



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2188

Introduced 2/10/2023, by Sen. Ram Villivalam

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5
35 ILCS 105/3-10
35 ILCS 110/3-5
35 ILCS 110/3-10 from Ch. 120, par. 439.33-10
35 ILCS 115/3-5
35 ILCS 115/3-10 from Ch. 120, par. 439.103-10
35 ILCS 120/2-5
35 ILCS 120/2-10

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that prescription medicines and medical devices are exempt from the taxes under those Acts. Effective July 1, 2023.

LRB103 26023 HLH 52377 b

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

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

1 the car is subject to the Replacement Vehicle Tax.

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

15 (7) Farm chemicals.

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

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

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

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

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

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

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

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

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

26 (13) Proceeds of mandatory service charges separately

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Section 3-90.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 Civil Administrative Code of Illinois.

2 For the purposes of this item (40):

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

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

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

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

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

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

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

26 "Breast pump collection and storage supplies"

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

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

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

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

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

4 (43) Beginning July 1, 2023, prescription medicines and
5 medical devices (including, but not limited to, products
6 classified as Class III medical devices by the United States
7 Food and Drug Administration that are used for cancer
8 treatment pursuant to a prescription, as well as any
9 accessories and components related to those devices). This
10 item (43) is exempt from the provisions of Section 3-90.

11 (Source: P.A. 101-9, eff. 6-5-19; 101-31, eff. 6-28-19;
12 101-81, eff. 7-12-19; 101-629, eff. 2-5-20; 102-16, eff.
13 6-17-21; 102-700, Article 70, Section 70-5, eff. 4-19-22;
14 102-700, Article 75, Section 75-5, eff. 4-19-22; 102-1026,
15 eff. 5-27-22; revised 8-1-22.)

16 (35 ILCS 105/3-10)

17 Sec. 3-10. Rate of tax. Unless otherwise provided in this
18 Section, the tax imposed by this Act is at the rate of 6.25% of
19 either the selling price or the fair market value, if any, of
20 the tangible personal property. In all cases where property
21 functionally used or consumed is the same as the property that
22 was purchased at retail, then the tax is imposed on the selling
23 price of the property. In all cases where property
24 functionally used or consumed is a by-product or waste product
25 that has been refined, manufactured, or produced from property

1 purchased at retail, then the tax is imposed on the lower of
2 the fair market value, if any, of the specific property so used
3 in this State or on the selling price of the property purchased
4 at retail. For purposes of this Section "fair market value"
5 means the price at which property would change hands between a
6 willing buyer and a willing seller, neither being under any
7 compulsion to buy or sell and both having reasonable knowledge
8 of the relevant facts. The fair market value shall be
9 established by Illinois sales by the taxpayer of the same
10 property as that functionally used or consumed, or if there
11 are no such sales by the taxpayer, then comparable sales or
12 purchases of property of like kind and character in Illinois.

13 Beginning on July 1, 2000 and through December 31, 2000,
14 with respect to motor fuel, as defined in Section 1.1 of the
15 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
16 the Use Tax Act, the tax is imposed at the rate of 1.25%.

17 Beginning on August 6, 2010 through August 15, 2010, and
18 beginning again on August 5, 2022 through August 14, 2022,
19 with respect to sales tax holiday items as defined in Section
20 3-6 of this Act, the tax is imposed at the rate of 1.25%.

21 With respect to gasohol, the tax imposed by this Act
22 applies to (i) 70% of the proceeds of sales made on or after
23 January 1, 1990, and before July 1, 2003, (ii) 80% of the
24 proceeds of sales made on or after July 1, 2003 and on or
25 before July 1, 2017, and (iii) 100% of the proceeds of sales
26 made thereafter. If, at any time, however, the tax under this

1 Act on sales of gasohol is imposed at the rate of 1.25%, then
2 the tax imposed by this Act applies to 100% of the proceeds of
3 sales of gasohol made during that time.

4 With respect to majority blended ethanol fuel, the tax
5 imposed by this Act does not apply to the proceeds of sales
6 made on or after July 1, 2003 and on or before December 31,
7 2023 but applies to 100% of the proceeds of sales made
8 thereafter.

9 With respect to biodiesel blends with no less than 1% and
10 no more than 10% biodiesel, the tax imposed by this Act applies
11 to (i) 80% of the proceeds of sales made on or after July 1,
12 2003 and on or before December 31, 2018 and (ii) 100% of the
13 proceeds of sales made after December 31, 2018 and before
14 January 1, 2024. On and after January 1, 2024 and on or before
15 December 31, 2030, the taxation of biodiesel, renewable
16 diesel, and biodiesel blends shall be as provided in Section
17 3-5.1. If, at any time, however, the tax under this Act on
18 sales of biodiesel blends with no less than 1% and no more than
19 10% biodiesel is imposed at the rate of 1.25%, then the tax
20 imposed by this Act applies to 100% of the proceeds of sales of
21 biodiesel blends with no less than 1% and no more than 10%
22 biodiesel made during that time.

23 With respect to biodiesel and biodiesel blends with more
24 than 10% but no more than 99% biodiesel, the tax imposed by
25 this Act does not apply to the proceeds of sales made on or
26 after July 1, 2003 and on or before December 31, 2023. On and

1 after January 1, 2024 and on or before December 31, 2030, the
2 taxation of biodiesel, renewable diesel, and biodiesel blends
3 shall be as provided in Section 3-5.1.

4 Until July 1, 2022 and beginning again on July 1, 2023,
5 with respect to food for human consumption that is to be
6 consumed off the premises where it is sold (other than
7 alcoholic beverages, food consisting of or infused with adult
8 use cannabis, soft drinks, and food that has been prepared for
9 immediate consumption), the tax is imposed at the rate of 1%.
10 Beginning on July 1, 2022 and until July 1, 2023, with respect
11 to food for human consumption that is to be consumed off the
12 premises where it is sold (other than alcoholic beverages,
13 food consisting of or infused with adult use cannabis, soft
14 drinks, and food that has been prepared for immediate
15 consumption), the tax is imposed at the rate of 0%.

16 With respect to ~~prescription and~~ nonprescription medicines
17 and drugs ~~7~~ drugs, medical appliances that are not exempt
18 under paragraph (43) of Section 3-5, ~~products classified as~~
19 ~~Class III medical devices by the United States Food and Drug~~
20 ~~Administration that are used for cancer treatment pursuant to~~
21 ~~a prescription, as well as any accessories and components~~
22 ~~related to those devices,~~ modifications to a motor vehicle for
23 the purpose of rendering it usable by a person with a
24 disability, and ~~insulin,~~ blood sugar testing materials,
25 syringes, and needles used by human diabetics, the tax is
26 imposed at the rate of 1%. For the purposes of this Section,

1 until September 1, 2009: the term "soft drinks" means any
2 complete, finished, ready-to-use, non-alcoholic drink, whether
3 carbonated or not, including, but not limited to, soda water,
4 cola, fruit juice, vegetable juice, carbonated water, and all
5 other preparations commonly known as soft drinks of whatever
6 kind or description that are contained in any closed or sealed
7 bottle, can, carton, or container, regardless of size; but
8 "soft drinks" does not include coffee, tea, non-carbonated
9 water, infant formula, milk or milk products as defined in the
10 Grade A Pasteurized Milk and Milk Products Act, or drinks
11 containing 50% or more natural fruit or vegetable juice.

12 Notwithstanding any other provisions of this Act,
13 beginning September 1, 2009, "soft drinks" means non-alcoholic
14 beverages that contain natural or artificial sweeteners. "Soft
15 drinks" does ~~do~~ not include beverages that contain milk or
16 milk products, soy, rice or similar milk substitutes, or
17 greater than 50% of vegetable or fruit juice by volume.

18 Until August 1, 2009, and notwithstanding any other
19 provisions of this Act, "food for human consumption that is to
20 be consumed off the premises where it is sold" includes all
21 food sold through a vending machine, except soft drinks and
22 food products that are dispensed hot from a vending machine,
23 regardless of the location of the vending machine. Beginning
24 August 1, 2009, and notwithstanding any other provisions of
25 this Act, "food for human consumption that is to be consumed
26 off the premises where it is sold" includes all food sold

1 through a vending machine, except soft drinks, candy, and food
2 products that are dispensed hot from a vending machine,
3 regardless of the location of the vending machine.

4 Notwithstanding any other provisions of this Act,
5 beginning September 1, 2009, "food for human consumption that
6 is to be consumed off the premises where it is sold" does not
7 include candy. For purposes of this Section, "candy" means a
8 preparation of sugar, honey, or other natural or artificial
9 sweeteners in combination with chocolate, fruits, nuts or
10 other ingredients or flavorings in the form of bars, drops, or
11 pieces. "Candy" does not include any preparation that contains
12 flour or requires refrigeration.

13 Notwithstanding any other provisions of this Act,
14 beginning September 1, 2009, "nonprescription medicines and
15 drugs" does not include grooming and hygiene products. For
16 purposes of this Section, "grooming and hygiene products"
17 includes, but is not limited to, soaps and cleaning solutions,
18 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
19 lotions and screens, unless those products are available by
20 prescription only, regardless of whether the products meet the
21 definition of "over-the-counter-drugs". For the purposes of
22 this paragraph, "over-the-counter-drug" means a drug for human
23 use that contains a label that identifies the product as a drug
24 as required by 21 CFR ~~C.F.R.~~ § 201.66. The
25 "over-the-counter-drug" label includes:

26 (A) a ~~A~~ "Drug Facts" panel; or

1 (B) a ~~A~~ statement of the "active ingredient(s)" with a
2 list of those ingredients contained in the compound,
3 substance or preparation.

4 Beginning on January 1, 2014 (the effective date of Public
5 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~
6 "prescription and nonprescription medicines and drugs"
7 includes medical cannabis purchased from a registered
8 dispensing organization under the Compassionate Use of Medical
9 Cannabis Program Act.

10 As used in this Section, "adult use cannabis" means
11 cannabis subject to tax under the Cannabis Cultivation
12 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
13 and does not include cannabis subject to tax under the
14 Compassionate Use of Medical Cannabis Program Act.

15 If the property that is purchased at retail from a
16 retailer is acquired outside Illinois and used outside
17 Illinois before being brought to Illinois for use here and is
18 taxable under this Act, the "selling price" on which the tax is
19 computed shall be reduced by an amount that represents a
20 reasonable allowance for depreciation for the period of prior
21 out-of-state use.

22 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
23 102-4, eff. 4-27-21; 102-700, Article 20, Section 20-5, eff.
24 4-19-22; 102-700, Article 60, Section 60-15, eff. 4-19-22;
25 102-700, Article 65, Section 65-5, eff. 4-19-22; revised
26 5-27-22.)

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

3 (35 ILCS 110/3-5)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (9) Proceeds of mandatory service charges separately

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 repair, or maintenance of the aircraft. This exemption
2 includes consumable supplies used in the modification,
3 refurbishment, completion, replacement, repair, and
4 maintenance of aircraft, but excludes any materials, parts,
5 equipment, components, and consumable supplies used in the
6 modification, replacement, repair, and maintenance of aircraft
7 engines or power plants, whether such engines or power plants
8 are installed or uninstalled upon any such aircraft.
9 "Consumable supplies" include, but are not limited to,
10 adhesive, tape, sandpaper, general purpose lubricants,
11 cleaning solution, latex gloves, and protective films. This
12 exemption applies only to the use of qualifying tangible
13 personal property transferred incident to the modification,
14 refurbishment, completion, replacement, repair, or maintenance
15 of aircraft by persons who (i) hold an Air Agency Certificate
16 and are empowered to operate an approved repair station by the
17 Federal Aviation Administration, (ii) have a Class IV Rating,
18 and (iii) conduct operations in accordance with Part 145 of
19 the Federal Aviation Regulations. The exemption does not
20 include aircraft operated by a commercial air carrier
21 providing scheduled passenger air service pursuant to
22 authority issued under Part 121 or Part 129 of the Federal
23 Aviation Regulations. The changes made to this paragraph (27)
24 by Public Act 98-534 are declarative of existing law. It is the
25 intent of the General Assembly that the exemption under this
26 paragraph (27) applies continuously from January 1, 2010

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

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

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

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

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

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

21 For the purposes of this item (31):

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

26 "Qualified tangible personal property" means:

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

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

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

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

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

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

26 "Breast pump collection and storage supplies" does not

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

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

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

23 (34) Beginning July 1, 2023, prescription medicines and
24 medical devices (including, but not limited to, products
25 classified as Class III medical devices by the United States
26 Food and Drug Administration that are used for cancer

1 treatment pursuant to a prescription, as well as any
2 accessories and components related to those devices). This
3 item (34) is exempt from the provisions of Section 3-75.

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

8 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

9 Sec. 3-10. Rate of tax. Unless otherwise provided in this
10 Section, the tax imposed by this Act is at the rate of 6.25% of
11 the selling price of tangible personal property transferred as
12 an incident to the sale of service, but, for the purpose of
13 computing this tax, in no event shall the selling price be less
14 than the cost price of the property to the serviceman.

15 Beginning on July 1, 2000 and through December 31, 2000,
16 with respect to motor fuel, as defined in Section 1.1 of the
17 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
18 the Use Tax Act, the tax is imposed at the rate of 1.25%.

19 With respect to gasohol, as defined in the Use Tax Act, the
20 tax imposed by this Act applies to (i) 70% of the selling price
21 of property transferred as an incident to the sale of service
22 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
23 of the selling price of property transferred as an incident to
24 the sale of service on or after July 1, 2003 and on or before
25 July 1, 2017, and (iii) 100% of the selling price thereafter.

1 If, at any time, however, the tax under this Act on sales of
2 gasohol, as defined in the Use Tax Act, is imposed at the rate
3 of 1.25%, then the tax imposed by this Act applies to 100% of
4 the proceeds of sales of gasohol made during that time.

5 With respect to majority blended ethanol fuel, as defined
6 in the Use Tax Act, the tax imposed by this Act does not apply
7 to the selling price of property transferred as an incident to
8 the sale of service on or after July 1, 2003 and on or before
9 December 31, 2023 but applies to 100% of the selling price
10 thereafter.

11 With respect to biodiesel blends, as defined in the Use
12 Tax Act, with no less than 1% and no more than 10% biodiesel,
13 the tax imposed by this Act applies to (i) 80% of the selling
14 price of property transferred as an incident to the sale of
15 service on or after July 1, 2003 and on or before December 31,
16 2018 and (ii) 100% of the proceeds of the selling price after
17 December 31, 2018 and before January 1, 2024. On and after
18 January 1, 2024 and on or before December 31, 2030, the
19 taxation of biodiesel, renewable diesel, and biodiesel blends
20 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
21 at any time, however, the tax under this Act on sales of
22 biodiesel blends, as defined in the Use Tax Act, with no less
23 than 1% and no more than 10% biodiesel is imposed at the rate
24 of 1.25%, then the tax imposed by this Act applies to 100% of
25 the proceeds of sales of biodiesel blends with no less than 1%
26 and no more than 10% biodiesel made during that time.

1 With respect to biodiesel, as defined in the Use Tax Act,
2 and biodiesel blends, as defined in the Use Tax Act, with more
3 than 10% but no more than 99% biodiesel, the tax imposed by
4 this Act does not apply to the proceeds of the selling price of
5 property transferred as an incident to the sale of service on
6 or after July 1, 2003 and on or before December 31, 2023. On
7 and after January 1, 2024 and on or before December 31, 2030,
8 the taxation of biodiesel, renewable diesel, and biodiesel
9 blends shall be as provided in Section 3-5.1 of the Use Tax
10 Act.

11 At the election of any registered serviceman made for each
12 fiscal year, sales of service in which the aggregate annual
13 cost price of tangible personal property transferred as an
14 incident to the sales of service is less than 35%, or 75% in
15 the case of servicemen transferring prescription drugs or
16 servicemen engaged in graphic arts production, of the
17 aggregate annual total gross receipts from all sales of
18 service, the tax imposed by this Act shall be based on the
19 serviceman's cost price of the tangible personal property
20 transferred as an incident to the sale of those services.

21 Until July 1, 2022 and beginning again on July 1, 2023, the
22 tax shall be imposed at the rate of 1% on food prepared for
23 immediate consumption and transferred incident to a sale of
24 service subject to this Act or the Service Occupation Tax Act
25 by an entity licensed under the Hospital Licensing Act, the
26 Nursing Home Care Act, the Assisted Living and Shared Housing

1 Act, the ID/DD Community Care Act, the MC/DD Act, the
2 Specialized Mental Health Rehabilitation Act of 2013, or the
3 Child Care Act of 1969, or an entity that holds a permit issued
4 pursuant to the Life Care Facilities Act. Until July 1, 2022
5 and beginning again on July 1, 2023, the tax shall also be
6 imposed at the rate of 1% on food for human consumption that is
7 to be consumed off the premises where it is sold (other than
8 alcoholic beverages, food consisting of or infused with adult
9 use cannabis, soft drinks, and food that has been prepared for
10 immediate consumption and is not otherwise included in this
11 paragraph).

12 Beginning on July 1, 2022 and until July 1, 2023, the tax
13 shall be imposed at the rate of 0% on food prepared for
14 immediate consumption and transferred incident to a sale of
15 service subject to this Act or the Service Occupation Tax Act
16 by an entity licensed under the Hospital Licensing Act, the
17 Nursing Home Care Act, the Assisted Living and Shared Housing
18 Act, the ID/DD Community Care Act, the MC/DD Act, the
19 Specialized Mental Health Rehabilitation Act of 2013, or the
20 Child Care Act of 1969, or an entity that holds a permit issued
21 pursuant to the Life Care Facilities Act. Beginning on July 1,
22 2022 and until July 1, 2023, the tax shall also be imposed at
23 the rate of 0% on food for human consumption that is to be
24 consumed off the premises where it is sold (other than
25 alcoholic beverages, food consisting of or infused with adult
26 use cannabis, soft drinks, and food that has been prepared for

1 immediate consumption and is not otherwise included in this
2 paragraph).

3 The tax shall also be imposed at the rate of 1% on
4 ~~prescription and nonprescription medicines and 7~~ drugs,
5 medical appliances that are not exempt under paragraph (34) of
6 Section 3-5), ~~products classified as Class III medical devices~~
7 ~~by the United States Food and Drug Administration that are~~
8 ~~used for cancer treatment pursuant to a prescription, as well~~
9 ~~as any accessories and components related to those devices,~~
10 modifications to a motor vehicle for the purpose of rendering
11 it usable by a person with a disability, and ~~insulin,~~ blood
12 sugar testing materials, syringes, and needles used by human
13 diabetics. For the purposes of this Section, until September
14 1, 2009: the term "soft drinks" means any complete, finished,
15 ready-to-use, non-alcoholic drink, whether carbonated or not,
16 including, but not limited to, soda water, cola, fruit juice,
17 vegetable juice, carbonated water, and all other preparations
18 commonly known as soft drinks of whatever kind or description
19 that are contained in any closed or sealed bottle, can,
20 carton, or container, regardless of size; but "soft drinks"
21 does not include coffee, tea, non-carbonated water, infant
22 formula, milk or milk products as defined in the Grade A
23 Pasteurized Milk and Milk Products Act, or drinks containing
24 50% or more natural fruit or vegetable juice.

25 Notwithstanding any other provisions of this Act,
26 beginning September 1, 2009, "soft drinks" means non-alcoholic

1 beverages that contain natural or artificial sweeteners. "Soft
2 drinks" does ~~do~~ not include beverages that contain milk or
3 milk products, soy, rice or similar milk substitutes, or
4 greater than 50% of vegetable or fruit juice by volume.

5 Until August 1, 2009, and notwithstanding any other
6 provisions of this Act, "food for human consumption that is to
7 be consumed off the premises where it is sold" includes all
8 food sold through a vending machine, except soft drinks and
9 food products that are dispensed hot from a vending machine,
10 regardless of the location of the vending machine. Beginning
11 August 1, 2009, and notwithstanding any other provisions of
12 this Act, "food for human consumption that is to be consumed
13 off the premises where it is sold" includes all food sold
14 through a vending machine, except soft drinks, candy, and food
15 products that are dispensed hot from a vending machine,
16 regardless of the location of the vending machine.

17 Notwithstanding any other provisions of this Act,
18 beginning September 1, 2009, "food for human consumption that
19 is to be consumed off the premises where it is sold" does not
20 include candy. For purposes of this Section, "candy" means a
21 preparation of sugar, honey, or other natural or artificial
22 sweeteners in combination with chocolate, fruits, nuts or
23 other ingredients or flavorings in the form of bars, drops, or
24 pieces. "Candy" does not include any preparation that contains
25 flour or requires refrigeration.

26 Notwithstanding any other provisions of this Act,

1 beginning September 1, 2009, "nonprescription medicines and
2 drugs" does not include grooming and hygiene products. For
3 purposes of this Section, "grooming and hygiene products"
4 includes, but is not limited to, soaps and cleaning solutions,
5 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
6 lotions and screens, unless those products are available by
7 prescription only, regardless of whether the products meet the
8 definition of "over-the-counter-drugs". For the purposes of
9 this paragraph, "over-the-counter-drug" means a drug for human
10 use that contains a label that identifies the product as a drug
11 as required by 21 CFR ~~C.F.R.~~ § 201.66. The
12 "over-the-counter-drug" label includes:

- 13 (A) a ~~A~~ "Drug Facts" panel; or
14 (B) a ~~A~~ statement of the "active ingredient(s)" with a
15 list of those ingredients contained in the compound,
16 substance or preparation.

17 Beginning on January 1, 2014 (the effective date of Public
18 Act 98-122), "prescription and nonprescription medicines and
19 drugs" includes medical cannabis purchased from a registered
20 dispensing organization under the Compassionate Use of Medical
21 Cannabis Program Act.

22 As used in this Section, "adult use cannabis" means
23 cannabis subject to tax under the Cannabis Cultivation
24 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
25 and does not include cannabis subject to tax under the
26 Compassionate Use of Medical Cannabis Program Act.

1 If the property that is acquired from a serviceman is
2 acquired outside Illinois and used outside Illinois before
3 being brought to Illinois for use here and is taxable under
4 this Act, the "selling price" on which the tax is computed
5 shall be reduced by an amount that represents a reasonable
6 allowance for depreciation for the period of prior
7 out-of-state use.

8 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
9 102-4, eff. 4-27-21; 102-16, eff. 6-17-21; 102-700, Article
10 20, Section 20-10, eff. 4-19-22; 102-700, Article 60, Section
11 60-20, eff. 4-19-22; revised 6-1-22.)

12 Section 15. The Service Occupation Tax Act is amended by
13 changing Sections 3-5 and 3-10 as follows:

14 (35 ILCS 115/3-5)

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

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

24 (2) Personal property purchased by a not-for-profit

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 motor vehicles required to be registered under the Illinois
2 Vehicle Code.

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

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

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

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

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

8 (15) 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 (15) is exempt from the
14 provisions of Section 3-55, and the exemption provided for
15 under this item (15) 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 (16) Computers and communications equipment utilized for
22 any hospital purpose and equipment used in the diagnosis,
23 analysis, or treatment of hospital patients sold to a lessor
24 who leases the equipment, under a lease of one year or longer
25 executed or in effect at the time of the purchase, to a
26 hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g of
2 the Retailers' Occupation Tax Act.

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

9 (18) 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 donated
12 for disaster relief to be used in a State or federally declared
13 disaster area in Illinois or bordering Illinois by a
14 manufacturer or retailer that is registered in this State to a
15 corporation, society, association, foundation, or institution
16 that has been issued a sales tax exemption identification
17 number by the Department that assists victims of the disaster
18 who reside within the declared disaster area.

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

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

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

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

1 technical, mechanical, industrial, business, or commercial
2 occupation.

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

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

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

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

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

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

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

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

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

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

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

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

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

26 (32) Qualified tangible personal property used in the

1 construction or operation of a data center that has been
2 granted a certificate of exemption by the Department of
3 Commerce and Economic Opportunity, whether that tangible
4 personal property is purchased by the owner, operator, or
5 tenant of the data center or by a contractor or subcontractor
6 of the owner, operator, or tenant. Data centers that would
7 have qualified for a certificate of exemption prior to January
8 1, 2020 had Public Act 101-31 ~~this amendatory Act of the 101st~~
9 ~~General Assembly~~ been in effect, may apply for and obtain an
10 exemption for subsequent purchases of computer equipment or
11 enabling software purchased or leased to upgrade, supplement,
12 or 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 shall
16 grant a certificate of exemption under this item (32) to
17 qualified data centers as defined by Section 605-1025 of the
18 Department of Commerce and Economic Opportunity Law of the
19 Civil Administrative Code of Illinois.

20 For the purposes of this item (32):

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

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

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

26 This item (32) is exempt from the provisions of Section

1 3-55.

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

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

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

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

25 "Breast pump collection and storage supplies" does not
26 include: (1) bottles and bottle caps not specific to the

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

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

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

22 (35) Beginning July 1, 2023, prescription medicines and
23 medical devices (including, but not limited to, products
24 classified as Class III medical devices by the United States
25 Food and Drug Administration that are used for cancer
26 treatment pursuant to a prescription, as well as any

1 accessories and components related to those devices). This
2 item (35) is exempt from the provisions of Section 3-55.

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; 102-700, Article
5 70, Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
6 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; revised 8-9-22.)

7 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

8 Sec. 3-10. Rate of tax. Unless otherwise provided in this
9 Section, the tax imposed by this Act is at the rate of 6.25% of
10 the "selling price", as defined in Section 2 of the Service Use
11 Tax Act, of the tangible personal property. For the purpose of
12 computing this tax, in no event shall the "selling price" be
13 less than the cost price to the serviceman of the tangible
14 personal property transferred. The selling price of each item
15 of tangible personal property transferred as an incident of a
16 sale of service may be shown as a distinct and separate item on
17 the serviceman's billing to the service customer. If the
18 selling price is not so shown, the selling price of the
19 tangible personal property is deemed to be 50% of the
20 serviceman's entire billing to the service customer. When,
21 however, a serviceman contracts to design, develop, and
22 produce special order machinery or equipment, the tax imposed
23 by this Act shall be based on the serviceman's cost price of
24 the tangible personal property transferred incident to the
25 completion of the contract.

1 Beginning on July 1, 2000 and through December 31, 2000,
2 with respect to motor fuel, as defined in Section 1.1 of the
3 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
4 the Use Tax Act, the tax is imposed at the rate of 1.25%.

5 With respect to gasohol, as defined in the Use Tax Act, the
6 tax imposed by this Act shall apply to (i) 70% of the cost
7 price of property transferred as an incident to the sale of
8 service on or after January 1, 1990, and before July 1, 2003,
9 (ii) 80% of the selling price of property transferred as an
10 incident to the sale of service on or after July 1, 2003 and on
11 or before July 1, 2017, and (iii) 100% of the cost price
12 thereafter. If, at any time, however, the tax under this Act on
13 sales of gasohol, as defined in the Use Tax Act, is imposed at
14 the rate of 1.25%, then the tax imposed by this Act applies to
15 100% of the proceeds of sales of gasohol made during that time.

16 With respect to majority blended ethanol fuel, as defined
17 in the Use Tax Act, the tax imposed by this Act does not apply
18 to the selling price of property transferred as an incident to
19 the sale of service on or after July 1, 2003 and on or before
20 December 31, 2023 but applies to 100% of the selling price
21 thereafter.

22 With respect to biodiesel blends, as defined in the Use
23 Tax Act, with no less than 1% and no more than 10% biodiesel,
24 the tax imposed by this Act applies to (i) 80% of the selling
25 price of property transferred as an incident to the sale of
26 service on or after July 1, 2003 and on or before December 31,

1 2018 and (ii) 100% of the proceeds of the selling price after
2 December 31, 2018 and before January 1, 2024. On and after
3 January 1, 2024 and on or before December 31, 2030, the
4 taxation of biodiesel, renewable diesel, and biodiesel blends
5 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
6 at any time, however, the tax under this Act on sales of
7 biodiesel blends, as defined in the Use Tax Act, with no less
8 than 1% and no more than 10% biodiesel is imposed at the rate
9 of 1.25%, then the tax imposed by this Act applies to 100% of
10 the proceeds of sales of biodiesel blends with no less than 1%
11 and no more than 10% biodiesel made during that time.

12 With respect to biodiesel, as defined in the Use Tax Act,
13 and biodiesel blends, as defined in the Use Tax Act, with more
14 than 10% but no more than 99% biodiesel material, the tax
15 imposed by this Act does not apply to the proceeds of the
16 selling price of property transferred as an incident to the
17 sale of service on or after July 1, 2003 and on or before
18 December 31, 2023. On and after January 1, 2024 and on or
19 before December 31, 2030, the taxation of biodiesel, renewable
20 diesel, and biodiesel blends shall be as provided in Section
21 3-5.1 of the Use Tax Act.

22 At the election of any registered serviceman made for each
23 fiscal year, sales of service in which the aggregate annual
24 cost price of tangible personal property transferred as an
25 incident to the sales of service is less than 35%, or 75% in
26 the case of servicemen transferring prescription drugs or

1 servicemen engaged in graphic arts production, of the
2 aggregate annual total gross receipts from all sales of
3 service, the tax imposed by this Act shall be based on the
4 serviceman's cost price of the tangible personal property
5 transferred incident to the sale of those services.

6 Until July 1, 2022 and beginning again on July 1, 2023, the
7 tax shall be imposed at the rate of 1% on food prepared for
8 immediate consumption and transferred incident to a sale of
9 service subject to this Act or the Service Use Tax Act by an
10 entity licensed under the Hospital Licensing Act, the Nursing
11 Home Care Act, the Assisted Living and Shared Housing Act, the
12 ID/DD Community Care Act, the MC/DD Act, the Specialized
13 Mental Health Rehabilitation Act of 2013, or the Child Care
14 Act of 1969, or an entity that holds a permit issued pursuant
15 to the Life Care Facilities Act. Until July 1, 2022 and
16 beginning again on July 1, 2023, the tax shall also be imposed
17 at the rate of 1% on food for human consumption that is to be
18 consumed off the premises where it is sold (other than
19 alcoholic beverages, food consisting of or infused with adult
20 use cannabis, soft drinks, and food that has been prepared for
21 immediate consumption and is not otherwise included in this
22 paragraph).

23 Beginning on July 1, 2022 and until July 1, 2023, the tax
24 shall be imposed at the rate of 0% on food prepared for
25 immediate consumption and transferred incident to a sale of
26 service subject to this Act or the Service Use Tax Act by an

1 entity licensed under the Hospital Licensing Act, the Nursing
2 Home Care Act, the Assisted Living and Shared Housing Act, the
3 ID/DD Community Care Act, the MC/DD Act, the Specialized
4 Mental Health Rehabilitation Act of 2013, or the Child Care
5 Act of 1969, or an entity that holds a permit issued pursuant
6 to the Life Care Facilities Act. Beginning July 1, 2022 and
7 until July 1, 2023, the tax shall also be imposed at the rate
8 of 0% on food for human consumption that is to be consumed off
9 the premises where it is sold (other than alcoholic beverages,
10 food consisting of or infused with adult use cannabis, soft
11 drinks, and food that has been prepared for immediate
12 consumption and is not otherwise included in this paragraph).

13 The tax shall also be imposed at the rate of 1% on
14 ~~prescription and nonprescription medicines and 7 drugs,~~
15 ~~medical appliances that are not exempt under paragraph (35) of~~
16 ~~Section 3-5), products classified as Class III medical devices~~
17 ~~by the United States Food and Drug Administration that are~~
18 ~~used for cancer treatment pursuant to a prescription, as well~~
19 ~~as any accessories and components related to those devices,~~
20 modifications to a motor vehicle for the purpose of rendering
21 it usable by a person with a disability, and ~~insulin,~~ blood
22 sugar testing materials, syringes, and needles used by human
23 diabetics. For the purposes of this Section, until September
24 1, 2009: the term "soft drinks" means any complete, finished,
25 ready-to-use, non-alcoholic drink, whether carbonated or not,
26 including, but not limited to, soda water, cola, fruit juice,

1 vegetable juice, carbonated water, and all other preparations
2 commonly known as soft drinks of whatever kind or description
3 that are contained in any closed or sealed can, carton, or
4 container, regardless of size; but "soft drinks" does not
5 include coffee, tea, non-carbonated water, infant formula,
6 milk or milk products as defined in the Grade A Pasteurized
7 Milk and Milk Products Act, or drinks containing 50% or more
8 natural fruit or vegetable juice.

9 Notwithstanding any other provisions of this Act,
10 beginning September 1, 2009, "soft drinks" means non-alcoholic
11 beverages that contain natural or artificial sweeteners. "Soft
12 drinks" does ~~do~~ not include beverages that contain milk or
13 milk products, soy, rice or similar milk substitutes, or
14 greater than 50% of vegetable or fruit juice by volume.

15 Until August 1, 2009, and notwithstanding any other
16 provisions of this Act, "food for human consumption that is to
17 be consumed off the premises where it is sold" includes all
18 food sold through a vending machine, except soft drinks and
19 food products that are dispensed hot from a vending machine,
20 regardless of the location of the vending machine. Beginning
21 August 1, 2009, and notwithstanding any other provisions of
22 this Act, "food for human consumption that is to be consumed
23 off the premises where it is sold" includes all food sold
24 through a vending machine, except soft drinks, candy, and food
25 products that are dispensed hot from a vending machine,
26 regardless of the location of the vending machine.

1 Notwithstanding any other provisions of this Act,
2 beginning September 1, 2009, "food for human consumption that
3 is to be consumed off the premises where it is sold" does not
4 include candy. For purposes of this Section, "candy" means a
5 preparation of sugar, honey, or other natural or artificial
6 sweeteners in combination with chocolate, fruits, nuts or
7 other ingredients or flavorings in the form of bars, drops, or
8 pieces. "Candy" does not include any preparation that contains
9 flour or requires refrigeration.

10 Notwithstanding any other provisions of this Act,
11 beginning September 1, 2009, "nonprescription medicines and
12 drugs" does not include grooming and hygiene products. For
13 purposes of this Section, "grooming and hygiene products"
14 includes, but is not limited to, soaps and cleaning solutions,
15 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
16 lotions and screens, unless those products are available by
17 prescription only, regardless of whether the products meet the
18 definition of "over-the-counter-drugs". For the purposes of
19 this paragraph, "over-the-counter-drug" means a drug for human
20 use that contains a label that identifies the product as a drug
21 as required by 21 CFR ~~C.F.R. — §~~ 201.66. The
22 "over-the-counter-drug" label includes:

23 (A) a ~~A~~ "Drug Facts" panel; or

24 (B) a ~~A~~ statement of the "active ingredient(s)" with a
25 list of those ingredients contained in the compound,
26 substance or preparation.

1 Beginning on January 1, 2014 (the effective date of Public
2 Act 98-122), "prescription and nonprescription medicines and
3 drugs" includes medical cannabis purchased from a registered
4 dispensing organization under the Compassionate Use of Medical
5 Cannabis Program Act.

6 As used in this Section, "adult use cannabis" means
7 cannabis subject to tax under the Cannabis Cultivation
8 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
9 and does not include cannabis subject to tax under the
10 Compassionate Use of Medical Cannabis Program Act.

11 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
12 102-4, eff. 4-27-21; 102-16, eff. 6-17-21; 102-700, Article
13 20, Section 20-15, eff. 4-19-22; 102-700, Article 60, Section
14 60-25, eff. 4-19-22; revised 6-1-22.)

15 Section 20. The Retailers' Occupation Tax Act is amended
16 by changing Sections 2-5 and 2-10 as follows:

17 (35 ILCS 120/2-5)

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

21 (1) Farm chemicals.

22 (2) Farm machinery and equipment, both new and used,
23 including that manufactured on special order, certified by
24 the purchaser to be used primarily for production

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

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

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

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

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

1 manufacturing and assembling machinery and equipment
2 exemption under paragraph (14).

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

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

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

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

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

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

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

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

1 (12) (Blank).

2 (12-5) On and after July 1, 2003 and through June 30,
3 2004, motor vehicles of the second division with a gross
4 vehicle weight in excess of 8,000 pounds that are subject
5 to the commercial distribution fee imposed under Section
6 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
7 2004 and through June 30, 2005, the use in this State of
8 motor vehicles of the second division: (i) with a gross
9 vehicle weight rating in excess of 8,000 pounds; (ii) that
10 are subject to the commercial distribution fee imposed
11 under Section 3-815.1 of the Illinois Vehicle Code; and
12 (iii) that are primarily used for commercial purposes.
13 Through June 30, 2005, this exemption applies to repair
14 and replacement parts added after the initial purchase of
15 such a motor vehicle if that motor vehicle is used in a
16 manner that would qualify for the rolling stock exemption
17 otherwise provided for in this Act. For purposes of this
18 paragraph, "used for commercial purposes" means the
19 transportation of persons or property in furtherance of
20 any commercial or industrial enterprise whether for-hire
21 or not.

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

1 by the Federal Communications Commission, which is
2 permanently installed in or affixed to aircraft moving in
3 interstate commerce.

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

1 provided by this paragraph (14) includes, but is not
2 limited to, graphic arts machinery and equipment, as
3 defined in paragraph (4) of this Section.

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

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

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

24 (18) Legal tender, currency, medallions, or gold or
25 silver coinage issued by the State of Illinois, the
26 government of the United States of America, or the

1 government of any foreign country, and bullion.

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

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

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

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

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

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

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

25 (24) Fuel consumed or used in the operation of ships,
26 barges, or vessels that are used primarily in or for the

1 transportation of property or the conveyance of persons
2 for hire on rivers bordering on this State if the fuel is
3 delivered by the seller to the purchaser's barge, ship, or
4 vessel while it is afloat upon that bordering river.

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

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

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

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

26 (1) the aircraft leaves this State within 15 days

1 after the later of either the issuance of the final
2 billing for the sale of the aircraft, or the
3 authorized approval for return to service, completion
4 of the maintenance record entry, and completion of the
5 test flight and ground test for inspection, as
6 required by 14 CFR ~~C.F.R.~~ 91.407;

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

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

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

21 "Based in this State" means hangared, stored, or
22 otherwise used, excluding post-sale customizations as
23 defined in this Section, for 10 or more days in each
24 12-month period immediately following the date of the sale
25 of the aircraft.

26 "Registered in this State" means an aircraft

1 registered with the Department of Transportation,
2 Aeronautics Division, or titled or registered with the
3 Federal Aviation Administration to an address located in
4 this State.

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

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

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

23 (28) Computers and communications equipment utilized
24 for any hospital purpose and equipment used in the
25 diagnosis, analysis, or treatment of hospital patients
26 sold to a lessor who leases the equipment, under a lease of

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

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

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

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

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

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

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

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

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

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

1 30, 2003, machines and parts for machines used in
2 commercial, coin-operated amusement and vending business
3 if a use or occupation tax is paid on the gross receipts
4 derived from the use of the commercial, coin-operated
5 amusement and vending machines. This paragraph is exempt
6 from the provisions of Section 2-70.

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

21 (36) Beginning August 2, 2001, computers and
22 communications equipment utilized for any hospital purpose
23 and equipment used in the diagnosis, analysis, or
24 treatment of hospital patients sold to a lessor who leases
25 the equipment, under a lease of one year or longer
26 executed or in effect at the time of the purchase, to a

1 hospital that has been issued an active tax exemption
2 identification number by the Department under Section 1g
3 of this Act. This paragraph is exempt from the provisions
4 of Section 2-70.

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

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

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

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

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

1 consumable supplies used in the modification, replacement,
2 repair, and maintenance of aircraft engines or power
3 plants, whether such engines or power plants are installed
4 or uninstalled upon any such aircraft. "Consumable
5 supplies" include, but are not limited to, adhesive, tape,
6 sandpaper, general purpose lubricants, cleaning solution,
7 latex gloves, and protective films. This exemption applies
8 only to the sale of qualifying tangible personal property
9 to persons who modify, refurbish, complete, replace, or
10 maintain an aircraft and who (i) hold an Air Agency
11 Certificate and are empowered to operate an approved
12 repair station by the Federal Aviation Administration,
13 (ii) have a Class IV Rating, and (iii) conduct operations
14 in accordance with Part 145 of the Federal Aviation
15 Regulations. The exemption does not include aircraft
16 operated by a commercial air carrier providing scheduled
17 passenger air service pursuant to authority issued under
18 Part 121 or Part 129 of the Federal Aviation Regulations.
19 The changes made to this paragraph (40) by Public Act
20 98-534 are declarative of existing law. It is the intent
21 of the General Assembly that the exemption under this
22 paragraph (40) 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
26 and prior to February 5, 2020 (the effective date of

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

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

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

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

1 the provisions of Section 2-70.

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

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

24 For the purposes of this item (44):

25 "Data center" means a building or a series of
26 buildings rehabilitated or constructed to house

1 working servers in one physical location or multiple
2 sites within the State of Illinois.

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

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

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

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

24 (46) Beginning July 1, 2022, breast pumps, breast pump
25 collection and storage supplies, and breast pump kits.
26 This item (46) is exempt from the provisions of Section

1 2-70. As used in this item (46):

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

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

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

21 "Breast pump collection and storage supplies" does not
22 include: (1) bottles and bottle caps not specific to the
23 operation of the breast pump; (2) breast pump travel bags
24 and other similar carrying accessories, including ice
25 packs, labels, and other similar products; (3) breast pump
26 cleaning supplies; (4) nursing bras, bra pads, breast

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

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

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

18 (48) Beginning July 1, 2023, prescription medicines
19 and medical devices (including, but not limited to,
20 products classified as Class III medical devices by the
21 United States Food and Drug Administration that are used
22 for cancer treatment pursuant to a prescription, as well
23 as any accessories and components related to those
24 devices). This item (48) is exempt from the provisions of
25 Section 2-70.

26 (Source: P.A. 101-31, eff. 6-28-19; 101-81, eff. 7-12-19;

1 101-629, eff. 2-5-20; 102-16, eff. 6-17-21; 102-634, eff.
2 8-27-21; 102-700, Article 70, Section 70-20, eff. 4-19-22;
3 102-700, Article 75, Section 75-20, eff. 4-19-22; 102-813,
4 eff. 5-13-22; 102-1026, eff. 5-27-22; revised 8-15-22.)

5 (35 ILCS 120/2-10)

6 Sec. 2-10. Rate of tax. Unless otherwise provided in this
7 Section, the tax imposed by this Act is at the rate of 6.25% of
8 gross receipts from sales of tangible personal property made
9 in the course of business.

10 Beginning on July 1, 2000 and through December 31, 2000,
11 with respect to motor fuel, as defined in Section 1.1 of the
12 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
13 the Use Tax Act, the tax is imposed at the rate of 1.25%.

14 Beginning on August 6, 2010 through August 15, 2010, and
15 beginning again on August 5, 2022 through August 14, 2022,
16 with respect to sales tax holiday items as defined in Section
17 2-8 of this Act, the tax is imposed at the rate of 1.25%.

18 Within 14 days after July 1, 2000 (the effective date of
19 Public Act 91-872) ~~this amendatory Act of the 91st General~~
20 ~~Assembly~~, each retailer of motor fuel and gasohol shall cause
21 the following notice to be posted in a prominently visible
22 place on each retail dispensing device that is used to
23 dispense motor fuel or gasohol in the State of Illinois: "As of
24 July 1, 2000, the State of Illinois has eliminated the State's
25 share of sales tax on motor fuel and gasohol through December

1 31, 2000. The price on this pump should reflect the
2 elimination of the tax." The notice shall be printed in bold
3 print on a sign that is no smaller than 4 inches by 8 inches.
4 The sign shall be clearly visible to customers. Any retailer
5 who fails to post or maintain a required sign through December
6 31, 2000 is guilty of a petty offense for which the fine shall
7 be \$500 per day per each retail premises where a violation
8 occurs.

9 With respect to gasohol, as defined in the Use Tax Act, the
10 tax imposed by this Act applies to (i) 70% of the proceeds of
11 sales made on or after January 1, 1990, and before July 1,
12 2003, (ii) 80% of the proceeds of sales made on or after July
13 1, 2003 and on or before July 1, 2017, and (iii) 100% of the
14 proceeds of sales made thereafter. If, at any time, however,
15 the tax under this Act on sales of gasohol, as defined in the
16 Use Tax Act, is imposed at the rate of 1.25%, then the tax
17 imposed by this Act applies to 100% of the proceeds of sales of
18 gasohol made during that time.

19 With respect to majority blended ethanol fuel, as defined
20 in the Use Tax Act, the tax imposed by this Act does not apply
21 to the proceeds of sales made on or after July 1, 2003 and on
22 or before December 31, 2023 but applies to 100% of the proceeds
23 of sales made thereafter.

24 With respect to biodiesel blends, as defined in the Use
25 Tax Act, with no less than 1% and no more than 10% biodiesel,
26 the tax imposed by this Act applies to (i) 80% of the proceeds

1 of sales made on or after July 1, 2003 and on or before
2 December 31, 2018 and (ii) 100% of the proceeds of sales made
3 after December 31, 2018 and before January 1, 2024. On and
4 after January 1, 2024 and on or before December 31, 2030, the
5 taxation of biodiesel, renewable diesel, and biodiesel blends
6 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
7 at any time, however, the tax under this Act on sales of
8 biodiesel blends, as defined in the Use Tax Act, with no less
9 than 1% and no more than 10% biodiesel is imposed at the rate
10 of 1.25%, then the tax imposed by this Act applies to 100% of
11 the proceeds of sales of biodiesel blends with no less than 1%
12 and no more than 10% biodiesel made during that time.

13 With respect to biodiesel, as defined in the Use Tax Act,
14 and biodiesel blends, as defined in the Use Tax Act, with more
15 than 10% but no more than 99% biodiesel, the tax imposed by
16 this Act does not apply to the proceeds of sales made on or
17 after July 1, 2003 and on or before December 31, 2023. On and
18 after January 1, 2024 and on or before December 31, 2030, the
19 taxation of biodiesel, renewable diesel, and biodiesel blends
20 shall be as provided in Section 3-5.1 of the Use Tax Act.

21 Until July 1, 2022 and beginning again on July 1, 2023,
22 with respect to food for human consumption that is to be
23 consumed off the premises where it is sold (other than
24 alcoholic beverages, food consisting of or infused with adult
25 use cannabis, soft drinks, and food that has been prepared for
26 immediate consumption), the tax is imposed at the rate of 1%.

1 Beginning July 1, 2022 and until July 1, 2023, with respect to
2 food for human consumption that is to be consumed off the
3 premises where it is sold (other than alcoholic beverages,
4 food consisting of or infused with adult use cannabis, soft
5 drinks, and food that has been prepared for immediate
6 consumption), the tax is imposed at the rate of 0%.

7 With respect to ~~prescription and~~ nonprescription medicines
8 and ~~7~~ drugs, medical appliances that are not exempt under item
9 (48) of Section 2-5, ~~products classified as Class III medical~~
10 ~~devices by the United States Food and Drug Administration that~~
11 ~~are used for cancer treatment pursuant to a prescription, as~~
12 ~~well as any accessories and components related to those~~
13 ~~devices,~~ modifications to a motor vehicle for the purpose of
14 rendering it usable by a person with a disability, and
15 ~~insulin,~~ blood sugar testing materials, syringes, and needles
16 used by human diabetics, the tax is imposed at the rate of 1%.
17 For the purposes of this Section, until September 1, 2009: the
18 term "soft drinks" means any complete, finished, ready-to-use,
19 non-alcoholic drink, whether carbonated or not, including, but
20 not limited to, soda water, cola, fruit juice, vegetable
21 juice, carbonated water, and all other preparations commonly
22 known as soft drinks of whatever kind or description that are
23 contained in any closed or sealed bottle, can, carton, or
24 container, regardless of size; but "soft drinks" does not
25 include coffee, tea, non-carbonated water, infant formula,
26 milk or milk products as defined in the Grade A Pasteurized

1 Milk and Milk Products Act, or drinks containing 50% or more
2 natural fruit or vegetable juice.

3 Notwithstanding any other provisions of this Act,
4 beginning September 1, 2009, "soft drinks" means non-alcoholic
5 beverages that contain natural or artificial sweeteners. "Soft
6 drinks" does ~~do~~ not include beverages that contain milk or
7 milk products, soy, rice or similar milk substitutes, or
8 greater than 50% of vegetable or fruit juice by volume.

9 Until August 1, 2009, and notwithstanding any other
10 provisions of this Act, "food for human consumption that is to
11 be consumed off the premises where it is sold" includes all
12 food sold through a vending machine, except soft drinks and
13 food products that are dispensed hot from a vending machine,
14 regardless of the location of the vending machine. Beginning
15 August 1, 2009, and notwithstanding any other provisions of
16 this Act, "food for human consumption that is to be consumed
17 off the premises where it is sold" includes all food sold
18 through a vending machine, except soft drinks, candy, and food
19 products that are dispensed hot from a vending machine,
20 regardless of the location of the vending machine.

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "food for human consumption that
23 is to be consumed off the premises where it is sold" does not
24 include candy. For purposes of this Section, "candy" means a
25 preparation of sugar, honey, or other natural or artificial
26 sweeteners in combination with chocolate, fruits, nuts or

1 other ingredients or flavorings in the form of bars, drops, or
2 pieces. "Candy" does not include any preparation that contains
3 flour or requires refrigeration.

4 Notwithstanding any other provisions of this Act,
5 beginning September 1, 2009, "nonprescription medicines and
6 drugs" does not include grooming and hygiene products. For
7 purposes of this Section, "grooming and hygiene products"
8 includes, but is not limited to, soaps and cleaning solutions,
9 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
10 lotions and screens, unless those products are available by
11 prescription only, regardless of whether the products meet the
12 definition of "over-the-counter-drugs". For the purposes of
13 this paragraph, "over-the-counter-drug" means a drug for human
14 use that contains a label that identifies the product as a drug
15 as required by 21 CFR ~~C.F.R.~~ § 201.66. The
16 "over-the-counter-drug" label includes:

- 17 (A) a ~~A~~ "Drug Facts" panel; or
18 (B) a ~~A~~ statement of the "active ingredient(s)" with a
19 list of those ingredients contained in the compound,
20 substance or preparation.

21 Beginning on January 1, 2014 (the effective date of Public
22 Act 98-122) ~~this amendatory Act of the 98th General Assembly,~~
23 "prescription and nonprescription medicines and drugs"
24 includes medical cannabis purchased from a registered
25 dispensing organization under the Compassionate Use of Medical
26 Cannabis Program Act.

1 As used in this Section, "adult use cannabis" means
2 cannabis subject to tax under the Cannabis Cultivation
3 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
4 and does not include cannabis subject to tax under the
5 Compassionate Use of Medical Cannabis Program Act.

6 (Source: P.A. 101-363, eff. 8-9-19; 101-593, eff. 12-4-19;
7 102-4, eff. 4-27-21; 102-700, Article 20, Section 20-20, eff.
8 4-19-22; 102-700, Article 60, Section 60-30, eff. 4-19-22;
9 102-700, Article 65, Section 65-10, eff. 4-19-22; revised
10 6-1-22.)

11 Section 99. Effective date. This Act takes effect July 1,
12 2023.