

# SB3832



## 102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB3832

Introduced 1/21/2022, by Sen. Mattie Hunter

### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5  
35 ILCS 110/3-5  
35 ILCS 115/3-5  
35 ILCS 120/2-5

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that tangible personal property sold by or on behalf of the State Treasurer pursuant to the Revised Uniform Unclaimed Property Act is exempt.

LRB102 23803 HLH 32994 b

A BILL FOR

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) Tangible personal property sold by or on behalf of  
11 the State Treasurer pursuant to the Revised Uniform Unclaimed  
12 Property Act. This item (41) is exempt from the provisions of  
13 Section 3-90.

14 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;  
15 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.  
16 6-17-21.)

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

19 (35 ILCS 110/3-5)

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

22 (1) Personal property purchased from a corporation,  
23 society, association, foundation, institution, or  
24 organization, other than a limited liability company, that is

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

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

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

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

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

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

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



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

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

17 Farm machinery and equipment also includes computers,  
18 sensors, software, and related equipment used primarily in the  
19 computer-assisted operation of production agriculture  
20 facilities, equipment, and activities such as, but not limited  
21 to, the collection, monitoring, and correlation of animal and  
22 crop data for the purpose of formulating animal diets and  
23 agricultural chemicals. This item (7) is exempt from the  
24 provisions of Section 3-75.

25 (8) Until June 30, 2013, fuel and petroleum products sold  
26 to or used by an air common carrier, certified by the carrier

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

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

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

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

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

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

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

26 (13) Semen used for artificial insemination of livestock

1 for direct agricultural production.

2 (14) Horses, or interests in horses, registered with and  
3 meeting the requirements of any of the Arabian Horse Club  
4 Registry of America, Appaloosa Horse Club, American Quarter  
5 Horse Association, United States Trotting Association, or  
6 Jockey Club, as appropriate, used for purposes of breeding or  
7 racing for prizes. This item (14) is exempt from the  
8 provisions of Section 3-75, and the exemption provided for  
9 under this item (14) applies for all periods beginning May 30,  
10 1995, but no claim for credit or refund is allowed on or after  
11 January 1, 2008 (the effective date of Public Act 95-88) for  
12 such taxes paid during the period beginning May 30, 2000 and  
13 ending on January 1, 2008 (the effective date of Public Act  
14 95-88).

15 (15) Computers and communications equipment utilized for  
16 any hospital purpose and equipment used in the diagnosis,  
17 analysis, or treatment of hospital patients purchased by a  
18 lessor who leases the equipment, under a lease of one year or  
19 longer executed or in effect at the time the lessor would  
20 otherwise be subject to the tax imposed by this Act, to a  
21 hospital that has been issued an active tax exemption  
22 identification number by the Department under Section 1g of  
23 the Retailers' Occupation Tax Act. If the equipment is leased  
24 in a manner that does not qualify for this exemption or is used  
25 in any other non-exempt manner, the lessor shall be liable for  
26 the tax imposed under this Act or the Use Tax Act, as the case

1 may be, based on the fair market value of the property at the  
2 time the non-qualifying use occurs. No lessor shall collect or  
3 attempt to collect an amount (however designated) that  
4 purports to reimburse that lessor for the tax imposed by this  
5 Act or the Use Tax Act, as the case may be, if the tax has not  
6 been paid by the lessor. If a lessor improperly collects any  
7 such amount from the lessee, the lessee shall have a legal  
8 right to claim a refund of that amount from the lessor. If,  
9 however, that amount is not refunded to the lessee for any  
10 reason, the lessor is liable to pay that amount to the  
11 Department.

12 (16) Personal property purchased by a lessor who leases  
13 the property, under a lease of one year or longer executed or  
14 in effect at the time the lessor would otherwise be subject to  
15 the tax imposed by this Act, to a governmental body that has  
16 been issued an active tax exemption identification number by  
17 the Department under Section 1g of the Retailers' Occupation  
18 Tax Act. If the property is leased in a manner that does not  
19 qualify for this exemption or is used in any other non-exempt  
20 manner, the lessor shall be liable for the tax imposed under  
21 this Act or the Use Tax Act, as the case may be, based on the  
22 fair market value of the property at the time the  
23 non-qualifying use occurs. No lessor shall collect or attempt  
24 to collect an amount (however designated) that purports to  
25 reimburse that lessor for the tax imposed by this Act or the  
26 Use Tax Act, as the case may be, if the tax has not been paid

1 by the lessor. If a lessor improperly collects any such amount  
2 from the lessee, the lessee shall have a legal right to claim a  
3 refund of that amount from the lessor. If, however, that  
4 amount is not refunded to the lessee for any reason, the lessor  
5 is liable to pay that amount to the Department.

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

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

1 in the declared disaster area within 6 months after the  
2 disaster.

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

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

26 (21) Beginning January 1, 2000, personal property,

1 including food, purchased through fundraising events for the  
2 benefit of a public or private elementary or secondary school,  
3 a group of those schools, or one or more school districts if  
4 the events are sponsored by an entity recognized by the school  
5 district that consists primarily of volunteers and includes  
6 parents and teachers of the school children. This paragraph  
7 does not apply to fundraising events (i) for the benefit of  
8 private home instruction or (ii) for which the fundraising  
9 entity purchases the personal property sold at the events from  
10 another individual or entity that sold the property for the  
11 purpose of resale by the fundraising entity and that profits  
12 from the sale to the fundraising entity. This paragraph is  
13 exempt from the provisions of Section 3-75.

14 (22) Beginning January 1, 2000 and through December 31,  
15 2001, new or used automatic vending machines that prepare and  
16 serve hot food and beverages, including coffee, soup, and  
17 other items, and replacement parts for these machines.  
18 Beginning January 1, 2002 and through June 30, 2003, machines  
19 and parts for machines used in commercial, coin-operated  
20 amusement and vending business if a use or occupation tax is  
21 paid on the gross receipts derived from the use of the  
22 commercial, coin-operated amusement and vending machines. This  
23 paragraph is exempt from the provisions of Section 3-75.

24 (23) Beginning August 23, 2001 and through June 30, 2016,  
25 food for human consumption that is to be consumed off the  
26 premises where it is sold (other than alcoholic beverages,



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

11 (24) Beginning on August 2, 2001 (the effective date of  
12 Public Act 92-227), computers and communications equipment  
13 utilized for any hospital purpose and equipment used in the  
14 diagnosis, analysis, or treatment of hospital patients  
15 purchased by a lessor who leases the equipment, under a lease  
16 of one year or longer executed or in effect at the time the  
17 lessor would otherwise be subject to the tax imposed by this  
18 Act, to a hospital that has been issued an active tax exemption  
19 identification number by the Department under Section 1g of  
20 the Retailers' Occupation Tax Act. If the equipment is leased  
21 in a manner that does not qualify for this exemption or is used  
22 in any other nonexempt manner, the lessor shall be liable for  
23 the tax imposed under this Act or the Use Tax Act, as the case  
24 may be, based on the fair market value of the property at the  
25 time the nonqualifying use occurs. No lessor shall collect or  
26 attempt to collect an amount (however designated) that

1 purports to reimburse that lessor for the tax imposed by this  
2 Act or the Use Tax Act, as the case may be, if the tax has not  
3 been paid by the lessor. If a lessor improperly collects any  
4 such amount from the lessee, the lessee shall have a legal  
5 right to claim a refund of that amount from the lessor. If,  
6 however, that amount is not refunded to the lessee for any  
7 reason, the lessor is liable to pay that amount to the  
8 Department. This paragraph is exempt from the provisions of  
9 Section 3-75.

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

1 from the lessee, the lessee shall have a legal right to claim a  
2 refund of that amount from the lessor. If, however, that  
3 amount is not refunded to the lessee for any reason, the lessor  
4 is liable to pay that amount to the Department. This paragraph  
5 is exempt from the provisions of Section 3-75.

6 (26) 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 3-75.

13 (27) Beginning January 1, 2010 and continuing through  
14 December 31, 2024, materials, parts, equipment, components,  
15 and furnishings incorporated into or upon an aircraft as part  
16 of the modification, refurbishment, completion, replacement,  
17 repair, or maintenance of the aircraft. This exemption  
18 includes consumable supplies used in the modification,  
19 refurbishment, completion, replacement, repair, and  
20 maintenance of aircraft, but excludes any materials, parts,  
21 equipment, components, and consumable supplies used in the  
22 modification, replacement, repair, and maintenance of aircraft  
23 engines or power plants, whether such engines or power plants  
24 are installed or uninstalled upon any such aircraft.  
25 "Consumable supplies" include, but are not limited to,  
26 adhesive, tape, sandpaper, general purpose lubricants,

1 cleaning solution, latex gloves, and protective films. This  
2 exemption applies only to the use of qualifying tangible  
3 personal property transferred incident to the modification,  
4 refurbishment, completion, replacement, repair, or maintenance  
5 of aircraft by persons who (i) hold an Air Agency Certificate  
6 and are empowered to operate an approved repair station by the  
7 Federal Aviation Administration, (ii) have a Class IV Rating,  
8 and (iii) conduct operations in accordance with Part 145 of  
9 the Federal Aviation Regulations. The exemption does not  
10 include aircraft operated by a commercial air carrier  
11 providing scheduled passenger air service pursuant to  
12 authority issued under Part 121 or Part 129 of the Federal  
13 Aviation Regulations. The changes made to this paragraph (27)  
14 by Public Act 98-534 are declarative of existing law. It is the  
15 intent of the General Assembly that the exemption under this  
16 paragraph (27) applies continuously from January 1, 2010  
17 through December 31, 2024; however, no claim for credit or  
18 refund is allowed for taxes paid as a result of the  
19 disallowance of this exemption on or after January 1, 2015 and  
20 prior to the effective date of this amendatory Act of the 101st  
21 General Assembly.

22 (28) Tangible personal property purchased by a  
23 public-facilities corporation, as described in Section  
24 11-65-10 of the Illinois Municipal Code, for purposes of  
25 constructing or furnishing a municipal convention hall, but  
26 only if the legal title to the municipal convention hall is

1 transferred to the municipality without any further  
2 consideration by or on behalf of the municipality at the time  
3 of the completion of the municipal convention hall or upon the  
4 retirement or redemption of any bonds or other debt  
5 instruments issued by the public-facilities corporation in  
6 connection with the development of the municipal convention  
7 hall. This exemption includes existing public-facilities  
8 corporations as provided in Section 11-65-25 of the Illinois  
9 Municipal Code. This paragraph is exempt from the provisions  
10 of Section 3-75.

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

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

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

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

5 The Department of Commerce and Economic Opportunity shall  
6 grant a certificate of exemption under this item (31) to  
7 qualified data centers as defined by Section 605-1025 of the  
8 Department of Commerce and Economic Opportunity Law of the  
9 Civil Administrative Code of Illinois.

10 For the purposes of this item (31):

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

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

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

16 This item (31) is exempt from the provisions of Section  
17 3-75.

18 (32) Tangible personal property sold by or on behalf of  
19 the State Treasurer pursuant to the Revised Uniform Unclaimed  
20 Property Act. This item (32) is exempt from the provisions of  
21 Section 3-75.

22 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;  
23 101-629, eff. 2-5-20; 102-16, eff. 6-17-21.)

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

1 (35 ILCS 115/3-5)

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

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

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

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



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

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

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

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

23 (7) Farm machinery and equipment, both new and used,  
24 including that manufactured on special order, certified by the  
25 purchaser to be used primarily for production agriculture or  
26 State or federal agricultural programs, including individual

1 replacement parts for the machinery and equipment, including  
2 machinery and equipment purchased for lease, and including  
3 implements of husbandry defined in Section 1-130 of the  
4 Illinois Vehicle Code, farm machinery and agricultural  
5 chemical and fertilizer spreaders, and nurse wagons required  
6 to be registered under Section 3-809 of the Illinois Vehicle  
7 Code, but excluding other motor vehicles required to be  
8 registered under the Illinois Vehicle Code. Horticultural  
9 polyhouses or hoop houses used for propagating, growing, or  
10 overwintering plants shall be considered farm machinery and  
11 equipment under this item (7). Agricultural chemical tender  
12 tanks and dry boxes shall include units sold separately from a  
13 motor vehicle required to be licensed and units sold mounted  
14 on a motor vehicle required to be licensed if the selling price  
15 of the tender is separately 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 not  
19 limited to, tractors, harvesters, sprayers, planters, seeders,  
20 or spreaders. Precision farming equipment includes, but is not  
21 limited to, soil testing sensors, computers, monitors,  
22 software, global positioning and mapping systems, and other  
23 such equipment.

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

1 facilities, equipment, and activities such as, but not limited  
2 to, the collection, monitoring, and correlation of animal and  
3 crop data for the purpose of formulating animal diets and  
4 agricultural chemicals. This item (7) is exempt from the  
5 provisions of Section 3-55.

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

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

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

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

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

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

20 (12) Until July 1, 2023, coal and aggregate exploration,  
21 mining, off-highway hauling, processing, maintenance, and  
22 reclamation equipment, including replacement parts and  
23 equipment, and including equipment purchased for lease, but  
24 excluding motor vehicles required to be registered under the  
25 Illinois Vehicle Code. The changes made to this Section by  
26 Public Act 97-767 apply on and after July 1, 2003, but no claim

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

1 the State of Illinois.

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

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

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

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

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

7 (30) Beginning January 1, 2017 and through December 31,  
8 2026, menstrual pads, tampons, and menstrual cups.

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

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

26 The Department of Commerce and Economic Opportunity shall

1 grant a certificate of exemption under this item (32) to  
2 qualified data centers as defined by Section 605-1025 of the  
3 Department of Commerce and Economic Opportunity Law of the  
4 Civil Administrative Code of Illinois.

5 For the purposes of this item (32):

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

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

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

11 This item (32) is exempt from the provisions of Section  
12 3-55.

13 (33) Tangible personal property sold by or on behalf of  
14 the State Treasurer pursuant to the Revised Uniform Unclaimed  
15 Property Act. This item (33) is exempt from the provisions of  
16 Section 3-55.

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

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

21 (35 ILCS 120/2-5)

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

1           (1) Farm chemicals.

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

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



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

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

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

20 (4) Until July 1, 2003 and beginning again September  
21 1, 2004 through August 30, 2014, graphic arts machinery  
22 and equipment, including repair and replacement parts,  
23 both new and used, and including that manufactured on  
24 special order or purchased for lease, certified by the  
25 purchaser to be used primarily for graphic arts  
26 production. Equipment includes chemicals or chemicals

1 acting as catalysts but only if the chemicals or chemicals  
2 acting as catalysts effect a direct and immediate change  
3 upon a graphic arts product. Beginning on July 1, 2017,  
4 graphic arts machinery and equipment is included in the  
5 manufacturing and assembling machinery and equipment  
6 exemption under paragraph (14).

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

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

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

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

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

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

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

16 (11) Personal property sold to a governmental body, to  
17 a corporation, society, association, foundation, or  
18 institution organized and operated exclusively for  
19 charitable, religious, or educational purposes, or to a  
20 not-for-profit corporation, society, association,  
21 foundation, institution, or organization that has no  
22 compensated officers or employees and that is organized  
23 and operated primarily for the recreation of persons 55  
24 years of age or older. A limited liability company may  
25 qualify for the exemption under this paragraph only if the  
26 limited liability company is organized and operated

1 exclusively for educational purposes. On and after July 1,  
2 1987, however, no entity otherwise eligible for this  
3 exemption shall make tax-free purchases unless it has an  
4 active identification number issued by the Department.

5 (12) (Blank).

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

26 (13) Proceeds from sales to owners, lessors, or

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

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

1 customers through pipes, pipelines, or mains. The  
2 provisions of Public Act 98-583 are declaratory of  
3 existing law as to the meaning and scope of this  
4 exemption. Beginning on July 1, 2017, the exemption  
5 provided by this paragraph (14) includes, but is not  
6 limited to, graphic arts machinery and equipment, as  
7 defined in paragraph (4) of this Section.

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

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

20 (17) Tangible personal property sold to a common  
21 carrier by rail or motor that receives the physical  
22 possession of the property in Illinois and that transports  
23 the property, or shares with another common carrier in the  
24 transportation of the property, out of Illinois on a  
25 standard uniform bill of lading showing the seller of the  
26 property as the shipper or consignor of the property to a

1 destination outside Illinois, for use outside Illinois.

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

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

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

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

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

8 (22) Until June 30, 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 destined for or returning from a location or  
13 locations outside the United States without regard to  
14 previous or subsequent domestic stopovers.

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

25 (23) A transaction in which the purchase order is  
26 received by a florist who is located outside Illinois, but



1           who has a florist located in Illinois deliver the property  
2           to the purchaser or the purchaser's donee in Illinois.

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

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

22          (25-5) The exemption under item (25) does not apply if  
23          the state in which the motor vehicle will be titled does  
24          not allow a reciprocal exemption for a motor vehicle sold  
25          and delivered in that state to an Illinois resident but  
26          titled in Illinois. The tax collected under this Act on

1 the sale of a motor vehicle in this State to a resident of  
2 another state that does not allow a reciprocal exemption  
3 shall be imposed at a rate equal to the state's rate of tax  
4 on taxable property in the state in which the purchaser is  
5 a resident, except that the tax shall not exceed the tax  
6 that would otherwise be imposed under this Act. At the  
7 time of the sale, the purchaser shall execute a statement,  
8 signed under penalty of perjury, of his or her intent to  
9 title the vehicle in the state in which the purchaser is a  
10 resident within 30 days after the sale and of the fact of  
11 the payment to the State of Illinois of tax in an amount  
12 equivalent to the state's rate of tax on taxable property  
13 in his or her state of residence and shall submit the  
14 statement to the appropriate tax collection agency in his  
15 or her state of residence. In addition, the retailer must  
16 retain a signed copy of the statement in his or her  
17 records. Nothing in this item shall be construed to  
18 require the removal of the vehicle from this state  
19 following the filing of an intent to title the vehicle in  
20 the purchaser's state of residence if the purchaser titles  
21 the vehicle in his or her state of residence within 30 days  
22 after the date of sale. The tax collected under this Act in  
23 accordance with this item (25-5) shall be proportionately  
24 distributed as if the tax were collected at the 6.25%  
25 general rate imposed under this Act.

26 (25-7) Beginning on July 1, 2007, no tax is imposed

1 under this Act on the sale of an aircraft, as defined in  
2 Section 3 of the Illinois Aeronautics Act, if all of the  
3 following conditions are met:

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

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

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

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

25 "Based in this State" means hangared, stored, or  
26 otherwise used, excluding post-sale customizations as

1 defined in this Section, for 10 or more days in each  
2 12-month period immediately following the date of the sale  
3 of the aircraft.

4 "Registered in this State" means an aircraft  
5 registered with the Department of Transportation,  
6 Aeronautics Division, or titled or registered with the  
7 Federal Aviation Administration to an address located in  
8 this State.

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

11 (26) Semen used for artificial insemination of  
12 livestock for direct agricultural production.

13 (27) Horses, or interests in horses, registered with  
14 and meeting the requirements of any of the Arabian Horse  
15 Club Registry of America, Appaloosa Horse Club, American  
16 Quarter Horse Association, United States Trotting  
17 Association, or Jockey Club, as appropriate, used for  
18 purposes of breeding or racing for prizes. This item (27)  
19 is exempt from the provisions of Section 2-70, and the  
20 exemption provided for under this item (27) applies for  
21 all periods beginning May 30, 1995, but no claim for  
22 credit or refund is allowed on or after January 1, 2008  
23 (the effective date of Public Act 95-88) for such taxes  
24 paid during the period beginning May 30, 2000 and ending  
25 on January 1, 2008 (the effective date of Public Act  
26 95-88).

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

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

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

26          (31) Beginning with taxable years ending on or after

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

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

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

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

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

26 (35) Beginning January 1, 2000 and through December

1 31, 2001, new or used automatic vending machines that  
2 prepare and serve hot food and beverages, including  
3 coffee, soup, and other items, and replacement parts for  
4 these machines. Beginning January 1, 2002 and through June  
5 30, 2003, machines and parts for machines used in  
6 commercial, coin-operated amusement and vending business  
7 if a use or occupation tax is paid on the gross receipts  
8 derived from the use of the commercial, coin-operated  
9 amusement and vending machines. This paragraph is exempt  
10 from the provisions of Section 2-70.

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

25 (36) Beginning August 2, 2001, computers and  
26 communications equipment utilized for any hospital purpose



1 and equipment used in the diagnosis, analysis, or  
2 treatment of hospital patients sold to a lessor who leases  
3 the equipment, under a lease of one year or longer  
4 executed or in effect at the time of the purchase, to a  
5 hospital that has been issued an active tax exemption  
6 identification number by the Department under Section 1g  
7 of this Act. This paragraph is exempt from the provisions  
8 of Section 2-70.

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

16 (38) Beginning on January 1, 2002 and through June 30,  
17 2016, tangible personal property purchased from an  
18 Illinois retailer by a taxpayer engaged in centralized  
19 purchasing activities in Illinois who will, upon receipt  
20 of the property in Illinois, temporarily store the  
21 property in Illinois (i) for the purpose of subsequently  
22 transporting it outside this State for use or consumption  
23 thereafter solely outside this State or (ii) for the  
24 purpose of being processed, fabricated, or manufactured  
25 into, attached to, or incorporated into other tangible  
26 personal property to be transported outside this State and

1           thereafter used or consumed solely outside this State. The  
2           Director of Revenue shall, pursuant to rules adopted in  
3           accordance with the Illinois Administrative Procedure Act,  
4           issue a permit to any taxpayer in good standing with the  
5           Department who is eligible for the exemption under this  
6           paragraph (38). The permit issued under this paragraph  
7           (38) shall authorize the holder, to the extent and in the  
8           manner specified in the rules adopted under this Act, to  
9           purchase tangible personal property from a retailer exempt  
10          from the taxes imposed by this Act. Taxpayers shall  
11          maintain all necessary books and records to substantiate  
12          the use and consumption of all such tangible personal  
13          property outside of the State of Illinois.

14           (39) Beginning January 1, 2008, tangible personal  
15          property used in the construction or maintenance of a  
16          community water supply, as defined under Section 3.145 of  
17          the Environmental Protection Act, that is operated by a  
18          not-for-profit corporation that holds a valid water supply  
19          permit issued under Title IV of the Environmental  
20          Protection Act. This paragraph is exempt from the  
21          provisions of Section 2-70.

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

1 aircraft. This exemption includes consumable supplies used  
2 in the modification, refurbishment, completion,  
3 replacement, repair, and maintenance of aircraft, but  
4 excludes any materials, parts, equipment, components, and  
5 consumable supplies used in the modification, replacement,  
6 repair, and maintenance of aircraft engines or power  
7 plants, whether such engines or power plants are installed  
8 or uninstalled upon any such aircraft. "Consumable  
9 supplies" include, but are not limited to, adhesive, tape,  
10 sandpaper, general purpose lubricants, cleaning solution,  
11 latex gloves, and protective films. This exemption applies  
12 only to the sale of qualifying tangible personal property  
13 to persons who modify, refurbish, complete, replace, or  
14 maintain an aircraft and who (i) hold an Air Agency  
15 Certificate and are empowered to operate an approved  
16 repair station by the Federal Aviation Administration,  
17 (ii) have a Class IV Rating, and (iii) conduct operations  
18 in accordance with Part 145 of the Federal Aviation  
19 Regulations. The exemption does not include aircraft  
20 operated by a commercial air carrier providing scheduled  
21 passenger air service pursuant to authority issued under  
22 Part 121 or Part 129 of the Federal Aviation Regulations.  
23 The changes made to this paragraph (40) by Public Act  
24 98-534 are declarative of existing law. It is the intent  
25 of the General Assembly that the exemption under this  
26 paragraph (40) applies continuously from January 1, 2010

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

6 (41) Tangible personal property sold to a  
7 public-facilities corporation, as described in Section  
8 11-65-10 of the Illinois Municipal Code, for purposes of  
9 constructing or furnishing a municipal convention hall,  
10 but only if the legal title to the municipal convention  
11 hall is transferred to the municipality without any  
12 further consideration by or on behalf of the municipality  
13 at the time of the completion of the municipal convention  
14 hall or upon the retirement or redemption of any bonds or  
15 other debt instruments issued by the public-facilities  
16 corporation in connection with the development of the  
17 municipal convention hall. This exemption includes  
18 existing public-facilities corporations as provided in  
19 Section 11-65-25 of the Illinois Municipal Code. This  
20 paragraph is exempt from the provisions of Section 2-70.

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

23 (43) Merchandise that is subject to the Rental  
24 Purchase Agreement Occupation and Use Tax. The purchaser  
25 must certify that the item is purchased to be rented  
26 subject to a rental purchase agreement, as defined in the

1 Rental Purchase Agreement Act, and provide proof of  
2 registration under the Rental Purchase Agreement  
3 Occupation and Use Tax Act. This paragraph is exempt from  
4 the provisions of Section 2-70.

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

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

26 For the purposes of this item (44):

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

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

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

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

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

26 (46) Tangible personal property sold by or on behalf

1       of the State Treasurer pursuant to the Revised Uniform  
2       Unclaimed Property Act. This item (46) is exempt from the  
3       provisions of Section 2-70.

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