

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

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

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

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

19 (3) Personal property purchased by a not-for-profit arts 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

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

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

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

1 the car is subject to the Replacement Vehicle Tax.

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

12 (7) Farm chemicals.

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

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

20 (10) A motor vehicle of the first division, a motor vehicle  
21 of the second division that is a self-contained motor vehicle  
22 designed or permanently converted to provide living quarters  
23 for recreational, camping, or travel use, with direct walk  
24 through to the living quarters from the driver's seat, or a  
25 motor vehicle of the second division that is of the van  
26 configuration designed for the transportation of not less than

1 7 nor more than 16 passengers, as defined in Section 1-146 of  
2 the Illinois Vehicle Code, that is used for automobile renting,  
3 as defined in the Automobile Renting Occupation and Use Tax  
4 Act.

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

24 Farm machinery and equipment shall include precision  
25 farming equipment that is installed or purchased to be  
26 installed on farm machinery and equipment including, but not

1 limited to, tractors, harvesters, sprayers, planters, seeders,  
2 or spreaders. Precision farming equipment includes, but is not  
3 limited to, soil testing sensors, computers, monitors,  
4 software, global positioning and mapping systems, and other  
5 such equipment.

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

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

21 (13) Proceeds of mandatory service charges separately  
22 stated on customers' bills for the purchase and consumption of  
23 food and beverages purchased at retail from a retailer, to the  
24 extent that the proceeds of the service charge are in fact  
25 turned over as tips or as a substitute for tips to the  
26 employees who participate directly in preparing, serving,

1 hosting or cleaning up the food or beverage function with  
2 respect to which the service charge is imposed.

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

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

17 (16) Until July 1, 2003, and beginning again on the  
18 effective date of this amendatory Act of the 97th General  
19 Assembly and thereafter, coal and aggregate exploration,  
20 mining, offhighway hauling, processing, maintenance, and  
21 reclamation equipment, including replacement parts and  
22 equipment, and including equipment purchased for lease, but  
23 excluding motor vehicles required to be registered under the  
24 Illinois Vehicle 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, 2016,  
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 (37) Until January 1, 2015, firearm safety devices,  
10 including safes, lock boxes, trigger and barrel locks, and  
11 other items designed to enhance home firearm safety.

12 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
13 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
14 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431, eff.  
15 8-16-11; 97-636, eff. 6-1-12; 97-767, eff. 7-9-12.)

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

18 (35 ILCS 110/3-5)

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

21 (1) Personal property purchased from a corporation,  
22 society, association, foundation, institution, or  
23 organization, other than a limited liability company, that is  
24 organized and operated as a not-for-profit service enterprise

1 for the benefit of persons 65 years of age or older if the  
2 personal property was not purchased by the enterprise for the  
3 purpose of resale by the enterprise.

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

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

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

26 (5) Until July 1, 2003 and beginning again on September 1,

1 2004 through August 30, 2014, graphic arts machinery and  
2 equipment, including repair and replacement parts, both new and  
3 used, and including that manufactured on special order or  
4 purchased for lease, certified by the purchaser to be used  
5 primarily for graphic arts production. 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 graphic arts product.

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

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

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

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

13 Farm machinery and equipment also includes computers,  
14 sensors, software, and related equipment used primarily in the  
15 computer-assisted operation of production agriculture  
16 facilities, equipment, and activities such as, but not limited  
17 to, the collection, monitoring, and correlation of animal and  
18 crop data for the purpose of formulating animal diets and  
19 agricultural chemicals. This item (7) is exempt from the  
20 provisions of Section 3-75.

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

1 stopovers.

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

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

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

26 (12) Until July 1, 2003, and beginning again on the

1 effective date of this amendatory Act of the 97th General  
2 Assembly and thereafter, coal and aggregate exploration,  
3 mining, offhighway hauling, processing, maintenance, and  
4 reclamation equipment, including replacement parts and  
5 equipment, and including equipment purchased for lease, but  
6 excluding motor vehicles required to be registered under the  
7 Illinois Vehicle Code.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 coin-operated amusement and vending machines. This paragraph  
2 is exempt from the provisions of Section 3-75.

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

16 (24) Beginning on the effective date of this amendatory Act  
17 of the 92nd General Assembly, computers and communications  
18 equipment utilized for any hospital purpose and equipment used  
19 in the diagnosis, analysis, or treatment of hospital patients  
20 purchased by a lessor who leases the equipment, under a lease  
21 of one year or longer executed or in effect at the time the  
22 lessor would otherwise be subject to the tax imposed by this  
23 Act, to a hospital that has been issued an active tax exemption  
24 identification number by the Department under Section 1g of the  
25 Retailers' Occupation Tax Act. If the equipment is leased in a  
26 manner that does not qualify for this exemption or is used in

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

14 (25) Beginning on the effective date of this amendatory Act  
15 of the 92nd General Assembly, personal property purchased by a  
16 lessor who leases the property, under a lease of one year or  
17 longer executed or in effect at the time the lessor would  
18 otherwise be subject to the tax imposed by this Act, to a  
19 governmental body that has been issued an active tax exemption  
20 identification number by the Department under Section 1g of the  
21 Retailers' Occupation Tax Act. If the property is leased in a  
22 manner that does not qualify for this exemption or is used in  
23 any other nonexempt manner, the lessor shall be liable for the  
24 tax imposed under this Act or the Use Tax Act, as the case may  
25 be, based on the fair market value of the property at the time  
26 the nonqualifying use occurs. No lessor shall collect or

1 attempt to collect an amount (however designated) that purports  
2 to reimburse that lessor for the tax imposed by this Act or the  
3 Use Tax Act, as the case may be, if the tax has not been paid by  
4 the lessor. If a lessor improperly collects any such amount  
5 from the lessee, the lessee shall have a legal right to claim a  
6 refund of that amount from the lessor. If, however, that amount  
7 is not refunded to the lessee for any reason, the lessor is  
8 liable to pay that amount to the Department. This paragraph is  
9 exempt from the provisions of Section 3-75.

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

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

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

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

1 This paragraph is exempt from the provisions of Section 3-75.

2 (29) Until January 1, 2015, firearm safety devices,  
3 including safes, lock boxes, trigger and barrel locks, and  
4 other items designed to enhance home firearm safety.

5 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
6 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
7 7-2-10; 97-38, eff. 6-28-11; 97-227, eff. 1-1-12; 97-431, eff.  
8 8-16-11; 97-636, eff. 6-1-12; 97-767, eff. 7-9-12.)

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

11 (35 ILCS 115/3-5)

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

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

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

24 (3) Personal property purchased by any not-for-profit arts

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

15 (4) 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 (5) Until July 1, 2003 and beginning again on September 1,  
20 2004 through August 30, 2014, graphic arts machinery and  
21 equipment, including repair and replacement parts, both new and  
22 used, and including that manufactured on special order or  
23 purchased for lease, certified by the purchaser to be used  
24 primarily for graphic arts production. Equipment includes  
25 chemicals or chemicals acting as catalysts but only if the  
26 chemicals or chemicals acting as catalysts effect a direct and

1 immediate change upon a graphic arts product.

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

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

24 Farm machinery and equipment shall include precision  
25 farming equipment that is installed or purchased to be  
26 installed on farm machinery and equipment including, but not

1 limited to, tractors, harvesters, sprayers, planters, seeders,  
2 or spreaders. Precision farming equipment includes, but is not  
3 limited to, soil testing sensors, computers, monitors,  
4 software, global positioning and mapping systems, and other  
5 such equipment.

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

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

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

1 beverage function with respect to which the service charge is  
2 imposed.

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

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

17 (12) Until July 1, 2003, and beginning again on the  
18 effective date of this amendatory Act of the 97th General  
19 Assembly and thereafter, coal and aggregate exploration,  
20 mining, offhighway hauling, processing, maintenance, and  
21 reclamation equipment, including replacement parts and  
22 equipment, and including equipment purchased for lease, but  
23 excluding motor vehicles required to be registered under the  
24 Illinois Vehicle Code.

25 (13) Beginning January 1, 1992 and through June 30, 2016,  
26 food for human consumption that is to be consumed off the

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

12 (14) Semen used for artificial insemination of livestock  
13 for direct agricultural production.

14 (15) Horses, or interests in horses, registered with and  
15 meeting the requirements of any of the Arabian Horse Club  
16 Registry of America, Appaloosa Horse Club, American Quarter  
17 Horse Association, United States Trotting Association, or  
18 Jockey Club, as appropriate, used for purposes of breeding or  
19 racing for prizes. This item (15) is exempt from the provisions  
20 of Section 3-55, and the exemption provided for under this item  
21 (15) applies for all periods beginning May 30, 1995, but no  
22 claim for credit or refund is allowed on or after January 1,  
23 2008 (the effective date of Public Act 95-88) for such taxes  
24 paid during the period beginning May 30, 2000 and ending on  
25 January 1, 2008 (the effective date of Public Act 95-88).

26 (16) Computers and communications equipment utilized for

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

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

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

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

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

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

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

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

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

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

1 gross receipts derived from the use of the commercial,  
2 coin-operated amusement and vending machines. This paragraph  
3 is exempt from the provisions of Section 3-55.

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

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

22 (26) Beginning on January 1, 2002 and through June 30,  
23 2016, tangible personal property purchased from an Illinois  
24 retailer by a taxpayer engaged in centralized purchasing  
25 activities in Illinois who will, upon receipt of the property  
26 in Illinois, temporarily store the property in Illinois (i) for

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

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

26 (28) Tangible personal property sold to a

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

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

1 lubricants, cleaning solution, latex gloves, and protective  
2 films. This exemption applies only to those organizations that  
3 (i) hold an Air Agency Certificate and are empowered to operate  
4 an approved repair station by the Federal Aviation  
5 Administration, (ii) have a Class IV Rating, and (iii) conduct  
6 operations in accordance with Part 145 of the Federal Aviation  
7 Regulations. The exemption does not include aircraft operated  
8 by a commercial air carrier providing scheduled passenger air  
9 service pursuant to authority issued under Part 121 or Part 129  
10 of the Federal Aviation Regulations.

11 (30) Until January 1, 2015, firearm safety devices,  
12 including safes, lock boxes, trigger and barrel locks, and  
13 other items designed to enhance home firearm safety.

14 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
15 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
16 7-2-10; 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227, eff.  
17 1-1-12; 97-431, eff. 8-16-11; 97-636, eff. 6-1-12; 97-767, eff.  
18 7-9-12.)

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

21 (35 ILCS 120/2-5)

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

1 (1) Farm chemicals.

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

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

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

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

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

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

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

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

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

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

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

21 (9) Personal property sold to a not-for-profit arts or  
22 cultural organization that establishes, by proof required by  
23 the Department by rule, that it has received an exemption under  
24 Section 501(c)(3) of the Internal Revenue Code and that is  
25 organized and operated primarily for the presentation or  
26 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 (10) Personal property sold by a corporation, society,  
11 association, foundation, institution, or organization, other  
12 than a limited liability company, that is organized and  
13 operated as a not-for-profit service enterprise for the benefit  
14 of persons 65 years of age or older if the personal property  
15 was not purchased by the enterprise for the purpose of resale  
16 by the enterprise.

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

1 exclusively for educational purposes. On and after July 1,  
2 1987, however, no entity otherwise eligible for this exemption  
3 shall make tax-free purchases unless it has an active  
4 identification number issued by the Department.

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

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

1 in a manner that would qualify for the rolling stock exemption  
2 otherwise provided for in this Act. For purposes of this  
3 paragraph, "used for commercial purposes" means the  
4 transportation of persons or property in furtherance of any  
5 commercial or industrial enterprise whether for-hire or not.

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

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

25 (15) Proceeds of mandatory service charges separately  
26 stated on customers' bills for purchase and consumption of food

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

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

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

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

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

1 drilling, and production equipment, and (vi) machinery and  
2 equipment purchased for lease; but excluding motor vehicles  
3 required to be registered under the Illinois Vehicle Code.

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

9 (21) Until July 1, 2003, and beginning again on the  
10 effective date of this amendatory Act of the 97th General  
11 Assembly and thereafter, coal and aggregate exploration,  
12 mining, offhighway hauling, processing, maintenance, and  
13 reclamation equipment, including replacement parts and  
14 equipment, and including equipment purchased for lease, but  
15 excluding motor vehicles required to be registered under the  
16 Illinois Vehicle Code.

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

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

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

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

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

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

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

25 (1) the aircraft leaves this State within 15 days after  
26 the later of either the issuance of the final billing for

1 the sale of the aircraft, or the authorized approval for  
2 return to service, completion of the maintenance record  
3 entry, and completion of the test flight and ground test  
4 for inspection, as required by 14 C.F.R. 91.407;

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

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

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

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

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

26 This paragraph (25-7) is exempt from the provisions of

1 Section 2-70.

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

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

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

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

1 has been issued an active tax exemption identification number  
2 by the Department under Section 1g of this Act.

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

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

25 (32) Beginning July 1, 1999, game or game birds sold at a  
26 "game breeding and hunting preserve area" as that term is used

1 in the Wildlife Code. This paragraph is exempt from the  
2 provisions of Section 2-70.

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

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

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

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

19 (35-5) Beginning August 23, 2001 and through June 30, 2016,  
20 food for human consumption that is to be consumed off the  
21 premises where it is sold (other than alcoholic beverages, soft  
22 drinks, and food that has been prepared for immediate  
23 consumption) and prescription and nonprescription medicines,  
24 drugs, medical appliances, and insulin, urine testing  
25 materials, syringes, and needles used by diabetics, for human  
26 use, when purchased for use by a person receiving medical

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

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

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

22 (38) Beginning on January 1, 2002 and through June 30,  
23 2016, tangible personal property purchased from an Illinois  
24 retailer by a taxpayer engaged in centralized purchasing  
25 activities in Illinois who will, upon receipt of the property  
26 in Illinois, temporarily store the property in Illinois (i) for

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

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

26 (40) Beginning January 1, 2010, materials, parts,

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

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

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

11 (42) Until January 1, 2015, firearm safety devices,  
12 including safes, lock boxes, trigger and barrel locks, and  
13 other items designed to enhance home firearm safety.

14 (Source: P.A. 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
15 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
16 7-2-10; 97-38, eff. 6-28-11; 97-73, eff. 6-30-11; 97-227, eff.  
17 1-1-12; 97-431, eff. 8-16-11; 97-636, eff. 6-1-12; 97-767, eff.  
18 7-9-12.)