



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB3434

Introduced 2/17/2023, by Rep. Dave Severin

SYNOPSIS AS INTRODUCED:

See Index

Amends the Department of Revenue Law of the Civil Administrative Code of Illinois. Provides that if an in-State retailer or serviceman bids on a purchase order or contract to provide materials, equipment, or supplies to a municipality with a population under 1,000,000, and that purchase order or contract involves an amount in excess of \$25,000, then the municipality may apply to the Department of Revenue for a certificate of exemption from the taxes imposed under specified local provisions of the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act for the in-State retailer or serviceman, or a third-party supplier of the retailer or serviceman, with respect to the materials, equipment, or supplies covered by the bid if: at least one other bid is received from an out-of-State retailer or serviceman; the in-State retailer or serviceman demonstrates the necessity of the exemption in order to submit the lowest responsible bid, including substantive proof furnished by the retailer or serviceman to the municipality or the Department of Revenue; and the in-State retailer provides an itemized estimate of cost to the corporate authorities of the municipality. Defines terms. Makes confirming changes in the following Acts and Codes: the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Counties Code, the Illinois Municipal Code, the Salem Civic Center Law of 1997 of the Civic Center Code, the Metropolitan Pier and Exposition Authority Act, the Flood Prevention District Act, the Metro-East Park and Recreation District Act, the Local Mass Transit District Act, the Regional Transportation Authority Act, and the Water Commission Act of 1985. Effective immediately.

LRB103 28571 HLH 54952 b

1 AN ACT concerning revenue.

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

4 Section 5. The Department of Revenue Law of the Civil
5 Administrative Code of Illinois is amended by adding Section
6 2505-810 as follows:

7 (20 ILCS 2505/2505-810 new)

8 Sec. 2505-810. Exemption for materials, equipment, or
9 supplies of a bid.

10 (a) As used in this Section:

11 "In-State retailer or serviceman" means a retailer or
12 serviceman with a principal place of business located in the
13 State.

14 "Local provisions of the Use Tax Act, the Service Use Tax
15 Act, the Service Occupation Tax Act, and the Retailers'
16 Occupation Tax Act" means use taxes or occupation taxes
17 imposed under the Counties Code, the Illinois Municipal Code,
18 the Salem Civic Center Law of 1997 of the Civic Center Code,
19 the Metropolitan Pier and Exposition Authority Act, the Flood
20 Prevention District Act, the Metro-East Park and Recreation
21 District Act, the Local Mass Transit District Act, the
22 Regional Transportation Authority Act, and the Water
23 Commission Act of 1985.

1 "Out-of-State retailer or serviceman" means a retailer or
2 serviceman with a principal place of business located outside
3 of the State.

4 (b) If an in-State retailer or serviceman bids on a
5 purchase order or contract to provide materials, equipment, or
6 supplies to a municipality with a population of less than
7 1,000,000, and that purchase order or contract involves an
8 amount in excess of \$25,000, then the municipality may apply
9 to the Department of Revenue for a certificate of exemption
10 from the taxes imposed under local provisions of the Use Tax
11 Act, the Service Use Tax Act, the Service Occupation Tax Act,
12 and the Retailers' Occupation Tax Act for the in-State
13 retailer or serviceman, or a third-party supplier of the
14 in-State retailer or serviceman, with respect to the
15 materials, equipment, or supplies covered by the bid if all of
16 the following conditions apply:

17 (1) at least one other bid is received from an
18 out-of-State retailer or serviceman;

19 (2) the in-State retailer or serviceman demonstrates
20 the necessity of the exemption in order to submit the
21 lowest responsible bid under the guidelines provided under
22 Division 9 or 10 of Article 8 of the Illinois Municipal
23 Code, including substantive proof furnished by the
24 retailer or serviceman to the municipality or the
25 Department of Revenue; and

26 (3) the in-State retailer provides an itemized

1 estimate of cost to the corporate authorities of the
2 municipality.

3 Section 10. The Use Tax Act is amended by changing Section
4 3-5 as follows:

5 (35 ILCS 105/3-5)

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

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

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

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

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

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

23 (5) Until July 1, 2003, a passenger car that is a
24 replacement vehicle to the extent that the purchase price of
25 the car is subject to the Replacement Vehicle Tax.

26 (6) Until July 1, 2003 and beginning again on September 1,

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

13 (7) Farm chemicals.

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

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

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

24 (11) Farm machinery and equipment, both new and used,
25 including that manufactured on special order, certified by the
26 purchaser to be used primarily for production agriculture or

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

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

25 Farm machinery and equipment also includes computers,
26 sensors, software, and related equipment used primarily in the

1 computer-assisted operation of production agriculture
2 facilities, equipment, and activities such as, but not limited
3 to, the collection, monitoring, and correlation of animal and
4 crop data for the purpose of formulating animal diets and
5 agricultural chemicals. This item (11) is exempt from the
6 provisions of Section 3-90.

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

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

24 (13) Proceeds of mandatory service charges separately
25 stated on customers' bills for the purchase and consumption of
26 food and beverages purchased at retail from a retailer, to the

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

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

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

21 (16) Until July 1, 2028, coal and aggregate exploration,
22 mining, off-highway hauling, processing, maintenance, and
23 reclamation equipment, including replacement parts and
24 equipment, and including equipment purchased for lease, but
25 excluding motor vehicles required to be registered under the
26 Illinois Vehicle Code. The changes made to this Section by

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

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

12 (18) Manufacturing and assembling machinery and equipment
13 used primarily in the process of manufacturing or assembling
14 tangible personal property for wholesale or retail sale or
15 lease, whether that sale or lease is made directly by the
16 manufacturer or by some other person, whether the materials
17 used in the process are owned by the manufacturer or some other
18 person, or whether that sale or lease is made apart from or as
19 an incident to the seller's engaging in the service occupation
20 of producing machines, tools, dies, jigs, patterns, gauges, or
21 other similar items of no commercial value on special order
22 for a particular purchaser. The exemption provided by this
23 paragraph (18) includes production related tangible personal
24 property, as defined in Section 3-50, purchased on or after
25 July 1, 2019. The exemption provided by this paragraph (18)
26 does not include machinery and equipment used in (i) the

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

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

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

19 (21) Horses, or interests in horses, registered with and
20 meeting the requirements of any of the Arabian Horse Club
21 Registry of America, Appaloosa Horse Club, American Quarter
22 Horse Association, United States Trotting Association, or
23 Jockey Club, as appropriate, used for purposes of breeding or
24 racing for prizes. This item (21) is exempt from the
25 provisions of Section 3-90, and the exemption provided for
26 under this item (21) applies for all periods beginning May 30,

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

4 (22) Computers and communications equipment utilized for
5 any hospital purpose and equipment used in the diagnosis,
6 analysis, or treatment of hospital patients purchased by a
7 lessor who leases the equipment, under a lease of one year or
8 longer executed or in effect at the time the lessor would
9 otherwise be subject to the tax imposed by this Act, to a
10 hospital that has been issued an active tax exemption
11 identification number by the Department under Section 1g of
12 the Retailers' Occupation Tax Act. If the equipment is leased
13 in a manner that does not qualify for this exemption or is used
14 in any other non-exempt manner, the lessor shall be liable for
15 the tax imposed under this Act or the Service Use Tax Act, as
16 the case may be, based on the fair market value of the property
17 at the time the non-qualifying 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.

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

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

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

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

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

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

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

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

1 purpose of resale by the fundraising entity and that profits
2 from the sale to the fundraising entity. This paragraph is
3 exempt from the provisions of Section 3-90.

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

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

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

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

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

23 (33) On and after July 1, 2003 and through June 30, 2004,
24 the use in this State of motor vehicles of the second division
25 with a gross vehicle weight in excess of 8,000 pounds and that
26 are subject to the commercial distribution fee imposed under

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

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

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

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

1 for credit or refund is allowed for taxes paid as a result of
2 the disallowance of this exemption on or after January 1, 2015
3 and prior to February 5, 2020 (the effective date of Public Act
4 101-629) ~~this amendatory Act of the 101st General Assembly.~~

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

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

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

1 Rental Purchase Agreement Occupation and Use Tax Act. This
2 paragraph is exempt from the provisions of Section 3-90.

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

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

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

26 For the purposes of this item (40):

1 "Data center" means a building or a series of
2 buildings rehabilitated or constructed to house working
3 servers in one physical location or multiple sites within
4 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; cabinets;
11 telecommunications cabling infrastructure; raised floor
12 systems; peripheral components or systems; software;
13 mechanical, electrical, or plumbing systems; battery
14 systems; cooling systems and towers; temperature control
15 systems; other cabling; and other data center
16 infrastructure equipment and systems necessary to operate
17 qualified tangible personal property, including fixtures;
18 and component parts of any of the foregoing, including
19 installation, maintenance, repair, refurbishment, and
20 replacement of qualified tangible personal property to
21 generate, transform, transmit, distribute, or manage
22 electricity necessary to operate qualified tangible
23 personal property; and all other tangible personal
24 property that is essential to the operations of a computer
25 data center. The term "qualified tangible personal
26 property" also includes building materials physically

1 incorporated in to the qualifying data center. To document
2 the exemption allowed under this Section, the retailer
3 must obtain from the purchaser a copy of the certificate
4 of eligibility issued by the Department of Commerce and
5 Economic Opportunity.

6 This item (40) is exempt from the provisions of Section
7 3-90.

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

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

19 "Breast pump collection and storage supplies" means
20 items of tangible personal property designed or marketed
21 to be used in conjunction with a breast pump to collect
22 milk expressed from a human breast and to store collected
23 milk until it is ready for consumption.

24 "Breast pump collection and storage supplies"
25 includes, but is not limited to: breast shields and breast
26 shield connectors; breast pump tubes and tubing adapters;

1 breast pump valves and membranes; backflow protectors and
2 backflow protector adaptors; bottles and bottle caps
3 specific to the operation of the breast pump; and breast
4 milk storage bags.

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

17 "Breast pump kit" means a kit that: (1) contains no
18 more than a breast pump, breast pump collection and
19 storage supplies, a rechargeable battery for operating the
20 breast pump, a breastmilk cooler, bottle stands, ice
21 packs, and a breast pump carrying case; and (2) is
22 pre-packaged as a breast pump kit by the breast pump
23 manufacturer or distributor.

24 (42) ~~(41)~~ Tangible personal property sold by or on behalf
25 of the State Treasurer pursuant to the Revised Uniform
26 Unclaimed Property Act. This item (42) ~~(41)~~ is exempt from the

1 provisions of Section 3-90.

2 (43) Tangible personal property for which a certificate of
3 exemption has been issued under Section 2505-810 of the
4 Department of Revenue Law of the Civil Administrative Code of
5 Illinois. This paragraph is exempt from the provisions of
6 Section 3-90.

7 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
8 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
9 6-17-21; 102-700, Article 70, Section 70-5, eff. 4-19-22;
10 102-700, Article 75, Section 75-5, eff. 4-19-22; 102-1026,
11 eff. 5-27-22; revised 8-1-22.)

12 Section 15. The Service Use Tax Act is amended by changing
13 Section 3-5 as follows:

14 (35 ILCS 110/3-5)

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

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

24 (2) Personal property purchased by a non-profit Illinois

1 county fair association for use in conducting, operating, or
2 promoting the county fair.

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

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

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

1 primarily for graphic arts production. Equipment includes
2 chemicals or chemicals acting as catalysts but only if the
3 chemicals or chemicals acting as catalysts effect a direct and
4 immediate change upon a graphic arts product. Beginning on
5 July 1, 2017, graphic arts machinery and equipment is included
6 in the manufacturing and assembling machinery and equipment
7 exemption under Section 2 of this Act.

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

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

1 motor vehicle required to be licensed and units sold mounted
2 on a motor vehicle required to be licensed if the selling price
3 of the tender is separately stated.

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

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

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

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

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

20 (10) Until July 1, 2003, oil field exploration, drilling,
21 and production equipment, including (i) rigs and parts of
22 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)
23 pipe and tubular goods, including casing and drill strings,
24 (iii) pumps and pump-jack units, (iv) storage tanks and flow
25 lines, (v) any individual replacement part for oil field
26 exploration, drilling, and production equipment, and (vi)

1 machinery and equipment purchased for lease; but excluding
2 motor vehicles required to be registered under the Illinois
3 Vehicle Code.

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

10 (12) Until July 1, 2028, coal and aggregate exploration,
11 mining, off-highway hauling, processing, maintenance, and
12 reclamation equipment, including replacement parts and
13 equipment, and including equipment purchased for lease, but
14 excluding motor vehicles required to be registered under the
15 Illinois Vehicle Code. The changes made to this Section by
16 Public Act 97-767 apply on and after July 1, 2003, but no claim
17 for credit or refund is allowed on or after August 16, 2013
18 (the effective date of Public Act 98-456) for such taxes paid
19 during the period beginning July 1, 2003 and ending on August
20 16, 2013 (the effective date of Public Act 98-456).

21 (13) Semen used for artificial insemination of livestock
22 for direct agricultural production.

23 (14) Horses, or interests in horses, registered with and
24 meeting the requirements of any of the Arabian Horse Club
25 Registry of America, Appaloosa Horse Club, American Quarter
26 Horse Association, United States Trotting Association, or

1 Jockey Club, as appropriate, used for purposes of breeding or
2 racing for prizes. This item (14) is exempt from the
3 provisions of Section 3-75, and the exemption provided for
4 under this item (14) applies for all periods beginning May 30,
5 1995, but no claim for credit or refund is allowed on or after
6 January 1, 2008 (the effective date of Public Act 95-88) for
7 such taxes paid during the period beginning May 30, 2000 and
8 ending on January 1, 2008 (the effective date of Public Act
9 95-88).

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

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

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

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

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

24 (19) Beginning July 1, 1999, game or game birds purchased
25 at a "game breeding and hunting preserve area" as that term is
26 used in the Wildlife Code. This paragraph is exempt from the

1 provisions of Section 3-75.

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

21 (21) Beginning January 1, 2000, personal property,
22 including food, purchased through fundraising events for the
23 benefit of a public or private elementary or secondary school,
24 a group of those schools, or one or more school districts if
25 the events are sponsored by an entity recognized by the school
26 district that consists primarily of volunteers and includes

1 parents and teachers of the school children. This paragraph
2 does not apply to fundraising events (i) for the benefit of
3 private home instruction or (ii) for which the fundraising
4 entity purchases the personal property sold at the events from
5 another individual or entity that sold the property for the
6 purpose of resale by the fundraising entity and that profits
7 from the sale to the fundraising entity. This paragraph is
8 exempt from the provisions of Section 3-75.

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

19 (23) Beginning August 23, 2001 and through June 30, 2016,
20 food for human consumption that is to be consumed off the
21 premises where it is sold (other than alcoholic beverages,
22 soft drinks, and food that has been prepared for immediate
23 consumption) and prescription and nonprescription medicines,
24 drugs, medical appliances, and insulin, urine testing
25 materials, syringes, and needles used by diabetics, for human
26 use, when purchased for use by a person receiving medical

1 assistance under Article V of the Illinois Public Aid Code who
2 resides in a licensed long-term care facility, as defined in
3 the Nursing Home Care Act, or in a licensed facility as defined
4 in the ID/DD Community Care Act, the MC/DD Act, or the
5 Specialized Mental Health Rehabilitation Act of 2013.

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

1 however, that amount is not refunded to the lessee for any
2 reason, the lessor is liable to pay that amount to the
3 Department. This paragraph is exempt from the provisions of
4 Section 3-75.

5 (25) Beginning on August 2, 2001 (the effective date of
6 Public Act 92-227), personal property purchased by a lessor
7 who leases the property, under a lease of one year or longer
8 executed or in effect at the time the lessor would otherwise be
9 subject to the tax imposed by this Act, to a governmental body
10 that has been issued an active tax exemption identification
11 number by the Department under Section 1g of the Retailers'
12 Occupation Tax Act. If the property is leased in a manner that
13 does not qualify for this exemption or is used in any other
14 nonexempt manner, the lessor shall be liable for the tax
15 imposed under this Act or the Use Tax Act, as the case may be,
16 based on the fair market value of the property at the time the
17 nonqualifying use occurs. No lessor shall collect or attempt
18 to collect an amount (however designated) that purports to
19 reimburse that lessor for the tax imposed by this Act or the
20 Use Tax Act, as the case may be, if the tax has not been paid
21 by the lessor. If a lessor improperly collects any such amount
22 from the lessee, the lessee shall have a legal right to claim a
23 refund of that amount from the lessor. If, however, that
24 amount is not refunded to the lessee for any reason, the lessor
25 is liable to pay that amount to the Department. This paragraph
26 is exempt from the provisions of Section 3-75.

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

8 (27) Beginning January 1, 2010 and continuing through
9 December 31, 2024, materials, parts, equipment, components,
10 and furnishings incorporated into or upon an aircraft as part
11 of the modification, refurbishment, completion, replacement,
12 repair, or maintenance of the aircraft. This exemption
13 includes consumable supplies used in the modification,
14 refurbishment, completion, replacement, repair, and
15 maintenance of aircraft, but excludes any materials, parts,
16 equipment, components, and consumable supplies used in the
17 modification, replacement, repair, and maintenance of aircraft
18 engines or power plants, whether such engines or power plants
19 are installed or uninstalled upon any such aircraft.
20 "Consumable supplies" include, but are not limited to,
21 adhesive, tape, sandpaper, general purpose lubricants,
22 cleaning solution, latex gloves, and protective films. This
23 exemption applies only to the use of qualifying tangible
24 personal property transferred incident to the modification,
25 refurbishment, completion, replacement, repair, or maintenance
26 of aircraft by persons who (i) hold an Air Agency Certificate

1 and are empowered to operate an approved repair station by the
2 Federal Aviation Administration, (ii) have a Class IV Rating,
3 and (iii) conduct operations in accordance with Part 145 of
4 the Federal Aviation Regulations. The exemption does not
5 include aircraft operated by a commercial air carrier
6 providing scheduled passenger air service pursuant to
7 authority issued under Part 121 or Part 129 of the Federal
8 Aviation Regulations. The changes made to this paragraph (27)
9 by Public Act 98-534 are declarative of existing law. It is the
10 intent of the General Assembly that the exemption under this
11 paragraph (27) applies continuously from January 1, 2010
12 through December 31, 2024; however, no claim for credit or
13 refund is allowed for taxes paid as a result of the
14 disallowance of this exemption on or after January 1, 2015 and
15 prior to February 5, 2020 (the effective date of Public Act
16 101-629) ~~this amendatory Act of the 101st General Assembly.~~

17 (28) Tangible personal property purchased by a
18 public-facilities corporation, as described in Section
19 11-65-10 of the Illinois Municipal Code, for purposes of
20 constructing or furnishing a municipal convention hall, but
21 only if the legal title to the municipal convention hall is
22 transferred to the municipality without any further
23 consideration by or on behalf of the municipality at the time
24 of the completion of the municipal convention hall or upon the
25 retirement or redemption of any bonds or other debt
26 instruments issued by the public-facilities corporation in

1 connection with the development of the municipal convention
2 hall. This exemption includes existing public-facilities
3 corporations as provided in Section 11-65-25 of the Illinois
4 Municipal Code. This paragraph is exempt from the provisions
5 of Section 3-75.

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

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

12 (31) 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 Public Act 101-31 ~~this amendatory Act of the 101st~~
21 ~~General Assembly~~ been in effect, may apply for and obtain an
22 exemption for subsequent purchases of computer equipment or
23 enabling software purchased or leased to upgrade, supplement,
24 or replace computer equipment or enabling software purchased
25 or leased in the original investment that would have
26 qualified.

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

6 For the purposes of this item (31):

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

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

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

12 This item (31) is exempt from the provisions of Section
13 3-75.

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

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

25 "Breast pump collection and storage supplies" means
26 items of tangible personal property designed or marketed

1 to be used in conjunction with a breast pump to collect
2 milk expressed from a human breast and to store collected
3 milk until it is ready for consumption.

4 "Breast pump collection and storage supplies"
5 includes, but is not limited to: breast shields and breast
6 shield connectors; breast pump tubes and tubing adapters;
7 breast pump valves and membranes; backflow protectors and
8 backflow protector adaptors; bottles and bottle caps
9 specific to the operation of the breast pump; and breast
10 milk storage bags.

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

23 "Breast pump kit" means a kit that: (1) contains no
24 more than a breast pump, breast pump collection and
25 storage supplies, a rechargeable battery for operating the
26 breast pump, a breastmilk cooler, bottle stands, ice

1 packs, and a breast pump carrying case; and (2) is
2 pre-packaged as a breast pump kit by the breast pump
3 manufacturer or distributor.

4 (33) ~~(32)~~ Tangible personal property sold by or on behalf
5 of the State Treasurer pursuant to the Revised Uniform
6 Unclaimed Property Act. This item (33) ~~(32)~~ is exempt from the
7 provisions of Section 3-75.

8 (34) Tangible personal property for which a certificate of
9 exemption has been issued under Section 2505-810 of the
10 Department of Revenue Law of the Civil Administrative Code of
11 Illinois. This paragraph is exempt from the provisions of
12 Section 3-75.

13 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
14 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article
15 70, Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
16 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-3-22.)

17 Section 20. The Service Occupation Tax Act is amended by
18 changing Section 3-5 as follows:

19 (35 ILCS 115/3-5)

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

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

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

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

8 (3) Personal property purchased by any 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 sold by a teacher-sponsored student
14 organization affiliated with an elementary or secondary school
15 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 3-55.

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, to the extent that the proceeds of the
19 service charge are in fact turned over as tips or as a
20 substitute for tips to the employees who participate directly
21 in preparing, serving, hosting or cleaning up the food or
22 beverage function with respect to which the service charge is
23 imposed.

24 (10) Until July 1, 2003, oil field exploration, drilling,
25 and production equipment, including (i) rigs and parts of
26 rigs, rotary rigs, cable tool rigs, and workover rigs, (ii)

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

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

13 (12) Until July 1, 2028, coal and aggregate exploration,
14 mining, off-highway hauling, processing, maintenance, and
15 reclamation equipment, including replacement parts and
16 equipment, and including equipment purchased for lease, but
17 excluding motor vehicles required to be registered under the
18 Illinois Vehicle Code. The changes made to this Section by
19 Public Act 97-767 apply on and after July 1, 2003, but no claim
20 for credit or refund is allowed on or after August 16, 2013
21 (the effective date of Public Act 98-456) for such taxes paid
22 during the period beginning July 1, 2003 and ending on August
23 16, 2013 (the effective date of Public Act 98-456).

24 (13) Beginning January 1, 1992 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 non-prescription 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 (14) Semen used for artificial insemination of livestock
12 for direct agricultural production.

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

26 (16) Computers and communications equipment utilized for

1 any hospital purpose and equipment used in the diagnosis,
2 analysis, or treatment of hospital patients sold to a lessor
3 who leases 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 of
7 the Retailers' Occupation Tax Act.

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

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

24 (19) 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 used in

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

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

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

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

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

22 (23) Beginning January 1, 2000 and through December 31,
23 2001, new or used automatic vending machines that prepare and
24 serve hot food and beverages, including coffee, soup, and
25 other items, and replacement parts for these machines.
26 Beginning January 1, 2002 and through June 30, 2003, machines

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

6 (24) Beginning on August 2, 2001 (the effective date of
7 Public Act 92-227), computers and communications equipment
8 utilized for any hospital purpose and equipment used in the
9 diagnosis, analysis, or treatment of hospital patients sold to
10 a lessor who leases the equipment, under a lease of one year or
11 longer 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. This paragraph is exempt
15 from the provisions of Section 3-55.

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

24 (26) Beginning on January 1, 2002 and through June 30,
25 2016, tangible personal property purchased from an Illinois
26 retailer by a taxpayer engaged in centralized purchasing

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

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

1 paragraph is exempt from the provisions of Section 3-55.

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

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

1 engines or power plants, whether such engines or power plants
2 are installed or uninstalled upon any such aircraft.
3 "Consumable supplies" include, but are not limited to,
4 adhesive, tape, sandpaper, general purpose lubricants,
5 cleaning solution, latex gloves, and protective films. This
6 exemption applies only to the transfer of qualifying tangible
7 personal property incident to the modification, refurbishment,
8 completion, replacement, repair, or maintenance of an aircraft
9 by persons who (i) hold an Air Agency Certificate and are
10 empowered to operate an approved repair station by the Federal
11 Aviation Administration, (ii) have a Class IV Rating, and
12 (iii) conduct operations in accordance with Part 145 of the
13 Federal Aviation Regulations. The exemption does not include
14 aircraft operated by a commercial air carrier providing
15 scheduled passenger air service pursuant to authority issued
16 under Part 121 or Part 129 of the Federal Aviation
17 Regulations. The changes made to this paragraph (29) by Public
18 Act 98-534 are declarative of existing law. It is the intent of
19 the General Assembly that the exemption under this paragraph
20 (29) applies continuously from January 1, 2010 through
21 December 31, 2024; however, no claim for credit or refund is
22 allowed for taxes paid as a result of the disallowance of this
23 exemption on or after January 1, 2015 and prior to February 5,
24 2020 (the effective date of Public Act 101-629) ~~this~~
25 ~~amendatory Act of the 101st General Assembly.~~

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

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

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

5 (32) 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 subcontractor
11 of the owner, operator, or tenant. Data centers that would
12 have qualified for a certificate of exemption prior to January
13 1, 2020 had Public Act 101-31 ~~this amendatory Act of the 101st~~
14 ~~General Assembly~~ been in effect, may apply for and obtain an
15 exemption for subsequent purchases of computer equipment or
16 enabling software purchased or leased to upgrade, supplement,
17 or replace computer equipment or enabling software purchased
18 or leased in the original investment that would have
19 qualified.

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

25 For the purposes of this item (32):

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

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

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

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

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

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

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

18 "Breast pump collection and storage supplies" means
19 items of tangible personal property designed or marketed
20 to be used in conjunction with a breast pump to collect
21 milk expressed from a human breast and to store collected
22 milk until it is ready for consumption.

23 "Breast pump collection and storage supplies"
24 includes, but is not limited to: breast shields and breast
25 shield connectors; breast pump tubes and tubing adapters;
26 breast pump valves and membranes; backflow protectors and

1 backflow protector adaptors; bottles and bottle caps
2 specific to the operation of the breast pump; and breast
3 milk storage bags.

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

16 "Breast pump kit" means a kit that: (1) contains no
17 more than a breast pump, breast pump collection and
18 storage supplies, a rechargeable battery for operating the
19 breast pump, a breastmilk cooler, bottle stands, ice
20 packs, and a breast pump carrying case; and (2) is
21 pre-packaged as a breast pump kit by the breast pump
22 manufacturer or distributor.

23 (34) ~~(33)~~ Tangible personal property sold by or on behalf
24 of the State Treasurer pursuant to the Revised Uniform
25 Unclaimed Property Act. This item (34) ~~(33)~~ is exempt from the
26 provisions of Section 3-55.

1 (35) Tangible personal property for which a certificate of
2 exemption has been issued under Section 2505-810 of the
3 Department of Revenue Law of the Civil Administrative Code of
4 Illinois. This paragraph is exempt from the provisions of
5 Section 3-55.

6 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
7 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article
8 70, Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
9 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-9-22.)

10 Section 25. The Retailers' Occupation Tax Act is amended
11 by changing Section 2-5 as follows:

12 (35 ILCS 120/2-5)

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

16 (1) Farm chemicals.

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

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

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

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

1 animal and crop data for the purpose of formulating animal
2 diets and agricultural chemicals. This item (2) is exempt
3 from the provisions of Section 2-70.

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

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

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

1 provisions of Section 2-70.

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

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

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

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

26 (10) Personal property sold by a corporation, society,

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

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

22 (12) (Blank).

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

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

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

25 (14) Machinery and equipment that will be used by the
26 purchaser, or a lessee of the purchaser, primarily in the

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

25 (15) Proceeds of mandatory service charges separately
26 stated on customers' bills for purchase and consumption of

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

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

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

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

23 (19) Until July 1, 2003, oil field exploration,
24 drilling, and production equipment, including (i) rigs and
25 parts of rigs, rotary rigs, cable tool rigs, and workover
26 rigs, (ii) pipe and tubular goods, including casing and

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

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

13 (21) Until July 1, 2028, coal and aggregate
14 exploration, mining, off-highway hauling, processing,
15 maintenance, and reclamation equipment, including
16 replacement parts and equipment, and including equipment
17 purchased for lease, but excluding motor vehicles required
18 to be registered under the Illinois Vehicle Code. The
19 changes made to this Section by Public Act 97-767 apply on
20 and after July 1, 2003, but no claim for credit or refund
21 is allowed on or after August 16, 2013 (the effective date
22 of Public Act 98-456) for such taxes paid during the
23 period beginning July 1, 2003 and ending on August 16,
24 2013 (the effective date of Public Act 98-456).

25 (22) Until June 30, 2013, fuel and petroleum products
26 sold to or used by an air 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
3 flight destined for or returning from a location or
4 locations outside the United States without regard to
5 previous or subsequent domestic stopovers.

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

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

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

26 (25) Except as provided in item (25-5) of this

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

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

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

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

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

1 required by 14 CFR ~~C.F.R.~~ 91.407;

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

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

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

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

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

26 This paragraph (25-7) is exempt from the provisions of

1 Section 2-70.

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

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

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

26 (29) Personal property sold to a lessor who leases the

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

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

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

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

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

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

1 occupation.

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

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

1 from the provisions of Section 2-70.

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

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

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

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

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

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

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

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

1 sandpaper, general purpose lubricants, cleaning solution,
2 latex gloves, and protective films. This exemption applies
3 only to the sale of qualifying tangible personal property
4 to persons who modify, refurbish, complete, replace, or
5 maintain an aircraft and who (i) hold an Air Agency
6 Certificate and are empowered to operate an approved
7 repair station by the Federal Aviation Administration,
8 (ii) have a Class IV Rating, and (iii) conduct operations
9 in accordance with Part 145 of the Federal Aviation
10 Regulations. The exemption does not include aircraft
11 operated by a commercial air carrier providing scheduled
12 passenger air service pursuant to authority issued under
13 Part 121 or Part 129 of the Federal Aviation Regulations.
14 The changes made to this paragraph (40) by Public Act
15 98-534 are declarative of existing law. It is the intent
16 of the General Assembly that the exemption under this
17 paragraph (40) applies continuously from January 1, 2010
18 through December 31, 2024; however, no claim for credit or
19 refund is allowed for taxes paid as a result of the
20 disallowance of this exemption on or after January 1, 2015
21 and prior to February 5, 2020 (the effective date of
22 Public Act 101-629) ~~this amendatory Act of the 101st~~
23 ~~General Assembly.~~

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

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

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

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

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

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

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

19 For the purposes of this item (44):

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

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

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

1 Section 2-70.

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

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

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

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

4 "Breast pump collection and storage supplies" means
5 items of tangible personal property designed or marketed
6 to be used in conjunction with a breast pump to collect
7 milk expressed from a human breast and to store collected
8 milk until it is ready for consumption.

9 "Breast pump collection and storage supplies"
10 includes, but is not limited to: breast shields and breast
11 shield connectors; breast pump tubes and tubing adapters;
12 breast pump valves and membranes; backflow protectors and
13 backflow protector adaptors; bottles and bottle caps
14 specific to the operation of the breast pump; and breast
15 milk storage bags.

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

1 or distributor.

2 "Breast pump kit" means a kit that: (1) contains no
3 more than a breast pump, breast pump collection and
4 storage supplies, a rechargeable battery for operating the
5 breast pump, a breastmilk cooler, bottle stands, ice
6 packs, and a breast pump carrying case; and (2) is
7 pre-packaged as a breast pump kit by the breast pump
8 manufacturer or distributor.

9 (47) ~~(46)~~ Tangible personal property sold by or on
10 behalf of the State Treasurer pursuant to the Revised
11 Uniform Unclaimed Property Act. This item (47) ~~(46)~~ is
12 exempt from the provisions of Section 2-70.

13 (48) Tangible personal property for which a
14 certificate of exemption has been issued under Section
15 2505-810 of the Department of Revenue Law of the Civil
16 Administrative Code of Illinois. This paragraph is exempt
17 from the provisions of Section 2-70.

18 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
19 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
20 8-27-21; 102-700, Article 70, Section 70-20, eff. 4-19-22;
21 102-700, Article 75, Section 75-20, eff. 4-19-22; 102-813,
22 eff. 5-13-22; 102-1026, eff. 5-27-22; revised 8-15-22.)

23 Section 30. The Counties Code is amended by adding Section
24 5-1188 as follows:

1 (55 ILCS 5/5-1188 new)

2 Sec. 5-1188. Exemption for materials, equipment, or
3 supplies of a bid. Tangible personal property for which a
4 certificate of exemption has been issued under Section
5 2505-810 of the Department of Revenue Law of the Civil
6 Administrative Code of Illinois is exempt from any use or
7 occupation tax imposed by a county under this Code.

8 Section 35. The Illinois Municipal Code is amended by
9 adding Section 8-1-19 as follows:

10 (65 ILCS 5/8-1-19 new)

11 Sec. 8-1-19. Exemption for materials, equipment, or
12 supplies of a bid. Tangible personal property for which a
13 certificate of exemption has been issued under Section
14 2505-810 of the Department of Revenue Law of the Civil
15 Administrative Code of Illinois is exempt from any use or
16 occupation tax imposed by a municipality under this Code.

17 Section 40. The Civic Center Code is amended by adding
18 Section 245-13 as follows:

19 (70 ILCS 200/245-13 new)

20 Sec. 245-13. Exemption for materials, equipment, or
21 supplies of a bid. Tangible personal property for which a
22 certificate of exemption has been issued under Section

1 2505-810 of the Department of Revenue Law of the Civil
2 Administrative Code of Illinois is exempt from any use or
3 occupation tax imposed under this Article.

4 Section 45. The Metropolitan Pier and Exposition Authority
5 Act is amended by adding Section 13.4 as follows:

6 (70 ILCS 210/13.4 new)

7 Sec. 13.4. Exemption for materials, equipment, or supplies
8 of a bid. Tangible personal property for which a certificate
9 of exemption has been issued under Section 2505-810 of the
10 Department of Revenue Law of the Civil Administrative Code of
11 Illinois is exempt from any use or occupation tax imposed
12 under this Act.

13 Section 50. The Flood Prevention District Act is amended
14 by adding Section 27 as follows:

15 (70 ILCS 750/27 new)

16 Sec. 27. Exemption for materials, equipment, or supplies
17 of a bid. Tangible personal property for which a certificate
18 of exemption has been issued under Section 2505-810 of the
19 Department of Revenue Law of the Civil Administrative Code of
20 Illinois is exempt from any use or occupation tax imposed
21 under this Act.

1 Section 55. The Metro-East Park and Recreation District
2 Act is amended by adding Section 32 as follows:

3 (70 ILCS 1605/32 new)

4 Sec. 32. Exemption for materials, equipment, or supplies
5 of a bid. Tangible personal property for which a certificate
6 of exemption has been issued under Section 2505-810 of the
7 Department of Revenue Law of the Civil Administrative Code of
8 Illinois is exempt from any use or occupation tax imposed
9 under this Act.

10 Section 60. The Local Mass Transit District Act is amended
11 by adding Section 5.7 as follows:

12 (70 ILCS 3610/5.7 new)

13 Sec. 5.7. Exemption for materials, equipment, or supplies
14 of a bid. Tangible personal property for which a certificate
15 of exemption has been issued under Section 2505-810 of the
16 Department of Revenue Law of the Civil Administrative Code of
17 Illinois is exempt from any use or occupation tax imposed
18 under this Act.

19 Section 65. The Regional Transportation Authority Act is
20 amended by adding Section 4.17 as follows:

21 (70 ILCS 3615/4.17 new)

1 Sec. 4.17. Exemption for materials, equipment, or supplies
2 of a bid. Tangible personal property for which a certificate
3 of exemption has been issued under Section 2505-810 of the
4 Department of Revenue Law of the Civil Administrative Code of
5 Illinois is exempt from any use or occupation tax imposed
6 under this Act.

7 Section 70. The Water Commission Act of 1985 is amended by
8 adding Section 4.5 as follows:

9 (70 ILCS 3720/4.5 new)

10 Sec. 4.5. Exemption for materials, equipment, or supplies
11 of a bid. Tangible personal property for which a certificate
12 of exemption has been issued under Section 2505-810 of the
13 Department of Revenue Law of the Civil Administrative Code of
14 Illinois is exempt from any use or occupation tax imposed
15 under this Act.

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

1 INDEX

2 Statutes amended in order of appearance

3 20 ILCS 2505/2505-810 new

4 35 ILCS 105/3-5

5 35 ILCS 110/3-5

6 35 ILCS 115/3-5

7 35 ILCS 120/2-5

8 55 ILCS 5/5-1188 new

9 65 ILCS 5/8-1-19 new

10 70 ILCS 200/245-13 new

11 70 ILCS 210/13.4 new

12 70 ILCS 750/27 new

13 70 ILCS 1605/32 new

14 70 ILCS 3610/5.7 new

15 70 ILCS 3615/4.17 new

16 70 ILCS 3720/4.5 new