

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
20 or cultural organization that establishes, by proof required
21 by the Department by rule, that it has received an exemption
22 under Section 501(c)(3) of the Internal Revenue Code and that
23 is organized and operated primarily for the presentation or

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

11 (4) 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
24 exemption 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
5 and 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
11 a graphic arts product. Beginning on July 1, 2017, graphic
12 arts machinery and equipment is included in the manufacturing
13 and assembling machinery and equipment exemption under
14 paragraph (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
9 to be registered under Section 3-809 of the Illinois Vehicle
10 Code, but excluding other motor vehicles required to be
11 registered under the Illinois Vehicle Code. Horticultural
12 polyhouses or hoop houses used for propagating, growing, or
13 overwintering plants shall be considered farm machinery and
14 equipment under this item (11). Agricultural chemical tender
15 tanks and dry boxes shall include units sold separately from a
16 motor vehicle required to be licensed and units sold mounted
17 on a motor vehicle required to be licensed if the selling price
18 of the 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
12 conduct of its business as an air common carrier, for a flight
13 destined for or returning from a location or locations outside
14 the United States without regard to previous or subsequent
15 domestic stopovers.

16 Beginning July 1, 2013, fuel and petroleum products sold
17 to or used by an air carrier, certified by the carrier to be
18 used for consumption, shipment, or storage in the conduct of
19 its 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
22 at 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
10 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
11 pipe and tubular goods, including casing and drill strings,
12 (iii) pumps and pump-jack units, (iv) storage tanks and flow
13 lines, (v) any individual replacement part for oil field
14 exploration, drilling, and production equipment, and (vi)
15 machinery and equipment purchased for lease; but excluding
16 motor vehicles required to be registered under the Illinois
17 Vehicle Code.

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

23 (16) Until July 1, 2023, coal and aggregate exploration,
24 mining, off-highway hauling, processing, maintenance, and
25 reclamation equipment, including replacement parts and
26 equipment, and including equipment purchased for lease, but

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

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

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

1 July 1, 2019. The exemption provided by this paragraph (18)
2 does not include machinery and equipment used in (i) the
3 generation of electricity for wholesale or retail sale; (ii)
4 the generation or treatment of natural or artificial gas for
5 wholesale or retail sale that is delivered to customers
6 through pipes, pipelines, or mains; or (iii) the treatment of
7 water for wholesale or retail sale that is delivered to
8 customers through pipes, pipelines, or mains. The provisions
9 of Public Act 98-583 are declaratory of existing law as to the
10 meaning and scope of this exemption. Beginning on July 1,
11 2017, the exemption provided by this paragraph (18) includes,
12 but is not limited to, graphic arts machinery and equipment,
13 as defined in paragraph (6) of this Section.

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

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

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

1 provisions of Section 3-90, and the exemption provided for
2 under this item (21) applies for all periods beginning May 30,
3 1995, but no claim for credit or refund is allowed on or after
4 January 1, 2008 for such taxes paid during the period
5 beginning May 30, 2000 and ending on January 1, 2008.

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

1 for any reason, the lessor is liable to pay that amount to the
2 Department.

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

24 (24) 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

1 for 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 (25) 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
11 the performance of infrastructure repairs in this State,
12 including but not limited to municipal roads and streets,
13 access roads, bridges, sidewalks, waste disposal systems,
14 water and sewer line extensions, water distribution and
15 purification facilities, storm water drainage and retention
16 facilities, and sewage treatment facilities, resulting from a
17 State or federally declared disaster in Illinois or bordering
18 Illinois when such repairs are initiated on facilities located
19 in the declared disaster area within 6 months after the
20 disaster.

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

25 (27) A motor vehicle, as that term is defined in Section
26 1-146 of the Illinois Vehicle Code, that is donated to a

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

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

1 entity purchases the personal property sold at the events from
2 another individual or entity that sold the property for the
3 purpose of resale by the fundraising entity and that profits
4 from the sale to the fundraising entity. This paragraph is
5 exempt from the provisions of Section 3-90.

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

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

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

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

1 Section 3-90.

2 (32) Beginning on August 2, 2001 (the effective date of
3 Public Act 92-227), personal property purchased by a lessor
4 who leases the property, under a lease of one year or longer
5 executed or in effect at the time the lessor would otherwise be
6 subject to the tax imposed by this Act, to a governmental body
7 that has been issued an active sales tax exemption
8 identification number by the Department under Section 1g of
9 the Retailers' Occupation Tax Act. If the property is leased
10 in a manner that does not qualify for this exemption or used in
11 any other nonexempt manner, the lessor shall be liable for the
12 tax imposed under this Act or the Service Use Tax Act, as the
13 case may be, based on the fair market value of the property at
14 the time the nonqualifying use occurs. No lessor shall collect
15 or attempt to collect an amount (however designated) that
16 purports to reimburse that lessor for the tax imposed by this
17 Act or the Service Use Tax Act, as the case may be, if the tax
18 has not been paid by the lessor. If a lessor improperly
19 collects any such amount from the lessee, the lessee shall
20 have a legal right to claim a refund of that amount from the
21 lessor. If, however, that amount is not refunded to the lessee
22 for any reason, the lessor is liable to pay that amount to the
23 Department. This paragraph is exempt from the provisions of
24 Section 3-90.

25 (33) On and after July 1, 2003 and through June 30, 2004,
26 the use in this State of motor vehicles of the second division

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

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

25 (35) Beginning January 1, 2010 and continuing through
26 December 31, 2024, materials, parts, equipment, components,

1 and furnishings incorporated into or upon an aircraft as part
2 of the modification, refurbishment, completion, replacement,
3 repair, or maintenance of the aircraft. This exemption
4 includes consumable supplies used in the modification,
5 refurbishment, completion, replacement, repair, and
6 maintenance of aircraft, but excludes any materials, parts,
7 equipment, components, and consumable supplies used in the
8 modification, replacement, repair, and maintenance of aircraft
9 engines or power plants, whether such engines or power plants
10 are installed or uninstalled upon any such aircraft.
11 "Consumable supplies" include, but are not limited to,
12 adhesive, tape, sandpaper, general purpose lubricants,
13 cleaning solution, latex gloves, and protective films. This
14 exemption applies only to the use of qualifying tangible
15 personal property by persons who modify, refurbish, complete,
16 repair, replace, or maintain aircraft and who (i) hold an Air
17 Agency Certificate and are empowered to operate an approved
18 repair station by the Federal Aviation Administration, (ii)
19 have a Class IV Rating, and (iii) conduct operations in
20 accordance with Part 145 of the Federal Aviation Regulations.
21 The exemption does not include aircraft operated by a
22 commercial air carrier providing scheduled passenger air
23 service pursuant to authority issued under Part 121 or Part
24 129 of the Federal Aviation Regulations. The changes made to
25 this paragraph (35) by Public Act 98-534 are declarative of
26 existing law. It is the intent of the General Assembly that the

1 exemption under this paragraph (35) applies continuously from
2 January 1, 2010 through December 31, 2024; however, no claim
3 for credit or refund is allowed for taxes paid as a result of
4 the disallowance of this exemption on or after January 1, 2015
5 and prior to the effective date of this amendatory Act of the
6 101st General Assembly.

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

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

24 (38) Merchandise that is subject to the Rental Purchase
25 Agreement Occupation and Use Tax. The purchaser must certify
26 that the item is purchased to be rented subject to a rental

1 purchase agreement, as defined in the Rental Purchase
2 Agreement Act, and provide proof of registration under the
3 Rental Purchase Agreement Occupation and Use Tax Act. This
4 paragraph is exempt from the provisions of Section 3-90.

5 (39) Tangible personal property purchased by a purchaser
6 who is exempt from the tax imposed by this Act by operation of
7 federal law. This paragraph is exempt from the provisions of
8 Section 3-90.

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

23 The Department of Commerce and Economic Opportunity shall
24 grant a certificate of exemption under this item (40) to
25 qualified data centers as defined by Section 605-1025 of the
26 Department of Commerce and Economic Opportunity Law of the

1 Civil Administrative Code of Illinois.

2 For the purposes of this item (40):

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

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

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

8 This item (40) is exempt from the provisions of Section
9 3-90.

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

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

20 "Breast pump collection and storage supplies" means
21 items of tangible personal property designed or marketed
22 to be used in conjunction with a breast pump to collect
23 milk expressed from a human breast and to store collected
24 milk until it is ready for consumption. "Breast pump
25 collection and storage supplies" includes, but is not
26 limited to: breast shields and breast shield connectors;

1 breast pump tubes and tubing adapters; breast pump valves
2 and membranes; backflow protectors and backflow protector
3 adaptors; bottles and bottle caps specific to the
4 operation of the breast pump; breast milk storage bags;
5 and other items that may be useful to initiate, support,
6 or sustain breast-feeding using a breast pump during
7 lactation that may be sold separately but are generally
8 sold as part of a breast pump kit.

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

21 "Breast pump kit" means a kit that contains a breast
22 pump and breast pump collection and storage supplies or
23 other taxable items of tangible personal property that may
24 be useful to initiate, support, or sustain breastfeeding
25 using a breast pump during lactation, so long as the other
26 taxable items of tangible personal property sold with the

1 breast pump kit at the time of sale are less than 10% of
2 the total sales price of the breast pump kit.

3 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
4 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
5 6-17-21.)

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

8 (35 ILCS 110/3-5)

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

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

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

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

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

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

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

1 exemption under Section 2 of this Act.

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

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

24 Farm machinery and equipment shall include precision
25 farming equipment that is installed or purchased to be
26 installed on farm machinery and equipment including, but not

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

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

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

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

1 at least one individual or package for hire from the city of
2 origination to the city of final destination on the same
3 aircraft, without regard to a change in the flight number of
4 that aircraft.

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

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

24 (11) Proceeds from the sale of photoprocessing machinery
25 and equipment, including repair and replacement parts, both
26 new 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
23 provisions of Section 3-75, and the exemption provided for
24 under this item (14) applies for all periods beginning May 30,
25 1995, but no claim for credit or refund is allowed on or after
26 January 1, 2008 (the effective date of Public Act 95-88) for

1 such taxes paid during the period beginning May 30, 2000 and
2 ending on January 1, 2008 (the effective date of Public Act
3 95-88).

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

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

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

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

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

18 (19) 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 3-75.

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

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

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

1 from the sale to the fundraising entity. This paragraph is
2 exempt from the provisions of Section 3-75.

3 (22) Beginning January 1, 2000 and through December 31,
4 2001, new or used automatic vending machines that prepare and
5 serve hot food and beverages, including coffee, soup, and
6 other items, and replacement parts for these machines.
7 Beginning January 1, 2002 and through June 30, 2003, machines
8 and parts for machines used in commercial, coin-operated
9 amusement and vending business if a use or occupation tax is
10 paid on the gross receipts derived from the use of the
11 commercial, coin-operated amusement and vending machines. This
12 paragraph is exempt from the provisions of Section 3-75.

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

26 (24) Beginning on August 2, 2001 (the effective date of

1 Public Act 92-227), computers and communications equipment
2 utilized for any hospital purpose and equipment used in the
3 diagnosis, analysis, or treatment of hospital patients
4 purchased by a lessor who leases the equipment, under a lease
5 of one year or longer executed or in effect at the time the
6 lessor would otherwise be subject to the tax imposed by this
7 Act, to a hospital that has been issued an active tax exemption
8 identification number by the Department under Section 1g of
9 the Retailers' Occupation Tax Act. If the equipment is leased
10 in a manner that does not qualify for this exemption or is used
11 in any other nonexempt manner, the lessor shall be liable for
12 the tax imposed under this Act or the Use Tax Act, as the case
13 may be, based on the fair market value of the property at the
14 time the nonqualifying use occurs. No lessor shall collect or
15 attempt to collect an amount (however designated) that
16 purports to reimburse that lessor for the tax imposed by this
17 Act or the Use Tax Act, as the case may be, if the tax has not
18 been paid by the lessor. If a lessor improperly collects any
19 such amount from the lessee, the lessee shall have a legal
20 right to claim a refund of that amount from the lessor. If,
21 however, that amount is not refunded to the lessee for any
22 reason, the lessor is liable to pay that amount to the
23 Department. This paragraph is exempt from the provisions of
24 Section 3-75.

25 (25) Beginning on August 2, 2001 (the effective date of
26 Public Act 92-227), personal property purchased by a lessor

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

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

1 paragraph is exempt from the provisions of Section 3-75.

2 (27) Beginning January 1, 2010 and continuing through
3 December 31, 2024, materials, parts, equipment, components,
4 and furnishings incorporated into or upon an aircraft as part
5 of the modification, refurbishment, completion, replacement,
6 repair, or maintenance of the aircraft. This exemption
7 includes consumable supplies used in the modification,
8 refurbishment, completion, replacement, repair, and
9 maintenance of aircraft, but excludes any materials, parts,
10 equipment, components, and consumable supplies used in the
11 modification, replacement, repair, and maintenance of aircraft
12 engines or power plants, whether such engines or power plants
13 are installed or uninstalled upon any such aircraft.
14 "Consumable supplies" include, but are not limited to,
15 adhesive, tape, sandpaper, general purpose lubricants,
16 cleaning solution, latex gloves, and protective films. This
17 exemption applies only to the use of qualifying tangible
18 personal property transferred incident to the modification,
19 refurbishment, completion, replacement, repair, or maintenance
20 of aircraft by persons who (i) hold an Air Agency Certificate
21 and are empowered to operate an approved repair station by the
22 Federal Aviation Administration, (ii) have a Class IV Rating,
23 and (iii) conduct operations in accordance with Part 145 of
24 the Federal Aviation Regulations. The exemption does not
25 include aircraft operated by a commercial air carrier
26 providing scheduled passenger air service pursuant to

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

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

26 (29) Beginning January 1, 2017 and through December 31,

1 2026, menstrual pads, tampons, and menstrual cups.

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

6 (31) 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 (31) 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 (31):

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

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

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

17 "Breast pump collection and storage supplies" means
18 items of tangible personal property designed or marketed
19 to be used in conjunction with a breast pump to collect
20 milk expressed from a human breast and to store collected
21 milk until it is ready for consumption. "Breast pump
22 collection and storage supplies" includes, but is not
23 limited to: breast shields and breast shield connectors;
24 breast pump tubes and tubing adapters; breast pump valves
25 and membranes; backflow protectors and backflow protector
26 adaptors; bottles and bottle caps specific to the

1 operation of the breast pump; breast milk storage bags;
2 and other items that may be useful to initiate, support,
3 or sustain breast-feeding using a breast pump during
4 lactation that may be sold separately but are generally
5 sold as part of a breast pump kit.

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

18 "Breast pump kit" means a kit that contains a breast
19 pump and breast pump collection and storage supplies or
20 other taxable items of tangible personal property that may
21 be useful to initiate, support, or sustain breastfeeding
22 using a breast pump during lactation, so long as the other
23 taxable items of tangible personal property sold with the
24 breast pump kit at the time of sale are less than 10% of
25 the total sales price of the breast pump kit.

26 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;

1 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

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

4 (35 ILCS 115/3-5)

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

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

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

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

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

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

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

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

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

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

1 such equipment.

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

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

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

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

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

19 (11) Photoprocessing machinery and equipment, including
20 repair and replacement parts, both new and used, including
21 that manufactured on special order, certified by the purchaser
22 to be 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,
12 soft 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
4 provisions of Section 3-55, and the exemption provided for
5 under this item (15) applies for all periods beginning May 30,
6 1995, but no claim for credit or refund is allowed on or after
7 January 1, 2008 (the effective date of Public Act 95-88) for
8 such taxes paid during the period beginning May 30, 2000 and
9 ending on January 1, 2008 (the effective date of Public Act
10 95-88).

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

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

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

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

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

26 (21) A motor vehicle, as that term is defined in Section

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

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

1 private home instruction or (ii) for which the fundraising
2 entity purchases the personal property sold at the events from
3 another individual or entity that sold the property for the
4 purpose of resale by the fundraising entity and that profits
5 from the sale to the fundraising entity. This paragraph is
6 exempt from the provisions of Section 3-55.

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

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

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

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

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

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

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

1 of Section 3-55.

2 (29) Beginning January 1, 2010 and continuing through
3 December 31, 2024, materials, parts, equipment, components,
4 and furnishings incorporated into or upon an aircraft as part
5 of the modification, refurbishment, completion, replacement,
6 repair, or maintenance of the aircraft. This exemption
7 includes consumable supplies used in the modification,
8 refurbishment, completion, replacement, repair, and
9 maintenance of aircraft, but excludes any materials, parts,
10 equipment, components, and consumable supplies used in the
11 modification, replacement, repair, and maintenance of aircraft
12 engines or power plants, whether such engines or power plants
13 are installed or uninstalled upon any such aircraft.
14 "Consumable supplies" include, but are not limited to,
15 adhesive, tape, sandpaper, general purpose lubricants,
16 cleaning solution, latex gloves, and protective films. This
17 exemption applies only to the transfer of qualifying tangible
18 personal property incident to the modification, refurbishment,
19 completion, replacement, repair, or maintenance of an aircraft
20 by persons who (i) hold an Air Agency Certificate and are
21 empowered to operate an approved repair station by the Federal
22 Aviation Administration, (ii) have a Class IV Rating, and
23 (iii) conduct operations in accordance with Part 145 of the
24 Federal Aviation Regulations. The exemption does not include
25 aircraft operated by a commercial air carrier providing
26 scheduled passenger air service pursuant to authority issued

1 under Part 121 or Part 129 of the Federal Aviation
2 Regulations. The changes made to this paragraph (29) by Public
3 Act 98-534 are declarative of existing law. It is the intent of
4 the General Assembly that the exemption under this paragraph
5 (29) applies continuously from January 1, 2010 through
6 December 31, 2024; however, no claim for credit or refund is
7 allowed for taxes paid as a result of the disallowance of this
8 exemption on or after January 1, 2015 and prior to the
9 effective date of this amendatory Act of the 101st General
10 Assembly.

11 (30) Beginning January 1, 2017 and through December 31,
12 2026, menstrual pads, tampons, and menstrual cups.

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

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

1 software purchased or leased to upgrade, supplement, or
2 replace computer equipment or enabling software purchased or
3 leased in the original investment that would have qualified.

4 The Department of Commerce and Economic Opportunity shall
5 grant a certificate of exemption under this item (32) to
6 qualified data centers as defined by Section 605-1025 of the
7 Department of Commerce and Economic Opportunity Law of the
8 Civil Administrative Code of Illinois.

9 For the purposes of this item (32):

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

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

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

15 This item (32) is exempt from the provisions of Section
16 3-55.

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

21 "Breast pump" means an electrically or
22 manually-controlled pump device designed or marketed to be
23 used to express milk from a human breast during lactation,
24 including the pump device and any battery, AC adapter, or
25 other power supply unit packaged and sold with the pump
26 device at the time of sale to power the pump device.

1 "Breast pump collection and storage supplies" means
2 items of tangible personal property designed or marketed
3 to be used in conjunction with a breast pump to collect
4 milk expressed from a human breast and to store collected
5 milk until it is ready for consumption. "Breast pump
6 collection and storage supplies" includes, but is not
7 limited to: breast shields and breast shield connectors;
8 breast pump tubes and tubing adapters; breast pump valves
9 and membranes; backflow protectors and backflow protector
10 adaptors; bottles and bottle caps specific to the
11 operation of the breast pump; breast milk storage bags;
12 and other items that may be useful to initiate, support,
13 or sustain breast-feeding using a breast pump during
14 lactation that may be sold separately but are generally
15 sold as part of a breast pump kit.

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

1 distributor.

2 "Breast pump kit" means a kit that contains a breast
3 pump and breast pump collection and storage supplies or
4 other taxable items of tangible personal property that may
5 be useful to initiate, support, or sustain breastfeeding
6 using a breast pump during lactation, so long as the other
7 taxable items of tangible personal property sold with the
8 breast pump kit at the time of sale are less than 10% of
9 the total sales price of the breast pump kit.

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

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

14 (35 ILCS 120/2-5)

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

18 (1) Farm chemicals.

19 (2) Farm machinery and equipment, both new and used,
20 including that manufactured on special order, certified by
21 the purchaser to be used primarily for production
22 agriculture or State or federal agricultural programs,
23 including individual replacement parts for the machinery
24 and equipment, including machinery and equipment purchased

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

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

24 Farm machinery and equipment also includes computers,
25 sensors, software, and related equipment used primarily in
26 the computer-assisted operation of production agriculture

1 facilities, equipment, and activities such as, but not
2 limited to, the collection, monitoring, and correlation of
3 animal and crop data for the purpose of formulating animal
4 diets and agricultural chemicals. This item (2) is exempt
5 from the provisions of Section 2-70.

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

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

26 (5) A motor vehicle that is used for automobile

1 renting, as defined in the Automobile Renting Occupation
2 and Use Tax Act. This paragraph is exempt from the
3 provisions of Section 2-70.

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

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

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

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

1 an active identification number issued by the Department.

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

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

24 (12) (Blank).

25 (12-5) On and after July 1, 2003 and through June 30,
26 2004, motor vehicles of the second division with a gross

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (24) Fuel consumed or used in the operation of ships,
23 barges, or vessels that are used primarily in or for the
24 transportation of property or the conveyance of persons
25 for hire on rivers bordering on this State if the fuel is
26 delivered by the seller to the purchaser's barge, ship, or

1 vessel while it is afloat upon that bordering river.

2 (25) Except as provided in item (25-5) of this
3 Section, a motor vehicle sold in this State to a
4 nonresident even though the motor vehicle is delivered to
5 the nonresident in this State, if the motor vehicle is not
6 to be titled in this State, and if a drive-away permit is
7 issued to the motor vehicle as provided in Section 3-603
8 of the Illinois Vehicle Code or if the nonresident
9 purchaser has vehicle registration plates to transfer to
10 the motor vehicle upon returning to his or her home state.
11 The issuance of the drive-away permit or having the
12 out-of-state registration plates to be transferred is
13 prima facie evidence that the motor vehicle will not be
14 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
20 the 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
26 time 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
11 require the removal of the vehicle from this state
12 following the filing of an intent to title the vehicle in
13 the purchaser's state of residence if the purchaser titles
14 the vehicle in his or her state of residence within 30 days
15 after the date of sale. The tax collected under this Act in
16 accordance with this item (25-5) shall be proportionately
17 distributed as if the tax were collected at the 6.25%
18 general rate 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
26 authorized approval for return to service, completion

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

4 (2) the aircraft is not based or registered in
5 this 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
14 all periods beginning May 30, 1995, but no claim for
15 credit or refund is allowed on or after January 1, 2008
16 (the effective date of Public Act 95-88) for such taxes
17 paid during the period beginning May 30, 2000 and ending
18 on January 1, 2008 (the effective date of Public Act
19 95-88).

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

1 Section 1g of this Act.

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

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

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

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

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

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

1 individuals to follow a trade or to pursue a manual,
2 technical, mechanical, industrial, business, or commercial
3 occupation.

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

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

1 derived from the use of the commercial, coin-operated
2 amusement and vending machines. This paragraph is exempt
3 from the provisions of Section 2-70.

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

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

1 of Section 2-70.

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

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

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

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

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

1 or uninstalled upon any such aircraft. "Consumable
2 supplies" include, but are not limited to, adhesive, tape,
3 sandpaper, general purpose lubricants, cleaning solution,
4 latex gloves, and protective films. This exemption applies
5 only to the sale of qualifying tangible personal property
6 to persons who modify, refurbish, complete, replace, or
7 maintain an aircraft and who (i) hold an Air Agency
8 Certificate and are empowered to operate an approved
9 repair station by the Federal Aviation Administration,
10 (ii) have a Class IV Rating, and (iii) conduct operations
11 in accordance with Part 145 of the Federal Aviation
12 Regulations. The exemption does not include aircraft
13 operated by a commercial air carrier providing scheduled
14 passenger air service pursuant to authority issued under
15 Part 121 or Part 129 of the Federal Aviation Regulations.
16 The changes made to this paragraph (40) by Public Act
17 98-534 are declarative of existing law. It is the intent
18 of the General Assembly that the exemption under this
19 paragraph (40) applies continuously from January 1, 2010
20 through December 31, 2024; however, no claim for credit or
21 refund is allowed for taxes paid as a result of the
22 disallowance of this exemption on or after January 1, 2015
23 and prior to the effective date of this amendatory Act of
24 the 101st General Assembly.

25 (41) Tangible personal property sold to a
26 public-facilities corporation, as described in Section

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

14 (42) Beginning January 1, 2017 and through December
15 31, 2026, menstrual pads, tampons, and menstrual cups.

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

24 (44) Qualified tangible personal property used in the
25 construction or operation of a data center that has been
26 granted a certificate of exemption by the Department of

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

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

19 For the purposes of this item (44):

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

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

1 equipment; monitoring and secure systems; emergency
2 generators; hardware; computers; servers; data storage
3 devices; network connectivity equipment; racks;
4 cabinets; telecommunications cabling infrastructure;
5 raised floor systems; peripheral components or
6 systems; software; mechanical, electrical, or plumbing
7 systems; battery systems; cooling systems and towers;
8 temperature control systems; other cabling; and other
9 data center infrastructure equipment and systems
10 necessary to operate qualified tangible personal
11 property, including fixtures; and component parts of
12 any of the foregoing, including installation,
13 maintenance, repair, refurbishment, and replacement of
14 qualified tangible personal property to generate,
15 transform, transmit, distribute, or manage electricity
16 necessary to operate qualified tangible personal
17 property; and all other tangible personal property
18 that is essential to the operations of a computer data
19 center. The term "qualified tangible personal
20 property" also includes building materials physically
21 incorporated into ~~in to~~ the qualifying data center. To
22 document the exemption allowed under this Section, the
23 retailer must obtain from the purchaser a copy of the
24 certificate of eligibility issued by the Department of
25 Commerce and Economic Opportunity.
26 This item (44) is exempt from the provisions of

1 Section 2-70.

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

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

23 "Breast pump" means an electrically or
24 manually-controlled pump device designed or marketed to be
25 used to express milk from a human breast during lactation,
26 including the pump device and any battery, AC adapter, or

1 other power supply unit packaged and sold with the pump
2 device at the time of sale to power the pump device.

3 "Breast pump collection and storage supplies" means
4 items of tangible personal property designed or marketed
5 to be used in conjunction with a breast pump to collect
6 milk expressed from a human breast and to store collected
7 milk until it is ready for consumption. "Breast pump
8 collection and storage supplies" includes, but is not
9 limited to: breast shields and breast shield connectors;
10 breast pump tubes and tubing adapters; breast pump valves
11 and membranes; backflow protectors and backflow protector
12 adaptors; bottles and bottle caps specific to the
13 operation of the breast pump; breast milk storage bags;
14 and other items that may be useful to initiate, support,
15 or sustain breast-feeding using a breast pump during
16 lactation that may be sold separately but are generally
17 sold as part of a breast pump kit.

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

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

4 "Breast pump kit" means a kit that contains a breast
5 pump and breast pump collection and storage supplies or
6 other taxable items of tangible personal property that may
7 be useful to initiate, support, or sustain breastfeeding
8 using a breast pump during lactation, so long as the other
9 taxable items of tangible personal property sold with the
10 breast pump kit at the time of sale are less than 10% of
11 the total sales price of the breast pump kit.

12 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
13 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
14 8-27-21; revised 11-9-21.)

15 Section 99. Effective date. This Act takes effect upon
16 becoming law.