

SB3128



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3128

Introduced 2/2/2024, by Sen. Emil Jones, III

SYNOPSIS AS INTRODUCED:

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

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Provides that diapers, baby wipes, car seats, infant formula, and bottles are exempt from the taxes imposed under the Acts.

LRB103 38386 HLH 68521 b

A BILL FOR

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

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

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

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

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

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

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

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

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

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

16 (7) Farm chemicals.

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

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

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

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

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

1 such equipment.

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

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

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

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

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

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

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

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

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

1 photoprocessing machinery and equipment purchased for lease.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 for any reason, the lessor is liable to pay that amount to the
2 Department. This paragraph is exempt from the provisions of
3 Section 3-90.

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

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

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-90.

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

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

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

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

26 (36) Tangible personal property purchased by a

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

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

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

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

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

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

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

22 For the purposes of this item (40):

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

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

1 Commerce and Economic Opportunity.

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

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

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

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

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

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

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

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

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

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

11 (44) Diapers, baby wipes, car seats, infant formula, and
12 bottles suitable for feeding infants. This item (43) is exempt
13 from the provisions of Section 3-90.

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

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

22 (35 ILCS 110/3-5)

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

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

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

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

26 (4) Legal tender, currency, medallions, or gold or silver

1 coinage issued by the State of Illinois, the government of the
2 United States of America, or the government of any foreign
3 country, and bullion.

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

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

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

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

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

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

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

4 This item (7) is exempt from the provisions of Section
5 3-75.

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

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

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

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

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

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

22 (12) Until July 1, 2028, coal and aggregate exploration,
23 mining, off-highway hauling, processing, maintenance, and
24 reclamation equipment, including replacement parts and
25 equipment, and including equipment purchased for lease, but
26 excluding motor vehicles required to be registered under the

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

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

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

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

1 otherwise be subject to the tax imposed by this Act, to a
2 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 non-exempt 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 non-qualifying 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.

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

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

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

23 (18) Beginning with taxable years ending on or after
24 December 31, 1995 and ending with taxable years ending on or
25 before December 31, 2004, personal property that is used in
26 the performance of infrastructure repairs in this State,

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

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

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

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

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

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

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

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

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

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

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

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

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

1 maintenance of aircraft. However, until January 1, 2024, this
2 exemption excludes any materials, parts, equipment,
3 components, and consumable supplies used in the modification,
4 replacement, repair, and maintenance of aircraft engines or
5 power plants, whether such engines or power plants are
6 installed or uninstalled upon any such aircraft. "Consumable
7 supplies" include, but are not limited to, adhesive, tape,
8 sandpaper, general purpose lubricants, cleaning solution,
9 latex gloves, and protective films.

10 Beginning January 1, 2010 and continuing through December
11 31, 2023, this exemption applies only to the use of qualifying
12 tangible personal property transferred incident to the
13 modification, refurbishment, completion, replacement, repair,
14 or maintenance of aircraft by persons who (i) hold an Air
15 Agency Certificate and are empowered to operate an approved
16 repair station by the Federal Aviation Administration, (ii)
17 have a Class IV Rating, and (iii) conduct operations in
18 accordance with Part 145 of the Federal Aviation Regulations.
19 From January 1, 2024 through December 31, 2029, this exemption
20 applies only to the use of qualifying tangible personal
21 property by: (A) persons who modify, refurbish, complete,
22 repair, replace, or maintain aircraft and who (i) hold an Air
23 Agency Certificate and are empowered to operate an approved
24 repair station by the Federal Aviation Administration, (ii)
25 have a Class IV Rating, and (iii) conduct operations in
26 accordance with Part 145 of the Federal Aviation Regulations;

1 and (B) persons who engage in the modification, replacement,
2 repair, and maintenance of aircraft engines or power plants
3 without regard to whether or not those persons meet the
4 qualifications of item (A).

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

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

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

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

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

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

26 The Department of Commerce and Economic Opportunity shall

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

5 For the purposes of this item (31):

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

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

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

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

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

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

24 "Breast pump collection and storage supplies" means
25 items of tangible personal property designed or marketed
26 to be used in conjunction with a breast pump to collect

1 milk expressed from a human breast and to store collected
2 milk until it is ready for consumption.

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

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

22 "Breast pump kit" means a kit that: (1) contains no
23 more than a breast pump, breast pump collection and
24 storage supplies, a rechargeable battery for operating the
25 breast pump, a breastmilk cooler, bottle stands, ice
26 packs, and a breast pump carrying case; and (2) is

1 pre-packaged as a breast pump kit by the breast pump
2 manufacturer or distributor.

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

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

20 (35) Diapers, baby wipes, car seats, infant formula, and
21 bottles suitable for feeding infants. This item (35) is exempt
22 from the provisions of Section 3-75.

23 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
24 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
25 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
26 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,

1 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
2 revised 12-12-23.)

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

5 (35 ILCS 115/3-5)

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

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

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

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

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

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

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

25 (6) Personal property sold by a teacher-sponsored student
26 organization affiliated with an elementary or secondary school

1 located in Illinois.

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

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

1 software, global positioning and mapping systems, and other
2 such equipment.

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

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

13 This item (7) is exempt from the provisions of Section
14 3-55.

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

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

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

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

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

24 (11) Photoprocessing machinery and equipment, including
25 repair and replacement parts, both new and used, including
26 that manufactured on special order, certified by the purchaser

1 to be used primarily for photoprocessing, and including
2 photoprocessing machinery and equipment purchased for lease.

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

14 (13) Beginning January 1, 1992 and through June 30, 2016,
15 food for human consumption that is to be consumed off the
16 premises where it is sold (other than alcoholic beverages,
17 soft drinks and food that has been prepared for immediate
18 consumption) and prescription and non-prescription medicines,
19 drugs, medical appliances, and insulin, urine testing
20 materials, syringes, and needles used by diabetics, for human
21 use, when purchased for use by a person receiving medical
22 assistance under Article V of the Illinois Public Aid Code who
23 resides in a licensed long-term care facility, as defined in
24 the Nursing Home Care Act, or in a licensed facility as defined
25 in the ID/DD Community Care Act, the MC/DD Act, or the
26 Specialized Mental Health Rehabilitation Act of 2013.

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

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

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

24 (17) Personal property sold to a lessor who leases the
25 property, under a lease of one year or longer executed or in
26 effect at the time of the purchase, to a governmental body that

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

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

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

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

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

24 (22) Beginning January 1, 2000, personal property,
25 including food, purchased through fundraising events for the
26 benefit of a public or private elementary or secondary school,

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

12 (23) Beginning January 1, 2000 and through December 31,
13 2001, new or used automatic vending machines that prepare and
14 serve hot food and beverages, including coffee, soup, and
15 other items, and replacement parts for these machines.
16 Beginning January 1, 2002 and through June 30, 2003, machines
17 and parts for machines used in commercial, coin-operated
18 amusement and vending business if a use or occupation tax is
19 paid on the gross receipts derived from the use of the
20 commercial, coin-operated amusement and vending machines. This
21 paragraph is exempt from the provisions of Section 3-55.

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

1 longer executed or in effect at the time of the purchase, to a
2 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. This paragraph is exempt
5 from the provisions of Section 3-55.

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

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

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

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

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

1 instruments issued by the public-facilities corporation in
2 connection with the development of the municipal convention
3 hall. This exemption includes existing public-facilities
4 corporations as provided in Section 11-65-25 of the Illinois
5 Municipal Code. This paragraph is exempt from the provisions
6 of Section 3-55.

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

23 Beginning January 1, 2010 and continuing through December
24 31, 2023, this exemption applies only to the transfer of
25 qualifying tangible personal property incident to the
26 modification, refurbishment, completion, replacement, repair,

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

21 The changes made to this paragraph (29) by Public Act
22 98-534 are declarative of existing law. It is the intent of the
23 General Assembly that the exemption under this paragraph (29)
24 applies continuously from January 1, 2010 through December 31,
25 2024; however, no claim for credit or refund is allowed for
26 taxes paid as a result of the disallowance of this exemption on

1 or after January 1, 2015 and prior to February 5, 2020 (the
2 effective date of Public Act 101-629).

3 (30) Beginning January 1, 2017 and through December 31,
4 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

1 For the purposes of this item (32):

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (36) Diapers, baby wipes, car seats, infant formula, and
17 bottles suitable for feeding infants. This item (36) is exempt
18 from the provisions of Section 3-55.

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

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

1 by changing Section 2-5 as follows:

2 (35 ILCS 120/2-5)

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

6 (1) Farm chemicals.

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

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

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

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

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

21 This item (2) is exempt from the provisions of Section
22 2-70.

23 (3) Until July 1, 2003, distillation machinery and
24 equipment, sold as a unit or kit, assembled or installed
25 by the retailer, certified by the user to be used only for
26 the production of ethyl alcohol that will be used for

1 consumption as motor fuel or as a component of motor fuel
2 for the personal use of the user, and not subject to sale
3 or resale.

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

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

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

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

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

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

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

26 (11) Except as otherwise provided in this Section,

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

16 (12) (Blank).

17 (12-5) On and after July 1, 2003 and through June 30,
18 2004, motor vehicles of the second division with a gross
19 vehicle weight in excess of 8,000 pounds that are subject
20 to the commercial distribution fee imposed under Section
21 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,
22 2004 and through June 30, 2005, the use in this State of
23 motor vehicles of the second division: (i) with a gross
24 vehicle weight rating in excess of 8,000 pounds; (ii) that
25 are subject to the commercial distribution fee imposed
26 under Section 3-815.1 of the Illinois Vehicle Code; and

1 (iii) that are primarily used for commercial purposes.
2 Through June 30, 2005, this exemption applies to repair
3 and replacement parts added after the initial purchase of
4 such a motor vehicle if that motor vehicle is used in a
5 manner that would qualify for the rolling stock exemption
6 otherwise provided for in this Act. For purposes of this
7 paragraph, "used for commercial purposes" means the
8 transportation of persons or property in furtherance of
9 any commercial or industrial enterprise whether for-hire
10 or not.

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

19 (14) Machinery and equipment that will be used by the
20 purchaser, or a lessee of the purchaser, primarily in the
21 process of manufacturing or assembling tangible personal
22 property for wholesale or retail sale or lease, whether
23 the sale or lease is made directly by the manufacturer or
24 by some other person, whether the materials used in the
25 process are owned by the manufacturer or some other
26 person, or whether the sale or lease is made apart from or

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

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

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

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

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

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

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

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

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

26 Beginning July 1, 2013, fuel and petroleum products

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

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

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

20 (25) Except as provided in item (25-5) of this
21 Section, a motor vehicle sold in this State to a
22 nonresident even though the motor vehicle is delivered to
23 the nonresident in this State, if the motor vehicle is not
24 to be titled in this State, and if a drive-away permit is
25 issued to the motor vehicle as provided in Section 3-603
26 of the Illinois Vehicle Code or if the nonresident

1 purchaser has vehicle registration plates to transfer to
2 the motor vehicle upon returning to his or her home state.
3 The issuance of the drive-away permit or having the
4 out-of-state registration plates to be transferred is
5 prima facie evidence that the motor vehicle will not be
6 titled in this State.

7 (25-5) The exemption under item (25) does not apply if
8 the state in which the motor vehicle will be titled does
9 not allow a reciprocal exemption for a motor vehicle sold
10 and delivered in that state to an Illinois resident but
11 titled in Illinois. The tax collected under this Act on
12 the sale of a motor vehicle in this State to a resident of
13 another state that does not allow a reciprocal exemption
14 shall be imposed at a rate equal to the state's rate of tax
15 on taxable property in the state in which the purchaser is
16 a resident, except that the tax shall not exceed the tax
17 that would otherwise be imposed under this Act. At the
18 time of the sale, the purchaser shall execute a statement,
19 signed under penalty of perjury, of his or her intent to
20 title the vehicle in the state in which the purchaser is a
21 resident within 30 days after the sale and of the fact of
22 the payment to the State of Illinois of tax in an amount
23 equivalent to the state's rate of tax on taxable property
24 in his or her state of residence and shall submit the
25 statement to the appropriate tax collection agency in his
26 or her state of residence. In addition, the retailer must

1 retain a signed copy of the statement in his or her
2 records. Nothing in this item shall be construed to
3 require the removal of the vehicle from this state
4 following the filing of an intent to title the vehicle in
5 the purchaser's state of residence if the purchaser titles
6 the vehicle in his or her state of residence within 30 days
7 after the date of sale. The tax collected under this Act in
8 accordance with this item (25-5) shall be proportionately
9 distributed as if the tax were collected at the 6.25%
10 general rate imposed under this Act.

11 (25-7) Beginning on July 1, 2007, no tax is imposed
12 under this Act on the sale of an aircraft, as defined in
13 Section 3 of the Illinois Aeronautics Act, if all of the
14 following conditions are met:

15 (1) the aircraft leaves this State within 15 days
16 after the later of either the issuance of the final
17 billing for the sale of the aircraft, or the
18 authorized approval for return to service, completion
19 of the maintenance record entry, and completion of the
20 test flight and ground test for inspection, as
21 required by 14 CFR 91.407;

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

24 (3) the seller retains in his or her books and
25 records and provides to the Department a signed and
26 dated certification from the purchaser, on a form

1 prescribed by the Department, certifying that the
2 requirements of this item (25-7) are met. The
3 certificate must also include the name and address of
4 the purchaser, the address of the location where the
5 aircraft is to be titled or registered, the address of
6 the primary physical location of the aircraft, and
7 other information that the Department may reasonably
8 require.

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

10 "Based in this State" means hangared, stored, or
11 otherwise used, excluding post-sale customizations as
12 defined in this Section, for 10 or more days in each
13 12-month period immediately following the date of the sale
14 of the aircraft.

15 "Registered in this State" means an aircraft
16 registered with the Department of Transportation,
17 Aeronautics Division, or titled or registered with the
18 Federal Aviation Administration to an address located in
19 this State.

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

22 (26) Semen used for artificial insemination of
23 livestock for direct agricultural production.

24 (27) Horses, or interests in horses, registered with
25 and meeting the requirements of any of the Arabian Horse
26 Club Registry of America, Appaloosa Horse Club, American

1 Quarter Horse Association, United States Trotting
2 Association, or Jockey Club, as appropriate, used for
3 purposes of breeding or racing for prizes. This item (27)
4 is exempt from the provisions of Section 2-70, and the
5 exemption provided for under this item (27) applies for
6 all periods beginning May 30, 1995, but no claim for
7 credit or refund is allowed on or after January 1, 2008
8 (the effective date of Public Act 95-88) for such taxes
9 paid during the period beginning May 30, 2000 and ending
10 on January 1, 2008 (the effective date of Public Act
11 95-88).

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

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

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

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

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

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

1 exempt from the provisions of Section 2-70.

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

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

1 recognized by the school district that consists primarily
2 of volunteers and includes parents and teachers of the
3 school children. This paragraph does not apply to
4 fundraising events (i) for the benefit of private home
5 instruction or (ii) for which the fundraising entity
6 purchases the personal property sold at the events from
7 another individual or entity that sold the property for
8 the purpose of resale by the fundraising entity and that
9 profits from the sale to the fundraising entity. This
10 paragraph is exempt from the provisions of Section 2-70.

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

22 (35-5) Beginning August 23, 2001 and through June 30,
23 2016, food for human consumption that is to be consumed
24 off the premises where it is sold (other than alcoholic
25 beverages, soft drinks, and food that has been prepared
26 for immediate consumption) and prescription and

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

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

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

1 (38) Beginning on January 1, 2002 and through June 30,
2 2016, tangible personal property purchased from an
3 Illinois retailer by a taxpayer engaged in centralized
4 purchasing activities in Illinois who will, upon receipt
5 of the property in Illinois, temporarily store the
6 property in Illinois (i) for the purpose of subsequently
7 transporting it outside this State for use or consumption
8 thereafter solely outside this State or (ii) for the
9 purpose of being processed, fabricated, or manufactured
10 into, attached to, or incorporated into other tangible
11 personal property to be transported outside this State and
12 thereafter used or consumed solely outside this State. The
13 Director of Revenue shall, pursuant to rules adopted in
14 accordance with the Illinois Administrative Procedure Act,
15 issue a permit to any taxpayer in good standing with the
16 Department who is eligible for the exemption under this
17 paragraph (38). The permit issued under this paragraph
18 (38) shall authorize the holder, to the extent and in the
19 manner specified in the rules adopted under this Act, to
20 purchase tangible personal property from a retailer exempt
21 from the taxes imposed by this Act. Taxpayers shall
22 maintain all necessary books and records to substantiate
23 the use and consumption of all such tangible personal
24 property outside of the State of Illinois.

25 (39) Beginning January 1, 2008, tangible personal
26 property used in the construction or maintenance of a

1 community water supply, as defined under Section 3.145 of
2 the Environmental Protection Act, that is operated by a
3 not-for-profit corporation that holds a valid water supply
4 permit issued under Title IV of the Environmental
5 Protection Act. This paragraph is exempt from the
6 provisions of Section 2-70.

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

24 Beginning January 1, 2010 and continuing through
25 December 31, 2023, this exemption applies only to the sale
26 of qualifying tangible personal property to persons who

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

24 The changes made to this paragraph (40) by Public Act
25 98-534 are declarative of existing law. It is the intent
26 of the General Assembly that the exemption under this

1 paragraph (40) applies continuously from January 1, 2010
2 through December 31, 2024; however, no claim for credit or
3 refund is allowed for taxes paid as a result of the
4 disallowance of this exemption on or after January 1, 2015
5 and prior to February 5, 2020 (the effective date of
6 Public Act 101-629).

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

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

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

1 subject to a rental-purchase ~~rental-purchase~~ agreement, as
2 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement
3 Act, and provide proof of registration under the Rental
4 Purchase Agreement Occupation and Use Tax Act. This
5 paragraph is exempt from the provisions of Section 2-70.

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

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

1 For the purposes of this item (44):

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

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

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

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

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

1 (46) Beginning July 1, 2022, breast pumps, breast pump
2 collection and storage supplies, and breast pump kits.
3 This item (46) is exempt from the provisions of Section
4 2-70. As used in this item (46):

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

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

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

24 "Breast pump collection and storage supplies" does not
25 include: (1) bottles and bottle caps not specific to the
26 operation of the breast pump; (2) breast pump travel bags

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

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

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

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

1 sale, a form prescribed by the Department of Revenue
2 documenting that the transaction is eligible for the
3 exemption under this paragraph. Retailers must keep the
4 form as documentation of the exemption in their records
5 for a period of not less than 6 years. "Armed forces of the
6 United States" means the United States Army, Navy, Air
7 Force, Marine Corps, or Coast Guard. This paragraph is
8 exempt from the provisions of Section 2-70.

9 (49) Diapers, baby wipes, car seats, infant formula,
10 and bottles suitable for feeding infants. This item (49)
11 is exempt from the provisions of Section 2-70.

12 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
13 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,
14 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
15 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
16 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
17 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
18 12-12-23.)