



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

HB5901

Introduced 11/12/2024, by Rep. Jed Davis

#### 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 materials furnished to a common interest community association pursuant to a contract entered into with the highway commissioner of a road district are exempt from the taxes imposed under those Acts.

LRB103 42819 HLH 76068 b

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by changing Section  
5 3-5 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) Except as otherwise provided in this Act, personal  
12 property purchased by a governmental body, by a corporation,  
13 society, association, foundation, or institution organized and  
14 operated exclusively for charitable, religious, or educational  
15 purposes, or by a not-for-profit corporation, society,  
16 association, foundation, institution, or organization that has  
17 no compensated officers or employees and that is organized and  
18 operated primarily for the recreation of persons 55 years of  
19 age or older. A limited liability company may qualify for the  
20 exemption under this paragraph only if the limited liability  
21 company is organized and operated exclusively for educational  
22 purposes. On and after July 1, 1987, however, no entity  
23 otherwise eligible for this exemption shall make tax-free  
24 purchases unless it has an active exemption identification  
25 number issued by the Department.

26 (5) Until July 1, 2003, a passenger car that is a

1 replacement vehicle to the extent that the purchase price of  
2 the car is subject to the Replacement Vehicle Tax.

3 (6) 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,  
7 certified by the purchaser to be used primarily for graphic  
8 arts production, and including machinery and equipment  
9 purchased for lease. Equipment includes chemicals or chemicals  
10 acting as catalysts but only if the chemicals or chemicals  
11 acting as catalysts effect a direct and immediate change upon  
12 a graphic arts product. Beginning on July 1, 2017, graphic  
13 arts machinery and equipment is included in the manufacturing  
14 and assembling machinery and equipment exemption under  
15 paragraph (18).

16 (7) Farm chemicals.

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

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

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

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

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

1 such equipment.

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

9 Beginning on January 1, 2024, farm machinery and equipment  
10 also includes electrical power generation equipment used  
11 primarily for production agriculture.

12 This item (11) is exempt from the provisions of Section  
13 3-90.

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

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

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

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

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

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

1 photoprocessing machinery and equipment purchased for lease.

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

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

19 (18) Manufacturing and assembling machinery and equipment  
20 used primarily in the process of manufacturing or assembling  
21 tangible personal property for wholesale or retail sale or  
22 lease, whether that sale or lease is made directly by the  
23 manufacturer or by some other person, whether the materials  
24 used in the process are owned by the manufacturer or some other  
25 person, or whether that sale or lease is made apart from or as  
26 an incident to the seller's engaging in the service occupation



1 of producing machines, tools, dies, jigs, patterns, gauges, or  
2 other similar items of no commercial value on special order  
3 for a particular purchaser. The exemption provided by this  
4 paragraph (18) includes production related tangible personal  
5 property, as defined in Section 3-50, purchased on or after  
6 July 1, 2019. The exemption provided by this paragraph (18)  
7 does not include machinery and equipment used in (i) the  
8 generation of electricity for wholesale or retail sale; (ii)  
9 the generation or treatment of natural or artificial gas for  
10 wholesale or retail sale that is delivered to customers  
11 through pipes, pipelines, or mains; or (iii) the treatment of  
12 water for wholesale or retail sale that is delivered to  
13 customers through pipes, pipelines, or mains. The provisions  
14 of Public Act 98-583 are declaratory of existing law as to the  
15 meaning and scope of this exemption. Beginning on July 1,  
16 2017, the exemption provided by this paragraph (18) includes,  
17 but is not limited to, graphic arts machinery and equipment,  
18 as defined in paragraph (6) of this Section.

19 (19) Personal property delivered to a purchaser or  
20 purchaser's donee inside Illinois when the purchase order for  
21 that personal property was received by a florist located  
22 outside Illinois who has a florist located inside Illinois  
23 deliver the personal property.

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

26 (21) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club  
2 Registry of America, Appaloosa Horse Club, American Quarter  
3 Horse Association, United States Trotting Association, or  
4 Jockey Club, as appropriate, used for purposes of breeding or  
5 racing for prizes. This item (21) is exempt from the  
6 provisions of Section 3-90, and the exemption provided for  
7 under this item (21) applies for all periods beginning May 30,  
8 1995, but no claim for credit or refund is allowed on or after  
9 January 1, 2008 for such taxes paid during the period  
10 beginning May 30, 2000 and ending on January 1, 2008.

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

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

8 (23) Personal property purchased by a lessor who leases  
9 the property, under a lease of one year or longer executed or  
10 in effect at the time the lessor would otherwise be subject to  
11 the tax imposed by this Act, to a governmental body that has  
12 been issued an active sales tax exemption identification  
13 number by the Department under Section 1g of the Retailers'  
14 Occupation Tax Act. If the property is leased in a manner that  
15 does not qualify for this exemption or used in any other  
16 non-exempt manner, the lessor shall be liable for the tax  
17 imposed under this Act or the Service Use Tax Act, as the case  
18 may be, based on the fair market value of the property at the  
19 time the non-qualifying use occurs. No lessor shall collect or  
20 attempt to collect an amount (however designated) that  
21 purports to reimburse that lessor for the tax imposed by this  
22 Act or the Service Use Tax Act, as the case may be, if the tax  
23 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 (24) Beginning with taxable years ending on or after  
4 December 31, 1995 and ending with taxable years ending on or  
5 before December 31, 2004, personal property that is donated  
6 for disaster relief to be used in a State or federally declared  
7 disaster area in Illinois or bordering Illinois by a  
8 manufacturer or retailer that is registered in this State to a  
9 corporation, society, association, foundation, or institution  
10 that has been issued a sales tax exemption identification  
11 number by the Department that assists victims of the disaster  
12 who reside within the declared disaster area.

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

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is  
2 used in the Wildlife Code. This paragraph is exempt from the  
3 provisions of Section 3-90.

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

23 (28) Beginning January 1, 2000, personal property,  
24 including food, purchased through fundraising events for the  
25 benefit of a public or private elementary or secondary school,  
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school  
2 district that consists primarily of volunteers and includes  
3 parents and teachers of the school children. This paragraph  
4 does not apply to fundraising events (i) for the benefit of  
5 private home instruction or (ii) for which the fundraising  
6 entity purchases the personal property sold at the events from  
7 another individual or entity that sold the property for the  
8 purpose of resale by the fundraising entity and that profits  
9 from the sale to the fundraising entity. This paragraph is  
10 exempt from the provisions of Section 3-90.

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

21 (30) Beginning January 1, 2001 and through June 30, 2016,  
22 food for human consumption that is to be consumed off the  
23 premises where it is sold (other than alcoholic beverages,  
24 soft drinks, and food that has been prepared for immediate  
25 consumption) and prescription and nonprescription medicines,  
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human  
2 use, when purchased for use by a person receiving medical  
3 assistance under Article V of the Illinois Public Aid Code who  
4 resides in a licensed long-term care facility, as defined in  
5 the Nursing Home Care Act, or in a licensed facility as defined  
6 in the ID/DD Community Care Act, the MC/DD Act, or the  
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (31) 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  
12 purchased by a lessor who leases the equipment, under a lease  
13 of one year or longer executed or in effect at the time the  
14 lessor would otherwise be subject to the tax imposed by this  
15 Act, to a hospital that has been issued an active tax exemption  
16 identification number by the Department under Section 1g of  
17 the Retailers' Occupation Tax Act. If the equipment is leased  
18 in a manner that does not qualify for this exemption or is used  
19 in any other nonexempt manner, the lessor shall be liable for  
20 the tax imposed under this Act or the Service Use Tax Act, as  
21 the case may be, based on the fair market value of the property  
22 at the time the nonqualifying use occurs. No lessor shall  
23 collect or attempt to collect an amount (however designated)  
24 that purports to reimburse that lessor for the tax imposed by  
25 this Act or the Service Use Tax Act, as the case may be, if the  
26 tax has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall  
2 have a legal right to claim a refund of that amount from the  
3 lessor. If, however, that amount is not refunded to the lessee  
4 for any reason, the lessor is liable to pay that amount to the  
5 Department. This paragraph is exempt from the provisions of  
6 Section 3-90.

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

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

23 (34) 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 3-90.

4 (35) Beginning January 1, 2010 and continuing through  
5 December 31, 2029, materials, parts, equipment, components,  
6 and furnishings incorporated into or upon an aircraft as part  
7 of the modification, refurbishment, completion, replacement,  
8 repair, or maintenance of the aircraft. This exemption  
9 includes consumable supplies used in the modification,  
10 refurbishment, completion, replacement, repair, and  
11 maintenance of aircraft. However, until January 1, 2024, this  
12 exemption excludes any materials, parts, equipment,  
13 components, and consumable supplies used in the modification,  
14 replacement, repair, and maintenance of aircraft engines or  
15 power plants, whether such engines or power plants are  
16 installed or uninstalled upon any such aircraft. "Consumable  
17 supplies" include, but are not limited to, adhesive, tape,  
18 sandpaper, general purpose lubricants, cleaning solution,  
19 latex gloves, and protective films.

20 Beginning January 1, 2010 and continuing through December  
21 31, 2023, this exemption applies only to the use of qualifying  
22 tangible personal property by persons who modify, refurbish,  
23 complete, repair, replace, or maintain aircraft and who (i)  
24 hold an Air Agency Certificate and are empowered to operate an  
25 approved repair station by the Federal Aviation  
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation  
2 Regulations. From January 1, 2024 through December 31, 2029,  
3 this exemption applies only to the use of qualifying tangible  
4 personal property by: (A) persons who modify, refurbish,  
5 complete, repair, replace, or maintain aircraft and who (i)  
6 hold an Air Agency Certificate and are empowered to operate an  
7 approved repair station by the Federal Aviation  
8 Administration, (ii) have a Class IV Rating, and (iii) conduct  
9 operations in accordance with Part 145 of the Federal Aviation  
10 Regulations; and (B) persons who engage in the modification,  
11 replacement, repair, and maintenance of aircraft engines or  
12 power plants without regard to whether or not those persons  
13 meet the qualifications of item (A).

14 The exemption does not include aircraft operated by a  
15 commercial air carrier providing scheduled passenger air  
16 service pursuant to authority issued under Part 121 or Part  
17 129 of the Federal Aviation Regulations. The changes made to  
18 this paragraph (35) by Public Act 98-534 are declarative of  
19 existing law. It is the intent of the General Assembly that the  
20 exemption under this paragraph (35) applies continuously from  
21 January 1, 2010 through December 31, 2024; however, no claim  
22 for credit or refund is allowed for taxes paid as a result of  
23 the disallowance of this exemption on or after January 1, 2015  
24 and prior to February 5, 2020 (the effective date of Public Act  
25 101-629).

26 (36) Tangible personal property purchased by a

1 public-facilities corporation, as described in Section  
2 11-65-10 of the Illinois Municipal Code, for purposes of  
3 constructing or furnishing a municipal convention hall, but  
4 only if the legal title to the municipal convention hall is  
5 transferred to the municipality without any further  
6 consideration by or on behalf of the municipality at the time  
7 of the completion of the municipal convention hall or upon the  
8 retirement or redemption of any bonds or other debt  
9 instruments issued by the public-facilities corporation in  
10 connection with the development of the municipal convention  
11 hall. This exemption includes existing public-facilities  
12 corporations as provided in Section 11-65-25 of the Illinois  
13 Municipal Code. This paragraph is exempt from the provisions  
14 of Section 3-90.

15 (37) Beginning January 1, 2017 and through December 31,  
16 2026, menstrual pads, tampons, and menstrual cups.

17 (38) Merchandise that is subject to the Rental Purchase  
18 Agreement Occupation and Use Tax. The purchaser must certify  
19 that the item is purchased to be rented subject to a  
20 rental-purchase ~~rental-purchase~~ agreement, as defined in the  
21 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide  
22 proof of registration under the Rental Purchase Agreement  
23 Occupation and Use Tax Act. This paragraph is exempt from the  
24 provisions of Section 3-90.

25 (39) Tangible personal property purchased by a purchaser  
26 who is exempt from the tax imposed by this Act by operation of

1 federal law. This paragraph is exempt from the provisions of  
2 Section 3-90.

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

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

22 For the purposes of this item (40):

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

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

1 Commerce and Economic Opportunity.

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

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

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

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

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

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

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

20 (42) Tangible personal property sold by or on behalf of  
21 the State Treasurer pursuant to the Revised Uniform Unclaimed  
22 Property Act. This item (42) is exempt from the provisions of  
23 Section 3-90.

24 (43) Beginning on January 1, 2024, tangible personal  
25 property purchased by an active duty member of the armed  
26 forces of the United States who presents valid military



1 identification and purchases the property using a form of  
2 payment where the federal government is the payor. The member  
3 of the armed forces must complete, at the point of sale, a form  
4 prescribed by the Department of Revenue documenting that the  
5 transaction is eligible for the exemption under this  
6 paragraph. Retailers must keep the form as documentation of  
7 the exemption in their records for a period of not less than 6  
8 years. "Armed forces of the United States" means the United  
9 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
10 This paragraph is exempt from the provisions of Section 3-90.

11 (44) Materials furnished to a common interest community  
12 association pursuant to a contract entered into with the  
13 highway commissioner of a road district under subsection (k)  
14 of Section 1-30 of the Common Interest Community Association  
15 Act. This paragraph is exempt from the provisions of Section  
16 3-90.

17 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
18 Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,  
19 eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
20 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,  
21 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
22 revised 12-12-23.)

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

1 (35 ILCS 110/3-5)

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

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

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

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

1 purchases unless it has an active identification number issued  
2 by the Department.

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

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

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

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

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

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

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

1 to, the collection, monitoring, and correlation of animal and  
2 crop data for the purpose of formulating animal diets and  
3 agricultural chemicals.

4 Beginning on January 1, 2024, farm machinery and equipment  
5 also includes electrical power generation equipment used  
6 primarily for production agriculture.

7 This item (7) is exempt from the provisions of Section  
8 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, 2029, 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. However, until January 1, 2024, this  
5 exemption excludes any materials, parts, equipment,  
6 components, and consumable supplies used in the modification,  
7 replacement, repair, and maintenance of aircraft engines or  
8 power plants, whether such engines or power plants are  
9 installed or uninstalled upon any such aircraft. "Consumable  
10 supplies" include, but are not limited to, adhesive, tape,  
11 sandpaper, general purpose lubricants, cleaning solution,  
12 latex gloves, and protective films.

13 Beginning January 1, 2010 and continuing through December  
14 31, 2023, this exemption applies only to the use of qualifying  
15 tangible personal property transferred incident to the  
16 modification, refurbishment, completion, replacement, repair,  
17 or maintenance of aircraft by persons who (i) hold an Air  
18 Agency Certificate and are empowered to operate an approved  
19 repair station by the Federal Aviation Administration, (ii)  
20 have a Class IV Rating, and (iii) conduct operations in  
21 accordance with Part 145 of the Federal Aviation Regulations.  
22 From January 1, 2024 through December 31, 2029, this exemption  
23 applies only to the use of qualifying tangible personal  
24 property by: (A) persons who modify, refurbish, complete,  
25 repair, replace, or maintain aircraft and who (i) hold an Air  
26 Agency Certificate and are empowered to operate an approved

1 repair station by the Federal Aviation Administration, (ii)  
2 have a Class IV Rating, and (iii) conduct operations in  
3 accordance with Part 145 of the Federal Aviation Regulations;  
4 and (B) persons who engage in the modification, replacement,  
5 repair, and maintenance of aircraft engines or power plants  
6 without regard to whether or not those persons meet the  
7 qualifications of item (A).

8 The exemption does not include aircraft operated by a  
9 commercial air carrier providing scheduled passenger air  
10 service pursuant to authority issued under Part 121 or Part  
11 129 of the Federal Aviation Regulations. The changes made to  
12 this paragraph (27) by Public Act 98-534 are declarative of  
13 existing law. It is the intent of the General Assembly that the  
14 exemption under this paragraph (27) applies continuously from  
15 January 1, 2010 through December 31, 2024; however, no claim  
16 for credit or refund is allowed for taxes paid as a result of  
17 the disallowance of this exemption on or after January 1, 2015  
18 and prior to February 5, 2020 (the effective date of Public Act  
19 101-629).

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



1 of the completion of the municipal convention hall or upon the  
2 retirement or redemption of any bonds or other debt  
3 instruments issued by the public-facilities corporation in  
4 connection with the development of the municipal convention  
5 hall. This exemption includes existing public-facilities  
6 corporations as provided in Section 11-65-25 of the Illinois  
7 Municipal Code. This paragraph is exempt from the provisions  
8 of Section 3-75.

9 (29) Beginning January 1, 2017 and through December 31,  
10 2026, menstrual pads, tampons, and menstrual cups.

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

15 (31) Qualified tangible personal property used in the  
16 construction or operation of a data center that has been  
17 granted a certificate of exemption by the Department of  
18 Commerce and Economic Opportunity, whether that tangible  
19 personal property is purchased by the owner, operator, or  
20 tenant of the data center or by a contractor or subcontractor  
21 of the owner, operator, or tenant. Data centers that would  
22 have qualified for a certificate of exemption prior to January  
23 1, 2020 had Public Act 101-31 been in effect, may apply for and  
24 obtain an exemption for subsequent purchases of computer  
25 equipment or enabling software purchased or leased to upgrade,  
26 supplement, or replace computer equipment or enabling software

1 purchased or leased in the original investment that would have  
2 qualified.

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

8 For the purposes of this item (31):

9 "Data center" means a building or a series of  
10 buildings rehabilitated or constructed to house working  
11 servers in one physical location or multiple sites within  
12 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; cabinets;  
19 telecommunications cabling infrastructure; raised floor  
20 systems; peripheral components or systems; software;  
21 mechanical, electrical, or plumbing systems; battery  
22 systems; cooling systems and towers; temperature control  
23 systems; other cabling; and other data center  
24 infrastructure equipment and systems necessary to operate  
25 qualified tangible personal property, including fixtures;  
26 and component parts of any of the foregoing, including

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

14 This item (31) is exempt from the provisions of Section  
15 3-75.

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

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

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

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

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

25 "Breast pump kit" means a kit that: (1) contains no  
26 more than a breast pump, breast pump collection and

1 storage supplies, a rechargeable battery for operating the  
2 breast pump, a breastmilk cooler, bottle stands, ice  
3 packs, and a breast pump carrying case; and (2) is  
4 pre-packaged as a breast pump kit by the breast pump  
5 manufacturer or distributor.

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

10 (34) Beginning on January 1, 2024, tangible personal  
11 property purchased by an active duty member of the armed  
12 forces of the United States who presents valid military  
13 identification and purchases the property using a form of  
14 payment where the federal government is the payor. The member  
15 of the armed forces must complete, at the point of sale, a form  
16 prescribed by the Department of Revenue documenting that the  
17 transaction is eligible for the exemption under this  
18 paragraph. Retailers must keep the form as documentation of  
19 the exemption in their records for a period of not less than 6  
20 years. "Armed forces of the United States" means the United  
21 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
22 This paragraph is exempt from the provisions of Section 3-75.

23 (35) Materials furnished to a common interest community  
24 association pursuant to a contract entered into with the  
25 highway commissioner of a road district under subsection (k)  
26 of Section 1-30 of the Common Interest Community Association

1 Act. This paragraph is exempt from the provisions of Section  
2 3-75.

3 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
4 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section  
5 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
6 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,  
7 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
8 revised 12-12-23.)

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

11 (35 ILCS 115/3-5)

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

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

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

24 (3) Personal property purchased by any not-for-profit arts

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

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

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

1 immediate change upon a graphic arts product. Beginning on  
2 July 1, 2017, graphic arts machinery and equipment is included  
3 in the manufacturing and assembling machinery and equipment  
4 exemption under Section 2 of this Act.

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

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



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

9 Farm machinery and equipment also includes computers,  
10 sensors, software, and related equipment used primarily in the  
11 computer-assisted operation of production agriculture  
12 facilities, equipment, and activities such as, but not limited  
13 to, the collection, monitoring, and correlation of animal and  
14 crop data for the purpose of formulating animal diets and  
15 agricultural chemicals.

16 Beginning on January 1, 2024, farm machinery and equipment  
17 also includes electrical power generation equipment used  
18 primarily for production agriculture.

19 This item (7) is exempt from the provisions of Section  
20 3-55.

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

1 domestic stopovers.

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

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

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

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

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

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

20 (13) Beginning January 1, 1992 and through June 30, 2016,  
21 food for human consumption that is to be consumed off the  
22 premises where it is sold (other than alcoholic beverages,  
23 soft drinks and food that has been prepared for immediate  
24 consumption) and prescription and non-prescription medicines,  
25 drugs, medical appliances, and insulin, urine testing  
26 materials, syringes, and needles used by diabetics, for human

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

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

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

22 (16) Computers and communications equipment utilized for  
23 any hospital purpose and equipment used in the diagnosis,  
24 analysis, or treatment of hospital patients sold to a lessor  
25 who leases the equipment, under a lease of one year or longer  
26 executed or in effect at the time of the purchase, to a

1 hospital that has been issued an active tax exemption  
2 identification number by the Department under Section 1g of  
3 the Retailers' Occupation Tax Act.

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

13 (29) Beginning January 1, 2010 and continuing through  
14 December 31, 2029, materials, parts, equipment, components,  
15 and furnishings incorporated into or upon an aircraft as part  
16 of the modification, refurbishment, completion, replacement,  
17 repair, or maintenance of the aircraft. This exemption  
18 includes consumable supplies used in the modification,  
19 refurbishment, completion, replacement, repair, and  
20 maintenance of aircraft. However, until January 1, 2024, this  
21 exemption excludes any materials, parts, equipment,  
22 components, and consumable supplies used in the modification,  
23 replacement, repair, and maintenance of aircraft engines or  
24 power plants, whether such engines or power plants are  
25 installed or uninstalled upon any such aircraft. "Consumable  
26 supplies" include, but are not limited to, adhesive, tape,

1 sandpaper, general purpose lubricants, cleaning solution,  
2 latex gloves, and protective films.

3 Beginning January 1, 2010 and continuing through December  
4 31, 2023, this exemption applies only to the transfer of  
5 qualifying tangible personal property incident to the  
6 modification, refurbishment, completion, replacement, repair,  
7 or maintenance of an aircraft by persons who (i) hold an Air  
8 Agency Certificate and are empowered to operate an approved  
9 repair station by the Federal Aviation Administration, (ii)  
10 have a Class IV Rating, and (iii) conduct operations in  
11 accordance with Part 145 of the Federal Aviation Regulations.  
12 The exemption does not include aircraft operated by a  
13 commercial air carrier providing scheduled passenger air  
14 service pursuant to authority issued under Part 121 or Part  
15 129 of the Federal Aviation Regulations. From January 1, 2024  
16 through December 31, 2029, this exemption applies only to the  
17 use of qualifying tangible personal property by: (A) persons  
18 who modify, refurbish, complete, repair, replace, or maintain  
19 aircraft and who (i) hold an Air Agency Certificate and are  
20 empowered to operate an approved repair station by the Federal  
21 Aviation Administration, (ii) have a Class IV Rating, and  
22 (iii) conduct operations in accordance with Part 145 of the  
23 Federal Aviation Regulations; and (B) persons who engage in  
24 the modification, replacement, repair, and maintenance of  
25 aircraft engines or power plants without regard to whether or  
26 not those persons meet the qualifications of item (A).

1           The changes made to this paragraph (29) by Public Act  
2 98-534 are declarative of existing law. It is the intent of the  
3 General Assembly that the exemption under this paragraph (29)  
4 applies continuously from January 1, 2010 through December 31,  
5 2024; however, no claim for credit or refund is allowed for  
6 taxes paid as a result of the disallowance of this exemption on  
7 or after January 1, 2015 and prior to February 5, 2020 (the  
8 effective date of Public Act 101-629).

9           (30) Beginning January 1, 2017 and through December 31,  
10 2026, menstrual pads, tampons, and menstrual cups.

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

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

1 qualified.

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

7 For the purposes of this item (32):

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

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

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

13 This item (32) is exempt from the provisions of Section  
14 3-55.

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

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

26 "Breast pump collection and storage supplies" means

1 items of tangible personal property designed or marketed  
2 to be used in conjunction with a breast pump to collect  
3 milk expressed from a human breast and to store collected  
4 milk until it is ready for consumption.

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

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

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

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

5 (34) Tangible personal property sold by or on behalf of  
6 the State Treasurer pursuant to the Revised Uniform Unclaimed  
7 Property Act. This item (34) is exempt from the provisions of  
8 Section 3-55.

9 (35) Beginning on January 1, 2024, tangible personal  
10 property purchased by an active duty member of the armed  
11 forces of the United States who presents valid military  
12 identification and purchases the property using a form of  
13 payment where the federal government is the payor. The member  
14 of the armed forces must complete, at the point of sale, a form  
15 prescribed by the Department of Revenue documenting that the  
16 transaction is eligible for the exemption under this  
17 paragraph. Retailers must keep the form as documentation of  
18 the exemption in their records for a period of not less than 6  
19 years. "Armed forces of the United States" means the United  
20 States Army, Navy, Air Force, Marine Corps, or Coast Guard.  
21 This paragraph is exempt from the provisions of Section 3-55.

22 (36) Materials furnished to a common interest community  
23 association pursuant to a contract entered into with the  
24 highway commissioner of a road district under subsection (k)  
25 of Section 1-30 of the Common Interest Community Association  
26 Act. This paragraph is exempt from the provisions of Section



1 3-55.

2 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,  
3 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section  
4 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,  
5 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,  
6 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;  
7 revised 12-12-23.)

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

10 (35 ILCS 120/2-5)

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

14 (1) Farm chemicals.

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

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

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

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

1           Beginning on January 1, 2024, farm machinery and  
2           equipment also includes electrical power generation  
3           equipment used primarily for production agriculture.

4           This item (2) is exempt from the provisions of Section  
5           2-70.

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

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

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

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

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

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

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

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

1 an active identification number issued by the Department.

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

9 (11) Except as otherwise provided in this Section,  
10 personal property sold to a governmental body, to a  
11 corporation, society, association, foundation, or  
12 institution organized and operated exclusively for  
13 charitable, religious, or educational purposes, or to a  
14 not-for-profit corporation, society, association,  
15 foundation, institution, or organization that has no  
16 compensated officers or employees and that is organized  
17 and operated primarily for the recreation of persons 55  
18 years of age or older. A limited liability company may  
19 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  
23 exemption shall make tax-free purchases unless it has an  
24 active identification number issued by the Department.

25 (12) (Blank).

26 (12-5) On and after July 1, 2003 and through June 30,

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

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

1 interstate commerce.

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

1 defined in paragraph (4) of this Section.

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

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

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

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

26 (19) Until July 1, 2003, oil field exploration,



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

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

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

1           2013 (the effective date of Public Act 98-456).

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

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

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

23           (24) Fuel consumed or used in the operation of ships,  
24 barges, or vessels that are used primarily in or for the  
25 transportation of property or the conveyance of persons  
26 for hire on rivers bordering on this State if the fuel is

1 delivered by the seller to the purchaser's barge, ship, or  
2 vessel while it is afloat upon that bordering river.

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

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

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

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

24 (1) the aircraft leaves this State within 15 days  
25 after the later of either the issuance of the final  
26 billing for the sale of the aircraft, or the

1 authorized approval for return to service, completion  
2 of the maintenance record entry, and completion of the  
3 test flight and ground test for inspection, as  
4 required by 14 CFR 91.407;

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

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

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

19 "Based in this State" means hangared, stored, or  
20 otherwise used, excluding post-sale customizations as  
21 defined in this Section, for 10 or more days in each  
22 12-month period immediately following the date of the sale  
23 of the aircraft.

24 "Registered in this State" means an aircraft  
25 registered with the Department of Transportation,  
26 Aeronautics Division, or titled or registered with the

1 Federal Aviation Administration to an address located in  
2 this State.

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

5 (26) Semen used for artificial insemination of  
6 livestock for direct agricultural production.

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

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

1 exemption identification number by the Department under  
2 Section 1g of this Act.

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

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

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

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

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

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



1 not less than 6 weeks duration and designed to prepare  
2 individuals to follow a trade or to pursue a manual,  
3 technical, mechanical, industrial, business, or commercial  
4 occupation.

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

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

1 if a use or occupation tax is paid on the gross receipts  
2 derived from the use of the commercial, coin-operated  
3 amusement and vending machines. This paragraph is exempt  
4 from the provisions of Section 2-70.

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

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

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

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

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

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

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

16 (40) Beginning January 1, 2010 and continuing through  
17 December 31, 2029, materials, parts, equipment,  
18 components, and furnishings incorporated into or upon an  
19 aircraft as part of the modification, refurbishment,  
20 completion, replacement, repair, or maintenance of the  
21 aircraft. This exemption includes consumable supplies used  
22 in the modification, refurbishment, completion,  
23 replacement, repair, and maintenance of aircraft. However,  
24 until January 1, 2024, this exemption excludes any  
25 materials, parts, equipment, components, and consumable  
26 supplies used in the modification, replacement, repair,

1 and maintenance of aircraft engines or power plants,  
2 whether such engines or power plants are installed or  
3 uninstalled upon any such aircraft. "Consumable supplies"  
4 include, but are not limited to, adhesive, tape,  
5 sandpaper, general purpose lubricants, cleaning solution,  
6 latex gloves, and protective films.

7 Beginning January 1, 2010 and continuing through  
8 December 31, 2023, this exemption applies only to the sale  
9 of qualifying tangible personal property to persons who  
10 modify, refurbish, complete, replace, or maintain an  
11 aircraft and who (i) hold an Air Agency Certificate and  
12 are empowered to operate an approved repair station by the  
13 Federal Aviation Administration, (ii) have a Class IV  
14 Rating, and (iii) conduct operations in accordance with  
15 Part 145 of the Federal Aviation Regulations. The  
16 exemption does not include aircraft operated by a  
17 commercial air carrier providing scheduled passenger air  
18 service pursuant to authority issued under Part 121 or  
19 Part 129 of the Federal Aviation Regulations. From January  
20 1, 2024 through December 31, 2029, this exemption applies  
21 only to the use of qualifying tangible personal property  
22 by: (A) persons who modify, refurbish, complete, repair,  
23 replace, or maintain aircraft and who (i) hold an Air  
24 Agency Certificate and are empowered to operate an  
25 approved repair station by the Federal Aviation  
26 Administration, (ii) have a Class IV Rating, and (iii)

1           conduct operations in accordance with Part 145 of the  
2           Federal Aviation Regulations; and (B) persons who engage  
3           in the modification, replacement, repair, and maintenance  
4           of aircraft engines or power plants without regard to  
5           whether or not those persons meet the qualifications of  
6           item (A).

7           The changes made to this paragraph (40) by Public Act  
8           98-534 are declarative of existing law. It is the intent  
9           of the General Assembly that the exemption under this  
10          paragraph (40) applies continuously from January 1, 2010  
11          through December 31, 2024; however, no claim for credit or  
12          refund is allowed for taxes paid as a result of the  
13          disallowance of this exemption on or after January 1, 2015  
14          and prior to February 5, 2020 (the effective date of  
15          Public Act 101-629).

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

1 municipal convention hall. This exemption includes  
2 existing public-facilities corporations as provided in  
3 Section 11-65-25 of the Illinois Municipal Code. This  
4 paragraph is exempt from the provisions of Section 2-70.

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

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

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

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

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

10 For the purposes of this item (44):

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

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



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

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

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

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

10 (46) Beginning July 1, 2022, breast pumps, breast pump  
11 collection and storage supplies, and breast pump kits.  
12 This item (46) is exempt from the provisions of Section  
13 2-70. As used in this item (46):

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 (47) Tangible personal property sold by or on behalf

1 of the State Treasurer pursuant to the Revised Uniform  
2 Unclaimed Property Act. This item (47) is exempt from the  
3 provisions of Section 2-70.

4 (48) Beginning on January 1, 2024, tangible personal  
5 property purchased by an active duty member of the armed  
6 forces of the United States who presents valid military  
7 identification and purchases the property using a form of  
8 payment where the federal government is the payor. The  
9 member of the armed forces must complete, at the point of  
10 sale, a form prescribed by the Department of Revenue  
11 documenting that the transaction is eligible for the  
12 exemption under this paragraph. Retailers must keep the  
13 form as documentation of the exemption in their records  
14 for a period of not less than 6 years. "Armed forces of the  
15 United States" means the United States Army, Navy, Air  
16 Force, Marine Corps, or Coast Guard. This paragraph is  
17 exempt from the provisions of Section 2-70.

18 (49) Materials furnished to a common interest  
19 community association pursuant to a contract entered into  
20 with the highway commissioner of a road district under  
21 subsection (k) of Section 1-30 of the Common Interest  
22 Community Association Act. This paragraph is exempt from  
23 the provisions of Section 2-70.

24 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;  
25 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,  
26 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.

1 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section  
2 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.  
3 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised  
4 12-12-23.)