98-456) for such taxes paid
13 during the period beginning July 1, 2003 and ending on August
14 16, 2013 (the effective date of Public Act 98-456).

15 (13) Semen used for artificial insemination of livestock
16 for direct agricultural production.

17 (14) Horses, or interests in horses, registered with and
18 meeting the requirements of any of the Arabian Horse Club
19 Registry of America, Appaloosa Horse Club, American Quarter
20 Horse Association, United States Trotting Association, or
21 Jockey Club, as appropriate, used for purposes of breeding or
22 racing for prizes. This item (14) is exempt from the provisions
23 of Section 3-75, and the exemption provided for under this item
24 (14) applies for all periods beginning May 30, 1995, but no
25 claim for credit or refund is allowed on or after January 1,
26 2008 (the effective date of Public Act 95-88) for such taxes

1 paid during the period beginning May 30, 2000 and ending on
2 January 1, 2008 (the effective date of Public Act 95-88).

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

25 (16) Personal property purchased by a lessor who leases the
26 property, under a lease of one year or longer executed or in

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

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

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

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

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

19 (20) A motor vehicle, as that term is defined in Section
20 1-146 of the Illinois Vehicle Code, that is donated to a
21 corporation, limited liability company, society, association,
22 foundation, or institution that is determined by the Department
23 to be organized and operated exclusively for educational
24 purposes. For purposes of this exemption, "a corporation,
25 limited liability company, society, association, foundation,
26 or institution organized and operated exclusively for

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

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

25 (22) Beginning January 1, 2000 and through December 31,
26 2001, new or used automatic vending machines that prepare and

1 serve hot food and beverages, including coffee, soup, and other
2 items, and replacement parts for these machines. Beginning
3 January 1, 2002 and through June 30, 2003, machines and parts
4 for machines used in commercial, coin-operated amusement and
5 vending business if a use or occupation tax is paid on the
6 gross receipts derived from the use of the commercial,
7 coin-operated amusement and vending machines. This paragraph
8 is exempt from the provisions of Section 3-75.

9 (23) Beginning August 23, 2001 and through June 30, 2016,
10 food for human consumption that is to be consumed off the
11 premises where it is sold (other than alcoholic beverages, soft
12 drinks, and food that has been prepared for immediate
13 consumption) and prescription and nonprescription medicines,
14 drugs, medical appliances, and insulin, urine testing
15 materials, syringes, and needles used by diabetics, for human
16 use, when purchased for use by a person receiving medical
17 assistance under Article V of the Illinois Public Aid Code who
18 resides in a licensed long-term care facility, as defined in
19 the Nursing Home Care Act, or in a licensed facility as defined
20 in the ID/DD Community Care Act, the MC/DD Act, or the
21 Specialized Mental Health Rehabilitation Act of 2013.

22 (24) Beginning on August 2, 2001 (the effective date of
23 Public Act 92-227), computers and communications equipment
24 utilized for any hospital purpose and equipment used in the
25 diagnosis, analysis, or treatment of hospital patients
26 purchased by a lessor who leases the equipment, under a lease

1 of one year or longer executed or in effect at the time the
2 lessor would otherwise be subject to the tax imposed by this
3 Act, to a hospital that has been issued an active tax exemption
4 identification number by the Department under Section 1g of the
5 Retailers' Occupation Tax Act. If the equipment is leased in a
6 manner that does not qualify for this exemption or is used in
7 any other nonexempt manner, the lessor shall be liable for the
8 tax imposed under this Act or the Use Tax Act, as the case may
9 be, based on the fair market value of the property at the time
10 the nonqualifying use occurs. No lessor shall collect or
11 attempt to collect an amount (however designated) that purports
12 to reimburse that lessor for the tax imposed by this Act or the
13 Use Tax Act, as the case may be, if the tax has not been paid by
14 the lessor. If a lessor improperly collects any such amount
15 from the lessee, the lessee shall have a legal right to claim a
16 refund of that amount from the lessor. If, however, that amount
17 is not refunded to the lessee for any reason, the lessor is
18 liable to pay that amount to the Department. This paragraph is
19 exempt from the provisions of Section 3-75.

20 (25) Beginning on August 2, 2001 (the effective date of
21 Public Act 92-227), personal property purchased by a lessor who
22 leases the property, under a lease of one year or longer
23 executed or in effect at the time the lessor would otherwise be
24 subject to the tax imposed by this Act, to a governmental body
25 that has been issued an active tax exemption identification
26 number by the Department under Section 1g of the Retailers'

1 Occupation Tax Act. If the property is leased in a manner that
2 does not qualify for this exemption or is used in any other
3 nonexempt manner, the lessor shall be liable for the tax
4 imposed under this Act or the Use Tax Act, as the case may be,
5 based on the fair market value of the property at the time the
6 nonqualifying use occurs. No lessor shall collect or attempt to
7 collect an amount (however designated) that purports to
8 reimburse that lessor for the tax imposed by this Act or the
9 Use Tax Act, as the case may be, if the tax has not been paid by
10 the lessor. If a lessor improperly collects any such amount
11 from the lessee, the lessee shall have a legal right to claim a
12 refund of that amount from the lessor. If, however, that amount
13 is not refunded to the lessee for any reason, the lessor is
14 liable to pay that amount to the Department. This paragraph is
15 exempt from the provisions of Section 3-75.

16 (26) Beginning January 1, 2008, tangible personal property
17 used in the construction or maintenance of a community water
18 supply, as defined under Section 3.145 of the Environmental
19 Protection Act, that is operated by a not-for-profit
20 corporation that holds a valid water supply permit issued under
21 Title IV of the Environmental Protection Act. This paragraph is
22 exempt from the provisions of Section 3-75.

23 (27) Beginning January 1, 2010 and continuing through
24 December 31, 2024, materials, parts, equipment, components,
25 and furnishings incorporated into or upon an aircraft as part
26 of the modification, refurbishment, completion, replacement,

1 repair, or maintenance of the aircraft. This exemption includes
2 consumable supplies used in the modification, refurbishment,
3 completion, replacement, repair, and maintenance of aircraft,
4 but excludes any materials, parts, equipment, components, and
5 consumable supplies used in the modification, replacement,
6 repair, and maintenance of aircraft engines or power plants,
7 whether such engines or power plants are installed or
8 uninstalled upon any such aircraft. "Consumable supplies"
9 include, but are not limited to, adhesive, tape, sandpaper,
10 general purpose lubricants, cleaning solution, latex gloves,
11 and protective films. This exemption applies only to the use of
12 qualifying tangible personal property transferred incident to
13 the modification, refurbishment, completion, replacement,
14 repair, or maintenance of aircraft by persons who (i) hold an
15 Air Agency Certificate and are empowered to operate an approved
16 repair station by the Federal Aviation Administration, (ii)
17 have a Class IV Rating, and (iii) conduct operations in
18 accordance with Part 145 of the Federal Aviation Regulations.
19 The exemption does not include aircraft operated by a
20 commercial air carrier providing scheduled passenger air
21 service pursuant to authority issued under Part 121 or Part 129
22 of the Federal Aviation Regulations. The changes made to this
23 paragraph (27) by Public Act 98-534 are declarative of existing
24 law. It is the intent of the General Assembly that the
25 exemption under this paragraph (27) applies continuously from
26 January 1, 2010 through December 31, 2024; however, no claim

1 for credit or refund is allowed for taxes paid as a result of
2 the disallowance of this exemption on or after January 1, 2015
3 and prior to the effective date of this amendatory Act of the
4 101st General Assembly.

5 (28) Tangible personal property purchased by a
6 public-facilities corporation, as described in Section
7 11-65-10 of the Illinois Municipal Code, for purposes of
8 constructing or furnishing a municipal convention hall, but
9 only if the legal title to the municipal convention hall is
10 transferred to the municipality without any further
11 consideration by or on behalf of the municipality at the time
12 of the completion of the municipal convention hall or upon the
13 retirement or redemption of any bonds or other debt instruments
14 issued by the public-facilities corporation in connection with
15 the development of the municipal convention hall. This
16 exemption includes existing public-facilities corporations as
17 provided in Section 11-65-25 of the Illinois Municipal Code.
18 This paragraph is exempt from the provisions of Section 3-75.

19 (29) Beginning January 1, 2017, menstrual pads, tampons,
20 and menstrual cups.

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

25 (31) Qualified tangible personal property used in the
26 construction or operation of a data center that has been

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

13 The Department of Commerce and Economic Opportunity shall
14 grant a certificate of exemption under this item (31) to
15 qualified data centers as defined by Section 605-1025 of the
16 Department of Commerce and Economic Opportunity Law of the
17 Civil Administrative Code of Illinois.

18 For the purposes of this item (31):

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

23 "Qualified tangible personal property" means:
24 electrical systems and equipment; climate control and
25 chilling equipment and systems; mechanical systems and
26 equipment; monitoring and secure systems; emergency

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

24 This item (31) is exempt from the provisions of Section
25 3-75.

26 (Source: P.A. 100-22, eff. 7-6-17; 100-594, eff. 6-29-18;

1 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81, eff.
2 7-12-19.)

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

5 (35 ILCS 115/3-5)

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

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

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

18 (3) Personal property purchased by any not-for-profit arts
19 or cultural organization that establishes, by proof required by
20 the Department by rule, that it has received an exemption under
21 Section 501(c)(3) of the Internal Revenue Code and that is
22 organized and operated primarily for the presentation or
23 support of arts or cultural programming, activities, or
24 services. These organizations include, but are not limited to,

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

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

13 (5) Until July 1, 2003 and beginning again on September 1,
14 2004 through August 30, 2014, graphic arts machinery and
15 equipment, including repair and replacement parts, both new and
16 used, and including that manufactured on special order or
17 purchased for lease, certified by the purchaser to be used
18 primarily for graphic arts production. Equipment includes
19 chemicals or chemicals acting as catalysts but only if the
20 chemicals or chemicals acting as catalysts effect a direct and
21 immediate change upon a graphic arts product. Beginning on July
22 1, 2017, graphic arts machinery and equipment is included in
23 the manufacturing and assembling machinery and equipment
24 exemption under Section 2 of this Act.

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

1 located in Illinois.

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

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

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

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

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

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

1 that aircraft.

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

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

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

24 (12) Until July 1, 2023, coal and aggregate exploration,
25 mining, off-highway hauling, processing, maintenance, and
26 reclamation equipment, including replacement parts and

1 equipment, and including equipment purchased for lease, but
2 excluding motor vehicles required to be registered under the
3 Illinois Vehicle Code. The changes made to this Section by
4 Public Act 97-767 apply on and after July 1, 2003, but no claim
5 for credit or refund is allowed on or after August 16, 2013
6 (the effective date of Public Act 98-456) for such taxes paid
7 during the period beginning July 1, 2003 and ending on August
8 16, 2013 (the effective date of Public Act 98-456).

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

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

24 (15) Horses, or interests in horses, registered with and
25 meeting the requirements of any of the Arabian Horse Club
26 Registry of America, Appaloosa Horse Club, American Quarter

1 Horse Association, United States Trotting Association, or
2 Jockey Club, as appropriate, used for purposes of breeding or
3 racing for prizes. This item (15) is exempt from the provisions
4 of Section 3-55, and the exemption provided for under this item
5 (15) applies for all periods beginning May 30, 1995, but no
6 claim for credit or refund is allowed on or after January 1,
7 2008 (the effective date of Public Act 95-88) for such taxes
8 paid during the period beginning May 30, 2000 and ending on
9 January 1, 2008 (the effective date of Public Act 95-88).

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

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

24 (18) Beginning with taxable years ending on or after
25 December 31, 1995 and ending with taxable years ending on or
26 before December 31, 2004, personal property that is donated for

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

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

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

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

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

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

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

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

14 (24) Beginning on August 2, 2001 (the effective date of
15 Public Act 92-227), computers and communications equipment
16 utilized for any hospital purpose and equipment used in the
17 diagnosis, analysis, or treatment of hospital patients sold to
18 a lessor who leases the equipment, under a lease of one year or
19 longer 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 of the
22 Retailers' Occupation Tax Act. This paragraph is exempt from
23 the provisions of Section 3-55.

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

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

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

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

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

10 (28) 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 instruments
19 issued by the public-facilities corporation in connection with
20 the development of the municipal convention hall. This
21 exemption includes existing public-facilities corporations as
22 provided in Section 11-65-25 of the Illinois Municipal Code.
23 This paragraph is exempt from the provisions of Section 3-55.

24 (29) Beginning January 1, 2010 and continuing through
25 December 31, 2024, materials, parts, equipment, components,
26 and furnishings incorporated into or upon an aircraft as part

1 of the modification, refurbishment, completion, replacement,
2 repair, or maintenance of the aircraft. This exemption includes
3 consumable supplies used in the modification, refurbishment,
4 completion, replacement, repair, and maintenance of aircraft,
5 but excludes any materials, parts, equipment, components, and
6 consumable supplies used in the modification, replacement,
7 repair, and maintenance of aircraft engines or power plants,
8 whether such engines or power plants are installed or
9 uninstalled upon any such aircraft. "Consumable supplies"
10 include, but are not limited to, adhesive, tape, sandpaper,
11 general purpose lubricants, cleaning solution, latex gloves,
12 and protective films. This exemption applies only to the
13 transfer of qualifying tangible personal property incident to
14 the modification, refurbishment, completion, replacement,
15 repair, or maintenance of an aircraft by persons who (i) hold
16 an Air Agency Certificate and are empowered to operate an
17 approved repair station by the Federal Aviation
18 Administration, (ii) have a Class IV Rating, and (iii) conduct
19 operations in accordance with Part 145 of the Federal Aviation
20 Regulations. The exemption does not include aircraft operated
21 by a commercial air carrier providing scheduled passenger air
22 service pursuant to authority issued under Part 121 or Part 129
23 of the Federal Aviation Regulations. The changes made to this
24 paragraph (29) by Public Act 98-534 are declarative of existing
25 law. It is the intent of the General Assembly that the
26 exemption under this paragraph (29) applies continuously from

1 January 1, 2010 through December 31, 2024; however, no claim
2 for credit or refund is allowed for taxes paid as a result of
3 the disallowance of this exemption on or after January 1, 2015
4 and prior to the effective date of this amendatory Act of the
5 101st General Assembly.

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

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

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

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

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

4 For the purposes of this item (32):

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

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

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

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

12 (Source: P.A. 100-22, eff. 7-6-17; 100-594, eff. 6-29-18;
13 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81, eff.
14 7-12-19.)

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

17 (35 ILCS 120/2-5)

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

21 (1) Farm chemicals.

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

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

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

26 Farm machinery and equipment also includes computers,

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

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

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

1 paragraph (14).

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

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

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

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

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

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

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

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

26 (12) (Blank).

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

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

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

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

1 defined in paragraph (4) of this Section.

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

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

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

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

26 (19) Until July 1, 2003, oil field exploration,

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

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

16 (21) Until July 1, 2023, coal and aggregate
17 exploration, mining, off-highway hauling, processing,
18 maintenance, and reclamation equipment, including
19 replacement parts and equipment, and including equipment
20 purchased for lease, but excluding motor vehicles required
21 to be registered under the Illinois Vehicle Code. The
22 changes made to this Section by Public Act 97-767 apply on
23 and after July 1, 2003, but no claim for credit or refund
24 is allowed on or after August 16, 2013 (the effective date
25 of Public Act 98-456) for such taxes paid during the period
26 beginning July 1, 2003 and ending on August 16, 2013 (the

1 effective date of Public Act 98-456).

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

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

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

23 (24) Fuel consumed or used in the operation of ships,
24 barges, or vessels that are used primarily in or for the
25 transportation of property or the conveyance of persons for
26 hire on rivers bordering on this State if the fuel is

1 delivered by the seller to the purchaser's barge, ship, or
2 vessel while it is afloat upon that bordering river.

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

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

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

19 (25-7) Beginning on July 1, 2007, no tax is imposed
20 under this Act on the sale of an aircraft, as defined in
21 Section 3 of the Illinois Aeronautics Act, if all of the
22 following conditions are met:

23 (1) the aircraft leaves this State within 15 days
24 after the later of either the issuance of the final
25 billing for the sale of the aircraft, or the authorized
26 approval for return to service, completion of the

1 maintenance record entry, and completion of the test
2 flight and ground test for inspection, as required by
3 14 C.F.R. 91.407;

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

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

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

18 "Based in this State" means hangared, stored, or
19 otherwise used, excluding post-sale customizations as
20 defined in this Section, for 10 or more days in each
21 12-month period immediately following the date of the sale
22 of the aircraft.

23 "Registered in this State" means an aircraft
24 registered with the Department of Transportation,
25 Aeronautics Division, or titled or registered with the
26 Federal Aviation Administration to an address located in

1 this State.

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

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

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

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

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

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

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

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

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

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

1 mechanical, industrial, business, or commercial
2 occupation.

3 (34) Beginning January 1, 2000, personal property,
4 including food, purchased through fundraising events for
5 the benefit of a public or private elementary or secondary
6 school, a group of those schools, or one or more school
7 districts if the events are sponsored by an entity
8 recognized by the school district that consists primarily
9 of volunteers and includes parents and teachers of the
10 school children. This paragraph does not apply to
11 fundraising events (i) for the benefit of private home
12 instruction or (ii) for which the fundraising entity
13 purchases the personal property sold at the events from
14 another individual or entity that sold the property for the
15 purpose of resale by the fundraising entity and that
16 profits from the sale to the fundraising entity. This
17 paragraph is exempt from the provisions of Section 2-70.

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

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

3 (35-5) Beginning August 23, 2001 and through June 30,
4 2016, food for human consumption that is to be consumed off
5 the premises where it is sold (other than alcoholic
6 beverages, soft drinks, and food that has been prepared for
7 immediate consumption) and prescription and
8 nonprescription medicines, drugs, medical appliances, and
9 insulin, urine testing materials, syringes, and needles
10 used by diabetics, for human use, when purchased for use by
11 a person receiving medical assistance under Article V of
12 the Illinois Public Aid Code who resides in a licensed
13 long-term care facility, as defined in the Nursing Home
14 Care Act, or a licensed facility as defined in the ID/DD
15 Community Care Act, the MC/DD Act, or the Specialized
16 Mental Health Rehabilitation Act of 2013.

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

26 (37) Beginning August 2, 2001, personal property sold

1 to a lessor who leases the property, under a lease of one
2 year or longer executed or in effect at the time of the
3 purchase, to a governmental body that has been issued an
4 active tax exemption identification number by the
5 Department under Section 1g of this Act. This paragraph is
6 exempt from the provisions of Section 2-70.

7 (38) Beginning on January 1, 2002 and through June 30,
8 2016, tangible personal property purchased from an
9 Illinois retailer by a taxpayer engaged in centralized
10 purchasing activities in Illinois who will, upon receipt of
11 the property in Illinois, temporarily store the property in
12 Illinois (i) for the purpose of subsequently transporting
13 it outside this State for use or consumption thereafter
14 solely outside this State or (ii) for the purpose of being
15 processed, fabricated, or manufactured into, attached to,
16 or incorporated into other tangible personal property to be
17 transported outside this State and thereafter used or
18 consumed solely outside this State. The Director of Revenue
19 shall, pursuant to rules adopted in accordance with the
20 Illinois Administrative Procedure Act, issue a permit to
21 any taxpayer in good standing with the Department who is
22 eligible for the exemption under this paragraph (38). The
23 permit issued under this paragraph (38) shall authorize the
24 holder, to the extent and in the manner specified in the
25 rules 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 such
3 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, 2024, 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, but
21 excludes any materials, parts, equipment, components, and
22 consumable supplies used in the modification, replacement,
23 repair, and maintenance of aircraft engines or power
24 plants, whether such engines or power plants are installed
25 or uninstalled upon any such aircraft. "Consumable
26 supplies" include, but are not limited to, adhesive, tape,

1 sandpaper, general purpose lubricants, cleaning solution,
2 latex gloves, and protective films. This exemption applies
3 only to the sale of qualifying tangible personal property
4 to persons who modify, refurbish, complete, replace, or
5 maintain an aircraft and who (i) hold an Air Agency
6 Certificate and are empowered to operate an approved repair
7 station by the Federal Aviation Administration, (ii) have a
8 Class IV Rating, and (iii) conduct operations in accordance
9 with Part 145 of the Federal Aviation Regulations. The
10 exemption does not include aircraft operated by a
11 commercial air carrier providing scheduled passenger air
12 service pursuant to authority issued under Part 121 or Part
13 129 of the Federal Aviation Regulations. The changes made
14 to this paragraph (40) by Public Act 98-534 are declarative
15 of existing law. It is the intent of the General Assembly
16 that the exemption under this paragraph (40) applies
17 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
20 exemption on or after January 1, 2015 and prior to the
21 effective date of this amendatory Act of the 101st General
22 Assembly.

23 (41) Tangible personal property sold to a
24 public-facilities corporation, as described in Section
25 11-65-10 of the Illinois Municipal Code, for purposes of
26 constructing or furnishing a municipal convention hall,

1 but only if the legal title to the municipal convention
2 hall is transferred to the municipality without any further
3 consideration by or on behalf of the municipality at the
4 time of the completion of the municipal convention hall or
5 upon the retirement or redemption of any bonds or other
6 debt instruments issued by the public-facilities
7 corporation in connection with the development of the
8 municipal convention hall. This exemption includes
9 existing public-facilities corporations as provided in
10 Section 11-65-25 of the Illinois Municipal Code. This
11 paragraph is exempt from the provisions of Section 2-70.

12 (42) Beginning January 1, 2017, menstrual pads,
13 tampons, and menstrual cups.

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

22 (44) Qualified tangible personal property used in the
23 construction or operation of a data center that has been
24 granted a certificate of exemption by the Department of
25 Commerce and Economic Opportunity, whether that tangible
26 personal property is purchased by the owner, operator, or

1 tenant of the data center or by a contractor or
2 subcontractor of the owner, operator, or tenant. Data
3 centers that would have qualified for a certificate of
4 exemption prior to January 1, 2020 had this amendatory Act
5 of the 101st General Assembly been in effect, may apply for
6 and obtain an exemption for subsequent purchases of
7 computer equipment or enabling software purchased or
8 leased to upgrade, supplement, or replace computer
9 equipment or enabling software purchased or leased in the
10 original investment that would have qualified.

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

16 For the purposes of this item (44):

17 "Data center" means a building or a series of
18 buildings rehabilitated or constructed to house
19 working servers in one physical location or multiple
20 sites within the State of Illinois.

21 "Qualified tangible personal property" means:
22 electrical systems and equipment; climate control and
23 chilling equipment and systems; mechanical systems and
24 equipment; monitoring and secure systems; emergency
25 generators; hardware; computers; servers; data storage
26 devices; network connectivity equipment; racks;

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

23 This item (44) is exempt from the provisions of Section
24 2-70.

25 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;
26 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff.

1 8-14-18; 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81,
2 eff. 7-12-19.)

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