

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 ~~Personal~~ property purchased by a governmental body, by a
13 corporation, society, association, foundation, or institution
14 organized and operated exclusively for charitable, religious,
15 or educational purposes, or by a not-for-profit corporation,
16 society, association, foundation, institution, or organization
17 that has no compensated officers or employees and that is
18 organized and operated primarily for the recreation of persons
19 55 years of age or older. A limited liability company may
20 qualify for the exemption under this paragraph only if the
21 limited liability company is organized and operated
22 exclusively for educational purposes. On and after July 1,
23 1987, however, no entity otherwise eligible for this exemption
24 shall make tax-free purchases unless it has an active
25 exemption identification 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. This item (11) is exempt from the
9 provisions of Section 3-90.

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

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

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

9 (14) 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 (15) Photoprocessing machinery and equipment, including
20 repair and replacement parts, both new and used, including
21 that manufactured on special order, certified by the purchaser
22 to be used primarily for photoprocessing, and including
23 photoprocessing machinery and equipment purchased for lease.

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

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

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

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

1 property, as defined in Section 3-50, purchased on or after
2 July 1, 2019. The exemption provided by this paragraph (18)
3 does not include machinery and equipment used in (i) the
4 generation of electricity for wholesale or retail sale; (ii)
5 the generation or treatment of natural or artificial gas for
6 wholesale or retail sale that is delivered to customers
7 through pipes, pipelines, or mains; or (iii) the treatment of
8 water for wholesale or retail sale that is delivered to
9 customers through pipes, pipelines, or mains. The provisions
10 of Public Act 98-583 are declaratory of existing law as to the
11 meaning and scope of this exemption. Beginning on July 1,
12 2017, the exemption provided by this paragraph (18) includes,
13 but is not limited to, graphic arts machinery and equipment,
14 as defined in paragraph (6) of this Section.

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

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

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

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

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

1 lessor. If, however, that amount is not refunded to the lessee
2 for any reason, the lessor is liable to pay that amount to the
3 Department.

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

25 (24) Beginning with taxable years ending on or after
26 December 31, 1995 and ending with taxable years ending on or

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (33) On and after July 1, 2003 and through June 30, 2004,

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

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

26 (35) Beginning January 1, 2010 and continuing through

1 December 31, 2024, materials, parts, equipment, components,
2 and furnishings incorporated into or upon an aircraft as part
3 of the modification, refurbishment, completion, replacement,
4 repair, or maintenance of the aircraft. This exemption
5 includes consumable supplies used in the modification,
6 refurbishment, completion, replacement, repair, and
7 maintenance of aircraft, but excludes any materials, parts,
8 equipment, components, and consumable supplies used in the
9 modification, replacement, repair, and maintenance of aircraft
10 engines or power plants, whether such engines or power plants
11 are installed or uninstalled upon any such aircraft.
12 "Consumable supplies" include, but are not limited to,
13 adhesive, tape, sandpaper, general purpose lubricants,
14 cleaning solution, latex gloves, and protective films. This
15 exemption applies only to the use of qualifying tangible
16 personal property by persons who modify, refurbish, complete,
17 repair, replace, or maintain aircraft and 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 The exemption does not include aircraft operated by a
23 commercial air carrier providing scheduled passenger air
24 service pursuant to authority issued under Part 121 or Part
25 129 of the Federal Aviation Regulations. The changes made to
26 this paragraph (35) by Public Act 98-534 are declarative of

1 existing law. It is the intent of the General Assembly that the
2 exemption under this paragraph (35) applies continuously from
3 January 1, 2010 through December 31, 2024; however, no claim
4 for credit or refund is allowed for taxes paid as a result of
5 the disallowance of this exemption on or after January 1, 2015
6 and prior to February 5, 2020 (the effective date of Public Act
7 101-629) ~~this amendatory Act of the 101st General Assembly.~~

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

23 (37) Beginning January 1, 2017 and through December 31,
24 2026, menstrual pads, tampons, and menstrual cups.

25 (38) Merchandise that is subject to the Rental Purchase
26 Agreement Occupation and Use Tax. The purchaser must certify

1 that the item is purchased to be rented subject to a rental
2 purchase agreement, as defined in the Rental Purchase
3 Agreement Act, and provide proof of registration under the
4 Rental Purchase Agreement Occupation and Use Tax Act. This
5 paragraph is exempt from the provisions of Section 3-90.

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

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

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

1 Department of Commerce and Economic Opportunity Law of the
2 Civil Administrative Code of Illinois.

3 For the purposes of this item (40):

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

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

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

9 This item (40) is exempt from the provisions of Section
10 3-90.

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

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

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

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

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

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

1 (42) ~~(41)~~ Tangible personal property sold by or on behalf
2 of the State Treasurer pursuant to the Revised Uniform
3 Unclaimed Property Act. This item (42) ~~(41)~~ is exempt from the
4 provisions of Section 3-90.

5 (43) Beginning on January 1, 2024, tangible personal
6 property purchased by an active duty member of the armed
7 forces of the United States who presents valid military
8 identification and purchases the property using a form of
9 payment where the federal government is the payor. The member
10 of the armed forces must complete, at the point of sale, a form
11 prescribed by the Department of Revenue documenting that the
12 transaction is eligible for the exemption under this
13 paragraph. Retailers must keep the form as documentation of
14 the exemption in their records for a period of not less than 6
15 years. "Armed forces of the United States" means the United
16 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
17 This paragraph is exempt from the provisions of Section 3-90.

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

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. This item (7) is exempt from the
4 provisions of Section 3-75.

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

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

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

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

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

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

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

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

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

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

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

18 (16) Personal property purchased by a lessor who leases
19 the property, under a lease of one year or longer executed or
20 in effect at the time the lessor would otherwise be subject to
21 the tax imposed by this Act, to a governmental body that has
22 been issued an active tax exemption identification number by
23 the Department under Section 1g of the Retailers' Occupation
24 Tax Act. If the property is leased in a manner that does not
25 qualify for this exemption or is used in any other non-exempt
26 manner, the lessor shall be liable for the tax imposed under

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

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

22 (18) Beginning with taxable years ending on or after
23 December 31, 1995 and ending with taxable years ending on or
24 before December 31, 2004, personal property that is used in
25 the performance of infrastructure repairs in this State,
26 including but not limited to municipal roads and streets,

1 access roads, bridges, sidewalks, waste disposal systems,
2 water and sewer line extensions, water distribution and
3 purification facilities, storm water drainage and retention
4 facilities, and sewage treatment facilities, resulting from a
5 State or federally declared disaster in Illinois or bordering
6 Illinois when such repairs are initiated on facilities located
7 in the declared disaster area within 6 months after the
8 disaster.

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

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

1 organized and operated exclusively to provide a course of
2 study of not less than 6 weeks duration and designed to prepare
3 individuals to follow a trade or to pursue a manual,
4 technical, mechanical, industrial, business, or commercial
5 occupation.

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

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

1 paid on the gross receipts derived from the use of the
2 commercial, coin-operated amusement and vending machines. This
3 paragraph is exempt from the provisions of Section 3-75.

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

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

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

16 (25) Beginning on August 2, 2001 (the effective date of
17 Public Act 92-227), personal property purchased by a lessor
18 who leases the property, under a lease of one year or longer
19 executed or in effect at the time the lessor would otherwise be
20 subject to the tax imposed by this Act, to a governmental body
21 that has been issued an active tax exemption identification
22 number by the Department under Section 1g of the Retailers'
23 Occupation Tax Act. If the property is leased in a manner that
24 does not qualify for this exemption or is used in any other
25 nonexempt manner, the lessor shall be liable for the tax
26 imposed under this Act or the Use Tax Act, as the case may be,

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

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

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

1 equipment, components, and consumable supplies used in the
2 modification, replacement, repair, and maintenance of aircraft
3 engines or power plants, whether such engines or power plants
4 are installed or uninstalled upon any such aircraft.
5 "Consumable supplies" include, but are not limited to,
6 adhesive, tape, sandpaper, general purpose lubricants,
7 cleaning solution, latex gloves, and protective films. This
8 exemption applies only to the use of qualifying tangible
9 personal property transferred incident to the modification,
10 refurbishment, completion, replacement, repair, or maintenance
11 of aircraft by persons who (i) hold an Air Agency Certificate
12 and are empowered to operate an approved repair station by the
13 Federal Aviation Administration, (ii) have a Class IV Rating,
14 and (iii) conduct operations in accordance with Part 145 of
15 the Federal Aviation Regulations. The exemption does not
16 include aircraft operated by a commercial air carrier
17 providing scheduled passenger air service pursuant to
18 authority issued under Part 121 or Part 129 of the Federal
19 Aviation Regulations. The changes made to this paragraph (27)
20 by Public Act 98-534 are declarative of existing law. It is the
21 intent of the General Assembly that the exemption under this
22 paragraph (27) applies continuously from January 1, 2010
23 through December 31, 2024; however, no claim for credit or
24 refund is allowed for taxes paid as a result of the
25 disallowance of this exemption on or after January 1, 2015 and
26 prior to February 5, 2020 (the effective date of Public Act

1 ~~101-629) this amendatory Act of the 101st General Assembly.~~

2 (28) Tangible personal property purchased by a
3 public-facilities corporation, as described in Section
4 11-65-10 of the Illinois Municipal Code, for purposes of
5 constructing or furnishing a municipal convention hall, but
6 only if the legal title to the municipal convention hall is
7 transferred to the municipality without any further
8 consideration by or on behalf of the municipality at the time
9 of the completion of the municipal convention hall or upon the
10 retirement or redemption of any bonds or other debt
11 instruments issued by the public-facilities corporation in
12 connection with the development of the municipal convention
13 hall. This exemption includes existing public-facilities
14 corporations as provided in Section 11-65-25 of the Illinois
15 Municipal Code. This paragraph is exempt from the provisions
16 of Section 3-75.

17 (29) Beginning January 1, 2017 and through December 31,
18 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

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

17 For the purposes of this item (31):

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

22 "Qualified tangible personal property" means:
23 electrical systems and equipment; climate control and
24 chilling equipment and systems; mechanical systems and
25 equipment; monitoring and secure systems; emergency
26 generators; hardware; computers; servers; data storage

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

23 This item (31) is exempt from the provisions of Section
24 3-75.

25 (32) Beginning July 1, 2022, breast pumps, breast pump
26 collection and storage supplies, and breast pump kits. This

1 item (32) is exempt from the provisions of Section 3-75. As
2 used in this item (32):

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

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

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

22 "Breast pump collection and storage supplies" does not
23 include: (1) bottles and bottle caps not specific to the
24 operation of the breast pump; (2) breast pump travel bags
25 and other similar carrying accessories, including ice
26 packs, labels, and other similar products; (3) breast pump

1 cleaning supplies; (4) nursing bras, bra pads, breast
2 shells, and other similar products; and (5) creams,
3 ointments, and other similar products that relieve
4 breastfeeding-related symptoms or conditions of the
5 breasts or nipples, unless sold as part of a breast pump
6 kit that is pre-packaged by the breast pump manufacturer
7 or distributor.

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

15 (33) ~~(32)~~ Tangible personal property sold by or on behalf
16 of the State Treasurer pursuant to the Revised Uniform
17 Unclaimed Property Act. This item (33) ~~(32)~~ is exempt from the
18 provisions of Section 3-75.

19 (34) Beginning on January 1, 2024, tangible personal
20 property purchased by an active duty member of the armed
21 forces of the United States who presents valid military
22 identification and purchases the property using a form of
23 payment where the federal government is the payor. The member
24 of the armed forces must complete, at the point of sale, a form
25 prescribed by the Department of Revenue documenting that the
26 transaction is eligible for the exemption under this

1 paragraph. Retailers must keep the form as documentation of
2 the exemption in their records for a period of not less than 6
3 years. "Armed forces of the United States" means the United
4 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
5 This paragraph is exempt from the provisions of Section 3-75.

6 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
7 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article
8 70, Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
9 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-3-22.)

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

12 (35 ILCS 115/3-5)

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

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

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

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

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

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

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

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

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

1 of the tender is separately stated.

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

10 Farm machinery and equipment also includes computers,
11 sensors, software, and related equipment used primarily in the
12 computer-assisted operation of production agriculture
13 facilities, equipment, and activities such as, but not limited
14 to, the collection, monitoring, and correlation of animal and
15 crop data for the purpose of formulating animal diets and
16 agricultural chemicals. This item (7) is exempt from the
17 provisions of Section 3-55.

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

25 Beginning July 1, 2013, fuel and petroleum products sold
26 to or used by an air carrier, certified by the carrier to be

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

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

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

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

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

17 (13) Beginning January 1, 1992 and through June 30, 2016,
18 food for human consumption that is to be consumed off the
19 premises where it is sold (other than alcoholic beverages,
20 soft drinks and food that has been prepared for immediate
21 consumption) and prescription and non-prescription medicines,
22 drugs, medical appliances, and insulin, urine testing
23 materials, syringes, and needles used by diabetics, for human
24 use, when purchased for use by a person receiving medical
25 assistance under Article V of the Illinois Public Aid Code who
26 resides in a licensed long-term care facility, as defined in

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

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

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

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

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

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

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

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

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

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

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

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

25 (24) Beginning on August 2, 2001 (the effective date of
26 Public Act 92-227), computers and communications equipment

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

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

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

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

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

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

1 consideration by or on behalf of the municipality at the time
2 of the completion of the municipal convention hall or upon the
3 retirement or redemption of any bonds or other debt
4 instruments issued by the public-facilities corporation in
5 connection with the development of the municipal convention
6 hall. This exemption includes existing public-facilities
7 corporations as provided in Section 11-65-25 of the Illinois
8 Municipal Code. This paragraph is exempt from the provisions
9 of Section 3-55.

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

1 completion, replacement, repair, or maintenance of an aircraft
2 by persons who (i) hold an Air Agency Certificate and are
3 empowered to operate an approved repair station by the Federal
4 Aviation Administration, (ii) have a Class IV Rating, and
5 (iii) conduct operations in accordance with Part 145 of the
6 Federal Aviation Regulations. The exemption does not include
7 aircraft operated by a commercial air carrier providing
8 scheduled passenger air service pursuant to authority issued
9 under Part 121 or Part 129 of the Federal Aviation
10 Regulations. The changes made to this paragraph (29) by Public
11 Act 98-534 are declarative of existing law. It is the intent of
12 the General Assembly that the exemption under this paragraph
13 (29) applies continuously from January 1, 2010 through
14 December 31, 2024; however, no claim for credit or refund is
15 allowed for taxes paid as a result of the disallowance of this
16 exemption on or after January 1, 2015 and prior to February 5,
17 2020 (the effective date of Public Act 101-629) ~~this~~
18 ~~amendatory Act of the 101st General Assembly.~~

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

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

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

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

13 The Department of Commerce and Economic Opportunity shall
14 grant a certificate of exemption under this item (32) to
15 qualified data centers as defined by Section 605-1025 of the
16 Department of Commerce and Economic Opportunity Law of the
17 Civil Administrative Code of Illinois.

18 For the purposes of this item (32):

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

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

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

24 This item (32) is exempt from the provisions of Section
25 3-55.

26 (33) Beginning July 1, 2022, breast pumps, breast pump

1 collection and storage supplies, and breast pump kits. This
2 item (33) is exempt from the provisions of Section 3-55. As
3 used in this item (33):

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

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

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

23 "Breast pump collection and storage supplies" does not
24 include: (1) bottles and bottle caps not specific to the
25 operation of the breast pump; (2) breast pump travel bags
26 and other similar carrying accessories, including ice

1 packs, labels, and other similar products; (3) breast pump
2 cleaning supplies; (4) nursing bras, bra pads, breast
3 shells, and other similar products; and (5) creams,
4 ointments, and other similar products that relieve
5 breastfeeding-related symptoms or conditions of the
6 breasts or nipples, unless sold as part of a breast pump
7 kit that is pre-packaged by the breast pump manufacturer
8 or distributor.

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

16 (34) ~~(33)~~ Tangible personal property sold by or on behalf
17 of the State Treasurer pursuant to the Revised Uniform
18 Unclaimed Property Act. This item (34) ~~(33)~~ is exempt from the
19 provisions of Section 3-55.

20 (35) Beginning on January 1, 2024, tangible personal
21 property purchased by an active duty member of the armed
22 forces of the United States who presents valid military
23 identification and purchases the property using a form of
24 payment where the federal government is the payor. The member
25 of the armed forces must complete, at the point of sale, a form
26 prescribed by the Department of Revenue documenting that the

1 transaction is eligible for the exemption under this
2 paragraph. Retailers must keep the form as documentation of
3 the exemption in their records for a period of not less than 6
4 years. "Armed forces of the United States" means the United
5 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
6 This paragraph is exempt from the provisions of Section 3-55.

7 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;
8 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-700, Article
9 70, Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
10 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-9-22.)

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

13 (35 ILCS 120/2-5)

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

17 (1) Farm chemicals.

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

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

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

1 limited to, the collection, monitoring, and correlation of
2 animal and crop data for the purpose of formulating animal
3 diets and agricultural chemicals. This item (2) is exempt
4 from the provisions of Section 2-70.

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

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

25 (5) A motor vehicle that is used for automobile
26 renting, as defined in the Automobile Renting Occupation

1 and Use Tax Act. This paragraph is exempt from the
2 provisions of Section 2-70.

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

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

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

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

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

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

24 (12) (Blank).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 vessel while it is afloat upon that bordering river.

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

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

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

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

23 (1) the aircraft leaves this State within 15 days
24 after the later of either the issuance of the final
25 billing for the sale of the aircraft, or the
26 authorized approval for return to service, completion

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

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

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

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

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

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

1 this State.

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

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

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

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

1 Section 1g of this Act.

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

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

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

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

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

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

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

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

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

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

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

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

1 of Section 2-70.

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

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

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

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

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

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

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

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

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

25 (44) Qualified tangible personal property used in the
26 construction or operation of a data center that has been

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

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

21 For the purposes of this item (44):

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

26 "Qualified tangible personal property" means:

1 electrical systems and equipment; climate control and
2 chilling equipment and systems; mechanical systems and
3 equipment; monitoring and secure systems; emergency
4 generators; hardware; computers; servers; data storage
5 devices; network connectivity equipment; racks;
6 cabinets; telecommunications cabling infrastructure;
7 raised floor systems; peripheral components or
8 systems; software; mechanical, electrical, or plumbing
9 systems; battery systems; cooling systems and towers;
10 temperature control systems; other cabling; and other
11 data center infrastructure equipment and systems
12 necessary to operate qualified tangible personal
13 property, including fixtures; and component parts of
14 any of the foregoing, including installation,
15 maintenance, repair, refurbishment, and replacement of
16 qualified tangible personal property to generate,
17 transform, transmit, distribute, or manage electricity
18 necessary to operate qualified tangible personal
19 property; and all other tangible personal property
20 that is essential to the operations of a computer data
21 center. The term "qualified tangible personal
22 property" also includes building materials physically
23 incorporated into 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 (44) is exempt from the provisions of
3 Section 2-70.

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

21 (46) Beginning July 1, 2022, breast pumps, breast pump
22 collection and storage supplies, and breast pump kits.
23 This item (46) is exempt from the provisions of Section
24 2-70. As used in this item (46):

25 "Breast pump" means an electrically controlled or
26 manually controlled pump device designed or marketed to be

1 used to express milk from a human breast during lactation,
2 including the pump device and any battery, AC adapter, or
3 other power supply unit that is used to power the pump
4 device and is packaged and sold with the pump device at the
5 time of sale.

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

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

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

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

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

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

15 (48) Beginning on January 1, 2024, tangible personal
16 property purchased by an active duty member of the armed
17 forces of the United States who presents valid military
18 identification and purchases the property using a form of
19 payment where the federal government is the payor. The
20 member of the armed forces must complete, at the point of
21 sale, a form prescribed by the Department of Revenue
22 documenting that the transaction is eligible for the
23 exemption under this paragraph. Retailers must keep the
24 form as documentation of the exemption in their records
25 for a period of not less than 6 years. "Armed forces of the
26 United States" means the United States Army, Navy, Air

1 Force, Marine Corps, or Coast Guard. This paragraph is
2 exempt from the provisions of Section 2-70.

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