

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 3-55 as follows:

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or  
8 likely multistate taxation, the tax imposed by this Act does  
9 not apply to the use of tangible personal property in this  
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal property  
12 acquired outside this State by a nonresident individual and  
13 brought into this State by the individual for his or her own  
14 use while temporarily within this State or while passing  
15 through this State.

16 (b) The use, in this State, of tangible personal property  
17 by an interstate carrier for hire as rolling stock moving in  
18 interstate commerce or by lessors under a lease of one year or  
19 longer executed or in effect at the time of purchase of  
20 tangible personal property by interstate carriers for-hire for  
21 use as rolling stock moving in interstate commerce as long as  
22 so used by the interstate carriers for-hire, and equipment  
23 operated by a telecommunications provider, licensed as a common

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

4 (c) The use, in this State, by owners, lessors, or shippers  
5 of tangible personal property that is utilized by interstate  
6 carriers for hire for use as rolling stock moving in interstate  
7 commerce as long as so used by the interstate carriers for  
8 hire, and equipment operated by a telecommunications provider,  
9 licensed as a common carrier by the Federal Communications  
10 Commission, which is permanently installed in or affixed to  
11 aircraft moving in interstate commerce.

12 (d) The use, in this State, of tangible personal property  
13 that is acquired outside this State and caused to be brought  
14 into this State by a person who has already paid a tax in  
15 another State in respect to the sale, purchase, or use of that  
16 property, to the extent of the amount of the tax properly due  
17 and paid in the other State.

18 (e) The temporary storage, in this State, of tangible  
19 personal property that is acquired outside this State and that,  
20 after being brought into this State and stored here  
21 temporarily, is used solely outside this State or is physically  
22 attached to or incorporated into other tangible personal  
23 property that is used solely outside this State, or is altered  
24 by converting, fabricating, manufacturing, printing,  
25 processing, or shaping, and, as altered, is used solely outside  
26 this State.

1           (f) The temporary storage in this State of building  
2 materials and fixtures that are acquired either in this State  
3 or outside this State by an Illinois registered combination  
4 retailer and construction contractor, and that the purchaser  
5 thereafter uses outside this State by incorporating that  
6 property into real estate located outside this State.

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

15           (h) Except as provided in subsection (h-1), the use, in  
16 this State, of a motor vehicle that was sold in this State to a  
17 nonresident, even though the motor vehicle is delivered to the  
18 nonresident in this State, if the motor vehicle is not to be  
19 titled in this State, and if a drive-away permit is issued to  
20 the motor vehicle as provided in Section 3-603 of the Illinois  
21 Vehicle Code or if the nonresident purchaser has vehicle  
22 registration plates to transfer to the motor vehicle upon  
23 returning to his or her home state. The issuance of the  
24 drive-away permit or having the out-of-state registration  
25 plates to be transferred shall be prima facie evidence that the  
26 motor vehicle will not be titled in this State.

1           (h-1) The exemption under subsection (h) does not apply if  
2 the state in which the motor vehicle will be titled does not  
3 allow a reciprocal exemption for the use in that state of a  
4 motor vehicle sold and delivered in that state to an Illinois  
5 resident but titled in Illinois. The tax collected under this  
6 Act on the sale of a motor vehicle in this State to a resident  
7 of another state that does not allow a reciprocal exemption  
8 shall be imposed at a rate equal to the state's rate of tax on  
9 taxable property in the state in which the purchaser is a  
10 resident, except that the tax shall not exceed the tax that  
11 would otherwise be imposed under this Act. At the time of the  
12 sale, the purchaser shall execute a statement, signed under  
13 penalty of perjury, of his or her intent to title the vehicle  
14 in the state in which the purchaser is a resident within 30  
15 days after the sale and of the fact of the payment to the State  
16 of Illinois of tax in an amount equivalent to the state's rate  
17 of tax on taxable property in his or her state of residence and  
18 shall submit the statement to the appropriate tax collection  
19 agency in his or her state of residence. In addition, the  
20 retailer must retain a signed copy of the statement in his or  
21 her records. Nothing in this subsection shall be construed to  
22 require the removal of the vehicle from this state following  
23 the filing of an intent to title the vehicle in the purchaser's  
24 state of residence if the purchaser titles the vehicle in his  
25 or her state of residence within 30 days after the date of  
26 sale. The tax collected under this Act in accordance with this

1 subsection (h-1) shall be proportionately distributed as if the  
2 tax were collected at the 6.25% general rate imposed under this  
3 Act.

4 (h-2) The following exemptions apply with respect to  
5 certain aircraft:

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

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

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

19 (C) the purchaser provides the Department with a  
20 signed and dated certification, on a form prescribed by  
21 the Department, certifying that the requirements of  
22 this item (1) are met. The certificate must also  
23 include the name and address of the purchaser, the  
24 address of the location where the aircraft is to be  
25 titled or registered, the address of the primary  
26 physical location of the aircraft, and other

1 information that the Department may reasonably  
2 require.

3 (2) Beginning on July 1, 2007, no tax is imposed under  
4 this Act on the use of an aircraft, as defined in Section 3  
5 of the Illinois Aeronautics Act, that is temporarily  
6 located in this State for the purpose of a prepurchase  
7 evaluation if all of the following conditions are met:

8 (A) the aircraft is not based or registered in this  
9 State after the prepurchase evaluation; and

10 (B) the purchaser provides the Department with a  
11 signed and dated certification, on a form prescribed by  
12 the Department, certifying that the requirements of  
13 this item (2) are met. The certificate must also  
14 include the name and address of the purchaser, the  
15 address of the location where the aircraft is to be  
16 titled or registered, the address of the primary  
17 physical location of the aircraft, and other  
18 information that the Department may reasonably  
19 require.

20 (3) Beginning on July 1, 2007, no tax is imposed under  
21 this Act on the use of an aircraft, as defined in Section 3  
22 of the Illinois Aeronautics Act, that is temporarily  
23 located in this State for the purpose of a post-sale  
24 customization if all of the following conditions are met:

25 (A) the aircraft leaves this State within 15 days  
26 after the authorized approval for return to service,

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

4 (B) the aircraft is not based or registered in this  
5 State either before or after the post-sale  
6 customization; and

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

17 If tax becomes due under this subsection (h-2) because of  
18 the purchaser's use of the aircraft in this State, the  
19 purchaser shall file a return with the Department and pay the  
20 tax on the fair market value of the aircraft. This return and  
21 payment of the tax must be made no later than 30 days after the  
22 aircraft is used in a taxable manner in this State. The tax is  
23 based on the fair market value of the aircraft on the date that  
24 it is first used in a taxable manner in this State.

25 For purposes of this subsection (h-2):

26 "Based in this State" means hangared, stored, or otherwise

1 used, excluding post-sale customizations as defined in this  
2 Section, for 10 or more days in each 12-month period  
3 immediately following the date of the sale of the aircraft.

4 "Post-sale customization" means any improvement,  
5 maintenance, or repair that is performed on an aircraft  
6 following a transfer of ownership of the aircraft.

7 "Prepurchase evaluation" means an examination of an  
8 aircraft to provide a potential purchaser with information  
9 relevant to the potential purchase.

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

14 This subsection (h-2) is exempt from the provisions of  
15 Section 3-90.

16 (i) Beginning July 1, 1999, the use, in this State, of fuel  
17 acquired outside this State and brought into this State in the  
18 fuel supply tanks of locomotives engaged in freight hauling and  
19 passenger service for interstate commerce. This subsection is  
20 exempt from the provisions of Section 3-90.

21 (j) Beginning on January 1, 2002 and through June 30, 2011,  
22 the use of tangible personal property purchased from an  
23 Illinois retailer by a taxpayer engaged in centralized  
24 purchasing activities in Illinois who will, upon receipt of the  
25 property in Illinois, temporarily store the property in  
26 Illinois (i) for the purpose of subsequently transporting it



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

18 (Source: P.A. 93-1068, eff. 1-15-05; 94-1002, eff. 7-3-06.)

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

21 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

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

1 (1) Farm chemicals.

2 (2) 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 to  
11 be registered under Section 3-809 of the Illinois Vehicle Code,  
12 but excluding other motor vehicles required to be registered  
13 under the Illinois Vehicle Code. Horticultural polyhouses or  
14 hoop houses used for propagating, growing, or overwintering  
15 plants shall be considered farm machinery and equipment under  
16 this item (2). Agricultural chemical tender tanks and dry boxes  
17 shall include units sold separately from a motor vehicle  
18 required to be licensed and units sold mounted on a motor  
19 vehicle required to be licensed, if the selling price of the  
20 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. This item (7) is exempt from the  
10 provisions of Section 2-70.

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

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

26 (5) A motor vehicle of the first division, a motor vehicle

1 of the second division that is a self-contained motor vehicle  
2 designed or permanently converted to provide living quarters  
3 for recreational, camping, or travel use, with direct walk  
4 through access to the living quarters from the driver's seat,  
5 or a motor vehicle of the second division that is of the van  
6 configuration designed for the transportation of not less than  
7 7 nor more than 16 passengers, as defined in Section 1-146 of  
8 the Illinois Vehicle Code, that is used for automobile renting,  
9 as defined in the Automobile Renting Occupation and Use Tax  
10 Act.

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

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

17 (8) Personal property sold to an Illinois county fair  
18 association for use in conducting, operating, or promoting the  
19 county fair.

20 (9) Personal property sold to a not-for-profit arts or  
21 cultural organization that establishes, by proof required by  
22 the Department by rule, that it has received an exemption under  
23 Section 501(c)(3) of the Internal Revenue Code and that is  
24 organized and operated primarily for the presentation or  
25 support of arts or cultural programming, activities, or  
26 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 the effective date  
5 of this amendatory Act of the 92nd General Assembly, however,  
6 an entity otherwise eligible for this exemption shall not make  
7 tax-free purchases unless it has an active identification  
8 number issued by the Department.

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

16 (11) Personal property sold to a governmental body, to a  
17 corporation, society, association, foundation, or institution  
18 organized and operated exclusively for charitable, religious,  
19 or educational purposes, or to a not-for-profit corporation,  
20 society, association, foundation, institution, or organization  
21 that has no compensated officers or employees and that is  
22 organized and operated primarily for the recreation of persons  
23 55 years of age or older. A limited liability company may  
24 qualify for the exemption under this paragraph only if the  
25 limited liability company is organized and operated  
26 exclusively for educational purposes. On and after July 1,

1 1987, however, no entity otherwise eligible for this exemption  
2 shall make tax-free purchases unless it has an active  
3 identification number issued by the Department.

4 (12) Tangible personal property sold to interstate  
5 carriers for hire for use as rolling stock moving in interstate  
6 commerce or to lessors under leases of one year or longer  
7 executed or in effect at the time of purchase by interstate  
8 carriers for hire for use as rolling stock moving in interstate  
9 commerce and equipment operated by a telecommunications  
10 provider, licensed as a common carrier by the Federal  
11 Communications Commission, which is permanently installed in  
12 or affixed to aircraft moving in interstate commerce.

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

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

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

12 (14) Machinery and equipment that will be used by the  
13 purchaser, or a lessee of the purchaser, primarily in the  
14 process of manufacturing or assembling tangible personal  
15 property for wholesale or retail sale or lease, whether the  
16 sale or lease is made directly by the manufacturer or by some  
17 other person, whether the materials used in the process are  
18 owned by the manufacturer or some other person, or whether the  
19 sale or lease is made apart from or as an incident to the  
20 seller's engaging in the service occupation of producing  
21 machines, tools, dies, jigs, patterns, gauges, or other similar  
22 items of no commercial value on special order for a particular  
23 purchaser.

24 (15) Proceeds of mandatory service charges separately  
25 stated on customers' bills for purchase and consumption of food  
26 and beverages, to the extent that the proceeds of the service

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

5 (16) Petroleum products sold to a purchaser if the seller  
6 is prohibited by federal law from charging tax to the  
7 purchaser.

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

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

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



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

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

8 (21) Until July 1, 2003, coal exploration, mining,  
9 offhighway hauling, processing, maintenance, and reclamation  
10 equipment, including replacement parts and equipment, and  
11 including equipment purchased for lease, but excluding motor  
12 vehicles required to be registered under the Illinois Vehicle  
13 Code.

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

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

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

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

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

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

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

18 (25-7) Beginning on July 1, 2007, no tax is imposed under  
19 this Act on the sale of an aircraft, as defined in Section 3 of  
20 the Illinois Aeronautics Act, if all of the following  
21 conditions are met:

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

1 for inspection, as required by 14 C.F.R. 91.407;

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

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

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

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

19 "Registered in this State" means an aircraft registered  
20 with the Department of Transportation, Aeronautics Division,  
21 or titled or registered with the Federal Aviation  
22 Administration to an address located in this State.

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

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

1           (27) Horses, or interests in horses, registered with and  
2 meeting the requirements of any of the Arabian Horse Club  
3 Registry of America, Appaloosa Horse Club, American Quarter  
4 Horse Association, United States Trotting Association, or  
5 Jockey Club, as appropriate, used for purposes of breeding or  
6 racing for prizes.

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

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

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

1 that has been issued a sales tax exemption identification  
2 number by the Department that assists victims of the disaster  
3 who reside within the declared disaster area.

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

16 (32) Beginning July 1, 1999, game or game birds sold at a  
17 "game breeding and hunting preserve area" or an "exotic game  
18 hunting area" as those terms are used in the Wildlife Code or  
19 at a hunting enclosure approved through rules adopted by the  
20 Department of Natural Resources. This paragraph is exempt from  
21 the provisions of Section 2-70.

22 (33) A motor vehicle, as that term is defined in Section  
23 1-146 of the Illinois Vehicle Code, that is donated to a  
24 corporation, limited liability company, society, association,  
25 foundation, or institution that is determined by the Department  
26 to be organized and operated exclusively for educational

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

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

1 exempt from the provisions of Section 2-70.

2 (35) Beginning January 1, 2000 and through December 31,  
3 2001, new or used automatic vending machines that prepare and  
4 serve hot food and beverages, including coffee, soup, and other  
5 items, and replacement parts for these machines. Beginning  
6 January 1, 2002 and through June 30, 2003, machines and parts  
7 for machines used in commercial, coin-operated amusement and  
8 vending business if a use or occupation tax is paid on the  
9 gross receipts derived from the use of the commercial,  
10 coin-operated amusement and vending machines. This paragraph  
11 is exempt from the provisions of Section 2-70.

12 (35-5) Beginning August 23, 2001 and through June 30, 2011,  
13 food for human consumption that is to be consumed off the  
14 premises where it is sold (other than alcoholic beverages, soft  
15 drinks, and food that has been prepared for immediate  
16 consumption) and prescription and nonprescription medicines,  
17 drugs, medical appliances, and insulin, urine testing  
18 materials, syringes, and needles used by diabetics, for human  
19 use, when purchased for use by a person receiving medical  
20 assistance under Article 5 of the Illinois Public Aid Code who  
21 resides in a licensed long-term care facility, as defined in  
22 the Nursing Home Care Act.

23 (36) Beginning August 2, 2001, computers and  
24 communications equipment utilized for any hospital purpose and  
25 equipment used in the diagnosis, analysis, or treatment of  
26 hospital patients sold to a lessor who leases the equipment,



1 under a lease of one year or longer executed or in effect at  
2 the time of the purchase, to a hospital that has been issued an  
3 active tax exemption identification number by the Department  
4 under Section 1g of this Act. This paragraph is exempt from the  
5 provisions of Section 2-70.

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

13 (38) Beginning on January 1, 2002 and through June 30,  
14 2011, tangible personal property purchased from an Illinois  
15 retailer by a taxpayer engaged in centralized purchasing  
16 activities in Illinois who will, upon receipt of the property  
17 in Illinois, temporarily store the property in Illinois (i) for  
18 the purpose of subsequently transporting it outside this State  
19 for use or consumption thereafter solely outside this State or  
20 (ii) for the purpose of being processed, fabricated, or  
21 manufactured into, attached to, or incorporated into other  
22 tangible personal property to be transported outside this State  
23 and thereafter used or consumed solely outside this State. The  
24 Director of Revenue shall, pursuant to rules adopted in  
25 accordance with the Illinois Administrative Procedure Act,  
26 issue a permit to any taxpayer in good standing with the

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

10 (Source: P.A. 93-23, eff. 6-20-03; 93-24, eff. 6-20-03; 93-840,  
11 eff. 7-30-04; 93-1033, eff. 9-3-04; 93-1068, eff. 1-15-05;  
12 94-1002, eff. 7-3-06.)

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.