



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5251

Introduced 1/31/2022, by Rep. Keith R. Wheeler

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-55	from Ch. 120, par. 439.3-55
35 ILCS 110/3-45	from Ch. 120, par. 439.33-45
35 ILCS 115/3-5	
35 ILCS 120/2-5	

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that the exemption for the use or sale of tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois who will temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and used or consumed solely outside this State sunsets on June 30, 2023 (currently, June 30, 2016). Effective immediately.

LRB102 25155 HLH 34418 b

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by changing Section
5 3-55 as follows:

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

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

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

16 (b) (Blank).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 (j) Beginning on January 1, 2002 and through June 30, 2023
13 ~~June 30, 2016~~, the use of tangible personal property purchased
14 from an Illinois retailer by a taxpayer engaged in centralized
15 purchasing activities in Illinois who will, upon receipt of
16 the property in Illinois, temporarily store the property in
17 Illinois (i) for the purpose of subsequently transporting it
18 outside this State for use or consumption thereafter solely
19 outside this State or (ii) for the purpose of being processed,
20 fabricated, or manufactured into, attached to, or incorporated
21 into other tangible personal property to be transported
22 outside this State and thereafter used or consumed solely
23 outside this State. The Director of Revenue shall, pursuant to
24 rules adopted in accordance with the Illinois Administrative
25 Procedure Act, issue a permit to any taxpayer in good standing
26 with the Department who is eligible for the exemption under

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

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

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

12 (35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

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

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

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

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

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

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

20 (f) Beginning on January 1, 2002 and through June 30, 2023
21 ~~June 30, 2016~~, the use of tangible personal property purchased
22 from an Illinois retailer by a taxpayer engaged in centralized
23 purchasing activities in Illinois who will, upon receipt of
24 the property in Illinois, temporarily store the property in
25 Illinois (i) for the purpose of subsequently transporting it
26 outside this State for use or consumption thereafter solely

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

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

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

20 (35 ILCS 115/3-5)

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

23 (1) Personal property sold by a corporation, society,
24 association, foundation, institution, or organization, other

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

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

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

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

1 country, and bullion.

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

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

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

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

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

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

26 (8) Until June 30, 2013, fuel and petroleum products sold

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

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

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

25 (10) Until July 1, 2003, oil field exploration, drilling,
26 and production equipment, including (i) rigs and parts of

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

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

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

25 (13) Beginning January 1, 1992 and through June 30, 2016,
26 food for human consumption that is to be consumed off the

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

12 (14) Semen used for artificial insemination of livestock
13 for direct agricultural production.

14 (15) Horses, or interests in horses, registered with and
15 meeting the requirements of any of the Arabian Horse Club
16 Registry of America, Appaloosa Horse Club, American Quarter
17 Horse Association, United States Trotting Association, or
18 Jockey Club, as appropriate, used for purposes of breeding or
19 racing for prizes. This item (15) is exempt from the
20 provisions of Section 3-55, and the exemption provided for
21 under this item (15) applies for all periods beginning May 30,
22 1995, but no claim for credit or refund is allowed on or after
23 January 1, 2008 (the effective date of Public Act 95-88) for
24 such taxes paid during the period beginning May 30, 2000 and
25 ending on January 1, 2008 (the effective date of Public Act
26 95-88).

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

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

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

25 (19) Beginning with taxable years ending on or after
26 December 31, 1995 and ending with taxable years ending on or

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

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

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

1 schools and that compare favorably in their scope and
2 intensity with the course of study presented in tax-supported
3 schools, and vocational or technical schools or institutes
4 organized and operated exclusively to provide a course of
5 study of not less than 6 weeks duration and designed to prepare
6 individuals to follow a trade or to pursue a manual,
7 technical, mechanical, industrial, business, or commercial
8 occupation.

9 (22) Beginning January 1, 2000, personal property,
10 including food, purchased through fundraising events for the
11 benefit of a public or private elementary or secondary school,
12 a group of those schools, or one or more school districts if
13 the events are sponsored by an entity recognized by the school
14 district that consists primarily of volunteers and includes
15 parents and teachers of the school children. This paragraph
16 does not apply to fundraising events (i) for the benefit of
17 private home instruction or (ii) for which the fundraising
18 entity purchases the personal property sold at the events from
19 another individual or entity that sold the property for the
20 purpose of resale by the fundraising entity and that profits
21 from the sale to the fundraising entity. This paragraph is
22 exempt from the provisions of Section 3-55.

23 (23) Beginning January 1, 2000 and through December 31,
24 2001, new or used automatic vending machines that prepare and
25 serve hot food and beverages, including coffee, soup, and
26 other items, and replacement parts for these machines.

1 Beginning January 1, 2002 and through June 30, 2003, machines
2 and parts for machines used in commercial, coin-operated
3 amusement and vending business if a use or occupation tax is
4 paid on the gross receipts derived from the use of the
5 commercial, coin-operated amusement and vending machines. This
6 paragraph is exempt from the provisions of Section 3-55.

7 (24) Beginning on August 2, 2001 (the effective date of
8 Public Act 92-227), computers and communications equipment
9 utilized for any hospital purpose and equipment used in the
10 diagnosis, analysis, or treatment of hospital patients sold to
11 a lessor who leases the equipment, under a lease of one year or
12 longer executed or in effect at the time of the purchase, to a
13 hospital that has been issued an active tax exemption
14 identification number by the Department under Section 1g of
15 the Retailers' Occupation Tax Act. This paragraph is exempt
16 from the provisions of Section 3-55.

17 (25) Beginning on August 2, 2001 (the effective date of
18 Public Act 92-227), personal property sold to a lessor who
19 leases the property, under a lease of one year or longer
20 executed or in effect at the time of the purchase, to a
21 governmental body that has been issued an active tax exemption
22 identification number by the Department under Section 1g of
23 the Retailers' Occupation Tax Act. This paragraph is exempt
24 from the provisions of Section 3-55.

25 (26) Beginning on January 1, 2002 and through June 30,
26 2023 ~~June 30, 2016~~, tangible personal property purchased from

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

22 (27) Beginning January 1, 2008, tangible personal property
23 used in the construction or maintenance of a community water
24 supply, as defined under Section 3.145 of the Environmental
25 Protection Act, that is operated by a not-for-profit
26 corporation that holds a valid water supply permit issued

1 under Title IV of the Environmental Protection Act. This
2 paragraph is exempt from the provisions of Section 3-55.

3 (28) Tangible personal property sold to a
4 public-facilities corporation, as described in Section
5 11-65-10 of the Illinois Municipal Code, for purposes of
6 constructing or furnishing a municipal convention hall, but
7 only if the legal title to the municipal convention hall is
8 transferred to the municipality without any further
9 consideration by or on behalf of the municipality at the time
10 of the completion of the municipal convention hall or upon the
11 retirement or redemption of any bonds or other debt
12 instruments issued by the public-facilities corporation in
13 connection with the development of the municipal convention
14 hall. This exemption includes existing public-facilities
15 corporations as provided in Section 11-65-25 of the Illinois
16 Municipal Code. This paragraph is exempt from the provisions
17 of Section 3-55.

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

1 modification, replacement, repair, and maintenance of aircraft
2 engines or power plants, whether such engines or power plants
3 are installed or uninstalled upon any such aircraft.
4 "Consumable supplies" include, but are not limited to,
5 adhesive, tape, sandpaper, general purpose lubricants,
6 cleaning solution, latex gloves, and protective films. This
7 exemption applies only to the transfer of qualifying tangible
8 personal property incident to the modification, refurbishment,
9 completion, replacement, repair, or maintenance of an aircraft
10 by persons who (i) hold an Air Agency Certificate and are
11 empowered to operate an approved repair station by the Federal
12 Aviation Administration, (ii) have a Class IV Rating, and
13 (iii) conduct operations in accordance with Part 145 of the
14 Federal Aviation Regulations. The exemption does not include
15 aircraft operated by a commercial air carrier providing
16 scheduled passenger air service pursuant to authority issued
17 under Part 121 or Part 129 of the Federal Aviation
18 Regulations. The changes made to this paragraph (29) by Public
19 Act 98-534 are declarative of existing law. It is the intent of
20 the General Assembly that the exemption under this paragraph
21 (29) applies continuously from January 1, 2010 through
22 December 31, 2024; however, no claim for credit or refund is
23 allowed for taxes paid as a result of the disallowance of this
24 exemption on or after January 1, 2015 and prior to the
25 effective date of this amendatory Act of the 101st General
26 Assembly.

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

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

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

20 The Department of Commerce and Economic Opportunity shall
21 grant a certificate of exemption under this item (32) to
22 qualified data centers as defined by Section 605-1025 of the
23 Department of Commerce and Economic Opportunity Law of the
24 Civil Administrative Code of Illinois.

25 For the purposes of this item (32):

26 "Data center" means a building or a series of

1 buildings rehabilitated or constructed to house working
2 servers in one physical location or multiple sites within
3 the State of Illinois.

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

1 the exemption allowed under this Section, the retailer
2 must obtain from the purchaser a copy of the certificate
3 of eligibility issued by the Department of Commerce and
4 Economic Opportunity.

5 This item (32) is exempt from the provisions of Section
6 3-55.

7 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
8 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

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

11 (35 ILCS 120/2-5)

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

15 (1) Farm chemicals.

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

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

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

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

1 diets and agricultural chemicals. This item (2) is exempt
2 from the provisions of Section 2-70.

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

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

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

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

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

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

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

25 (10) Personal property sold by a corporation, society,
26 association, foundation, institution, or organization,

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

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

21 (12) (Blank).

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

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

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

24 (14) Machinery and equipment that will be used by the
25 purchaser, or a lessee of the purchaser, primarily in the
26 process of manufacturing or assembling tangible personal

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

24 (15) Proceeds of mandatory service charges separately
25 stated on customers' bills for purchase and consumption of
26 food and beverages, to the extent that the proceeds of the

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

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

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

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

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

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

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

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

24 (22) Until June 30, 2013, fuel and petroleum products
25 sold to or used by an air carrier, certified by the carrier
26 to be used for consumption, shipment, or storage in the

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

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

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

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

25 (25) Except as provided in item (25-5) of this
26 Section, a motor vehicle sold in this State to a

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

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

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

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

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

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

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

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

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

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

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

1 (26) Semen used for artificial insemination of
2 livestock for direct agricultural production.

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

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

25 (29) Personal property sold to a lessor who leases the
26 property, under a lease of one year or longer executed or

1 in effect at the time of the purchase, to a governmental
2 body that has been issued an active tax exemption
3 identification number by the Department under Section 1g
4 of this Act.

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

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

1 repairs are initiated on facilities located in the
2 declared disaster area within 6 months after the disaster.

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

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

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

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

1 (35-5) Beginning August 23, 2001 and through June 30,
2 2016, food for human consumption that is to be consumed
3 off the premises where it is sold (other than alcoholic
4 beverages, soft drinks, and food that has been prepared
5 for immediate consumption) and prescription and
6 nonprescription medicines, drugs, medical appliances, and
7 insulin, urine testing materials, syringes, and needles
8 used by diabetics, for human use, when purchased for use
9 by a person receiving medical assistance under Article V
10 of the Illinois Public Aid Code who resides in a licensed
11 long-term care facility, as defined in the Nursing Home
12 Care Act, or a licensed facility as defined in the ID/DD
13 Community Care Act, the MC/DD Act, or the Specialized
14 Mental Health Rehabilitation Act of 2013.

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

25 (37) Beginning August 2, 2001, personal property sold
26 to a lessor who leases the property, under a lease of one

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

6 (38) Beginning on January 1, 2002 and through June 30,
7 2023 ~~June 30, 2016~~, tangible personal property purchased
8 from an Illinois retailer by a taxpayer engaged in
9 centralized purchasing activities in Illinois who will,
10 upon receipt of the property in Illinois, temporarily
11 store the property in Illinois (i) for the purpose of
12 subsequently transporting it outside this State for use or
13 consumption thereafter solely outside this State or (ii)
14 for the purpose of being processed, fabricated, or
15 manufactured into, attached to, or incorporated into other
16 tangible personal property to be transported outside this
17 State and thereafter used or consumed solely outside this
18 State. The Director of Revenue shall, pursuant to rules
19 adopted in accordance with the Illinois Administrative
20 Procedure Act, issue a permit to any taxpayer in good
21 standing with the Department who is eligible for the
22 exemption under this paragraph (38). The permit issued
23 under this paragraph (38) shall authorize the holder, to
24 the extent and in the manner specified in the rules
25 adopted under this Act, to purchase tangible personal
26 property from a retailer exempt from the taxes imposed by

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

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

13 (40) Beginning January 1, 2010 and continuing through
14 December 31, 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
7 repair station by the Federal Aviation Administration,
8 (ii) have a Class IV Rating, and (iii) conduct operations
9 in accordance with Part 145 of the Federal Aviation
10 Regulations. The exemption does not include aircraft
11 operated by a commercial air carrier providing scheduled
12 passenger air service pursuant to authority issued under
13 Part 121 or Part 129 of the Federal Aviation Regulations.
14 The changes made to this paragraph (40) by Public Act
15 98-534 are declarative of existing law. It is the intent
16 of the General Assembly that the exemption under this
17 paragraph (40) applies continuously from January 1, 2010
18 through December 31, 2024; however, no claim for credit or
19 refund is allowed for taxes paid as a result of the
20 disallowance of this exemption on or after January 1, 2015
21 and prior to the effective date of this amendatory Act of
22 the 101st General 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
3 further consideration by or on behalf of the municipality
4 at the time of the completion of the municipal convention
5 hall or upon the retirement or redemption of any bonds or
6 other 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 and through December
13 31, 2026, menstrual pads, tampons, and menstrual cups.

14 (43) Merchandise that is subject to the Rental
15 Purchase Agreement Occupation and Use Tax. The purchaser
16 must certify that the item is purchased to be rented
17 subject to a rental purchase agreement, as defined in the
18 Rental Purchase Agreement Act, and provide proof of
19 registration under the Rental Purchase Agreement
20 Occupation and Use Tax Act. This paragraph is exempt from
21 the provisions of 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
6 for 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
13 (44) to qualified data centers as defined by Section
14 605-1025 of the Department of Commerce and Economic
15 Opportunity Law of the Civil Administrative Code of
16 Illinois.

17 For the purposes of this item (44):

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

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

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

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

26 (45) Beginning January 1, 2020 and through December

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

17 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
18 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
19 8-27-21; revised 11-9-21.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.