



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB3860

Introduced 10/25/2011, by Rep. John E. Bradley

SYNOPSIS AS INTRODUCED:

See Index

Creates the Tax-Exempt Hospital Responsibility Act. Sets forth the terms under which a hospital must provide full charity care and discounted care to Illinois residents in order to maintain the hospital's tax-exempt status under various tax Acts; amends each of those tax Acts to provide that a hospital may qualify for an exemption from the tax imposed by the Act only if the hospital is in compliance with the Tax-Exempt Hospital Responsibility Act. Sets forth uniform procedures for a hospital's provision of charity care. Sets forth patient rights and responsibilities. Requires a tax-exempt hospital to furnish aggregate annual charity care in an amount equal to at least 8% of the hospital's total operating costs. Requires hospitals to submit an annual report to the Attorney General. Makes the Attorney General responsible for implementing and enforcing the Tax-Exempt Hospital Responsibility Act. Preempts home rule. Creates the Tax-Exempt Hospital Responsibility Act Enforcement Fund, to be used in connection with enforcement of the Act. Amends the Freedom of Information Act to make records of charity care applications and determinations under the Tax-Exempt Hospital Responsibility Act exempt from inspection and copying. Amends the Illinois Finance Authority Act. Provides that none of the specified powers of the Illinois Finance Authority shall be exercised for the benefit of any hospital as defined in the Tax-Exempt Hospital Responsibility Act if that hospital is not in compliance with that Act. Amends the Community Benefits Act. Makes changes including (i) adding references to the Tax-Exempt Hospital Responsibility Act, (ii) providing for a maximum late filing fee of \$10,000 (instead of \$100), and (iii) giving the Attorney General rulemaking authority. Effective immediately.

LRB097 14081 HLH 58744 b

FISCAL NOTE ACT
MAY APPLY

HOME RULE NOTE
ACT MAY APPLY

STATE MANDATES
ACT MAY REQUIRE
REIMBURSEMENT

A BILL FOR

1 AN ACT concerning regulation.

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

4 Section 1. Short title. This Act may be cited as the
5 Tax-Exempt Hospital Responsibility Act.

6 Section 5. Purpose; findings.

7 (a) The purpose of this Act is to advance public health and
8 welfare through the establishment, implementation, and
9 enforcement of clear standards for delivery by Illinois
10 tax-exempt hospitals of charity health care services to
11 financially qualified persons.

12 (b) The Illinois General Assembly finds that:

13 (1) Numerous Illinois not-for-profit hospital
14 organizations have been classified under Illinois law as
15 charitable organizations and, as such, have benefited from
16 various tax exemptions granted by the General Assembly.

17 (2) Article IX, Section 6 of the Illinois Constitution
18 of 1970 states: "The General Assembly by law may exempt
19 from taxation only . . . property used exclusively for . .
20 . charitable purposes." The Illinois Supreme Court
21 consistently has held that, in order to satisfy the
22 constitutional requirement of Article IX, Section 6, a
23 hospital claiming the benefit of a charitable exemption for

1 its property must unequivocally demonstrate, among other
2 things, that charity is dispensed to all who need and apply
3 for it and that no obstacles of any character are placed in
4 the way of those who need and would avail themselves of
5 such benefits.

6 (3) In conferring a property tax exemption under
7 Article IX, Section 6, the General Assembly may require
8 hospitals claiming the benefit of this exemption to
9 publicize the availability of charity care, to adhere to
10 various procedures in the delivery of charity care, to keep
11 records regarding the level of charity care provided, and
12 to report this information to the State.

13 (4) Increasingly, financially needy patients have
14 experienced significant obstacles to accessing charity
15 care at many Illinois hospitals benefiting from State tax
16 exemption.

17 (5) Many Illinois hospitals benefiting from State tax
18 exemption apply only a small portion of their overall costs
19 to the delivery of charity care services to financially
20 qualified patients.

21 (6) Patients, hospitals, and government bodies alike
22 will benefit from clearly-articulated standards regarding
23 the charity care obligations for tax-exempt Illinois
24 hospitals.

25 (7) The Attorney General, as the chief legal officer
26 for the State, should have primary authority and

1 responsibility for implementation and enforcement of this
2 Act.

3 Section 10. Definitions. In this Act, unless the context
4 requires otherwise:

5 "Bad debt" means an account receivable based on services
6 furnished to any patient which: (i) is regarded as
7 uncollectible following reasonable collection action; (ii) is
8 charged as a credit loss; (iii) is not the obligation of any
9 federal or State government unit; and (iv) is not charity care.

10 "Charge" means the price set by a hospital for a specific
11 service or supply provided by the hospital.

12 "Charity care" means medically necessary services provided
13 without charge or at a reduced charge to patients who meet
14 eligibility criteria no more restrictive than those set forth
15 in Sections 15 and 20 of this Act. Charity care must not be
16 recorded by a hospital or community medical center as revenue,
17 as an account receivable, or as bad debt, and the care must be
18 rendered with no expectation of payment. If the requirements
19 and procedures set forth in Sections 15 and 20 of this Act are
20 followed, the care will be deemed rendered by a hospital with
21 no expectation of payment. Categories of charity care include
22 full charity care, discounted care, and crime victim discounted
23 care.

24 "Collection action" means any activity by which a hospital,
25 a designated agent or assignee of the hospital, or a purchaser

1 of the patient account receivable requests payment for services
2 from a patient or a patient's guarantor. Collection actions
3 include, without limitation, pre-admission or pre-treatment
4 deposits, billing statements, letters, electronic mail,
5 telephone and personal contacts related to hospital bills,
6 court summonses and complaints, and any other activity related
7 to collecting a hospital bill.

8 "Community medical clinic" means a "community provider" as
9 defined in Section 5 of the Community Health Center Expansion
10 Act or a "free medical clinic" as defined in Section 30 of the
11 Good Samaritan Act.

12 "Cost" means the actual expense a hospital incurs to
13 provide each service or supply.

14 "Cost-to-charge ratio" means the ratio of a hospital's
15 total cost of providing patient care to its total charges for
16 patient care, as reported in its most recently settled Medicare
17 Cost Report.

18 "Discounted care" means medically necessary services
19 provided as charity care to a patient who meets the eligibility
20 criteria set forth in subdivision (a) (2) (A) of Section 15 of
21 this Act at discounted rates as set forth in subdivision
22 (a) (2) (B) of Section 15 of this Act.

23 "Effective date of eligibility" means the later of the date
24 on which medically necessary services are rendered or the date
25 of discharge from the hospital.

26 "Family" means the patient, the patient's spouse, and any

1 dependents living in the patient's household.

2 "Family income" means the sum of a family's annual earnings
3 and cash benefits from all sources before taxes, less payments
4 made for alimony and child support or received as retirement
5 benefits.

6 "Federal poverty income guidelines" means the poverty
7 guidelines updated periodically in the Federal Register by the
8 United States Department of Health and Human Services under
9 authority of 42 U.S.C. 9902(2).

10 "Full charity care" means medically necessary services
11 provided as charity care at no charge to a patient in
12 accordance with subsection (a) of Section 15 of this Act.

13 "Hospital" means any institution required to be licensed by
14 the State of Illinois pursuant to the Hospital Licensing Act or
15 the University of Illinois Hospital Act, and any hospital
16 maintained by the State or any department or agency thereof.

17 "Medically necessary service" means a service or supply
18 that is reasonably expected to prevent, diagnose, prevent the
19 worsening of, alleviate, correct, or cure a condition that
20 endangers life, causes suffering or pain, causes physical
21 deformity or malfunction, threatens to cause or aggravate a
22 handicap, or results in illness or infirmity. "Medically
23 necessary service" includes any inpatient or outpatient
24 hospital service mandated under Title XIX of the federal Social
25 Security Act and emergency care. "Medically necessary service"
26 does not include any of the following:

1 (1) Non-medical services such as social and vocational
2 services.

3 (2) Elective cosmetic surgery, but not plastic surgery
4 designed to correct disfigurement caused by injury,
5 illness, or congenital defect or deformity.

6 "Resident" means a person living in the State of Illinois,
7 regardless of United States citizenship status, with the
8 intention of remaining in Illinois indefinitely. A resident is
9 not required to maintain a fixed address. Relocation to
10 Illinois for the sole purpose of receiving health care benefits
11 does not satisfy the residency requirement.

12 "Tax-exempt hospital" means a hospital that has been
13 organized as a not-for-profit corporation or charitable trust
14 under Illinois law or the laws of any other state or country
15 and that has been deemed a charitable organization exempt under
16 Illinois law from State property tax, retailers' occupation
17 tax, income tax, use tax, service use tax, or service
18 occupation tax and is eligible to issue tax exempt bonds under
19 Illinois law or the laws of any other state or country.

20 "Uninsured" or "uninsured patient" means a patient who is
21 not covered under a policy of health insurance and is not a
22 beneficiary under a public or private health insurance, health
23 benefit, or other health coverage program.

24 Section 15. Charity care service provision obligations for
25 tax-exempt hospitals. Unless exempted under Section 35 of this

1 Act, each tax-exempt hospital must provide charity care to
2 eligible Illinois residents as follows:

3 (a) Types of charity care.

4 (1) Full charity care.

5 (A) Eligibility. Tax-exempt hospitals must provide
6 full charity care to any uninsured Illinois residents
7 who apply for charity care and have family income equal
8 to or less than 150% of the federal poverty income
9 guidelines.

10 (B) Billing. Tax-exempt hospitals must not issue
11 or cause to be issued any bill or invoice statement to
12 any patient who qualifies for full charity care
13 pursuant to subdivision (a) (1) (A) of this Section 15.

14 (2) Discounted Care.

15 (A) Eligibility. Tax-exempt hospitals must provide
16 discounted care to any uninsured Illinois resident who
17 applies for charity care and has family income of more
18 than 150% and not more than 250% of the federal poverty
19 income guidelines. To the extent that the cost of
20 medically necessary services exceeds \$10,000 in any
21 12-month period, the patient is eligible for full
22 charity care with respect to the amount of such cost
23 that exceeds \$10,000 during that 12-month period.

24 (B) Billing. Tax-exempt hospitals must limit any
25 bill or invoice statement sent to any patient who
26 qualifies for discounted care pursuant to subdivision

1 (a) (2) (A) of this Section 15 as follows:

2 (i) For a patient with a family income of more
3 than 150% and not more than 175% of the federal
4 poverty income guidelines, the amount billed to
5 the patient for discounted care must not exceed 20%
6 of the hospital's cost of providing medically
7 necessary services to such patient.

8 (ii) For a patient with a family income of more
9 than 175% and not more than 200% of the federal
10 poverty income guidelines, the amount billed to
11 the patient for discounted care must not exceed 25%
12 of the hospital's cost of providing medically
13 necessary services to such patient.

14 (iii) For a patient with a family income of
15 more than 200% and not more than 225% of the
16 federal poverty income guidelines, the amount
17 billed to the patient for discounted care must not
18 exceed 30% of the hospital's cost of providing
19 medically necessary services to such patient.

20 (iv) For a patient with a family income of more
21 than 225% and not more than 250% of the federal
22 property income guidelines, the amount billed to
23 the patient for discounted care must not exceed 35%
24 of the hospital's cost of providing medically
25 necessary services to such patient.

26 (C) Payment plan. If a patient has indicated an

1 inability to pay the full amount of a bill or invoice
2 for discounted care in one payment, the tax-exempt
3 hospital must offer the patient a reasonable payment
4 plan without interest. The hospital may require the
5 patient to provide reasonable verification of his or
6 her inability to pay the full amount of the bill or
7 invoice in one payment.

8 (b) Uniform procedures for charity care service provision.

9 (1) Initial screening, identification of uninsured
10 residents, and billing procedure. Tax-exempt hospitals
11 must screen each patient, on or prior to the effective date
12 of eligibility, to determine whether he or she is
13 uninsured. If a patient is determined to be uninsured, the
14 patient or the patient's representative shall be provided
15 an application for charity care no later than the effective
16 date of eligibility. Tax-exempt hospitals must refrain
17 from issuing any bill or invoice statement to a patient who
18 is an uninsured Illinois resident until at least 60 days
19 after the effective date of eligibility and, if the patient
20 files a charity care application before the end of that 60
21 days, must further refrain from issuing any bill or invoice
22 until the hospital determines the patient's eligibility
23 for charity care pursuant to this Act.

24 (2) Application for charity care.

25 (A) Tax-exempt hospitals must use an application
26 form developed by the Attorney General to determine

1 eligibility for charity care. The Attorney General
2 shall ensure that the application form is easy to
3 understand and that it requests only information that
4 is reasonably necessary to determine eligibility. The
5 Attorney General shall specify the documentation and
6 information an applicant must submit in order to verify
7 eligibility for charity care.

8 (B) Each hospital must translate and distribute
9 the charity care application form in accordance with
10 the Language Assistance Services Act and, in any event,
11 must translate the application form into the
12 non-English languages most frequently used in the
13 service area of the hospital and make those
14 translations of the form available, in accordance with
15 standards adopted by rule of the Attorney General.

16 (3) Timing of charity care application. A patient, or
17 the patient's representative, may submit a charity care
18 application to a tax-exempt hospital within 60 days after
19 the effective date of eligibility.

20 (4) Determination of charity care eligibility. Each
21 tax-exempt hospital must deliver to the patient written
22 notice of a charity care eligibility determination within
23 14 days after receipt of a completed charity care
24 application. A tax-exempt hospital must not deny or delay
25 patient care while a patient's application for charity care
26 is pending.

1 (5) Notification. Tax-exempt hospitals must provide
2 notification of the availability of charity care as
3 follows:

4 (A) Each hospital must post signs in the inpatient,
5 outpatient, emergency, admissions, and registration
6 areas of the facility, and in the business office areas
7 that are customarily used by patients, that
8 conspicuously inform patients of the availability of
9 charity care and the location within the hospital at
10 which to apply for charity care. Signs must be in
11 English and also in the languages other than English
12 that are most frequently spoken in a hospital's service
13 area, in accordance with standards adopted by rule of
14 the Attorney General.

15 (B) Each hospital must post a notice in a prominent
16 place on its website that charity care is available at
17 the facility. The notice must include a brief
18 description of the charity care application process
19 and a copy of the application form. The notice must be
20 in the same languages as the signs that are required
21 pursuant to subdivision (b) (5) (A) of this Section 15.

22 (C) Each hospital must provide individual notice,
23 in the appropriate language, of the availability of
24 charity care to any patient who is identified as
25 uninsured.

26 (D) Each hospital must provide notice, or ensure

1 that notice is provided, of the availability of charity
2 care in any patient bill invoice statement or
3 collection action issued by the hospital or by a
4 collection agent, assignee, or account purchaser that
5 the hospital retains or with which the hospital has
6 contracted.

7 (E) Each hospital must, on a quarterly basis,
8 publish notice in a newspaper of general circulation in
9 the hospital's service area, indicating that charity
10 care is available at the facility. The notice must
11 include a brief description of the charity care
12 application process. Each hospital must provide a
13 similar notice to all community medical centers
14 located in its service area. These notices must be
15 provided in the same languages as the signs that are
16 required pursuant to subdivision (b)(5)(A) of this
17 Section 15.

18 (F) All of the notifications required by this
19 subdivision (b)(5) must include contact information
20 for the filing with the Attorney General's Office of
21 complaints regarding possible violations of this Act.

22 (G) All of the notifications required by this
23 subdivision (b)(5) must comply with requirements as to
24 content and form established by the Attorney General.

25 (c) Patient rights and responsibilities.

26 (1) Patient rights. Tax-exempt hospitals must

1 distribute to every patient, on or prior to the effective
2 date of eligibility, a written statement regarding charity
3 care in a form and with content developed by the Attorney
4 General's Office. This statement must include, without
5 limitation, each patient's right to:

6 (A) apply for charity care within 60 days after the
7 effective date of eligibility;

8 (B) receive a determination, in writing, on his or
9 her charity care application within 14 days after
10 submitting a completed application;

11 (C) enter into a payment plan if determined
12 eligible for discounted care; and

13 (D) register a complaint with the Attorney General
14 pursuant to Section 40 of this Act.

15 (2) Patient responsibilities.

16 (A) Patients seeking or receiving charity care
17 from any tax-exempt hospital must:

18 (i) Cooperate with the hospital to provide the
19 information and documentation necessary to apply
20 for other public or private existing programs or
21 resources that may be available to pay for health
22 care including, without limitation, Medicare,
23 Medicaid, or the State Children's Health Insurance
24 Program.

25 (ii) Promptly provide the hospital with
26 accurate and complete documentation and

1 information as required under this Act.

2 (iii) Promptly notify the hospital of any
3 significant change in financial status that is
4 likely to adversely affect eligibility for charity
5 care.

6 (B) A patient who qualifies for discounted care
7 must cooperate with the hospital to establish a
8 reasonable payment plan that takes into account
9 available income and assets, the amount of the
10 discounted bill or bills, and any prior payments and
11 must make a good faith effort to comply with this
12 payment plan. The patient is responsible for promptly
13 communicating to the hospital any change in financial
14 situation that may impact his or her ability to pay the
15 discounted hospital bills or to honor the provisions of
16 the payment plan.

17 Section 20. Crime victim discounted care. If a tax-exempt
18 hospital accepts payment for medically necessary services from
19 an award to any patient pursuant to the Crime Victims
20 Compensation Act, such payment shall be deemed to be in full
21 and final satisfaction of any outstanding charges owed by the
22 patient for those services, and the tax-exempt hospital shall
23 thereafter be prohibited from sending any bill or invoice
24 statement for those services.

1 Section 25. Aggregate annual charity care obligations for
2 tax-exempt hospitals.

3 (a) Unless exempted under Section 35, each tax-exempt
4 hospital shall furnish aggregate annual charity care in an
5 amount equal to at least 8% of the hospital's total operating
6 costs as reported each year in the most recently settled
7 Medicare Cost Report.

8 (b) A tax-exempt hospital may for any fiscal year
9 demonstrate compliance with the requirement of subsection (a)
10 of this Section 25 by documenting the costs of one or more of
11 the following:

12 (1) Provision of charity care to eligible patients of
13 the hospital.

14 (2) Provision of charity care to eligible patients at
15 one or more community medical clinics operated by the
16 hospital.

17 (3) Provision by the hospital of charity care to
18 eligible patients, in a setting or settings other than the
19 hospital or a community medical clinic operated by the
20 hospital, provided each such setting is approved in advance
21 by the Attorney General. The Attorney General shall adopt
22 rules delineating this approval process.

23 (4) If a tax-exempt hospital accepts payment for
24 medically necessary services from an award to any patient
25 pursuant to the Crime Victims Compensation Act, that
26 portion of the tax-exempt hospital's costs for those

1 medically necessary services which is not covered by the
2 award.

3 (5) If a tax-exempt hospital receives payments for
4 medically necessary services from the State of Illinois
5 pursuant to Section 5-5 of the Illinois Public Aid Code and
6 rules issued pursuant to that Section, that portion of the
7 tax-exempt hospital's costs for those medically necessary
8 services which is not covered by the payments.

9 Section 30. Charity care reporting.

10 (a) Not later than the last day of the sixth month after
11 the close of its fiscal year, each tax-exempt hospital must
12 submit an annual charity care report to the Attorney General,
13 with content and in a format specified by rule of the Attorney
14 General.

15 (b) The annual charity care report submitted by each
16 tax-exempt hospital must include, at a minimum, the following
17 information for the applicable fiscal year:

18 (1) The total number of charity care applications
19 submitted to the hospital, separately itemizing
20 applications for full charity care, discounted care, and
21 crime victim discounted care.

22 (2) The total number of charity care applications
23 approved by the hospital, separately itemizing approved
24 applications for full charity care, discounted care, and
25 crime victim discounted care.

1 (3) The total number of charity care applications
2 denied by the hospital and the reasons for such denials,
3 separately itemizing denied applications for full charity
4 care, discounted care, and crime victim discounted care.

5 (4) The total number of patients who received charity
6 care at the hospital, separately itemizing recipients of
7 full charity care, discounted care, and crime victim
8 discounted care, and categorizing services provided and
9 pertinent demographic attributes of recipients.

10 (5) A detailed description of the hospital's charity
11 care application process, including the identity of the
12 person or persons affiliated with the hospital responsible
13 for making determinations on charity care applications.

14 (6) The hospital's most recent complete set of audited
15 financial statements and its most recently filed and most
16 recently settled Medicare Cost Report.

17 (7) A statement that details the following:

18 (A) the aggregate dollar amount of charity care
19 furnished by the hospital, to be reported as the actual
20 cost of services provided based on the total
21 cost-to-charge ratio derived from the hospital's most
22 recently settled Medicare Cost Report;

23 (B) the amount of bad debt incurred by the hospital
24 in the reporting year, calculated at cost, which
25 identifies how much of the bad debt is attributable to
26 individual patients and how much is attributable to

1 private third party payers;

2 (C) the hospital's net patient service revenue and
3 its investment income; and

4 (D) the total amount of funds available from any
5 source apart from those derived from patient service
6 revenue which are available for use by the hospital to
7 subsidize the cost of charity care during the
8 applicable fiscal year, and the amount of those funds
9 that were actually used during the applicable fiscal
10 year to subsidize the cost of charity care.

11 (c) Records of charity care applications and
12 determinations shall be retained by tax-exempt hospitals for a
13 period of 7 years. All records concerning charity care
14 applications and determinations shall be confidential, except
15 that the Attorney General shall, upon written request, be
16 provided copies of such records by hospitals within 14 days of
17 receipt of a written request for such records and may provide
18 copies of the records to the Department of Revenue. Records of
19 charity care applications and determinations shall be exempt
20 from inspection and copying under the Freedom of Information
21 Act.

22 (d) Hospitals must report any other information that the
23 Attorney General deems necessary to ensure compliance with the
24 provisions of this Act.

25 (e) The Attorney General shall issue a report to the public
26 on an annual basis addressing the charity care information

1 reported by tax-exempt hospitals pursuant to this Section 30,
2 with a separate analysis for each hospital.

3 Section 35. Exemption for critical access hospitals. Each
4 hospital designated as a critical access hospital in accordance
5 with federal statutory and regulatory Medicare requirements is
6 exempt from the charity care requirements set forth in Sections
7 15, 20, 25, and 30 of this Act.

8 Section 40. Implementation and enforcement.

9 (a) Administration. The Attorney General shall be
10 responsible for administering and ensuring compliance with
11 this Act, including adoption or development of:

12 (1) any rules necessary for the implementation and
13 enforcement of this Act; and

14 (2) all forms, notifications, and applications
15 required to be provided by tax-exempt hospitals under this
16 Act.

17 The Illinois Administrative Procedure Act shall apply to
18 all rules adopted by the Attorney General under this Act.

19 (b) Complaints. The Attorney General shall develop and
20 implement a process for receiving and handling complaints from
21 individuals regarding possible violations of this Act.

22 (c) Investigation. The Attorney General may conduct any
23 investigation deemed necessary regarding possible violations
24 of this Act, including, without limitation, the issuance of

1 subpoenas to:

2 (1) require a tax-exempt hospital to file a statement
3 or report, or answer interrogatories, in writing as to all
4 information relevant to the alleged violations;

5 (2) examine under oath any person in connection with
6 the alleged violations; and

7 (3) examine any record, book, document, account, or
8 paper necessary to investigate such alleged violations.

9 (d) Injunctive relief; monetary penalties.

10 (1) If the Attorney General determines that there
11 exists a reasonable basis to believe that a tax-exempt
12 hospital has violated this Act, the Attorney General may
13 bring an action in the name of the People of the State
14 against such tax-exempt hospital to obtain temporary,
15 preliminary, or permanent injunctive relief for any act,
16 omission, policy, or practice by the tax-exempt hospital
17 that violates this Act. The Attorney General may seek the
18 removal and replacement of any director, officer, agent, or
19 employee of a tax-exempt hospital who has approved,
20 authorized, or acquiesced in, directly or indirectly, a
21 violation of this Act. The Attorney General may also seek
22 the assessment of one or more of the civil monetary
23 penalties provided in subdivision (d)(2) of this Section
24 40.

25 (2) (A) A tax-exempt hospital that fails to post any
26 notice or provide any notification required under this

1 Act is subject to a civil penalty of \$1,000 per day for
2 each day that the required notice is not posted or
3 notification is not provided.

4 (B) A tax-exempt hospital that fails to provide
5 information to the public as required under this Act is
6 subject to a civil penalty of \$1,000 per violation.

7 (C) A tax-exempt hospital that violates any
8 provision of this Act other than the provisions of
9 Section 25 is subject to a civil penalty of \$10,000 per
10 violation and also may be ordered by a circuit court to
11 do either of the following:

12 (i) to the extent that a patient eligible for
13 charity care under this Act paid any money toward
14 the satisfaction of the hospital's charges
15 contrary to the provisions of this Act, reimburse
16 that patient for the money paid by the patient,
17 with interest; or

18 (ii) credit the account of a patient eligible
19 for charity care under this Act for any hospital
20 charges that were improperly charged to the
21 patient's account contrary to the provisions of
22 this Act.

23 (D) A tax-exempt hospital that does not meet its
24 aggregate annual charity care obligation under Section
25 is subject to a civil penalty equal to the amount of
26 its unpaid obligation, plus interest on that amount

1 computed at the rate provided under Section 2-1303 of
2 the Code of Civil Procedure.

3 (3) In the event a circuit court grants relief against
4 a tax-exempt hospital for a violation of this Act, the
5 Attorney General shall refer the tax-exempt hospital to the
6 Illinois Department of Revenue for possible revocation of
7 the hospital's tax-exempt status under the Illinois Income
8 Tax Act, Use Tax Act, Service Use Tax Act, Service
9 Occupation Tax Act, Retailers' Occupation Tax Act, or
10 Property Tax Code and to the Illinois Finance Authority for
11 possible action regarding the hospital's eligibility to
12 benefit from any provisions of the Illinois Finance
13 Authority Act.

14 Section 45. Limitations. Nothing in this Act shall be used
15 by any private or public third-party payor as a basis for
16 reducing the third-party payor's rates or policies. Discounts
17 authorized under this Act shall not be used by any private or
18 public third-party payer to determine a hospital's usual and
19 customary charges for any health care service. Nothing in this
20 Act shall be construed as imposing an obligation on a hospital
21 to provide, or refrain from providing, any particular service
22 or treatment to an uninsured patient. Nothing in this Act shall
23 prohibit hospitals from providing charity care to patients who
24 do not meet the qualification criteria under this Act. Nothing
25 in this Act shall be construed as imposing an obligation on a

1 hospital to file a lawsuit to collect payment on a patient's
2 bill. This Act establishes new and additional legal obligations
3 for all tax-exempt hospitals in the State of Illinois. Nothing
4 in this Act shall be construed as relieving any hospital of any
5 other legal obligation under the Illinois Constitution, or
6 under any other statute or the common law, including, without
7 limitation, obligations of tax-exempt hospitals to furnish
8 charity care or community benefits, or as reducing any such
9 obligation on the part of any hospital. No provision of this
10 Act shall derogate from the common law or statutory authority
11 of the Attorney General, nor shall any provision be construed
12 as a limitation on the common law or statutory authority of the
13 Attorney General to investigate hospitals or initiate
14 enforcement actions against them, including, without
15 limitation, the authority to investigate at any time charitable
16 trusts for the purpose of determining and ascertaining whether
17 they are being administered in accordance with Illinois law and
18 with the terms and purposes thereof. No provision of this Act
19 shall be construed as a limitation on the application of the
20 doctrine of cy pres or any other legal doctrine applicable to
21 charitable assets or charitable trusts.

22 Section 50. Home rule. A home rule unit may not regulate
23 hospitals in a manner inconsistent with the provisions of this
24 Act. This Section is a limitation under subsection (i) of
25 Section 6 of Article VII of the Illinois Constitution on the

1 concurrent exercise by home rule units of powers and functions
2 exercised by the State.

3 Section 55. Tax-Exempt Hospital Responsibility Act
4 Enforcement Fund. There is hereby created the Tax-Exempt
5 Hospital Responsibility Act Enforcement Fund as a special fund
6 in the State treasury. All proceeds of an action or settlement
7 of a claim or action brought under this Act, but excluding any
8 moneys ordered paid to a patient or credited to a patient's
9 account under subdivision (d)(2)(C)(i) or (d)(2)(C)(ii) of
10 Section 40, shall be deposited in the Fund. Monies in the Fund
11 shall be allocated, subject to appropriation, to the Attorney
12 General's Office for enforcement of this Act.

13 Section 900. The Freedom of Information Act is amended by
14 changing Section 7 as follows:

15 (5 ILCS 140/7) (from Ch. 116, par. 207)

16 Sec. 7. Exemptions.

17 (1) When a request is made to inspect or copy a public
18 record that contains information that is exempt from disclosure
19 under this Section, but also contains information that is not
20 exempt from disclosure, the public body may elect to redact the
21 information that is exempt. The public body shall make the
22 remaining information available for inspection and copying.
23 Subject to this requirement, the following shall be exempt from

1 inspection and copying:

2 (a) Information specifically prohibited from
3 disclosure by federal or State law or rules and regulations
4 implementing federal or State law.

5 (b) Private information, unless disclosure is required
6 by another provision of this Act, a State or federal law or
7 a court order.

8 (b-5) Files, documents, and other data or databases
9 maintained by one or more law enforcement agencies and
10 specifically designed to provide information to one or more
11 law enforcement agencies regarding the physical or mental
12 status of one or more individual subjects.

13 (c) Personal information contained within public
14 records, the disclosure of which would constitute a clearly
15 unwarranted invasion of personal privacy, unless the
16 disclosure is consented to in writing by the individual
17 subjects of the information. "Unwarranted invasion of
18 personal privacy" means the disclosure of information that
19 is highly personal or objectionable to a reasonable person
20 and in which the subject's right to privacy outweighs any
21 legitimate public interest in obtaining the information.
22 The disclosure of information that bears on the public
23 duties of public employees and officials shall not be
24 considered an invasion of personal privacy.

25 (d) Records in the possession of any public body
26 created in the course of administrative enforcement

1 proceedings, and any law enforcement or correctional
2 agency for law enforcement purposes, but only to the extent
3 that disclosure would:

4 (i) interfere with pending or actually and
5 reasonably contemplated law enforcement proceedings
6 conducted by any law enforcement or correctional
7 agency that is the recipient of the request;

8 (ii) interfere with active administrative
9 enforcement proceedings conducted by the public body
10 that is the recipient of the request;

11 (iii) create a substantial likelihood that a
12 person will be deprived of a fair trial or an impartial
13 hearing;

14 (iv) unavoidably disclose the identity of a
15 confidential source, confidential information
16 furnished only by the confidential source, or persons
17 who file complaints with or provide information to
18 administrative, investigative, law enforcement, or
19 penal agencies; except that the identities of
20 witnesses to traffic accidents, traffic accident
21 reports, and rescue reports shall be provided by
22 agencies of local government, except when disclosure
23 would interfere with an active criminal investigation
24 conducted by the agency that is the recipient of the
25 request;

26 (v) disclose unique or specialized investigative

1 techniques other than those generally used and known or
2 disclose internal documents of correctional agencies
3 related to detection, observation or investigation of
4 incidents of crime or misconduct, and disclosure would
5 result in demonstrable harm to the agency or public
6 body that is the recipient of the request;

7 (vi) endanger the life or physical safety of law
8 enforcement personnel or any other person; or

9 (vii) obstruct an ongoing criminal investigation
10 by the agency that is the recipient of the request.

11 (e) Records that relate to or affect the security of
12 correctional institutions and detention facilities.

13 (f) Preliminary drafts, notes, recommendations,
14 memoranda and other records in which opinions are
15 expressed, or policies or actions are formulated, except
16 that a specific record or relevant portion of a record
17 shall not be exempt when the record is publicly cited and
18 identified by the head of the public body. The exemption
19 provided in this paragraph (f) extends to all those records
20 of officers and agencies of the General Assembly that
21 pertain to the preparation of legislative documents.

22 (g) Trade secrets and commercial or financial
23 information obtained from a person or business where the
24 trade secrets or commercial or financial information are
25 furnished under a claim that they are proprietary,
26 privileged or confidential, and that disclosure of the

1 trade secrets or commercial or financial information would
2 cause competitive harm to the person or business, and only
3 insofar as the claim directly applies to the records
4 requested.

5 The information included under this exemption includes
6 all trade secrets and commercial or financial information
7 obtained by a public body, including a public pension fund,
8 from a private equity fund or a privately held company
9 within the investment portfolio of a private equity fund as
10 a result of either investing or evaluating a potential
11 investment of public funds in a private equity fund. The
12 exemption contained in this item does not apply to the
13 aggregate financial performance information of a private
14 equity fund, nor to the identity of the fund's managers or
15 general partners. The exemption contained in this item does
16 not apply to the identity of a privately held company
17 within the investment portfolio of a private equity fund,
18 unless the disclosure of the identity of a privately held
19 company may cause competitive harm.

20 Nothing contained in this paragraph (g) shall be
21 construed to prevent a person or business from consenting
22 to disclosure.

23 (h) Proposals and bids for any contract, grant, or
24 agreement, including information which if it were
25 disclosed would frustrate procurement or give an advantage
26 to any person proposing to enter into a contractor

1 agreement with the body, until an award or final selection
2 is made. Information prepared by or for the body in
3 preparation of a bid solicitation shall be exempt until an
4 award or final selection is made.

5 (i) Valuable formulae, computer geographic systems,
6 designs, drawings and research data obtained or produced by
7 any public body when disclosure could reasonably be
8 expected to produce private gain or public loss. The
9 exemption for "computer geographic systems" provided in
10 this paragraph (i) does not extend to requests made by news
11 media as defined in Section 2 of this Act when the
12 requested information is not otherwise exempt and the only
13 purpose of the request is to access and disseminate
14 information regarding the health, safety, welfare, or
15 legal rights of the general public.

16 (j) The following information pertaining to
17 educational matters:

18 (i) test questions, scoring keys and other
19 examination data used to administer an academic
20 examination;

21 (ii) information received by a primary or
22 secondary school, college, or university under its
23 procedures for the evaluation of faculty members by
24 their academic peers;

25 (iii) information concerning a school or
26 university's adjudication of student disciplinary

1 cases, but only to the extent that disclosure would
2 unavoidably reveal the identity of the student; and

3 (iv) course materials or research materials used
4 by faculty members.

5 (k) Architects' plans, engineers' technical
6 submissions, and other construction related technical
7 documents for projects not constructed or developed in
8 whole or in part with public funds and the same for
9 projects constructed or developed with public funds,
10 including but not limited to power generating and
11 distribution stations and other transmission and
12 distribution facilities, water treatment facilities,
13 airport facilities, sport stadiums, convention centers,
14 and all government owned, operated, or occupied buildings,
15 but only to the extent that disclosure would compromise
16 security.

17 (l) Minutes of meetings of public bodies closed to the
18 public as provided in the Open Meetings Act until the
19 public body makes the minutes available to the public under
20 Section 2.06 of the Open Meetings Act.

21 (m) Communications between a public body and an
22 attorney or auditor representing the public body that would
23 not be subject to discovery in litigation, and materials
24 prepared or compiled by or for a public body in
25 anticipation of a criminal, civil or administrative
26 proceeding upon the request of an attorney advising the

1 public body, and materials prepared or compiled with
2 respect to internal audits of public bodies.

3 (n) Records relating to a public body's adjudication of
4 employee grievances or disciplinary cases; however, this
5 exemption shall not extend to the final outcome of cases in
6 which discipline is imposed.

7 (o) Administrative or technical information associated
8 with automated data processing operations, including but
9 not limited to software, operating protocols, computer
10 program abstracts, file layouts, source listings, object
11 modules, load modules, user guides, documentation
12 pertaining to all logical and physical design of
13 computerized systems, employee manuals, and any other
14 information that, if disclosed, would jeopardize the
15 security of the system or its data or the security of
16 materials exempt under this Section.

17 (p) Records relating to collective negotiating matters
18 between public bodies and their employees or
19 representatives, except that any final contract or
20 agreement shall be subject to inspection and copying.

21 (q) Test questions, scoring keys, and other
22 examination data used to determine the qualifications of an
23 applicant for a license or employment.

24 (r) The records, documents, and information relating
25 to real estate purchase negotiations until those
26 negotiations have been completed or otherwise terminated.

1 With regard to a parcel involved in a pending or actually
2 and reasonably contemplated eminent domain proceeding
3 under the Eminent Domain Act, records, documents and
4 information relating to that parcel shall be exempt except
5 as may be allowed under discovery rules adopted by the
6 Illinois Supreme Court. The records, documents and
7 information relating to a real estate sale shall be exempt
8 until a sale is consummated.

9 (s) Any and all proprietary information and records
10 related to the operation of an intergovernmental risk
11 management association or self-insurance pool or jointly
12 self-administered health and accident cooperative or pool.
13 Insurance or self insurance (including any
14 intergovernmental risk management association or self
15 insurance pool) claims, loss or risk management
16 information, records, data, advice or communications.

17 (t) Information contained in or related to
18 examination, operating, or condition reports prepared by,
19 on behalf of, or for the use of a public body responsible
20 for the regulation or supervision of financial
21 institutions or insurance companies, unless disclosure is
22 otherwise required by State law.

23 (u) Information that would disclose or might lead to
24 the disclosure of secret or confidential information,
25 codes, algorithms, programs, or private keys intended to be
26 used to create electronic or digital signatures under the

1 Electronic Commerce Security Act.

2 (v) Vulnerability assessments, security measures, and
3 response policies or plans that are designed to identify,
4 prevent, or respond to potential attacks upon a community's
5 population or systems, facilities, or installations, the
6 destruction or contamination of which would constitute a
7 clear and present danger to the health or safety of the
8 community, but only to the extent that disclosure could
9 reasonably be expected to jeopardize the effectiveness of
10 the measures or the safety of the personnel who implement
11 them or the public. Information exempt under this item may
12 include such things as details pertaining to the
13 mobilization or deployment of personnel or equipment, to
14 the operation of communication systems or protocols, or to
15 tactical operations.

16 (w) (Blank).

17 (x) Maps and other records regarding the location or
18 security of generation, transmission, distribution,
19 storage, gathering, treatment, or switching facilities
20 owned by a utility, by a power generator, or by the
21 Illinois Power Agency.

22 (y) Information contained in or related to proposals,
23 bids, or negotiations related to electric power
24 procurement under Section 1-75 of the Illinois Power Agency
25 Act and Section 16-111.5 of the Public Utilities Act that
26 is determined to be confidential and proprietary by the

1 Illinois Power Agency or by the Illinois Commerce
2 Commission.

3 (z) Information about students exempted from
4 disclosure under Sections 10-20.38 or 34-18.29 of the
5 School Code, and information about undergraduate students
6 enrolled at an institution of higher education exempted
7 from disclosure under Section 25 of the Illinois Credit
8 Card Marketing Act of 2009.

9 (aa) Information the disclosure of which is exempted
10 under the Viatical Settlements Act of 2009.

11 (bb) Records and information provided to a mortality
12 review team and records maintained by a mortality review
13 team appointed under the Department of Juvenile Justice
14 Mortality Review Team Act.

15 (cc) Information regarding interments, entombments, or
16 inurnments of human remains that are submitted to the
17 Cemetery Oversight Database under the Cemetery Care Act or
18 the Cemetery Oversight Act, whichever is applicable.

19 (dd) Correspondence and records (i) that may not be
20 disclosed under Section 11-9 of the Public Aid Code or (ii)
21 that pertain to appeals under Section 11-8 of the Public
22 Aid Code.

23 (ee) ~~(dd)~~ The names, addresses, or other personal
24 information of persons who are minors and are also
25 participants and registrants in programs of park
26 districts, forest preserve districts, conservation

1 districts, recreation agencies, and special recreation
2 associations.

3 (ff) ~~(ee)~~ The names, addresses, or other personal
4 information of participants and registrants in programs of
5 park districts, forest preserve districts, conservation
6 districts, recreation agencies, and special recreation
7 associations where such programs are targeted primarily to
8 minors.

9 (gg) Records of charity care applications and
10 determinations under the Tax-Exempt Hospital
11 Responsibility Act.

12 (2) A public record that is not in the possession of a
13 public body but is in the possession of a party with whom the
14 agency has contracted to perform a governmental function on
15 behalf of the public body, and that directly relates to the
16 governmental function and is not otherwise exempt under this
17 Act, shall be considered a public record of the public body,
18 for purposes of this Act.

19 (3) This Section does not authorize withholding of
20 information or limit the availability of records to the public,
21 except as stated in this Section or otherwise provided in this
22 Act.

23 (Source: P.A. 96-261, eff. 1-1-10; 96-328, eff. 8-11-09;
24 96-542, eff. 1-1-10; 96-558, eff. 1-1-10; 96-736, eff. 7-1-10;
25 96-863, eff. 3-1-10; 96-1378, eff. 7-29-10; 97-333, eff.
26 8-12-11; 97-385, eff. 8-15-11; 97-452, eff. 8-19-11; revised

1 9-2-11.)

2 Section 902. The Illinois Finance Authority Act is amended
3 by changing Section 801-40 as follows:

4 (20 ILCS 3501/801-40)

5 Sec. 801-40. In addition to the powers otherwise authorized
6 by law and in addition to the foregoing general corporate
7 powers, the Authority shall also have the following additional
8 specific powers to be exercised in furtherance of the purposes
9 of this Act.

10 (a) The Authority shall have power (i) to accept grants,
11 loans or appropriations from the federal government or the
12 State, or any agency or instrumentality thereof, to be used for
13 the operating expenses of the Authority, or for any purposes of
14 the Authority, including the making of direct loans of such
15 funds with respect to projects, and (ii) to enter into any
16 agreement with the federal government or the State, or any
17 agency or instrumentality thereof, in relationship to such
18 grants, loans or appropriations.

19 (b) The Authority shall have power to procure and enter
20 into contracts for any type of insurance and indemnity
21 agreements covering loss or damage to property from any cause,
22 including loss of use and occupancy, or covering any other
23 insurable risk.

24 (c) The Authority shall have the continuing power to issue

1 bonds for its corporate purposes. Bonds may be issued by the
2 Authority in one or more series and may provide for the payment
3 of any interest deemed necessary on such bonds, of the costs of
4 issuance of such bonds, of any premium on any insurance, or of
5 the cost of any guarantees, letters of credit or other similar
6 documents, may provide for the funding of the reserves deemed
7 necessary in connection with such bonds, and may provide for
8 the refunding or advance refunding of any bonds or for accounts
9 deemed necessary in connection with any purpose of the
10 Authority. The bonds may bear interest payable at any time or
11 times and at any rate or rates, notwithstanding any other
12 provision of law to the contrary, and such rate or rates may be
13 established by an index or formula which may be implemented or
14 established by persons appointed or retained therefor by the
15 Authority, or may bear no interest or may bear interest payable
16 at maturity or upon redemption prior to maturity, may bear such
17 date or dates, may be payable at such time or times and at such
18 place or places, may mature at any time or times not later than
19 40 years from the date of issuance, may be sold at public or
20 private sale at such time or times and at such price or prices,
21 may be secured by such pledges, reserves, guarantees, letters
22 of credit, insurance contracts or other similar credit support
23 or liquidity instruments, may be executed in such manner, may
24 be subject to redemption prior to maturity, may provide for the
25 registration of the bonds, and may be subject to such other
26 terms and conditions all as may be provided by the resolution

1 or indenture authorizing the issuance of such bonds. The holder
2 or holders of any bonds issued by the Authority may bring suits
3 at law or proceedings in equity to compel the performance and
4 observance by any person or by the Authority or any of its
5 agents or employees of any contract or covenant made with the
6 holders of such bonds and to compel such person or the
7 Authority and any of its agents or employees to perform any
8 duties required to be performed for the benefit of the holders
9 of any such bonds by the provision of the resolution
10 authorizing their issuance, and to enjoin such person or the
11 Authority and any of its agents or employees from taking any
12 action in conflict with any such contract or covenant.
13 Notwithstanding the form and tenor of any such bonds and in the
14 absence of any express recital on the face thereof that it is
15 non-negotiable, all such bonds shall be negotiable
16 instruments. Pending the preparation and execution of any such
17 bonds, temporary bonds may be issued as provided by the
18 resolution. The bonds shall be sold by the Authority in such
19 manner as it shall determine. The bonds may be secured as
20 provided in the authorizing resolution by the receipts,
21 revenues, income and other available funds of the Authority and
22 by any amounts derived by the Authority from the loan agreement
23 or lease agreement with respect to the project or projects; and
24 bonds may be issued as general obligations of the Authority
25 payable from such revenues, funds and obligations of the
26 Authority as the bond resolution shall provide, or may be

1 issued as limited obligations with a claim for payment solely
2 from such revenues, funds and obligations as the bond
3 resolution shall provide. The Authority may grant a specific
4 pledge or assignment of and lien on or security interest in
5 such rights, revenues, income, or amounts and may grant a
6 specific pledge or assignment of and lien on or security
7 interest in any reserves, funds or accounts established in the
8 resolution authorizing the issuance of bonds. Any such pledge,
9 assignment, lien or security interest for the benefit of the
10 holders of the Authority's bonds shall be valid and binding
11 from the time the bonds are issued without any physical
12 delivery or further act, and shall be valid and binding as
13 against and prior to the claims of all other parties having
14 claims against the Authority or any other person irrespective
15 of whether the other parties have notice of the pledge,
16 assignment, lien or security interest. As evidence of such
17 pledge, assignment, lien and security interest, the Authority
18 may execute and deliver a mortgage, trust agreement, indenture
19 or security agreement or an assignment thereof. A remedy for
20 any breach or default of the terms of any such agreement by the
21 Authority may be by mandamus proceedings in any court of
22 competent jurisdiction to compel the performance and
23 compliance therewith, but the agreement may prescribe by whom
24 or on whose behalf such action may be instituted. It is
25 expressly understood that the Authority may, but need not,
26 acquire title to any project with respect to which it exercises

1 its authority.

2 (d) With respect to the powers granted by this Act, the
3 Authority may adopt rules and regulations prescribing the
4 procedures by which persons may apply for assistance under this
5 Act. Nothing herein shall be deemed to preclude the Authority,
6 prior to the filing of any formal application, from conducting
7 preliminary discussions and investigations with respect to the
8 subject matter of any prospective application.

9 (e) The Authority shall have power to acquire by purchase,
10 lease, gift or otherwise any property or rights therein from
11 any person useful for its purposes, whether improved for the
12 purposes of any prospective project, or unimproved. The
13 Authority may also accept any donation of funds for its
14 purposes from any such source. The Authority shall have no
15 independent power of condemnation but may acquire any property
16 or rights therein obtained upon condemnation by any other
17 authority, governmental entity or unit of local government with
18 such power.

19 (f) The Authority shall have power to develop, construct
20 and improve either under its own direction, or through
21 collaboration with any approved applicant, or to acquire
22 through purchase or otherwise, any project, using for such
23 purpose the proceeds derived from the sale of its bonds or from
24 governmental loans or grants, and to hold title in the name of
25 the Authority to such projects.

26 (g) The Authority shall have power to lease pursuant to a

1 lease agreement any project so developed and constructed or
2 acquired to the approved tenant on such terms and conditions as
3 may be appropriate to further the purposes of this Act and to
4 maintain the credit of the Authority. Any such lease may
5 provide for either the Authority or the approved tenant to
6 assume initially, in whole or in part, the costs of
7 maintenance, repair and improvements during the leasehold
8 period. In no case, however, shall the total rentals from any
9 project during any initial leasehold period or the total loan
10 repayments to be made pursuant to any loan agreement, be less
11 than an amount necessary to return over such lease or loan
12 period (1) all costs incurred in connection with the
13 development, construction, acquisition or improvement of the
14 project and for repair, maintenance and improvements thereto
15 during the period of the lease or loan; provided, however, that
16 the rentals or loan repayments need not include costs met
17 through the use of funds other than those obtained by the
18 Authority through the issuance of its bonds or governmental
19 loans; (2) a reasonable percentage additive to be agreed upon
20 by the Authority and the borrower or tenant to cover a properly
21 allocable portion of the Authority's general expenses,
22 including, but not limited to, administrative expenses,
23 salaries and general insurance, and (3) an amount sufficient to
24 pay when due all principal of, interest and premium, if any on,
25 any bonds issued by the Authority with respect to the project.
26 The portion of total rentals payable under clause (3) of this

1 subsection (g) shall be deposited in such special accounts,
2 including all sinking funds, acquisition or construction
3 funds, debt service and other funds as provided by any
4 resolution, mortgage or trust agreement of the Authority
5 pursuant to which any bond is issued.

6 (h) The Authority has the power, upon the termination of
7 any leasehold period of any project, to sell or lease for a
8 further term or terms such project on such terms and conditions
9 as the Authority shall deem reasonable and consistent with the
10 purposes of the Act. The net proceeds from all such sales and
11 the revenues or income from such leases shall be used to
12 satisfy any indebtedness of the Authority with respect to such
13 project and any balance may be used to pay any expenses of the
14 Authority or be used for the further development, construction,
15 acquisition or improvement of projects. In the event any
16 project is vacated by a tenant prior to the termination of the
17 initial leasehold period, the Authority shall sell or lease the
18 facilities of the project on the most advantageous terms
19 available. The net proceeds of any such disposition shall be
20 treated in the same manner as the proceeds from sales or the
21 revenues or income from leases subsequent to the termination of
22 any initial leasehold period.

23 (i) The Authority shall have the power to make loans to
24 persons to finance a project, to enter into loan agreements
25 with respect thereto, and to accept guarantees from persons of
26 its loans or the resultant evidences of obligations of the

1 Authority.

2 (j) The Authority may fix, determine, charge and collect
3 any premiums, fees, charges, costs and expenses, including,
4 without limitation, any application fees, commitment fees,
5 program fees, financing charges or publication fees from any
6 person in connection with its activities under this Act.

7 (k) In addition to the funds established as provided
8 herein, the Authority shall have the power to create and
9 establish such reserve funds and accounts as may be necessary
10 or desirable to accomplish its purposes under this Act and to
11 deposit its available monies into the funds and accounts.

12 (l) At the request of the governing body of any unit of
13 local government, the Authority is authorized to market such
14 local government's revenue bond offerings by preparing bond
15 issues for sale, advertising for sealed bids, receiving bids at
16 its offices, making the award to the bidder that offers the
17 most favorable terms or arranging for negotiated placements or
18 underwritings of such securities. The Authority may, at its
19 discretion, offer for concurrent sale the revenue bonds of
20 several local governments. Sales by the Authority of revenue
21 bonds under this Section shall in no way imply State guarantee
22 of such debt issue. The Authority may require such financial
23 information from participating local governments as it deems
24 necessary in order to carry out the purposes of this subsection
25 (1).

26 (m) The Authority may make grants to any county to which

1 Division 5-37 of the Counties Code is applicable to assist in
2 the financing of capital development, construction and
3 renovation of new or existing facilities for hospitals and
4 health care facilities under that Act. Such grants may only be
5 made from funds appropriated for such purposes from the Build
6 Illinois Bond Fund.

7 (n) The Authority may establish an urban development action
8 grant program for the purpose of assisting municipalities in
9 Illinois which are experiencing severe economic distress to
10 help stimulate economic development activities needed to aid in
11 economic recovery. The Authority shall determine the types of
12 activities and projects for which the urban development action
13 grants may be used, provided that such projects and activities
14 are broadly defined to include all reasonable projects and
15 activities the primary objectives of which are the development
16 of viable urban communities, including decent housing and a
17 suitable living environment, and expansion of economic
18 opportunity, principally for persons of low and moderate
19 incomes. The Authority shall enter into grant agreements from
20 monies appropriated for such purposes from the Build Illinois
21 Bond Fund. The Authority shall monitor the use of the grants,
22 and shall provide for audits of the funds as well as recovery
23 by the Authority of any funds determined to have been spent in
24 violation of this subsection (n) or any rule or regulation
25 promulgated hereunder. The Authority shall provide technical
26 assistance with regard to the effective use of the urban

1 development action grants. The Authority shall file an annual
2 report to the General Assembly concerning the progress of the
3 grant program.

4 (o) The Authority may establish a Housing Partnership
5 Program whereby the Authority provides zero-interest loans to
6 municipalities for the purpose of assisting in the financing of
7 projects for the rehabilitation of affordable multi-family
8 housing for low and moderate income residents. The Authority
9 may provide such loans only upon a municipality's providing
10 evidence that it has obtained private funding for the
11 rehabilitation project. The Authority shall provide 3 State
12 dollars for every 7 dollars obtained by the municipality from
13 sources other than the State of Illinois. The loans shall be
14 made from monies appropriated for such purpose from the Build
15 Illinois Bond Fund. The total amount of loans available under
16 the Housing Partnership Program shall not exceed \$30,000,000.
17 State loan monies under this subsection shall be used only for
18 the acquisition and rehabilitation of existing buildings
19 containing 4 or more dwelling units. The terms of any loan made
20 by the municipality under this subsection shall require
21 repayment of the loan to the municipality upon any sale or
22 other transfer of the project.

23 (p) The Authority may award grants to universities and
24 research institutions, research consortiums and other
25 not-for-profit entities for the purposes of: remodeling or
26 otherwise physically altering existing laboratory or research

1 facilities, expansion or physical additions to existing
2 laboratory or research facilities, construction of new
3 laboratory or research facilities or acquisition of modern
4 equipment to support laboratory or research operations
5 provided that such grants (i) be used solely in support of
6 project and equipment acquisitions which enhance technology
7 transfer, and (ii) not constitute more than 60 percent of the
8 total project or acquisition cost.

9 (q) Grants may be awarded by the Authority to units of
10 local government for the purpose of developing the appropriate
11 infrastructure or defraying other costs to the local government
12 in support of laboratory or research facilities provided that
13 such grants may not exceed 40% of the cost to the unit of local
14 government.

15 (r) The Authority may establish a Direct Loan Program to
16 make loans to individuals, partnerships or corporations for the
17 purpose of an industrial project, as defined in Section 801-10
18 of this Act. For the purposes of such program and not by way of
19 limitation on any other program of the Authority, the Authority
20 shall have the power to issue bonds, notes, or other evidences
21 of indebtedness including commercial paper for purposes of
22 providing a fund of capital from which it may make such loans.
23 The Authority shall have the power to use any appropriations
24 from the State made especially for the Authority's Direct Loan
25 Program for additional capital to make such loans or for the
26 purposes of reserve funds or pledged funds which secure the

1 Authority's obligations of repayment of any bond, note or other
2 form of indebtedness established for the purpose of providing
3 capital for which it intends to make such loans under the
4 Direct Loan Program. For the purpose of obtaining such capital,
5 the Authority may also enter into agreements with financial
6 institutions and other persons for the purpose of selling loans
7 and developing a secondary market for such loans. Loans made
8 under the Direct Loan Program may be in an amount not to exceed
9 \$300,000 and shall be made for a portion of an industrial
10 project which does not exceed 50% of the total project. No loan
11 may be made by the Authority unless approved by the affirmative
12 vote of at least 8 members of the board. The Authority shall
13 establish procedures and publish rules which shall provide for
14 the submission, review, and analysis of each direct loan
15 application and which shall preserve the ability of each board
16 member to reach an individual business judgment regarding the
17 propriety of making each direct loan. The collective discretion
18 of the board to approve or disapprove each loan shall be
19 unencumbered. The Authority may establish and collect such fees
20 and charges, determine and enforce such terms and conditions,
21 and charge such interest rates as it determines to be necessary
22 and appropriate to the successful administration of the Direct
23 Loan Program. The Authority may require such interests in
24 collateral and such guarantees as it determines are necessary
25 to protect the Authority's interest in the repayment of the
26 principal and interest of each loan made under the Direct Loan

1 Program.

2 (s) The Authority may guarantee private loans to third
3 parties up to a specified dollar amount in order to promote
4 economic development in this State.

5 (t) The Authority may adopt rules and regulations as may be
6 necessary or advisable to implement the powers conferred by
7 this Act.

8 (u) The Authority shall have the power to issue bonds,
9 notes or other evidences of indebtedness, which may be used to
10 make loans to units of local government which are authorized to
11 enter into loan agreements and other documents and to issue
12 bonds, notes and other evidences of indebtedness for the
13 purpose of financing the protection of storm sewer outfalls,
14 the construction of adequate storm sewer outfalls, and the
15 provision for flood protection of sanitary sewage treatment
16 plans, in counties that have established a stormwater
17 management planning committee in accordance with Section
18 5-1062 of the Counties Code. Any such loan shall be made by the
19 Authority pursuant to the provisions of Section 820-5 to 820-60
20 of this Act. The unit of local government shall pay back to the
21 Authority the principal amount of the loan, plus annual
22 interest as determined by the Authority. The Authority shall
23 have the power, subject to appropriations by the General
24 Assembly, to subsidize or buy down a portion of the interest on
25 such loans, up to 4% per annum.

26 (v) The Authority may accept security interests as provided

1 in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

2 (w) Moral Obligation. In the event that the Authority
3 determines that monies of the Authority will not be sufficient
4 for the payment of the principal of and interest on its bonds
5 during the next State fiscal year, the Chairperson, as soon as
6 practicable, shall certify to the Governor the amount required
7 by the Authority to enable it to pay such principal of and
8 interest on the bonds. The Governor shall submit the amount so
9 certified to the General Assembly as soon as practicable, but
10 no later than the end of the current State fiscal year. This
11 subsection shall apply only to any bonds or notes as to which
12 the Authority shall have determined, in the resolution
13 authorizing the issuance of the bonds or notes, that this
14 subsection shall apply. Whenever the Authority makes such a
15 determination, that fact shall be plainly stated on the face of
16 the bonds or notes and that fact shall also be reported to the
17 Governor. In the event of a withdrawal of moneys from a reserve
18 fund established with respect to any issue or issues of bonds
19 of the Authority to pay principal or interest on those bonds,
20 the Chairperson of the Authority, as soon as practicable, shall
21 certify to the Governor the amount required to restore the
22 reserve fund to the level required in the resolution or
23 indenture securing those bonds. The Governor shall submit the
24 amount so certified to the General Assembly as soon as
25 practicable, but no later than the end of the current State
26 fiscal year. The Authority shall obtain written approval from

1 the Governor for any bonds and notes to be issued under this
2 Section. In addition to any other bonds authorized to be issued
3 under Sections 825-60, 825-65(e), 830-25 and 845-5, the
4 principal amount of Authority bonds outstanding issued under
5 this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS
6 360/2-6(c), which have been assumed by the Authority, shall not
7 exceed \$150,000,000. This subsection (w) shall in no way be
8 applied to any bonds issued by the Authority on behalf of the
9 Illinois Power Agency under Section 825-90 of this Act.

10 (x) The Authority may enter into agreements or contracts
11 with any person necessary or appropriate to place the payment
12 obligations of the Authority under any of its bonds in whole or
13 in part on any interest rate basis, cash flow basis, or other
14 basis desired by the Authority, including without limitation
15 agreements or contracts commonly known as "interest rate swap
16 agreements", "forward payment conversion agreements", and
17 "futures", or agreements or contracts to exchange cash flows or
18 a series of payments, or agreements or contracts, including
19 without limitation agreements or contracts commonly known as
20 "options", "puts", or "calls", to hedge payment, rate spread,
21 or similar exposure; provided that any such agreement or
22 contract shall not constitute an obligation for borrowed money
23 and shall not be taken into account under Section 845-5 of this
24 Act or any other debt limit of the Authority or the State of
25 Illinois.

26 (y) The Authority shall publish summaries of projects and

1 actions approved by the members of the Authority on its
2 website. These summaries shall include, but not be limited to,
3 information regarding the:

- 4 (1) project;
- 5 (2) Board's action or actions;
- 6 (3) purpose of the project;
- 7 (4) Authority's program and contribution;
- 8 (5) volume cap;
- 9 (6) jobs retained;
- 10 (7) projected new jobs;
- 11 (8) construction jobs created;
- 12 (9) estimated sources and uses of funds;
- 13 (10) financing summary;
- 14 (11) project summary;
- 15 (12) business summary;
- 16 (13) ownership or economic disclosure statement;
- 17 (14) professional and financial information;
- 18 (15) service area; and
- 19 (16) legislative district.

20 The disclosure of information pursuant to this subsection
21 shall comply with the Freedom of Information Act.

22 (z) No power of the Authority set forth in this Section
23 shall be exercised for the benefit of any hospital as defined
24 in the Tax-Exempt Hospital Responsibility Act if that hospital
25 is not in compliance with that Act.

26 (Source: P.A. 95-470, eff. 8-27-07; 95-481, eff. 8-28-07;

1 95-876, eff. 8-21-08; 96-795, eff. 7-1-10 (see Section 5 of
2 P.A. 96-793 for the effective date of changes made by P.A.
3 96-795).)

4 Section 903. The State Finance Act is amended by adding
5 Section 5.809 as follows:

6 (30 ILCS 105/5.809 new)

7 Sec. 5.809. The Tax-Exempt Hospital Responsibility Act
8 Enforcement Fund.

9 Section 905. The Illinois Income Tax Act is amended by
10 changing Section 205 as follows:

11 (35 ILCS 5/205) (from Ch. 120, par. 2-205)

12 Sec. 205. Exempt organizations.

13 (a) Charitable, etc. organizations. The base income of an
14 organization which is exempt from the federal income tax by
15 reason of the Internal Revenue Code shall not be determined
16 under section 203 of this Act, but shall be its unrelated
17 business taxable income as determined under section 512 of the
18 Internal Revenue Code, without any deduction for the tax
19 imposed by this Act. The standard exemption provided by section
20 204 of this Act shall not be allowed in determining the net
21 income of an organization to which this subsection applies. A
22 hospital as defined in the Tax-Exempt Hospital Responsibility

1 Act may qualify for the exemption under this subsection only if
2 it is in compliance with that Act.

3 (b) Partnerships. A partnership as such shall not be
4 subject to the tax imposed by subsection 201 (a) and (b) of
5 this Act, but shall be subject to the replacement tax imposed
6 by subsection 201 (c) and (d) of this Act and shall compute its
7 base income as described in subsection (d) of Section 203 of
8 this Act. For taxable years ending on or after December 31,
9 2004, an investment partnership, as defined in Section
10 1501(a)(11.5) of this Act, shall not be subject to the tax
11 imposed by subsections (c) and (d) of Section 201 of this Act.
12 A partnership shall file such returns and other information at
13 such time and in such manner as may be required under Article 5
14 of this Act. The partners in a partnership shall be liable for
15 the replacement tax imposed by subsection 201 (c) and (d) of
16 this Act on such partnership, to the extent such tax is not
17 paid by the partnership, as provided under the laws of Illinois
18 governing the liability of partners for the obligations of a
19 partnership. Persons carrying on business as partners shall be
20 liable for the tax imposed by subsection 201 (a) and (b) of
21 this Act only in their separate or individual capacities.

22 (c) Subchapter S corporations. A Subchapter S corporation
23 shall not be subject to the tax imposed by subsection 201 (a)
24 and (b) of this Act but shall be subject to the replacement tax
25 imposed by subsection 201 (c) and (d) of this Act and shall
26 file such returns and other information at such time and in

1 such manner as may be required under Article 5 of this Act.

2 (d) Combat zone, terrorist attack, and certain other
3 deaths. An individual relieved from the federal income tax for
4 any taxable year by reason of section 692 of the Internal
5 Revenue Code shall not be subject to the tax imposed by this
6 Act for such taxable year.

7 (e) Certain trusts. A common trust fund described in
8 Section 584 of the Internal Revenue Code, and any other trust
9 to the extent that the grantor is treated as the owner thereof
10 under sections 671 through 678 of the Internal Revenue Code
11 shall not be subject to the tax imposed by this Act.

12 (f) Certain business activities. A person not otherwise
13 subject to the tax imposed by this Act shall not become subject
14 to the tax imposed by this Act by reason of:

15 (1) that person's ownership of tangible personal
16 property located at the premises of a printer in this State
17 with which the person has contracted for printing, or

18 (2) activities of the person's employees or agents
19 located solely at the premises of a printer and related to
20 quality control, distribution, or printing services
21 performed by a printer in the State with which the person
22 has contracted for printing.

23 (g) A nonprofit risk organization that holds a certificate
24 of authority under Article VIID of the Illinois Insurance Code
25 is exempt from the tax imposed under this Act with respect to
26 its activities or operations in furtherance of the powers

1 conferred upon it under that Article VIID of the Illinois
2 Insurance Code.

3 (Source: P.A. 97-507, eff. 8-23-11.)

4 Section 910. 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 or
20 cultural organization that establishes, by proof required by
21 the Department by rule, that it has received an exemption under
22 Section 501(c)(3) of the Internal Revenue Code and that is
23 organized and operated primarily for the presentation or
24 support of arts or cultural programming, activities, or

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

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

1 (5) Until July 1, 2003, a passenger car that is a
2 replacement vehicle to the extent that the purchase price of
3 the car is subject to the Replacement Vehicle Tax.

4 (6) 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 and
7 used, and including that manufactured on special order,
8 certified by the purchaser to be used primarily for graphic
9 arts production, and including machinery and equipment
10 purchased for lease. 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 upon a
13 graphic arts product.

14 (7) Farm chemicals.

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

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

22 (10) A motor vehicle of the first division, a motor vehicle
23 of the second division that is a self-contained motor vehicle
24 designed or permanently converted to provide living quarters
25 for recreational, camping, or travel use, with direct walk
26 through to the living quarters from the driver's seat, or a

1 motor vehicle of the second division that is of the van
2 configuration designed for the transportation of not less than
3 7 nor more than 16 passengers, as defined in Section 1-146 of
4 the Illinois Vehicle Code, that is used for automobile renting,
5 as defined in the Automobile Renting Occupation and Use Tax
6 Act.

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

26 Farm machinery and equipment shall include precision

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

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

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

23 (13) Proceeds of mandatory service charges separately
24 stated on customers' bills for the purchase and consumption of
25 food and beverages purchased at retail from a retailer, to the
26 extent that the proceeds of the service charge are in fact

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

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

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

19 (16) Until July 1, 2003, coal exploration, mining,
20 offhighway hauling, processing, maintenance, and reclamation
21 equipment, including replacement parts and equipment, and
22 including equipment purchased for lease, but excluding motor
23 vehicles required to be registered under the Illinois Vehicle
24 Code.

25 (17) Until July 1, 2003, distillation machinery and
26 equipment, sold as a unit or kit, assembled or installed by the

1 retailer, certified by the user to be used only for the
2 production of ethyl alcohol that will be used for consumption
3 as motor fuel or as a component of motor fuel for the personal
4 use of the user, and not subject to sale or resale.

5 (18) Manufacturing and assembling machinery and equipment
6 used primarily in the process of manufacturing or assembling
7 tangible personal property for wholesale or retail sale or
8 lease, whether that sale or lease is made directly by the
9 manufacturer or by some other person, whether the materials
10 used in the process are owned by the manufacturer or some other
11 person, or whether that sale or lease is made apart from or as
12 an incident to the seller's engaging in the service occupation
13 of producing machines, tools, dies, jigs, patterns, gauges, or
14 other similar items of no commercial value on special order for
15 a particular purchaser.

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

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

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

1 Jockey Club, as appropriate, used for purposes of breeding or
2 racing for prizes. This item (21) is exempt from the provisions
3 of Section 3-90, and the exemption provided for under this item
4 (21) applies for all periods beginning May 30, 1995, but no
5 claim for credit or refund is allowed on or after January 1,
6 2008 for such taxes paid during the period beginning May 30,
7 2000 and ending on January 1, 2008.

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

1 a legal right to claim a refund of that amount from the lessor.
2 If, however, that amount is not refunded to the lessee for any
3 reason, the lessor is liable to pay that amount to the
4 Department.

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

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

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

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

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

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

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

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

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

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

15 (30) Beginning January 1, 2001 and through June 30, 2011,
16 food for human consumption that is to be consumed off the
17 premises where it is sold (other than alcoholic beverages, soft
18 drinks, and food that has been prepared for immediate
19 consumption) and prescription and nonprescription medicines,
20 drugs, medical appliances, and insulin, urine testing
21 materials, syringes, and needles used by diabetics, for human
22 use, when purchased for use by a person receiving medical
23 assistance under Article V of the Illinois Public Aid Code who
24 resides in a licensed long-term care facility, as defined in
25 the Nursing Home Care Act, or in a licensed facility as defined
26 in the ID/DD Community Care Act or the Specialized Mental

1 Health Rehabilitation Act.

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

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

24 (33) On and after July 1, 2003 and through June 30, 2004,
25 the use in this State of motor vehicles of the second division
26 with a gross vehicle weight in excess of 8,000 pounds and that

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

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

24 (35) Beginning January 1, 2010, materials, parts,
25 equipment, components, and furnishings incorporated into or
26 upon an aircraft as part of the modification, refurbishment,

1 completion, replacement, repair, or maintenance of the
2 aircraft. This exemption includes consumable supplies used in
3 the modification, refurbishment, completion, replacement,
4 repair, and maintenance of aircraft, but excludes any
5 materials, parts, equipment, components, and consumable
6 supplies used in the modification, replacement, repair, and
7 maintenance of aircraft engines or power plants, whether such
8 engines or power plants are installed or uninstalled upon any
9 such aircraft. "Consumable supplies" include, but are not
10 limited to, adhesive, tape, sandpaper, general purpose
11 lubricants, cleaning solution, latex gloves, and protective
12 films. This exemption applies only to those organizations that
13 (i) hold an Air Agency Certificate and are empowered to operate
14 an approved repair station by the Federal Aviation
15 Administration, (ii) have a Class IV Rating, and (iii) conduct
16 operations in accordance with Part 145 of the Federal Aviation
17 Regulations. The exemption does not include aircraft operated
18 by a commercial air carrier providing scheduled passenger air
19 service pursuant to authority issued under Part 121 or Part 129
20 of the Federal Aviation Regulations.

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

1 consideration by or on behalf of the municipality at the time
2 of the completion of the municipal convention hall or upon the
3 retirement or redemption of any bonds or other debt instruments
4 issued by the public-facilities corporation in connection with
5 the development of the municipal convention hall. This
6 exemption includes existing public-facilities corporations as
7 provided in Section 11-65-25 of the Illinois Municipal Code.
8 This paragraph is exempt from the provisions of Section 3-90.

9 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;
10 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.
11 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431, eff.
12 8-16-11; revised 9-12-11.)

13 Section 915. The Service Use Tax Act is amended by changing
14 Section 2 as follows:

15 (35 ILCS 110/2) (from Ch. 120, par. 439.32)

16 Sec. 2. "Use" means the exercise by any person of any right
17 or power over tangible personal property incident to the
18 ownership of that property, but does not include the sale or
19 use for demonstration by him of that property in any form as
20 tangible personal property in the regular course of business.
21 "Use" does not mean the interim use of tangible personal
22 property nor the physical incorporation of tangible personal
23 property, as an ingredient or constituent, into other tangible
24 personal property, (a) which is sold in the regular course of

1 business or (b) which the person incorporating such ingredient
2 or constituent therein has undertaken at the time of such
3 purchase to cause to be transported in interstate commerce to
4 destinations outside the State of Illinois.

5 "Purchased from a serviceman" means the acquisition of the
6 ownership of, or title to, tangible personal property through a
7 sale of service.

8 "Purchaser" means any person who, through a sale of
9 service, acquires the ownership of, or title to, any tangible
10 personal property.

11 "Cost price" means the consideration paid by the serviceman
12 for a purchase valued in money, whether paid in money or
13 otherwise, including cash, credits and services, and shall be
14 determined without any deduction on account of the supplier's
15 cost of the property sold or on account of any other expense
16 incurred by the supplier. When a serviceman contracts out part
17 or all of the services required in his sale of service, it
18 shall be presumed that the cost price to the serviceman of the
19 property transferred to him or her by his or her subcontractor
20 is equal to 50% of the subcontractor's charges to the
21 serviceman in the absence of proof of the consideration paid by
22 the subcontractor for the purchase of such property.

23 "Selling price" means the consideration for a sale valued
24 in money whether received in money or otherwise, including
25 cash, credits and service, and shall be determined without any
26 deduction on account of the serviceman's cost of the property

1 sold, the cost of materials used, labor or service cost or any
2 other expense whatsoever, but does not include interest or
3 finance charges which appear as separate items on the bill of
4 sale or sales contract nor charges that are added to prices by
5 sellers on account of the seller's duty to collect, from the
6 purchaser, the tax that is imposed by this Act.

7 "Department" means the Department of Revenue.

8 "Person" means any natural individual, firm, partnership,
9 association, joint stock company, joint venture, public or
10 private corporation, limited liability company, and any
11 receiver, executor, trustee, guardian or other representative
12 appointed by order of any court.

13 "Sale of service" means any transaction except:

14 (1) a retail sale of tangible personal property taxable
15 under the Retailers' Occupation Tax Act or under the Use
16 Tax Act.

17 (2) a sale of tangible personal property for the
18 purpose of resale made in compliance with Section 2c of the
19 Retailers' Occupation Tax Act.

20 (3) except as hereinafter provided, a sale or transfer
21 of tangible personal property as an incident to the
22 rendering of service for or by any governmental body, or
23 for or by any corporation, society, association,
24 foundation or institution organized and operated
25 exclusively for charitable, religious or educational
26 purposes or any not-for-profit corporation, society,

1 association, foundation, institution or organization which
2 has no compensated officers or employees and which is
3 organized and operated primarily for the recreation of
4 persons 55 years of age or older. A limited liability
5 company may qualify for the exemption under this paragraph
6 only if the limited liability company is organized and
7 operated exclusively for educational purposes. A hospital
8 as defined in the Tax-Exempt Hospital Responsibility Act
9 may qualify for the exemption under this paragraph only if
10 it is in compliance with that Act.

11 (4) a sale or transfer of tangible personal property as
12 an incident to the rendering of service for interstate
13 carriers for hire for use as rolling stock moving in
14 interstate commerce or by lessors under a lease of one year
15 or longer, executed or in effect at the time of purchase of
16 personal property, to interstate carriers for hire for use
17 as rolling stock moving in interstate commerce so long as
18 so used by such interstate carriers for hire, and equipment
19 operated by a telecommunications provider, licensed as a
20 common carrier by the Federal Communications Commission,
21 which is permanently installed in or affixed to aircraft
22 moving in interstate commerce.

23 (4a) a sale or transfer of tangible personal property
24 as an incident to the rendering of service for owners,
25 lessors, or shippers of tangible personal property which is
26 utilized by interstate carriers for hire for use as rolling

1 stock moving in interstate commerce so long as so used by
2 interstate carriers for hire, and equipment operated by a
3 telecommunications provider, licensed as a common carrier
4 by the Federal Communications Commission, which is
5 permanently installed in or affixed to aircraft moving in
6 interstate commerce.

7 (4a-5) on and after July 1, 2003 and through June 30,
8 2004, a sale or transfer of a motor vehicle of the second
9 division with a gross vehicle weight in excess of 8,000
10 pounds as an incident to the rendering of service if that
11 motor vehicle is subject to the commercial distribution fee
12 imposed under Section 3-815.1 of the Illinois Vehicle Code.
13 Beginning on July 1, 2004 and through June 30, 2005, the
14 use in this State of motor vehicles of the second division:
15 (i) with a gross vehicle weight rating in excess of 8,000
16 pounds; (ii) that are subject to the commercial
17 distribution fee imposed under Section 3-815.1 of the
18 Illinois Vehicle Code; and (iii) that are primarily used
19 for commercial purposes. Through June 30, 2005, this
20 exemption applies to repair and replacement parts added
21 after the initial purchase of such a motor vehicle if that
22 motor vehicle is used in a manner that would qualify for
23 the rolling stock exemption otherwise provided for in this
24 Act. For purposes of this paragraph, "used for commercial
25 purposes" means the transportation of persons or property
26 in furtherance of any commercial or industrial enterprise

1 whether for-hire or not.

2 (5) a sale or transfer of machinery and equipment used
3 primarily in the process of the manufacturing or
4 assembling, either in an existing, an expanded or a new
5 manufacturing facility, of tangible personal property for
6 wholesale or retail sale or lease, whether such sale or
7 lease is made directly by the manufacturer or by some other
8 person, whether the materials used in the process are owned
9 by the manufacturer or some other person, or whether such
10 sale or lease is made apart from or as an incident to the
11 seller's engaging in a service occupation and the
12 applicable tax is a Service Use Tax or Service Occupation
13 Tax, rather than Use Tax or Retailers' Occupation Tax.

14 (5a) the repairing, reconditioning or remodeling, for
15 a common carrier by rail, of tangible personal property
16 which belongs to such carrier for hire, and as to which
17 such carrier receives the physical possession of the
18 repaired, reconditioned or remodeled item of tangible
19 personal property in Illinois, and which such carrier
20 transports, or shares with another common carrier in the
21 transportation of such property, out of Illinois on a
22 standard uniform bill of lading showing the person who
23 repaired, reconditioned or remodeled the property to a
24 destination outside Illinois, for use outside Illinois.

25 (5b) a sale or transfer of tangible personal property
26 which is produced by the seller thereof on special order in

1 such a way as to have made the applicable tax the Service
2 Occupation Tax or the Service Use Tax, rather than the
3 Retailers' Occupation Tax or the Use Tax, for an interstate
4 carrier by rail which receives the physical possession of
5 such property in Illinois, and which transports such
6 property, or shares with another common carrier in the
7 transportation of such property, out of Illinois on a
8 standard uniform bill of lading showing the seller of the
9 property as the shipper or consignor of such property to a
10 destination outside Illinois, for use outside Illinois.

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

19 (7) at the election of any serviceman not required to
20 be otherwise registered as a retailer under Section 2a of
21 the Retailers' Occupation Tax Act, made for each fiscal
22 year sales of service in which the aggregate annual cost
23 price of tangible personal property transferred as an
24 incident to the sales of service is less than 35%, or 75%
25 in the case of servicemen transferring prescription drugs
26 or servicemen engaged in graphic arts production, of the

1 aggregate annual total gross receipts from all sales of
2 service. The purchase of such tangible personal property by
3 the serviceman shall be subject to tax under the Retailers'
4 Occupation Tax Act and the Use Tax Act. However, if a
5 primary serviceman who has made the election described in
6 this paragraph subcontracts service work to a secondary
7 serviceman who has also made the election described in this
8 paragraph, the primary serviceman does not incur a Use Tax
9 liability if the secondary serviceman (i) has paid or will
10 pay Use Tax on his or her cost price of any tangible
11 personal property transferred to the primary serviceman
12 and (ii) certifies that fact in writing to the primary
13 serviceman.

14 Tangible personal property transferred incident to the
15 completion of a maintenance agreement is exempt from the tax
16 imposed pursuant to this Act.

17 Exemption (5) also includes machinery and equipment used in
18 the general maintenance or repair of such exempt machinery and
19 equipment or for in-house manufacture of exempt machinery and
20 equipment. For the purposes of exemption (5), each of these
21 terms shall have the following meanings: (1) "manufacturing
22 process" shall mean the production of any article of tangible
23 personal property, whether such article is a finished product
24 or an article for use in the process of manufacturing or
25 assembling a different article of tangible personal property,
26 by procedures commonly regarded as manufacturing, processing,

1 fabricating, or refining which changes some existing material
2 or materials into a material with a different form, use or
3 name. In relation to a recognized integrated business composed
4 of a series of operations which collectively constitute
5 manufacturing, or individually constitute manufacturing
6 operations, the manufacturing process shall be deemed to
7 commence with the first operation or stage of production in the
8 series, and shall not be deemed to end until the completion of
9 the final product in the last operation or stage of production
10 in the series; and further, for purposes of exemption (5),
11 photoprocessing is deemed to be a manufacturing process of
12 tangible personal property for wholesale or retail sale; (2)
13 "assembling process" shall mean the production of any article
14 of tangible personal property, whether such article is a
15 finished product or an article for use in the process of
16 manufacturing or assembling a different article of tangible
17 personal property, by the combination of existing materials in
18 a manner commonly regarded as assembling which results in a
19 material of a different form, use or name; (3) "machinery"
20 shall mean major mechanical machines or major components of
21 such machines contributing to a manufacturing or assembling
22 process; and (4) "equipment" shall include any independent
23 device or tool separate from any machinery but essential to an
24 integrated manufacturing or assembly process; including
25 computers used primarily in a manufacturer's computer assisted
26 design, computer assisted manufacturing (CAD/CAM) system; or

1 any subunit or assembly comprising a component of any machinery
2 or auxiliary, adjunct or attachment parts of machinery, such as
3 tools, dies, jigs, fixtures, patterns and molds; or any parts
4 which require periodic replacement in the course of normal
5 operation; but shall not include hand tools. Equipment includes
6 chemicals or chemicals acting as catalysts but only if the
7 chemicals or chemicals acting as catalysts effect a direct and
8 immediate change upon a product being manufactured or assembled
9 for wholesale or retail sale or lease. The purchaser of such
10 machinery and equipment who has an active resale registration
11 number shall furnish such number to the seller at the time of
12 purchase. The user of such machinery and equipment and tools
13 without an active resale registration number shall prepare a
14 certificate of exemption for each transaction stating facts
15 establishing the exemption for that transaction, which
16 certificate shall be available to the Department for inspection
17 or audit. The Department shall prescribe the form of the
18 certificate.

19 Any informal rulings, opinions or letters issued by the
20 Department in response to an inquiry or request for any opinion
21 from any person regarding the coverage and applicability of
22 exemption (5) to specific devices shall be published,
23 maintained as a public record, and made available for public
24 inspection and copying. If the informal ruling, opinion or
25 letter contains trade secrets or other confidential
26 information, where possible the Department shall delete such

1 information prior to publication. Whenever such informal
2 rulings, opinions, or letters contain any policy of general
3 applicability, the Department shall formulate and adopt such
4 policy as a rule in accordance with the provisions of the
5 Illinois Administrative Procedure Act.

6 On and after July 1, 1987, no entity otherwise eligible
7 under exemption (3) of this Section shall make tax free
8 purchases unless it has an active exemption identification
9 number issued by the Department.

10 The purchase, employment and transfer of such tangible
11 personal property as newsprint and ink for the primary purpose
12 of conveying news (with or without other information) is not a
13 purchase, use or sale of service or of tangible personal
14 property within the meaning of this Act.

15 "Serviceman" means any person who is engaged in the
16 occupation of making sales of service.

17 "Sale at retail" means "sale at retail" as defined in the
18 Retailers' Occupation Tax Act.

19 "Supplier" means any person who makes sales of tangible
20 personal property to servicemen for the purpose of resale as an
21 incident to a sale of service.

22 "Serviceman maintaining a place of business in this State",
23 or any like term, means and includes any serviceman:

24 1. having or maintaining within this State, directly or
25 by a subsidiary, an office, distribution house, sales
26 house, warehouse or other place of business, or any agent

1 or other representative operating within this State under
2 the authority of the serviceman or its subsidiary,
3 irrespective of whether such place of business or agent or
4 other representative is located here permanently or
5 temporarily, or whether such serviceman or subsidiary is
6 licensed to do business in this State;

7 1.1. beginning July 1, 2011, having a contract with a
8 person located in this State under which the person, for a
9 commission or other consideration based on the sale of
10 service by the serviceman, directly or indirectly refers
11 potential customers to the serviceman by a link on the
12 person's Internet website. The provisions of this
13 paragraph 1.1 shall apply only if the cumulative gross
14 receipts from sales of service by the serviceman to
15 customers who are referred to the serviceman by all persons
16 in this State under such contracts exceed \$10,000 during
17 the preceding 4 quarterly periods ending on the last day of
18 March, June, September, and December;

19 1.2. beginning July 1, 2011, having a contract with a
20 person located in this State under which:

21 A. the serviceman sells the same or substantially
22 similar line of services as the person located in this
23 State and does so using an identical or substantially
24 similar name, trade name, or trademark as the person
25 located in this State; and

26 B. the serviceman provides a commission or other

1 consideration to the person located in this State based
2 upon the sale of services by the serviceman.

3 The provisions of this paragraph 1.2 shall apply only if
4 the cumulative gross receipts from sales of service by the
5 serviceman to customers in this State under all such
6 contracts exceed \$10,000 during the preceding 4 quarterly
7 periods ending on the last day of March, June, September,
8 and December;

9 2. soliciting orders for tangible personal property by
10 means of a telecommunication or television shopping system
11 (which utilizes toll free numbers) which is intended by the
12 retailer to be broadcast by cable television or other means
13 of broadcasting, to consumers located in this State;

14 3. pursuant to a contract with a broadcaster or
15 publisher located in this State, soliciting orders for
16 tangible personal property by means of advertising which is
17 disseminated primarily to consumers located in this State
18 and only secondarily to bordering jurisdictions;

19 4. soliciting orders for tangible personal property by
20 mail if the solicitations are substantial and recurring and
21 if the retailer benefits from any banking, financing, debt
22 collection, telecommunication, or marketing activities
23 occurring in this State or benefits from the location in
24 this State of authorized installation, servicing, or
25 repair facilities;

26 5. being owned or controlled by the same interests

1 which own or control any retailer engaging in business in
2 the same or similar line of business in this State;

3 6. having a franchisee or licensee operating under its
4 trade name if the franchisee or licensee is required to
5 collect the tax under this Section;

6 7. pursuant to a contract with a cable television
7 operator located in this State, soliciting orders for
8 tangible personal property by means of advertising which is
9 transmitted or distributed over a cable television system
10 in this State; or

11 8. engaging in activities in Illinois, which
12 activities in the state in which the supply business
13 engaging in such activities is located would constitute
14 maintaining a place of business in that state.

15 (Source: P.A. 96-1544, eff. 3-10-11.)

16 Section 920. The Service Occupation Tax Act is amended by
17 changing Section 2 as follows:

18 (35 ILCS 115/2) (from Ch. 120, par. 439.102)

19 Sec. 2. "Transfer" means any transfer of the title to
20 property or of the ownership of property whether or not the
21 transferor retains title as security for the payment of amounts
22 due him from the transferee.

23 "Cost Price" means the consideration paid by the serviceman
24 for a purchase valued in money, whether paid in money or

1 otherwise, including cash, credits and services, and shall be
2 determined without any deduction on account of the supplier's
3 cost of the property sold or on account of any other expense
4 incurred by the supplier. When a serviceman contracts out part
5 or all of the services required in his sale of service, it
6 shall be presumed that the cost price to the serviceman of the
7 property transferred to him by his or her subcontractor is
8 equal to 50% of the subcontractor's charges to the serviceman
9 in the absence of proof of the consideration paid by the
10 subcontractor for the purchase of such property.

11 "Department" means the Department of Revenue.

12 "Person" means any natural individual, firm, partnership,
13 association, joint stock company, joint venture, public or
14 private corporation, limited liability company, and any
15 receiver, executor, trustee, guardian or other representative
16 appointed by order of any court.

17 "Sale of Service" means any transaction except:

18 (a) A retail sale of tangible personal property taxable
19 under the Retailers' Occupation Tax Act or under the Use Tax
20 Act.

21 (b) A sale of tangible personal property for the purpose of
22 resale made in compliance with Section 2c of the Retailers'
23 Occupation Tax Act.

24 (c) Except as hereinafter provided, a sale or transfer of
25 tangible personal property as an incident to the rendering of
26 service for or by any governmental body or for or by any

1 corporation, society, association, foundation or institution
2 organized and operated exclusively for charitable, religious
3 or educational purposes or any not-for-profit corporation,
4 society, association, foundation, institution or organization
5 which has no compensated officers or employees and which is
6 organized and operated primarily for the recreation of persons
7 55 years of age or older. A limited liability company may
8 qualify for the exemption under this paragraph only if the
9 limited liability company is organized and operated
10 exclusively for educational purposes. A hospital as defined in
11 the Tax-Exempt Hospital Responsibility Act may qualify for the
12 exemption under this paragraph only if it is in compliance with
13 that Act.

14 (d) A sale or transfer of tangible personal property as an
15 incident to the rendering of service for interstate carriers
16 for hire for use as rolling stock moving in interstate commerce
17 or lessors under leases of one year or longer, executed or in
18 effect at the time of purchase, to interstate carriers for hire
19 for use as rolling stock moving in interstate commerce, and
20 equipment operated by a telecommunications provider, licensed
21 as a common carrier by the Federal Communications Commission,
22 which is permanently installed in or affixed to aircraft moving
23 in interstate commerce.

24 (d-1) A sale or transfer of tangible personal property as
25 an incident to the rendering of service for owners, lessors or
26 shippers of tangible personal property which is utilized by

1 interstate carriers for hire for use as rolling stock moving in
2 interstate commerce, and equipment operated by a
3 telecommunications provider, licensed as a common carrier by
4 the Federal Communications Commission, which is permanently
5 installed in or affixed to aircraft moving in interstate
6 commerce.

7 (d-1.1) On and after July 1, 2003 and through June 30,
8 2004, a sale or transfer of a motor vehicle of the second
9 division with a gross vehicle weight in excess of 8,000 pounds
10 as an incident to the rendering of service if that motor
11 vehicle is subject to the commercial distribution fee imposed
12 under Section 3-815.1 of the Illinois Vehicle Code. Beginning
13 on July 1, 2004 and through June 30, 2005, the use in this
14 State of motor vehicles of the second division: (i) with a
15 gross vehicle weight rating in excess of 8,000 pounds; (ii)
16 that are subject to the commercial distribution fee imposed
17 under Section 3-815.1 of the Illinois Vehicle Code; and (iii)
18 that are primarily used for commercial purposes. Through June
19 30, 2005, this exemption applies to repair and replacement
20 parts added after the initial purchase of such a motor vehicle
21 if that motor vehicle is used in a manner that would qualify
22 for the rolling stock exemption otherwise provided for in this
23 Act. For purposes of this paragraph, "used for commercial
24 purposes" means the transportation of persons or property in
25 furtherance of any commercial or industrial enterprise whether
26 for-hire or not.

1 (d-2) The repairing, reconditioning or remodeling, for a
2 common carrier by rail, of tangible personal property which
3 belongs to such carrier for hire, and as to which such carrier
4 receives the physical possession of the repaired,
5 reconditioned or remodeled item of tangible personal property
6 in Illinois, and which such carrier transports, or shares with
7 another common carrier in the transportation of such property,
8 out of Illinois on a standard uniform bill of lading showing
9 the person who repaired, reconditioned or remodeled the
10 property as the shipper or consignor of such property to a
11 destination outside Illinois, for use outside Illinois.

12 (d-3) A sale or transfer of tangible personal property
13 which is produced by the seller thereof on special order in
14 such a way as to have made the applicable tax the Service
15 Occupation Tax or the Service Use Tax, rather than the
16 Retailers' Occupation Tax or the Use Tax, for an interstate
17 carrier by rail which receives the physical possession of such
18 property in Illinois, and which transports such property, or
19 shares with another common carrier in the transportation of
20 such property, out of Illinois on a standard uniform bill of
21 lading showing the seller of the property as the shipper or
22 consignor of such property to a destination outside Illinois,
23 for use outside Illinois.

24 (d-4) Until January 1, 1997, a sale, by a registered
25 serviceman paying tax under this Act to the Department, of
26 special order printed materials delivered outside Illinois and

1 which are not returned to this State, if delivery is made by
2 the seller or agent of the seller, including an agent who
3 causes the product to be delivered outside Illinois by a common
4 carrier or the U.S. postal service.

5 (e) A sale or transfer of machinery and equipment used
6 primarily in the process of the manufacturing or assembling,
7 either in an existing, an expanded or a new manufacturing
8 facility, of tangible personal property for wholesale or retail
9 sale or lease, whether such sale or lease is made directly by
10 the manufacturer or by some other person, whether the materials
11 used in the process are owned by the manufacturer or some other
12 person, or whether such sale or lease is made apart from or as
13 an incident to the seller's engaging in a service occupation
14 and the applicable tax is a Service Occupation Tax or Service
15 Use Tax, rather than Retailers' Occupation Tax or Use Tax.

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

23 (g) At the election of any serviceman not required to be
24 otherwise registered as a retailer under Section 2a of the
25 Retailers' Occupation Tax Act, made for each fiscal year sales
26 of service in which the aggregate annual cost price of tangible

1 personal property transferred as an incident to the sales of
2 service is less than 35% (75% in the case of servicemen
3 transferring prescription drugs or servicemen engaged in
4 graphic arts production) of the aggregate annual total gross
5 receipts from all sales of service. The purchase of such
6 tangible personal property by the serviceman shall be subject
7 to tax under the Retailers' Occupation Tax Act and the Use Tax
8 Act. However, if a primary serviceman who has made the election
9 described in this paragraph subcontracts service work to a
10 secondary serviceman who has also made the election described
11 in this paragraph, the primary serviceman does not incur a Use
12 Tax liability if the secondary serviceman (i) has paid or will
13 pay Use Tax on his or her cost price of any tangible personal
14 property transferred to the primary serviceman and (ii)
15 certifies that fact in writing to the primary serviceman.

16 Tangible personal property transferred incident to the
17 completion of a maintenance agreement is exempt from the tax
18 imposed pursuant to this Act.

19 Exemption (e) also includes machinery and equipment used in
20 the general maintenance or repair of such exempt machinery and
21 equipment or for in-house manufacture of exempt machinery and
22 equipment. For the purposes of exemption (e), each of these
23 terms shall have the following meanings: (1) "manufacturing
24 process" shall mean the production of any article of tangible
25 personal property, whether such article is a finished product
26 or an article for use in the process of manufacturing or

1 assembling a different article of tangible personal property,
2 by procedures commonly regarded as manufacturing, processing,
3 fabricating, or refining which changes some existing material
4 or materials into a material with a different form, use or
5 name. In relation to a recognized integrated business composed
6 of a series of operations which collectively constitute
7 manufacturing, or individually constitute manufacturing
8 operations, the manufacturing process shall be deemed to
9 commence with the first operation or stage of production in the
10 series, and shall not be deemed to end until the completion of
11 the final product in the last operation or stage of production
12 in the series; and further for purposes of exemption (e),
13 photoprocessing is deemed to be a manufacturing process of
14 tangible personal property for wholesale or retail sale; (2)
15 "assembling process" shall mean the production of any article
16 of tangible personal property, whether such article is a
17 finished product or an article for use in the process of
18 manufacturing or assembling a different article of tangible
19 personal property, by the combination of existing materials in
20 a manner commonly regarded as assembling which results in a
21 material of a different form, use or name; (3) "machinery"
22 shall mean major mechanical machines or major components of
23 such machines contributing to a manufacturing or assembling
24 process; and (4) "equipment" shall include any independent
25 device or tool separate from any machinery but essential to an
26 integrated manufacturing or assembly process; including

1 computers used primarily in a manufacturer's computer assisted
2 design, computer assisted manufacturing (CAD/CAM) system; or
3 any subunit or assembly comprising a component of any machinery
4 or auxiliary, adjunct or attachment parts of machinery, such as
5 tools, dies, jigs, fixtures, patterns and molds; or any parts
6 which require periodic replacement in the course of normal
7 operation; but shall not include hand tools. Equipment includes
8 chemicals or chemicals acting as catalysts but only if the
9 chemicals or chemicals acting as catalysts effect a direct and
10 immediate change upon a product being manufactured or assembled
11 for wholesale or retail sale or lease. The purchaser of such
12 machinery and equipment who has an active resale registration
13 number shall furnish such number to the seller at the time of
14 purchase. The purchaser of such machinery and equipment and
15 tools without an active resale registration number shall
16 furnish to the seller a certificate of exemption for each
17 transaction stating facts establishing the exemption for that
18 transaction, which certificate shall be available to the
19 Department for inspection or audit.

20 Except as provided in Section 2d of this Act, the rolling
21 stock exemption applies to rolling stock used by an interstate
22 carrier for hire, even just between points in Illinois, if such
23 rolling stock transports, for hire, persons whose journeys or
24 property whose shipments originate or terminate outside
25 Illinois.

26 Any informal rulings, opinions or letters issued by the

1 Department in response to an inquiry or request for any opinion
2 from any person regarding the coverage and applicability of
3 exemption (e) to specific devices shall be published,
4 maintained as a public record, and made available for public
5 inspection and copying. If the informal ruling, opinion or
6 letter contains trade secrets or other confidential
7 information, where possible the Department shall delete such
8 information prior to publication. Whenever such informal
9 rulings, opinions, or letters contain any policy of general
10 applicability, the Department shall formulate and adopt such
11 policy as a rule in accordance with the provisions of the
12 Illinois Administrative Procedure Act.

13 On and after July 1, 1987, no entity otherwise eligible
14 under exemption (c) of this Section shall make tax free
15 purchases unless it has an active exemption identification
16 number issued by the Department.

17 "Serviceman" means any person who is engaged in the
18 occupation of making sales of service.

19 "Sale at Retail" means "sale at retail" as defined in the
20 Retailers' Occupation Tax Act.

21 "Supplier" means any person who makes sales of tangible
22 personal property to servicemen for the purpose of resale as an
23 incident to a sale of service.

24 (Source: P.A. 92-484, eff. 8-23-01; 93-23, eff. 6-20-03; 93-24,
25 eff. 6-20-03; 93-1033, eff. 9-3-04.)

1 Section 925. The Retailers' Occupation Tax Act is amended
2 by changing Section 2-5 as follows:

3 (35 ILCS 120/2-5)

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

7 (1) Farm chemicals.

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

1 tender is separately stated.

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

10 Farm machinery and equipment also includes computers,
11 sensors, software, and related equipment used primarily in the
12 computer-assisted operation of production agriculture
13 facilities, equipment, and activities such as, but not limited
14 to, the collection, monitoring, and correlation of animal and
15 crop data for the purpose of formulating animal diets and
16 agricultural chemicals. This item (2) ~~(7)~~ is exempt from the
17 provisions of Section 2-70.

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

24 (4) Until July 1, 2003 and beginning again September 1,
25 2004 through August 30, 2014, graphic arts machinery and
26 equipment, including repair and replacement parts, both new and

1 used, and including that manufactured on special order or
2 purchased for lease, certified by the purchaser to be used
3 primarily for graphic arts production. Equipment includes
4 chemicals or chemicals acting as catalysts but only if the
5 chemicals or chemicals acting as catalysts effect a direct and
6 immediate change upon a graphic arts product.

7 (5) A motor vehicle of the first division, a motor vehicle
8 of the second division that is a self contained motor vehicle
9 designed or permanently converted to provide living quarters
10 for recreational, camping, or travel use, with direct walk
11 through access to the living quarters from the driver's seat,
12 or a motor vehicle of the second division that is of the van
13 configuration designed for the transportation of not less than
14 7 nor more than 16 passengers, as defined in Section 1-146 of
15 the Illinois Vehicle Code, that is used for automobile renting,
16 as defined in the Automobile Renting Occupation and Use Tax
17 Act. This paragraph is exempt from the provisions of Section
18 2-70.

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

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

25 (8) Personal property sold to an Illinois county fair
26 association for use in conducting, operating, or promoting the

1 county fair.

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

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

24 (11) Personal property sold to a governmental body, to a
25 corporation, society, association, foundation, or institution
26 organized and operated exclusively for charitable, religious,

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

15 (12) Tangible personal property sold to interstate
16 carriers for hire for use as rolling stock moving in interstate
17 commerce or to lessors under leases of one year or longer
18 executed or in effect at the time of purchase by interstate
19 carriers for hire for use as rolling stock moving in interstate
20 commerce and equipment operated by a telecommunications
21 provider, licensed as a common carrier by the Federal
22 Communications Commission, which is permanently installed in
23 or affixed to aircraft moving in interstate commerce.

24 (12-5) On and after July 1, 2003 and through June 30, 2004,
25 motor vehicles of the second division with a gross vehicle
26 weight in excess of 8,000 pounds that are subject to the

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

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

23 (14) Machinery and equipment that will be used by the
24 purchaser, or a lessee of the purchaser, primarily in the
25 process of manufacturing or assembling tangible personal
26 property for wholesale or retail sale or lease, whether the

1 sale or lease is made directly by the manufacturer or by some
2 other person, whether the materials used in the process are
3 owned by the manufacturer or some other person, or whether the
4 sale or lease is made apart from or as an incident to the
5 seller's engaging in the service occupation of producing
6 machines, tools, dies, jigs, patterns, gauges, or other similar
7 items of no commercial value on special order for a particular
8 purchaser.

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

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

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

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

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

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

19 (21) Until July 1, 2003, coal exploration, mining,
20 offhighway hauling, processing, maintenance, and reclamation
21 equipment, including replacement parts and equipment, and
22 including equipment purchased for lease, but excluding motor
23 vehicles required to be registered under the Illinois Vehicle
24 Code.

25 (22) Fuel and petroleum products sold to or used by an air
26 carrier, certified by the carrier to be used for consumption,

1 shipment, or storage in the conduct of its business as an air
2 common carrier, for a flight destined for or returning from a
3 location or locations outside the United States without regard
4 to previous or subsequent domestic stopovers.

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

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

15 (25) Except as provided in item (25-5) of this Section, a
16 motor vehicle sold in this State to a nonresident even though
17 the motor vehicle is delivered to the nonresident in this
18 State, if the motor vehicle is not to be titled in this State,
19 and if a drive-away permit is issued to the motor vehicle as
20 provided in Section 3-603 of the Illinois Vehicle Code or if
21 the nonresident purchaser has vehicle registration plates to
22 transfer to the motor vehicle upon returning to his or her home
23 state. The issuance of the drive-away permit or having the
24 out-of-state registration plates to be transferred is prima
25 facie evidence that the motor vehicle will not be titled in
26 this State.

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

1 distributed as if the tax were collected at the 6.25% general
2 rate imposed under this Act.

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

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

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

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

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

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 "Registered in this State" means an aircraft registered
5 with the Department of Transportation, Aeronautics Division,
6 or titled or registered with the Federal Aviation
7 Administration to an address located in this State.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (35-5) Beginning August 23, 2001 and through June 30, 2011,
2 food for human consumption that is to be consumed off the
3 premises where it is sold (other than alcoholic beverages, soft
4 drinks, and food that has been prepared for immediate
5 consumption) and prescription and nonprescription medicines,
6 drugs, medical appliances, and insulin, urine testing
7 materials, syringes, and needles used by diabetics, for human
8 use, when purchased for use by a person receiving medical
9 assistance under Article V of the Illinois Public Aid Code who
10 resides in a licensed long-term care facility, as defined in
11 the Nursing Home Care Act, or a licensed facility as defined in
12 the ID/DD Community Care Act or the Specialized Mental Health
13 Rehabilitation Act.

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

23 (37) Beginning August 2, 2001, personal property sold to a
24 lessor who leases the property, under a lease of one year or
25 longer executed or in effect at the time of the purchase, to a
26 governmental body that has been issued an active tax exemption

1 identification number by the Department under Section 1g of
2 this Act. This paragraph is exempt from the provisions of
3 Section 2-70.

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

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

8 (40) Beginning January 1, 2010, materials, parts,
9 equipment, components, and furnishings incorporated into or
10 upon an aircraft as part of the modification, refurbishment,
11 completion, replacement, repair, or maintenance of the
12 aircraft. This exemption includes consumable supplies used in
13 the modification, refurbishment, completion, replacement,
14 repair, and maintenance of aircraft, but excludes any
15 materials, parts, equipment, components, and consumable
16 supplies used in the modification, replacement, repair, and
17 maintenance of aircraft engines or power plants, whether such
18 engines or power plants are installed or uninstalled upon any
19 such aircraft. "Consumable supplies" include, but are not
20 limited to, adhesive, tape, sandpaper, general purpose
21 lubricants, cleaning solution, latex gloves, and protective
22 films. This exemption applies only to those organizations that
23 (i) hold an Air Agency Certificate and are empowered to operate
24 an approved repair station by the Federal Aviation
25 Administration, (ii) have a Class IV Rating, and (iii) conduct
26 operations in accordance with Part 145 of the Federal Aviation

1 Regulations. The exemption does not include aircraft operated
2 by a commercial air carrier providing scheduled passenger air
3 service pursuant to authority issued under Part 121 or Part 129
4 of the Federal Aviation Regulations.

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

19 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;
20 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.
21 7-2-10; 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227, eff.
22 1-1-12; 97-431, eff. 8-16-11; revised 9-12-11.)

23 Section 930. The Property Tax Code is amended by changing
24 Section 15-65 as follows:

1 (35 ILCS 200/15-65)

2 Sec. 15-65. Charitable purposes. All property of the
3 following is exempt when actually and exclusively used for
4 charitable or beneficent purposes, and not leased or otherwise
5 used with a view to profit:

6 (a) Institutions of public charity.

7 (b) Beneficent and charitable organizations
8 incorporated in any state of the United States, including
9 organizations whose owner, and no other person, uses the
10 property exclusively for the distribution, sale, or resale
11 of donated goods and related activities and uses all the
12 income from those activities to support the charitable,
13 religious or beneficent activities of the owner, whether or
14 not such activities occur on the property.

15 (c) Old people's homes, facilities for persons with a
16 developmental disability, and not-for-profit organizations
17 providing services or facilities related to the goals of
18 educational, social and physical development, if, upon
19 making application for the exemption, the applicant
20 provides affirmative evidence that the home or facility or
21 organization is an exempt organization under paragraph (3)
22 of Section 501(c) of the Internal Revenue Code or its
23 successor, and either: (i) the bylaws of the home or
24 facility or not-for-profit organization provide for a
25 waiver or reduction, based on an individual's ability to
26 pay, of any entrance fee, assignment of assets, or fee for

1 services, or (ii) the home or facility is qualified, built
2 or financed under Section 202 of the National Housing Act
3 of 1959, as amended.

4 An applicant that has been granted an exemption under
5 this subsection on the basis that its bylaws provide for a
6 waiver or reduction, based on an individual's ability to
7 pay, of any entrance fee, assignment of assets, or fee for
8 services may be periodically reviewed by the Department to
9 determine if the waiver or reduction was a past policy or
10 is a current policy. The Department may revoke the
11 exemption if it finds that the policy for waiver or
12 reduction is no longer current.

13 If a not-for-profit organization leases property that
14 is otherwise exempt under this subsection to an
15 organization that conducts an activity on the leased
16 premises that would entitle the lessee to an exemption from
17 real estate taxes if the lessee were the owner of the
18 property, then the leased property is exempt.

19 (d) Not-for-profit health maintenance organizations
20 certified by the Director of the Illinois Department of
21 Insurance under the Health Maintenance Organization Act,
22 including any health maintenance organization that
23 provides services to members at prepaid rates approved by
24 the Illinois Department of Insurance if the membership of
25 the organization is sufficiently large or of indefinite
26 classes so that the community is benefited by its

1 operation. No exemption shall apply to any hospital or
2 health maintenance organization which has been adjudicated
3 by a court of competent jurisdiction to have denied
4 admission to any person because of race, color, creed, sex
5 or national origin.

6 (e) All free public libraries.

7 (f) Historical societies.

8 Property otherwise qualifying for an exemption under this
9 Section shall not lose its exemption because the legal title is
10 held (i) by an entity that is organized solely to hold that
11 title and that qualifies under paragraph (2) of Section 501(c)
12 of the Internal Revenue Code or its successor, whether or not
13 that entity receives rent from the charitable organization for
14 the repair and maintenance of the property, (ii) by an entity
15 that is organized as a partnership or limited liability
16 company, in which the charitable organization, or an affiliate
17 or subsidiary of the charitable organization, is a general
18 partner of the partnership or managing member of the limited
19 liability company, for the purposes of owning and operating a
20 residential rental property that has received an allocation of
21 Low Income Housing Tax Credits for 100% of the dwelling units
22 under Section 42 of the Internal Revenue Code of 1986, as
23 amended, or (iii) for any assessment year including and
24 subsequent to January 1, 1996 for which an application for
25 exemption has been filed and a decision on which has not become
26 final and nonappealable, by a limited liability company

1 organized under the Limited Liability Company Act provided that
2 (A) the limited liability company's sole member or members, as
3 that term is used in Section 1-5 of the Limited Liability
4 Company Act, are the institutions of public charity that
5 actually and exclusively use the property for charitable and
6 beneficent purposes; (B) the limited liability company is a
7 disregarded entity for federal and Illinois income tax purposes
8 and, as a result, the limited liability company is deemed
9 exempt from income tax liability by virtue of the Internal
10 Revenue Code Section 501(c)(3) status of its sole member or
11 members; and (C) the limited liability company does not lease
12 the property or otherwise use it with a view to profit. A
13 hospital as defined in the Tax-Exempt Hospital Responsibility
14 Act may qualify for the exemption under this Section only if it
15 is in compliance with that Act.

16 (Source: P.A. 96-763, eff. 8-25-09.)

17 Section 935. The Community Benefits Act is amended by
18 changing Sections 5, 10, 15, 20, and 25 and by adding Section
19 45 as follows:

20 (210 ILCS 76/5)

21 Sec. 5. Applicability. This Act does not apply to a
22 hospital operated by a unit of government, ~~a hospital located~~
23 ~~outside of a metropolitan statistical area, or a hospital with~~
24 ~~100 or fewer beds. Hospitals that are owned or operated by or~~

1 ~~affiliated with a health system shall be deemed to be in~~
2 ~~compliance with this Act if the health system has met the~~
3 ~~requirements of this Act. Each hospital owned or operated by or~~
4 ~~affiliated with a health system must demonstrate compliance~~
5 ~~separately from any other hospital owned or operated by or~~
6 ~~affiliated with the health system.~~

7 (Source: P.A. 93-480, eff. 8-8-03.)

8 (210 ILCS 76/10)

9 Sec. 10. Definitions. As used in this Act:

10 "Charity care" means charity care as defined in the
11 Tax-Exempt Hospital Responsibility Act ~~care provided by a~~
12 ~~health care provider for which the provider does not expect to~~
13 ~~receive payment from the patient or a third party payer.~~

14 "Community benefits" means the unreimbursed cost to a
15 hospital or health system of providing charity care, language
16 assistant services, government-sponsored indigent health care,
17 donations, volunteer services, education, government-sponsored
18 program services, research, and subsidized health services and
19 collecting bad debts. "Community benefits" does not include the
20 cost of paying any taxes or other governmental assessments.

21 "Government sponsored indigent health care" means the
22 ~~unreimbursed~~ cost to a hospital or health system of Medicare,
23 providing health care services to recipients of Medicaid, and
24 other federal, State, or local indigent health care programs,
25 eligibility for which is based on financial need.

1 "Health system" means an entity that owns or operates at
2 least one hospital.

3 "Nonprofit hospital" means a hospital that is organized as
4 a not-for-profit ~~nonprofit~~ corporation, including religious
5 organizations, or a charitable trust under Illinois law or the
6 laws of any other state or country.

7 "Subsidized health services" means those services provided
8 by a hospital in response to community needs for which the
9 reimbursement is less than the hospital's cost of providing the
10 services that must be subsidized by other hospital or nonprofit
11 supporting entity revenue sources. "Subsidized health
12 services" includes, but is not limited to, emergency and trauma
13 care, neonatal intensive care, community health clinics, and
14 collaborative efforts with local government or private
15 agencies to prevent illness and improve wellness, such as
16 immunization programs.

17 (Source: P.A. 93-480, eff. 8-8-03.)

18 (210 ILCS 76/15)

19 Sec. 15. Organizational mission statement; community
20 benefits plan. A nonprofit hospital must ~~shall~~ develop:

21 (1) an organizational mission statement that
22 identifies the hospital's commitment to serving the health
23 care needs of the community; and

24 (2) a community benefits plan defined as an operational
25 plan for serving the community's health care needs that:

1 (A) sets out goals and objectives for providing
2 community benefits that include charity care and
3 government sponsored indigent health care; and

4 (B) identifies the populations and communities
5 served by the hospital.

6 (Source: P.A. 93-480, eff. 8-8-03.)

7 (210 ILCS 76/20)

8 Sec. 20. Annual charity care report and ~~for~~ community
9 benefits report plan.

10 (a) Each nonprofit hospital must ~~shall~~ prepare an annual
11 charity care report in accordance with Section 30 of the
12 Tax-Exempt Hospital Responsibility Act and an annual report of
13 its ~~the~~ community benefits plan. The annual report of the
14 community benefits plan must include, in addition to the
15 community benefits plan itself, all of the following background
16 information:

17 (1) The hospital's mission statement.

18 (2) A disclosure of the health care needs of the
19 community that were considered in developing the
20 hospital's community benefits plan.

21 (3) A disclosure of the amount and types of community
22 benefits actually provided, including charity care.
23 Charity care must be reported separate from other community
24 benefits as part of the annual charity care report. In
25 reporting charity care, the hospital must report the actual

1 cost of services provided, based on the total cost to
2 charge ratio derived from the hospital's Medicare cost
3 report (CMS 2552-96 Worksheet C, Part 1, PPS Inpatient
4 Ratios), not the charges for the services. The filing of an
5 annual charity care report under Section 30 of the
6 Tax-Exempt Hospital Responsibility Act shall satisfy a
7 nonprofit hospital's charity care reporting requirements
8 under this paragraph with respect to the provision of
9 charity care.

10 (4) Audited annual financial reports for its most
11 recently completed fiscal year. Submission of a nonprofit
12 hospital's most recent set of audited financial statements
13 as part of the hospital's filing of its annual charity care
14 report, as mandated by subdivision (b) (6) of Section 30 of
15 the Tax-Exempt Hospital Responsibility Act, shall satisfy
16 the hospital's financial reporting requirements under this
17 paragraph.

18 (b) Each nonprofit hospital must ~~shall annually~~ file the
19 annual ~~a~~ report of its ~~the~~ community benefits plan with the
20 Attorney General. The report must be filed not later than the
21 last day of the sixth month after the close of the hospital's
22 fiscal year, beginning with the hospital fiscal year that ends
23 in 2004.

24 (c) Each nonprofit hospital shall prepare a statement that
25 notifies the public that the annual report of the community
26 benefits plan is:

- 1 (1) public information;
- 2 (2) filed with the Attorney General; and
- 3 (3) available to the public on request from the
- 4 Attorney General.

5 This statement shall be made available to the public.

6 (d) The obligations of a hospital under this Act, except
7 for the filing of its audited financial report, shall take
8 effect beginning with the hospital's fiscal year that begins
9 after the effective date of this Act. Within 60 days of the
10 effective date of this Act, a hospital shall file the audited
11 annual financial report that has been completed for its most
12 recently completed fiscal year. Thereafter, a hospital shall
13 include its audited annual financial report for its most
14 recently completed fiscal year in its annual report of its
15 community benefits plan.

16 (Source: P.A. 93-480, eff. 8-8-03.)

17 (210 ILCS 76/25)

18 Sec. 25. Failure to file annual report. The Attorney
19 General may assess a late filing fee against a nonprofit
20 hospital that fails to make a report of the community benefits
21 plan as required under this Act in an amount not to exceed
22 \$10,000 ~~\$100~~. The Attorney General may grant extensions for
23 good cause. No penalty may be assessed against a hospital under
24 this Section until 30 business days have elapsed after written
25 notification to the hospital of its failure to file a report.

1 (Source: P.A. 93-480, eff. 8-8-03.)

2 (210 ILCS 76/45 new)

3 Sec. 45. Attorney General's rulemaking authority. The
4 Attorney General has authority to adopt rules to implement and
5 enforce the provisions of this Act.

6 Section 995. No acceleration or delay. Where this Act makes
7 changes in a statute that is represented in this Act by text
8 that is not yet or no longer in effect (for example, a Section
9 represented by multiple versions), the use of that text does
10 not accelerate or delay the taking effect of (i) the changes
11 made by this Act or (ii) provisions derived from any other
12 Public Act.

13 Section 999. Effective date. This Act takes effect upon
14 becoming law.

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7	35 ILCS 5/205	from Ch. 120, par. 2-205
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