

HB4227



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB4227

Introduced 11/8/2023, by Rep. Amy L. Grant

SYNOPSIS AS INTRODUCED:

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

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that certain supplies purchased by a day care center are exempt from the taxes imposed under those Acts. Effective immediately.

LRB103 34153 HLH 63973 b

A BILL FOR

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

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

1 the car is subject to the Replacement Vehicle Tax.

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

15 (7) Farm chemicals.

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

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

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

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

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

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

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

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

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

26 (13) Proceeds of mandatory service charges separately

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

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

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

23 (16) Until July 1, 2028, coal and aggregate exploration,
24 mining, off-highway hauling, processing, maintenance, and
25 reclamation equipment, including replacement parts and
26 equipment, and including equipment purchased for lease, but

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Section 3-90.

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

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

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

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

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

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

1 exemption under this paragraph (35) applies continuously from
2 January 1, 2010 through December 31, 2024; however, no claim
3 for credit or refund is allowed for taxes paid as a result of
4 the disallowance of this exemption on or after January 1, 2015
5 and prior to February 5, 2020 (the effective date of Public Act
6 101-629) ~~this amendatory Act of the 101st General Assembly.~~

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

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

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

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

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

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

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

1 Civil Administrative Code of Illinois.

2 For the purposes of this item (40):

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

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

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

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

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

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

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

26 "Breast pump collection and storage supplies"

1 includes, but is not limited to: breast shields and breast
2 shield connectors; breast pump tubes and tubing adapters;
3 breast pump valves and membranes; backflow protectors and
4 backflow protector adaptors; bottles and bottle caps
5 specific to the operation of the breast pump; and breast
6 milk storage bags.

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

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

26 (42) ~~(41)~~ Tangible personal property sold by or on behalf

1 of the State Treasurer pursuant to the Revised Uniform
2 Unclaimed Property Act. This item (42) ~~(41)~~ is exempt from the
3 provisions of Section 3-90.

4 (43) On and after January 1, 2024, essential supplies
5 purchased by a day care center that has been granted a
6 certificate of exemption by the Department. The Department of
7 Children and Family Services may share information with the
8 Department of Revenue for the purpose of administering the
9 provisions of this exemption. This item (43) is exempt from
10 the provisions of Section 3-90.

11 As used in this item (43):

12 "Day care center" has the meaning given to that term in
13 Section 2.09 of the Child Care Act of 1969.

14 "Essential supplies" means items designated, by rule, as
15 essential supplies by the Department of Children and Family
16 Services, including, but not limited to: food and beverages to
17 be consumed by a child as a snack or meal at the day care
18 center, including, but not limited to, fruits and vegetables,
19 whole grains, proteins, water, and reduced fat or skim milk;
20 diapers; wipes; first aid kits; smoke detectors; nap mats; and
21 soap and hand sanitizer.

22 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
23 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
24 6-17-21; 102-700, Article 70, Section 70-5, eff. 4-19-22;
25 102-700, Article 75, Section 75-5, eff. 4-19-22; 102-1026,
26 eff. 5-27-22; revised 8-1-22.)

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

3 (35 ILCS 110/3-5)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (9) Proceeds of mandatory service charges separately

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

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

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

25 (12) Until July 1, 2028, coal and aggregate exploration,
26 mining, off-highway hauling, processing, maintenance, and

1 reclamation equipment, including replacement parts and
2 equipment, and including equipment purchased for lease, but
3 excluding motor vehicles required to be registered under the
4 Illinois Vehicle Code. The changes made to this Section by
5 Public Act 97-767 apply on and after July 1, 2003, but no claim
6 for credit or refund is allowed on or after August 16, 2013
7 (the effective date of Public Act 98-456) for such taxes paid
8 during the period beginning July 1, 2003 and ending on August
9 16, 2013 (the effective date of Public Act 98-456).

10 (13) Semen used for artificial insemination of livestock
11 for direct agricultural production.

12 (14) Horses, or interests in horses, registered with and
13 meeting the requirements of any of the Arabian Horse Club
14 Registry of America, Appaloosa Horse Club, American Quarter
15 Horse Association, United States Trotting Association, or
16 Jockey Club, as appropriate, used for purposes of breeding or
17 racing for prizes. This item (14) is exempt from the
18 provisions of Section 3-75, and the exemption provided for
19 under this item (14) applies for all periods beginning May 30,
20 1995, but no claim for credit or refund is allowed on or after
21 January 1, 2008 (the effective date of Public Act 95-88) for
22 such taxes paid during the period beginning May 30, 2000 and
23 ending on January 1, 2008 (the effective date of Public Act
24 95-88).

25 (15) Computers and communications equipment utilized for
26 any hospital purpose and equipment used in the diagnosis,

1 analysis, or treatment of hospital patients purchased by a
2 lessor who leases the equipment, under a lease of one year or
3 longer executed or in effect at the time the lessor would
4 otherwise be subject to the tax imposed by this Act, 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. If the equipment is leased
8 in a manner that does not qualify for this exemption or is used
9 in any other non-exempt manner, the lessor shall be liable for
10 the tax imposed under this Act or the 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 Use Tax Act, as the case may be, if the tax has not
16 been paid by the lessor. If a lessor improperly collects any
17 such amount from the lessee, the lessee shall have a legal
18 right to claim a refund of that amount from the lessor. If,
19 however, that amount is not refunded to the lessee for any
20 reason, the lessor is liable to pay that amount to the
21 Department.

22 (16) Personal property purchased by a lessor who leases
23 the property, under a lease of one year or longer executed or
24 in effect at the time the lessor would otherwise be subject to
25 the tax imposed by this Act, to a governmental body that has
26 been issued an active tax exemption identification number by

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

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

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

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

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

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

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

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

24 (22) Beginning January 1, 2000 and through December 31,
25 2001, new or used automatic vending machines that prepare and
26 serve hot food and beverages, including coffee, soup, and

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

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

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

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

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

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

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

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

1 repair, or maintenance of the aircraft. This exemption
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 transferred incident to the modification,
14 refurbishment, completion, replacement, repair, or maintenance
15 of aircraft by persons who (i) hold an Air Agency Certificate
16 and are empowered to operate an approved repair station by the
17 Federal Aviation Administration, (ii) have a Class IV Rating,
18 and (iii) conduct operations in accordance with Part 145 of
19 the Federal Aviation Regulations. The exemption does not
20 include aircraft operated by a commercial air carrier
21 providing scheduled passenger air service pursuant to
22 authority issued under Part 121 or Part 129 of the Federal
23 Aviation Regulations. The changes made to this paragraph (27)
24 by Public Act 98-534 are declarative of existing law. It is the
25 intent of the General Assembly that the exemption under this
26 paragraph (27) applies continuously from January 1, 2010

1 through December 31, 2024; however, no claim for credit or
2 refund is allowed for taxes paid as a result of the
3 disallowance of this exemption on or after January 1, 2015 and
4 prior to February 5, 2020 (the effective date of Public Act
5 101-629) ~~this amendatory Act of the 101st General Assembly.~~

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

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

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

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

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

21 For the purposes of this item (31):

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

26 "Qualified tangible personal property" means:

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

1 This item (31) is exempt from the provisions of Section
2 3-75.

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

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

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

19 "Breast pump collection and storage supplies"
20 includes, but is not limited to: breast shields and breast
21 shield connectors; breast pump tubes and tubing adapters;
22 breast pump valves and membranes; backflow protectors and
23 backflow protector adaptors; bottles and bottle caps
24 specific to the operation of the breast pump; and breast
25 milk storage bags.

26 "Breast pump collection and storage supplies" does not

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

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

19 (33) ~~(32)~~ Tangible personal property sold by or on behalf
20 of the State Treasurer pursuant to the Revised Uniform
21 Unclaimed Property Act. This item (33) ~~(32)~~ is exempt from the
22 provisions of Section 3-75.

23 (34) On and after January 1, 2024, essential supplies
24 purchased by a day care center that has been granted a
25 certificate of exemption by the Department. The Department of
26 Children and Family Services may share information with the

1 Department of Revenue for the purpose of administering the
2 provisions of this exemption. This item (34) is exempt from
3 the provisions of Section 3-75.

4 As used in this item (34):

5 "Day care center" has the meaning given to that term in
6 Section 2.09 of the Child Care Act of 1969.

7 "Essential supplies" means items designated, by rule, as
8 essential supplies by the Department of Children and Family
9 Services, including, but not limited to: food and beverages to
10 be consumed by a child as a snack or meal at the day care
11 center, including, but not limited to, fruits and vegetables,
12 whole grains, proteins, water, and reduced fat or skim milk;
13 diapers; wipes; first aid kits; smoke detectors; nap mats; and
14 soap and hand sanitizer.

15 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
16 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article
17 70, Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
18 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-3-22.)

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

21 (35 ILCS 115/3-5)

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

24 (1) Personal property sold by a corporation, society,

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

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

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

25 (4) Legal tender, currency, medallions, or gold or silver
26 coinage issued by the State of Illinois, the government of the

1 United States of America, or the government of any foreign
2 country, and bullion.

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

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

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

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

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

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

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

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

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

26 (10) Until July 1, 2003, oil field exploration, drilling,

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

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

15 (12) Until July 1, 2028, coal and aggregate exploration,
16 mining, off-highway hauling, processing, maintenance, and
17 reclamation equipment, including replacement parts and
18 equipment, and including equipment purchased for lease, but
19 excluding motor vehicles required to be registered under the
20 Illinois Vehicle Code. The changes made to this Section by
21 Public Act 97-767 apply on and after July 1, 2003, but no claim
22 for credit or refund is allowed on or after August 16, 2013
23 (the effective date of Public Act 98-456) for such taxes paid
24 during the period beginning July 1, 2003 and ending on August
25 16, 2013 (the effective date of Public Act 98-456).

26 (13) Beginning January 1, 1992 and through June 30, 2016,

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

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

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

1 95-88).

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (26) Beginning on January 1, 2002 and through June 30,

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

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

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-55.

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

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

1 equipment, components, and consumable supplies used in the
2 modification, replacement, repair, and maintenance of aircraft
3 engines or power plants, whether such engines or power plants
4 are installed or uninstalled upon any such aircraft.
5 "Consumable supplies" include, but are not limited to,
6 adhesive, tape, sandpaper, general purpose lubricants,
7 cleaning solution, latex gloves, and protective films. This
8 exemption applies only to the transfer of qualifying tangible
9 personal property incident to the modification, refurbishment,
10 completion, replacement, repair, or maintenance of an aircraft
11 by persons who (i) hold an Air Agency Certificate and are
12 empowered to operate an approved repair station by the Federal
13 Aviation Administration, (ii) have a Class IV Rating, and
14 (iii) conduct operations in accordance with Part 145 of the
15 Federal Aviation Regulations. The exemption does not include
16 aircraft operated by a commercial air carrier providing
17 scheduled passenger air service pursuant to authority issued
18 under Part 121 or Part 129 of the Federal Aviation
19 Regulations. The changes made to this paragraph (29) by Public
20 Act 98-534 are declarative of existing law. It is the intent of
21 the General Assembly that the exemption under this paragraph
22 (29) applies continuously from January 1, 2010 through
23 December 31, 2024; however, no claim for credit or refund is
24 allowed for taxes paid as a result of the disallowance of this
25 exemption on or after January 1, 2015 and prior to February 5,
26 2020 (the effective date of Public Act 101-629) ~~this~~

1 ~~amendatory Act of the 101st General Assembly.~~

2 (30) Beginning January 1, 2017 and through December 31,
3 2026, menstrual pads, tampons, and menstrual cups.

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

7 (32) 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 ~~this amendatory Act of the 101st~~
16 ~~General Assembly~~ been in effect, may apply for and obtain an
17 exemption for subsequent purchases of computer equipment or
18 enabling software purchased or leased to upgrade, supplement,
19 or replace computer equipment or enabling software purchased
20 or leased in the original investment that would have
21 qualified.

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

1 For the purposes of this item (32):

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

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

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

7 This item (32) is exempt from the provisions of Section
8 3-55.

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

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

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

25 "Breast pump collection and storage supplies"
26 includes, but is not limited to: breast shields and breast

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

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

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

25 (34) ~~(33)~~ Tangible personal property sold by or on behalf
26 of the State Treasurer pursuant to the Revised Uniform

1 Unclaimed Property Act. This item (34) ~~(33)~~ is exempt from the
2 provisions of Section 3-55.

3 (35) On and after January 1, 2024, essential supplies
4 purchased by a day care center that has been granted a
5 certificate of exemption by the Department. The Department of
6 Children and Family Services may share information with the
7 Department of Revenue for the purpose of administering the
8 provisions of this exemption. This item (35) is exempt from
9 the provisions of Section 3-55.

10 As used in this item (35):

11 "Day care center" has the meaning given to that term in
12 Section 2.09 of the Child Care Act of 1969.

13 "Essential supplies" means items designated, by rule, as
14 essential supplies by the Department of Children and Family
15 Services, including, but not limited to: food and beverages to
16 be consumed by a child as a snack or meal at the day care
17 center, including, but not limited to, fruits and vegetables,
18 whole grains, proteins, water, and reduced fat or skim milk;
19 diapers; wipes; first aid kits; smoke detectors; nap mats; and
20 soap and hand sanitizer.

21 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
22 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article
23 70, Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
24 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-9-22.)

25 Section 20. The Retailers' Occupation Tax Act is amended

1 by changing Section 2-5 as follows:

2 (35 ILCS 120/2-5)

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

6 (1) Farm chemicals.

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

1 licensed, if the selling price of the tender is separately
2 stated.

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

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

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

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

1 1, 2004 through August 30, 2014, graphic arts machinery
2 and equipment, including repair and replacement parts,
3 both new and used, and including that manufactured on
4 special order or purchased for lease, certified by the
5 purchaser to be used primarily for graphic arts
6 production. 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
9 upon a graphic arts product. Beginning on July 1, 2017,
10 graphic arts machinery and equipment is included in the
11 manufacturing and assembling machinery and equipment
12 exemption under paragraph (14).

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

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

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

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

26 (9) Personal property sold to a not-for-profit arts or

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

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

22 (11) Personal property sold to a governmental body, to
23 a corporation, society, association, foundation, or
24 institution organized and operated exclusively for
25 charitable, religious, or educational purposes, or to a
26 not-for-profit corporation, society, association,

1 foundation, institution, or organization that has no
2 compensated officers or employees and that is organized
3 and operated primarily for the recreation of persons 55
4 years of age or older. A limited liability company may
5 qualify for the exemption under this paragraph only if the
6 limited liability company is organized and operated
7 exclusively for educational purposes. On and after July 1,
8 1987, however, no entity otherwise eligible for this
9 exemption shall make tax-free purchases unless it has an
10 active identification number issued by the Department.

11 (12) (Blank).

12 (12-5) On and after July 1, 2003 and through June 30,
13 2004, motor vehicles of the second division with a gross
14 vehicle weight in excess of 8,000 pounds that are subject
15 to the commercial distribution fee imposed under Section
16 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
17 2004 and through June 30, 2005, the use in this State of
18 motor vehicles of the second division: (i) with a gross
19 vehicle weight rating in excess of 8,000 pounds; (ii) that
20 are subject to the commercial distribution fee imposed
21 under Section 3-815.1 of the Illinois Vehicle Code; and
22 (iii) that are primarily used for commercial purposes.
23 Through June 30, 2005, this exemption applies to repair
24 and replacement parts added after the initial purchase of
25 such a motor vehicle if that motor vehicle is used in a
26 manner that would qualify for the rolling stock exemption

1 otherwise provided for in this Act. For purposes of this
2 paragraph, "used for commercial purposes" means the
3 transportation of persons or property in furtherance of
4 any commercial or industrial enterprise whether for-hire
5 or not.

6 (13) Proceeds from sales to owners, lessors, or
7 shippers of tangible personal property that is utilized by
8 interstate carriers for hire for use as rolling stock
9 moving in interstate commerce and equipment operated by a
10 telecommunications provider, licensed as a common carrier
11 by the Federal Communications Commission, which is
12 permanently installed in or affixed to aircraft moving in
13 interstate commerce.

14 (14) Machinery and equipment that will be used by the
15 purchaser, or a lessee of the purchaser, primarily in the
16 process of manufacturing or assembling tangible personal
17 property for wholesale or retail sale or lease, whether
18 the sale or lease is made directly by the manufacturer or
19 by some other person, whether the materials used in the
20 process are owned by the manufacturer or some other
21 person, or whether the sale or lease is made apart from or
22 as an incident to the seller's engaging in the service
23 occupation of producing machines, tools, dies, jigs,
24 patterns, gauges, or other similar items of no commercial
25 value on special order for a particular purchaser. The
26 exemption provided by this paragraph (14) does not include

1 machinery and equipment used in (i) the generation of
2 electricity for wholesale or retail sale; (ii) the
3 generation or treatment of natural or artificial gas for
4 wholesale or retail sale that is delivered to customers
5 through pipes, pipelines, or mains; or (iii) the treatment
6 of water for wholesale or retail sale that is delivered to
7 customers through pipes, pipelines, or mains. The
8 provisions of Public Act 98-583 are declaratory of
9 existing law as to the meaning and scope of this
10 exemption. Beginning on July 1, 2017, the exemption
11 provided by this paragraph (14) includes, but is not
12 limited to, graphic arts machinery and equipment, as
13 defined in paragraph (4) of this Section.

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

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

26 (17) Tangible personal property sold to a common

1 carrier by rail or motor that receives the physical
2 possession of the property in Illinois and that transports
3 the property, or shares with another common carrier in the
4 transportation of the property, out of Illinois on a
5 standard uniform bill of lading showing the seller of the
6 property as the shipper or consignor of the property to a
7 destination outside Illinois, for use outside Illinois.

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

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

22 (20) Photoprocessing machinery and equipment,
23 including repair and replacement parts, both new and used,
24 including that manufactured on special order, certified by
25 the purchaser to be used primarily for photoprocessing,
26 and including photoprocessing machinery and equipment

1 purchased for lease.

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

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

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

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

5 (23) A transaction in which the purchase order is
6 received by a florist who is located outside Illinois, but
7 who has a florist located in Illinois deliver the property
8 to the purchaser or the purchaser's donee in Illinois.

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

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

1 titled in this State.

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

1 the vehicle in his or her state of residence within 30 days
2 after the date of sale. The tax collected under this Act in
3 accordance with this item (25-5) shall be proportionately
4 distributed as if the tax were collected at the 6.25%
5 general rate imposed under this Act.

6 (25-7) Beginning on July 1, 2007, no tax is imposed
7 under this Act on the sale of an aircraft, as defined in
8 Section 3 of the Illinois Aeronautics Act, if all of the
9 following conditions are met:

10 (1) the aircraft leaves this State within 15 days
11 after the later of either the issuance of the final
12 billing for the sale of the aircraft, or the
13 authorized approval for return to service, completion
14 of the maintenance record entry, and completion of the
15 test flight and ground test for inspection, as
16 required by 14 CFR ~~C.F.R.~~ 91.407;

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

19 (3) the seller retains in his or her books and
20 records and provides to the Department a signed and
21 dated certification from the purchaser, on a form
22 prescribed by the Department, certifying that the
23 requirements of this item (25-7) are met. The
24 certificate must also include the name and address of
25 the purchaser, the address of the location where the
26 aircraft is to be titled or registered, the address of

1 the primary physical location of the aircraft, and
2 other information that the Department may reasonably
3 require.

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

5 "Based in this State" means hangared, stored, or
6 otherwise used, excluding post-sale customizations as
7 defined in this Section, for 10 or more days in each
8 12-month period immediately following the date of the sale
9 of the aircraft.

10 "Registered in this State" means an aircraft
11 registered with the Department of Transportation,
12 Aeronautics Division, or titled or registered with the
13 Federal Aviation Administration to an address located in
14 this State.

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

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

19 (27) Horses, or interests in horses, registered with
20 and meeting the requirements of any of the Arabian Horse
21 Club Registry of America, Appaloosa Horse Club, American
22 Quarter Horse Association, United States Trotting
23 Association, or Jockey Club, as appropriate, used for
24 purposes of breeding or racing for prizes. This item (27)
25 is exempt from the provisions of Section 2-70, and the
26 exemption provided for under this item (27) applies for

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

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

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

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

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

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

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

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

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

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

1 purchases the personal property sold at the events from
2 another individual or entity that sold the property for
3 the purpose of resale by the fundraising entity and that
4 profits from the sale to the fundraising entity. This
5 paragraph is exempt from the provisions of Section 2-70.

6 (35) Beginning January 1, 2000 and through December
7 31, 2001, new or used automatic vending machines that
8 prepare and serve hot food and beverages, including
9 coffee, soup, and other items, and replacement parts for
10 these machines. Beginning January 1, 2002 and through June
11 30, 2003, machines and parts for machines used in
12 commercial, coin-operated amusement and vending business
13 if a use or occupation tax is paid on the gross receipts
14 derived from the use of the commercial, coin-operated
15 amusement and vending machines. This paragraph is exempt
16 from the provisions of Section 2-70.

17 (35-5) Beginning August 23, 2001 and through June 30,
18 2016, food for human consumption that is to be consumed
19 off the premises where it is sold (other than alcoholic
20 beverages, soft drinks, and food that has been prepared
21 for immediate consumption) and prescription and
22 nonprescription medicines, drugs, medical appliances, and
23 insulin, urine testing materials, syringes, and needles
24 used by diabetics, for human use, when purchased for use
25 by a person receiving medical assistance under Article V
26 of the Illinois Public Aid Code who resides in a licensed

1 long-term care facility, as defined in the Nursing Home
2 Care Act, or a licensed facility as defined in the ID/DD
3 Community Care Act, the MC/DD Act, or the Specialized
4 Mental Health Rehabilitation Act of 2013.

5 (36) Beginning August 2, 2001, computers and
6 communications equipment utilized for any hospital purpose
7 and equipment used in the diagnosis, analysis, or
8 treatment of hospital patients sold to a lessor who leases
9 the equipment, under a lease of one year or longer
10 executed or in effect at the time of the purchase, to a
11 hospital that has been issued an active tax exemption
12 identification number by the Department under Section 1g
13 of this Act. This paragraph is exempt from the provisions
14 of Section 2-70.

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

22 (38) Beginning on January 1, 2002 and through June 30,
23 2016, tangible personal property purchased from an
24 Illinois retailer by a taxpayer engaged in centralized
25 purchasing activities in Illinois who will, upon receipt
26 of the property in Illinois, temporarily store the

1 property in Illinois (i) for the purpose of subsequently
2 transporting it outside this State for use or consumption
3 thereafter solely outside this State or (ii) for the
4 purpose of being processed, fabricated, or manufactured
5 into, attached to, or incorporated into other tangible
6 personal property to be transported outside this State and
7 thereafter used or consumed solely outside this State. The
8 Director of Revenue shall, pursuant to rules adopted in
9 accordance with the Illinois Administrative Procedure Act,
10 issue a permit to any taxpayer in good standing with the
11 Department who is eligible for the exemption under this
12 paragraph (38). The permit issued under this paragraph
13 (38) shall authorize the holder, to the extent and in the
14 manner specified in the rules adopted under this Act, to
15 purchase tangible personal property from a retailer exempt
16 from the taxes imposed by this Act. Taxpayers shall
17 maintain all necessary books and records to substantiate
18 the use and consumption of all such tangible personal
19 property outside of the State of Illinois.

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

1 provisions of Section 2-70.

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

1 passenger air service pursuant to authority issued under
2 Part 121 or Part 129 of the Federal Aviation Regulations.
3 The changes made to this paragraph (40) by Public Act
4 98-534 are declarative of existing law. It is the intent
5 of the General Assembly that the exemption under this
6 paragraph (40) applies continuously from January 1, 2010
7 through December 31, 2024; however, no claim for credit or
8 refund is allowed for taxes paid as a result of the
9 disallowance of this exemption on or after January 1, 2015
10 and prior to February 5, 2020 (the effective date of
11 Public Act 101-629) ~~this amendatory Act of the 101st~~
12 ~~General Assembly.~~

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

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

2 (42) Beginning January 1, 2017 and through December
3 31, 2026, menstrual pads, tampons, and menstrual cups.

4 (43) Merchandise that is subject to the Rental
5 Purchase Agreement Occupation and Use Tax. The purchaser
6 must certify that the item is purchased to be rented
7 subject to a rental purchase agreement, as defined in the
8 Rental Purchase Agreement Act, and provide proof of
9 registration under the Rental Purchase Agreement
10 Occupation and Use Tax Act. This paragraph is exempt from
11 the provisions of Section 2-70.

12 (44) 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
18 subcontractor of the owner, operator, or tenant. Data
19 centers that would have qualified for a certificate of
20 exemption prior to January 1, 2020 had Public Act 101-31
21 ~~this amendatory Act of the 101st General Assembly~~ been in
22 effect, may apply for and obtain an exemption for
23 subsequent purchases of computer equipment or enabling
24 software purchased or leased to upgrade, supplement, or
25 replace computer equipment or enabling software purchased
26 or leased in the original investment that would have

1 qualified.

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

8 For the purposes of this item (44):

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

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

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

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

17 (45) Beginning January 1, 2020 and through December
18 31, 2020, sales of tangible personal property made by a
19 marketplace seller over a marketplace for which tax is due
20 under this Act but for which use tax has been collected and
21 remitted to the Department by a marketplace facilitator
22 under Section 2d of the Use Tax Act are exempt from tax
23 under this Act. A marketplace seller claiming this
24 exemption shall maintain books and records demonstrating
25 that the use tax on such sales has been collected and
26 remitted by a marketplace facilitator. Marketplace sellers

1 that have properly remitted tax under this Act on such
2 sales may file a claim for credit as provided in Section 6
3 of this Act. No claim is allowed, however, for such taxes
4 for which a credit or refund has been issued to the
5 marketplace facilitator under the Use Tax Act, or for
6 which the marketplace facilitator has filed a claim for
7 credit or refund under the Use Tax Act.

8 (46) Beginning July 1, 2022, breast pumps, breast pump
9 collection and storage supplies, and breast pump kits.
10 This item (46) is exempt from the provisions of Section
11 2-70. As used in this item (46):

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 (47) ~~(46)~~ Tangible personal property sold by or on
25 behalf of the State Treasurer pursuant to the Revised
26 Uniform Unclaimed Property Act. This item (47) ~~(46)~~ is

1 exempt from the provisions of Section 2-70.

2 (48) On and after January 1, 2024, essential supplies
3 purchased by a day care center that has been granted a
4 certificate of exemption by the Department. The Department
5 of Children and Family Services may share information with
6 the Department of Revenue for the purpose of administering
7 the provisions of this exemption. This item (48) is exempt
8 from the provisions of Section 2-70.

9 As used in this item (48):

10 "Day care center" has the meaning given to that term
11 in Section 2.09 of the Child Care Act of 1969.

12 "Essential supplies" means items designated, by rule,
13 as essential supplies by the Department of Children and
14 Family Services, including, but not limited to: food and
15 beverages to be consumed by a child as a snack or meal at
16 the day care center, including, but not limited to, fruits
17 and vegetables, whole grains, proteins, water, and reduced
18 fat or skim milk; diapers; wipes; first aid kits; smoke
19 detectors; nap mats; and soap and hand sanitizer.

20 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
21 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
22 8-27-21; 102-700, Article 70, Section 70-20, eff. 4-19-22;
23 102-700, Article 75, Section 75-20, eff. 4-19-22; 102-813,
24 eff. 5-13-22; 102-1026, eff. 5-27-22; revised 8-15-22.)

25 Section 99. Effective date. This Act takes effect upon
26 becoming law.