



Sen. Toi W. Hutchinson

Filed: 4/15/2016

09900SB0514sam001

LRB099 03081 HLH 47596 a

1 AMENDMENT TO SENATE BILL 514

2 AMENDMENT NO. _____. Amend Senate Bill 514 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Corporate Accountability for Tax
5 Expenditures Act is amended by changing Section 10 as follows:

6 (20 ILCS 715/10)

7 Sec. 10. Unified Economic Development Budget.

8 (a) For each State fiscal year ending on or after June 30,
9 2005, the Department of Revenue shall submit an annual Unified
10 Economic Development Budget to the General Assembly. The
11 Unified Economic Development Budget shall be due within 6 ~~3~~
12 months after the end of the fiscal year, and shall present all
13 types of development assistance granted during the prior fiscal
14 year, including:

15 (1) The aggregate amount of uncollected or diverted
16 State tax revenues resulting from each type of development

1 assistance provided in the tax statutes, as reported to the
2 Department of Revenue on tax returns filed during the
3 fiscal year.

4 (2) All State development assistance.

5 (b) All data contained in the Unified Economic Development
6 Budget presented to the General Assembly shall be fully subject
7 to the Freedom of Information Act.

8 (c) The Department of Revenue shall submit a report of the
9 amounts in subdivision (a)(1) of this Section to the
10 Department, which may append such report to the Unified
11 Economic Development Budget rather than separately reporting
12 such amounts.

13 (Source: P.A. 93-552, eff. 8-20-03.)

14 Section 10. The Use Tax Act is amended by changing Section
15 3-5 as follows:

16 (35 ILCS 105/3-5)

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

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

1 purpose of resale by the enterprise.

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

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

20 (4) Personal property purchased by a governmental body, by
21 a corporation, society, association, foundation, or
22 institution organized and operated exclusively for charitable,
23 religious, or educational purposes, or by a not-for-profit
24 corporation, society, association, foundation, institution, or
25 organization that has no compensated officers or employees and
26 that is organized and operated primarily for the recreation of

1 persons 55 years of age or older. A limited liability company
2 may qualify for the exemption under this paragraph only if the
3 limited liability company is organized and operated
4 exclusively for educational purposes. On and after July 1,
5 1987, however, no entity otherwise eligible for this exemption
6 shall make tax-free purchases unless it has an active exemption
7 identification number issued by the Department.

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

11 (6) Until July 1, 2003 and beginning again on September 1,
12 2004 through August 30, 2014, graphic arts machinery and
13 equipment, including repair and replacement parts, both new and
14 used, and including that manufactured on special order,
15 certified by the purchaser to be used primarily for graphic
16 arts production, and including machinery and equipment
17 purchased for lease. Equipment includes chemicals or chemicals
18 acting as catalysts but only if the chemicals or chemicals
19 acting as catalysts effect a direct and immediate change upon a
20 graphic arts product.

21 (7) Farm chemicals.

22 (8) 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 (9) Personal property purchased from a teacher-sponsored

1 student organization affiliated with an elementary or
2 secondary school located in Illinois.

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

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

25 Farm machinery and equipment shall include precision
26 farming equipment that is installed or purchased to be

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

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

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

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

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

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

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

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

1 photoprocessing machinery and equipment purchased for lease.

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

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

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

1 of producing machines, tools, dies, jigs, patterns, gauges, or
2 other similar items of no commercial value on special order for
3 a particular purchaser. The exemption provided by this
4 paragraph (18) does not include machinery and equipment used in
5 (i) the generation of electricity for wholesale or retail sale;
6 (ii) the generation or treatment of natural or artificial gas
7 for wholesale or retail sale that is delivered to customers
8 through pipes, pipelines, or mains; or (iii) the treatment of
9 water for wholesale or retail sale that is delivered to
10 customers through pipes, pipelines, or mains. The provisions of
11 Public Act 98-583 are declaratory of existing law as to the
12 meaning and scope of this exemption.

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

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

20 (21) Horses, or interests in horses, registered with and
21 meeting the requirements of any of the Arabian Horse Club
22 Registry of America, Appaloosa Horse Club, American Quarter
23 Horse Association, United States Trotting Association, or
24 Jockey Club, as appropriate, used for purposes of breeding or
25 racing for prizes. This item (21) is exempt from the provisions
26 of Section 3-90, and the exemption provided for under this item

1 (21) applies for all periods beginning May 30, 1995, but no
2 claim for credit or refund is allowed on or after January 1,
3 2008 for such taxes paid during the period beginning May 30,
4 2000 and ending on January 1, 2008.

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

1 Department.

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

22 (24) Beginning with taxable years ending on or after
23 December 31, 1995 and ending with taxable years ending on or
24 before December 31, 2004, personal property that is donated for
25 disaster relief to be used in a State or federally declared
26 disaster area in Illinois or bordering Illinois by a

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

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

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

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

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

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

1 exempt from the provisions of Section 3-90.

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

12 (30) Beginning January 1, 2001 and through June 30, 2016,
13 food for human consumption that is to be consumed off the
14 premises where it is sold (other than alcoholic beverages, soft
15 drinks, and food that has been prepared for immediate
16 consumption) and prescription and nonprescription medicines,
17 drugs, medical appliances, and insulin, urine testing
18 materials, syringes, and needles used by diabetics, for human
19 use, when purchased for use by a person receiving medical
20 assistance under Article V of the Illinois Public Aid Code who
21 resides in a licensed long-term care facility, as defined in
22 the Nursing Home Care Act, or in a licensed facility as defined
23 in the ID/DD Community Care Act, the MC/DD Act, or the
24 Specialized Mental Health Rehabilitation Act of 2013.

25 (31) Beginning on the effective date of this amendatory Act
26 of the 92nd General Assembly, computers and communications

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

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

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

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

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

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

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

22 (36) Tangible personal property purchased by a
23 public-facilities corporation, as described in Section
24 11-65-10 of the Illinois Municipal Code, for purposes of
25 constructing or furnishing a municipal convention hall, but
26 only if the legal title to the municipal convention hall is

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

10 (37) Personal property purchased by a purchaser who is
11 exempt from the tax imposed by this Act by operation of federal
12 law. This paragraph is exempt from the provisions of Section
13 3-90.

14 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;
15 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-574, eff.
16 1-1-14; 98-583, eff. 1-1-14; 98-756, eff. 7-16-14; 99-180, eff.
17 7-29-15.)

18 Section 15. The Service Use Tax Act is amended by changing
19 Section 3-5 as follows:

20 (35 ILCS 110/3-5)

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

23 (1) Personal property purchased from a corporation,
24 society, association, foundation, institution, or

1 organization, other than a limited liability company, that is
2 organized and operated as a not-for-profit service enterprise
3 for the benefit of persons 65 years of age or older if the
4 personal property was not purchased by the enterprise for the
5 purpose of resale by the enterprise.

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

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

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

1 country, and bullion.

2 (5) 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 or
6 purchased for lease, certified by the purchaser to be used
7 primarily for graphic arts production. Equipment includes
8 chemicals or chemicals acting as catalysts but only if the
9 chemicals or chemicals acting as catalysts effect a direct and
10 immediate change upon a graphic arts product.

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

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

1 plants shall be considered farm machinery and equipment under
2 this item (7). Agricultural chemical tender tanks and dry boxes
3 shall include units sold separately from a motor vehicle
4 required to be licensed and units sold mounted on a motor
5 vehicle required to be licensed if the selling price of the
6 tender is separately stated.

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

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

23 (8) Until June 30, 2013, fuel and petroleum products sold
24 to or used by an air common carrier, certified by the carrier
25 to be used for consumption, shipment, or storage in the conduct
26 of its business as an air common carrier, for a flight destined

1 for or returning from a location or locations outside the
2 United States without regard to previous or subsequent domestic
3 stopovers.

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

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

23 (10) Until July 1, 2003, oil field exploration, drilling,
24 and production equipment, including (i) rigs and parts of rigs,
25 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and
26 tubular goods, including casing and drill strings, (iii) pumps

1 and pump-jack units, (iv) storage tanks and flow lines, (v) any
2 individual replacement part for oil field exploration,
3 drilling, and production equipment, and (vi) machinery and
4 equipment purchased for lease; but excluding motor vehicles
5 required to be registered under the Illinois Vehicle Code.

6 (11) Proceeds from the sale of photoprocessing machinery
7 and equipment, including repair and replacement parts, both new
8 and used, including that manufactured on special order,
9 certified by the purchaser to be used primarily for
10 photoprocessing, and including photoprocessing machinery and
11 equipment purchased for lease.

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

23 (13) Semen used for artificial insemination of livestock
24 for direct agricultural production.

25 (14) Horses, or interests in horses, registered with and
26 meeting the requirements of any of the Arabian Horse Club

1 Registry of America, Appaloosa Horse Club, American Quarter
2 Horse Association, United States Trotting Association, or
3 Jockey Club, as appropriate, used for purposes of breeding or
4 racing for prizes. This item (14) is exempt from the provisions
5 of Section 3-75, and the exemption provided for under this item
6 (14) applies for all periods beginning May 30, 1995, but no
7 claim for credit or refund is allowed on or after the effective
8 date of this amendatory Act of the 95th General Assembly for
9 such taxes paid during the period beginning May 30, 2000 and
10 ending on the effective date of this amendatory Act of the 95th
11 General Assembly.

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

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

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

1 liable to pay that amount to the Department.

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

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

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

1 provisions of Section 3-75.

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

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

1 does not apply to fundraising events (i) for the benefit of
2 private home instruction or (ii) for which the fundraising
3 entity purchases the personal property sold at the events from
4 another individual or entity that sold the property for the
5 purpose of resale by the fundraising entity and that profits
6 from the sale to the fundraising entity. This paragraph is
7 exempt from the provisions of Section 3-75.

8 (22) Beginning January 1, 2000 and through December 31,
9 2001, new or used automatic vending machines that prepare and
10 serve hot food and beverages, including coffee, soup, and other
11 items, and replacement parts for these machines. Beginning
12 January 1, 2002 and through June 30, 2003, machines and parts
13 for machines used in commercial, coin-operated amusement and
14 vending business if a use or occupation tax is paid on the
15 gross receipts derived from the use of the commercial,
16 coin-operated amusement and vending machines. This paragraph
17 is exempt from the provisions of Section 3-75.

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

1 resides in a licensed long-term care facility, as defined in
2 the Nursing Home Care Act, or in a licensed facility as defined
3 in the ID/DD Community Care Act, the MC/DD Act, or the
4 Specialized Mental Health Rehabilitation Act of 2013.

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

1 liable to pay that amount to the Department. This paragraph is
2 exempt from the provisions of Section 3-75.

3 (25) Beginning on the effective date of this amendatory Act
4 of the 92nd General Assembly, personal property purchased by a
5 lessor who leases the property, under a lease of one year or
6 longer executed or in effect at the time the lessor would
7 otherwise be subject to the tax imposed by this Act, to a
8 governmental body that has been issued an active tax exemption
9 identification number by the Department under Section 1g of the
10 Retailers' Occupation Tax Act. If the property is leased in a
11 manner that does not qualify for this exemption or is used in
12 any other nonexempt manner, the lessor shall be liable for the
13 tax imposed under this Act or the Use Tax Act, as the case may
14 be, based on the fair market value of the property at the time
15 the nonqualifying use occurs. No lessor shall collect or
16 attempt to collect an amount (however designated) that purports
17 to reimburse that lessor for the tax imposed by this Act or the
18 Use Tax Act, as the case may be, if the tax has not been paid by
19 the lessor. If a lessor improperly collects any such amount
20 from the lessee, the lessee shall have a legal right to claim a
21 refund of that amount from the lessor. If, however, that amount
22 is not refunded to the lessee for any reason, the lessor is
23 liable to pay that amount to the Department. This paragraph is
24 exempt from the provisions of Section 3-75.

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

1 supply, as defined under Section 3.145 of the Environmental
2 Protection Act, that is operated by a not-for-profit
3 corporation that holds a valid water supply permit issued under
4 Title IV of the Environmental Protection Act. This paragraph is
5 exempt from the provisions of Section 3-75.

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

1 accordance with Part 145 of the Federal Aviation Regulations.
2 The exemption does not include aircraft operated by a
3 commercial air carrier providing scheduled passenger air
4 service pursuant to authority issued under Part 121 or Part 129
5 of the Federal Aviation Regulations. The changes made to this
6 paragraph (27) by Public Act 98-534 are declarative of existing
7 law.

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

22 (29) Personal property purchased by a purchaser who is
23 exempt from the tax imposed by this Act by operation of federal
24 law. This paragraph is exempt from the provisions of Section
25 3-75.

26 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;

1 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-756, eff.
2 7-16-14; 99-180, eff. 7-29-15.)

3 Section 20. The Service Occupation Tax Act is amended by
4 changing Section 3-5 as follows:

5 (35 ILCS 115/3-5)

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

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

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

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

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

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

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

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

25 (7) Farm machinery and equipment, both new and used,
26 including that manufactured on special order, certified by the

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

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

26 Farm machinery and equipment also includes computers,

1 sensors, software, and related equipment used primarily in the
2 computer-assisted operation of production agriculture
3 facilities, equipment, and activities such as, but not limited
4 to, the collection, monitoring, and correlation of animal and
5 crop data for the purpose of formulating animal diets and
6 agricultural chemicals. This item (7) is exempt from the
7 provisions of Section 3-55.

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

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

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

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

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

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

21 (12) Coal and aggregate exploration, mining, off-highway
22 hauling, processing, maintenance, and reclamation equipment,
23 including replacement parts and equipment, and including
24 equipment purchased for lease, but excluding motor vehicles
25 required to be registered under the Illinois Vehicle Code. The
26 changes made to this Section by Public Act 97-767 apply on and

1 after July 1, 2003, but no claim for credit or refund is
2 allowed on or after August 16, 2013 (the effective date of
3 Public Act 98-456) for such taxes paid during the period
4 beginning July 1, 2003 and ending on August 16, 2013 (the
5 effective date of Public Act 98-456).

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

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

21 (15) Horses, or interests in horses, registered with and
22 meeting the requirements of any of the Arabian Horse Club
23 Registry of America, Appaloosa Horse Club, American Quarter
24 Horse Association, United States Trotting Association, or
25 Jockey Club, as appropriate, used for purposes of breeding or
26 racing for prizes. This item (15) is exempt from the provisions

1 of Section 3-55, and the exemption provided for under this item
2 (15) applies for all periods beginning May 30, 1995, but no
3 claim for credit or refund is allowed on or after January 1,
4 2008 (the effective date of Public Act 95-88) for such taxes
5 paid during the period beginning May 30, 2000 and ending on
6 January 1, 2008 (the effective date of Public Act 95-88).

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

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

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

1 corporation, society, association, foundation, or institution
2 that has been issued a sales tax exemption identification
3 number by the Department that assists victims of the disaster
4 who reside within the declared disaster area.

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

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

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

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

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

1 (23) Beginning January 1, 2000 and through December 31,
2 2001, new or used automatic vending machines that prepare and
3 serve hot food and beverages, including coffee, soup, and other
4 items, and replacement parts for these machines. Beginning
5 January 1, 2002 and through June 30, 2003, machines and parts
6 for machines used in commercial, coin-operated amusement and
7 vending business if a use or occupation tax is paid on the
8 gross receipts derived from the use of the commercial,
9 coin-operated amusement and vending machines. This paragraph
10 is exempt from the provisions of Section 3-55.

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

21 (25) Beginning on the effective date of this amendatory Act
22 of the 92nd General Assembly, personal property sold to a
23 lessor who leases the property, under a lease of one year or
24 longer executed or in effect at the time of the purchase, to a
25 governmental body that has been issued an active tax exemption
26 identification number by the Department under Section 1g of the

1 Retailers' Occupation Tax Act. This paragraph is exempt from
2 the provisions of Section 3-55.

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

26 (27) Beginning January 1, 2008, tangible personal property

1 used in the construction or maintenance of a community water
2 supply, as defined under Section 3.145 of the Environmental
3 Protection Act, that is operated by a not-for-profit
4 corporation that holds a valid water supply permit issued under
5 Title IV of the Environmental Protection Act. This paragraph is
6 exempt from the provisions of Section 3-55.

7 (28) Tangible personal property sold to a
8 public-facilities corporation, as described in Section
9 11-65-10 of the Illinois Municipal Code, for purposes of
10 constructing or furnishing a municipal convention hall, but
11 only if the legal title to the municipal convention hall is
12 transferred to the municipality without any further
13 consideration by or on behalf of the municipality at the time
14 of the completion of the municipal convention hall or upon the
15 retirement or redemption of any bonds or other debt instruments
16 issued by the public-facilities corporation in connection with
17 the development of the municipal convention hall. This
18 exemption includes existing public-facilities corporations as
19 provided in Section 11-65-25 of the Illinois Municipal Code.
20 This paragraph is exempt from the provisions of Section 3-55.

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

1 repair, and maintenance of aircraft, but excludes any
2 materials, parts, equipment, components, and consumable
3 supplies used in the modification, replacement, repair, and
4 maintenance of aircraft engines or power plants, whether such
5 engines or power plants are installed or uninstalled upon any
6 such aircraft. "Consumable supplies" include, but are not
7 limited to, adhesive, tape, sandpaper, general purpose
8 lubricants, cleaning solution, latex gloves, and protective
9 films. This exemption applies only to the transfer of
10 qualifying tangible personal property incident to the
11 modification, refurbishment, completion, replacement, repair,
12 or maintenance of an aircraft by persons who (i) hold an Air
13 Agency Certificate and are empowered to operate an approved
14 repair station by the Federal Aviation Administration, (ii)
15 have a Class IV Rating, and (iii) conduct operations in
16 accordance with Part 145 of the Federal Aviation Regulations.
17 The exemption does not include aircraft operated by a
18 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. The changes made to this
21 paragraph (29) by Public Act 98-534 are declarative of existing
22 law.

23 (30) Personal property purchased by a purchaser who is
24 exempt from use tax by operation of federal law. This paragraph
25 is exempt from the provisions of Section 3-55.

26 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;

1 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-756, eff.
2 7-16-14; 99-180, eff. 7-29-15.)

3 Section 25. The Retailers' Occupation Tax Act is amended by
4 changing Section 2-5 as follows:

5 (35 ILCS 120/2-5)

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

9 (1) Farm chemicals.

10 (2) Farm machinery and equipment, both new and used,
11 including that manufactured on special order, certified by the
12 purchaser to be used primarily for production agriculture or
13 State or federal agricultural programs, including individual
14 replacement parts for the machinery and equipment, including
15 machinery and equipment purchased for lease, and including
16 implements of husbandry defined in Section 1-130 of the
17 Illinois Vehicle Code, farm machinery and agricultural
18 chemical and fertilizer spreaders, and nurse wagons required to
19 be registered under Section 3-809 of the Illinois Vehicle Code,
20 but excluding other motor vehicles required to be registered
21 under the Illinois Vehicle Code. Horticultural polyhouses or
22 hoop houses used for propagating, growing, or overwintering
23 plants shall be considered farm machinery and equipment under
24 this item (2). 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 (2) is exempt from the
20 provisions of Section 2-70.

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

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

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

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

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

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

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

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

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

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

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

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

7 (13) Proceeds from sales to owners, lessors, or shippers of
8 tangible personal property that is utilized 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 (14) Machinery and equipment that will be used by the
15 purchaser, or a lessee of the purchaser, primarily in the
16 process of manufacturing or assembling tangible personal
17 property for wholesale or retail sale or lease, whether the
18 sale or lease is made directly by the manufacturer or by some
19 other person, whether the materials used in the process are
20 owned by the manufacturer or some other person, or whether the
21 sale or lease is made apart from or as an incident to the
22 seller's engaging in the service occupation of producing
23 machines, tools, dies, jigs, patterns, gauges, or other similar
24 items of no commercial value on special order for a particular
25 purchaser. The exemption provided by this paragraph (14) does
26 not include machinery and equipment used in (i) the generation

1 of electricity for wholesale or retail sale; (ii) the
2 generation or treatment of natural or artificial gas for
3 wholesale or retail sale that is delivered to customers through
4 pipes, pipelines, or mains; or (iii) the treatment of water for
5 wholesale or retail sale that is delivered to customers through
6 pipes, pipelines, or mains. The provisions of Public Act 98-583
7 are declaratory of existing law as to the meaning and scope of
8 this exemption.

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

16 (16) Personal property ~~Petroleum products~~ sold to a
17 purchaser if the purchaser is exempt from use tax ~~seller is~~
18 ~~prohibited~~ by operation of federal law ~~from charging tax to the~~
19 ~~purchaser~~. This paragraph is exempt from the provisions of
20 Section 2-70.

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

1 of the property to a destination outside Illinois, for use
2 outside Illinois.

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

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

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

21 (21) Coal and aggregate exploration, mining, off-highway
22 hauling, processing, maintenance, and reclamation equipment,
23 including replacement parts and equipment, and including
24 equipment purchased for lease, but excluding motor vehicles
25 required to be registered under the Illinois Vehicle Code. The
26 changes made to this Section by Public Act 97-767 apply on and

1 after July 1, 2003, but no claim for credit or refund is
2 allowed on or after August 16, 2013 (the effective date of
3 Public Act 98-456) for such taxes paid during the period
4 beginning July 1, 2003 and ending on August 16, 2013 (the
5 effective date of Public Act 98-456).

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

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

23 (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, the MC/DD Act, or the Specialized
5 Mental Health Rehabilitation Act of 2013.

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 the sale of qualifying
15 tangible personal property to persons who modify, refurbish,
16 complete, replace, or maintain an aircraft and who (i) hold an
17 Air Agency Certificate and are empowered to operate an approved
18 repair station by the Federal Aviation Administration, (ii)
19 have a Class IV Rating, and (iii) conduct operations in
20 accordance with Part 145 of the Federal Aviation Regulations.
21 The exemption does not include aircraft operated by a
22 commercial air carrier providing scheduled passenger air
23 service pursuant to authority issued under Part 121 or Part 129
24 of the Federal Aviation Regulations. The changes made to this
25 paragraph (40) by Public Act 98-534 are declarative of existing
26 law.

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

15 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;
16 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-574, eff.
17 1-1-14; 98-583, eff. 1-1-14; 98-756, eff. 7-16-14; 99-180, eff.
18 7-29-15.)

19 Section 30. The Cigarette Tax Act is amended by changing
20 Section 18c as follows:

21 (35 ILCS 130/18c)

22 Sec. 18c. Possession of not less than 10 and not more than
23 100 original packages of contraband cigarettes; penalty. With
24 the exception of licensed distributors and transporters, as

1 defined in Section 9c of this Act, possessing unstamped
2 original packages of cigarettes, and licensed distributors
3 possessing original packages of cigarettes that bear a tax
4 stamp of another state or taxing jurisdiction, anyone
5 possessing not less than 10 and not more than 100 packages of
6 contraband cigarettes contained in original packages is liable
7 to pay to the Department, for deposit into the Tax Compliance
8 and Administration Fund, a penalty of \$20 ~~\$10~~ for each such
9 package of cigarettes, unless reasonable cause can be
10 established by the person upon whom the penalty is imposed.
11 Reasonable cause shall be determined in each situation in
12 accordance with rules adopted by the Department. The provisions
13 of the Uniform Penalty and Interest Act do not apply to this
14 Section.

15 (Source: P.A. 96-782, eff. 1-1-10.)

16 Section 35. The Counties Code is amended by changing
17 Sections 5-1032 and 5-1033 as follows:

18 (55 ILCS 5/5-1032) (from Ch. 34, par. 5-1032)

19 Sec. 5-1032. County Automobile Renting Occupation Tax. The
20 corporate authorities of a county may impose a tax upon all
21 persons engaged in the business of renting automobiles in the
22 county, but outside any municipality, at the rate of not to
23 exceed 1% of the gross receipts from such business. The tax
24 imposed by a county pursuant to this Section and all civil

1 penalties that may be assessed as an Incident thereof shall be
2 collected and enforced by the State Department of Revenue. The
3 certificate of registration which is issued by the Department
4 to a retailer under the "~~Retailers' Occupation Tax Act~~",
5 ~~approved June 23, 1933, as amended~~, or under the "~~Automobile~~
6 ~~Renting Occupation and Use Tax Act~~", ~~enacted by the~~
7 ~~Eighty Second General Assembly~~, shall permit such person to
8 engage in a business which is taxable under any ordinance or
9 resolution enacted pursuant to this Section without
10 registering separately with the Department under such
11 ordinance or resolution or under this Section. The Department
12 shall have full power to administer and enforce this Section;
13 to collect all taxes and penalties due hereunder; to dispose of
14 taxes and penalties so collected in the manner hereinafter
15 provided, and to determine all rights to credit memoranda,
16 arising on account of the erroneous payment of tax or penalty
17 hereunder. In the administration of, and compliance with, this
18 Section, the Department and persons who are subject to this
19 Section shall have the same rights, remedies, privileges,
20 immunities, powers and duties, and be subject to the same
21 conditions, restrictions, limitations, penalties and
22 definitions of terms, and employ the same modes of procedure,
23 as are prescribed in Sections 2 and 3 (in respect to all
24 provisions therein other than the State rate of tax; and with
25 relation to the provisions of the "~~Retailers' Occupation Tax~~"
26 referred to therein, except as to the disposition of taxes and

1 penalties collected, and except for the provision allowing
2 retailers a deduction from the tax to cover certain costs, and
3 except that credit memoranda issued hereunder may not be used
4 to discharge any State tax liability) of the "Automobile
5 Renting Occupation and Use Tax Act", ~~as the same are now or may~~
6 ~~hereafter be amended,~~ as fully as if provisions contained in
7 those Sections of said Act were set forth herein.

8 Persons subject to any tax imposed pursuant to the
9 authority granted in this Section may reimburse themselves for
10 their tax liability hereunder by separately stating such tax as
11 an additional charge, which charge may be stated in
12 combination, in a single amount, with State tax which sellers
13 are required to collect under the "Automobile Renting
14 Occupation and Use Tax Act" pursuant to such bracket schedules
15 as the Department may prescribe.

16 Whenever the Department determines that a refund should be
17 made under this Section to a claimant instead of issuing a
18 credit memorandum, the Department shall notify the State
19 Comptroller, who shall cause the order to be drawn for the
20 amount specified, and to the person named, in such notification
21 from the Department. Such refund shall be paid by the State
22 Treasurer out of the county automobile renting tax fund.

23 The Department shall forthwith pay over to the State
24 Treasurer, ex-officio, as trustee, all taxes and penalties
25 collected hereunder. On or before the 25th day of each calendar
26 month, the Department shall prepare and certify to the

1 Comptroller the disbursement of stated sums of money to named
2 counties from which renters have paid taxes or penalties
3 hereunder to the Department during the second preceding
4 calendar month. The amount to be paid to each county shall be
5 the amount (not including credit memoranda) collected
6 hereunder during the second preceding calendar month by the
7 Department, and not including an amount equal to the amount of
8 refunds made during the second preceding calendar month by the
9 Department on behalf of such county, less 2% of such balance,
10 which sum shall be retained by the State Treasurer to cover the
11 costs incurred by the Department in administering and enforcing
12 this Section as provided herein. The Department at the time of
13 each monthly disbursement to the counties shall prepare and
14 certify to the Comptroller the amount, so retained by the State
15 Treasurer, to be paid into the General Revenue Fund of the
16 State Treasury. Within 10 days after receipt, by the
17 Comptroller, of the disbursement certification to the counties
18 and the General Revenue Fund, provided for in this Section to
19 be given to the Comptroller by the Department, the Comptroller
20 shall cause the orders to be drawn for the respective amounts
21 in accordance with the directions contained in such
22 certification.

23 Nothing in this Section shall be construed to authorize a
24 county to impose a tax upon the privilege of engaging in any
25 business which under the constitution of the United States may
26 not be made the subject of taxation by this State.

1 An ordinance or resolution imposing or discontinuing the
2 tax under this Section or effecting a change in the rate
3 thereof shall be adopted and a certified copy thereof filed
4 with the Department either: (i) on or before the first day of
5 April, in which case the Department shall proceed to administer
6 and enforce this Section as of the first day of July next
7 following the adoption or filing; or (ii) on or before the
8 first day of October, in which case the Department shall
9 proceed to administer and enforce this Section as of the first
10 day of January next following the adoption and filing.

11 ~~An ordinance or resolution imposing a tax hereunder or~~
12 ~~effecting a change in the rate thereof shall be effective on~~
13 ~~the first day of the calendar month next following the month in~~
14 ~~which such ordinance or resolution is passed. The corporate~~
15 ~~authorities of any county which levies a tax authorized by this~~
16 ~~Section shall transmit to the Department of Revenue on or not~~
17 ~~later than 5 days after passage of the ordinance or resolution~~
18 ~~a certified copy of the ordinance or resolution imposing such~~
19 ~~tax whereupon the Department of Revenue shall proceed to~~
20 ~~administer and enforce this Section on behalf of such county as~~
21 ~~of the effective date of the ordinance or resolution. Upon a~~
22 ~~change in rate of a tax levied hereunder, or upon the~~
23 ~~discontinuance of the tax, the corporate authorities of the~~
24 ~~county shall on or not later than 5 days after passage of the~~
25 ~~ordinance or resolution discontinuing the tax or effecting a~~
26 ~~change in rate transmit to the Department of Revenue a~~

1 ~~certified copy of the ordinance or resolution effecting such~~
2 ~~change or discontinuance.~~

3 The Department of Revenue must upon the request of the
4 County Clerk or County Board submit to a county a list of those
5 persons who are registered with the Department to pay
6 automobile renting occupation tax within the unincorporated
7 area of that governmental unit. This list shall contain only
8 the names of persons who have paid the tax and not the amount
9 of tax paid by such person.

10 This Section shall be known and may be cited as the "County
11 Automobile Renting Occupation Tax Law".

12 (Source: P.A. 86-962.)

13 (55 ILCS 5/5-1033) (from Ch. 34, par. 5-1033)

14 Sec. 5-1033. County Automobile Renting Use Tax. The
15 corporate authorities of a county may impose a tax upon the
16 privilege of using, in such county an automobile which is
17 rented from a rentor outside Illinois, and which is titled or
18 registered with an agency of this State's government, at a rate
19 not to exceed 1% of the rental price of such automobile. Such
20 tax shall be collected from persons whose Illinois address for
21 titling or registration purposes is given as being in the
22 unincorporated area of such county. Such tax shall be collected
23 by the Department of Revenue for any county imposing such tax.
24 Such tax must be paid to the State, or an exemption
25 determination must be obtained from the Department of Revenue,

1 before the title or certificate of registration for the
2 property may be issued. The tax or proof of exemption may be
3 transmitted to the Department by way of the State agency with
4 which, or State officer with whom, the tangible personal
5 property must be titled or registered if the Department and
6 such agency or State officer determine that this procedure will
7 expedite the processing of applications for title or
8 registration.

9 The Department shall have full power to administer and
10 enforce this Section; to collect all taxes, penalties and
11 interest due hereunder; to dispose of taxes, penalties and
12 interest so collected in the manner hereinafter provided, and
13 to determine all rights to credit memoranda or refunds arising
14 on account of the erroneous payment of tax, penalty or interest
15 hereunder. In the administration of, and compliance with, this
16 Section, the Department and persons who are subject to this
17 Section shall have the same rights, remedies, privileges,
18 immunities, powers and duties, and be subject to the same
19 conditions, restrictions, limitations, penalties and
20 definitions of terms, and employ the same modes of procedure,
21 as are prescribed in Sections 2 and 4 (except provisions
22 pertaining to the State rate of tax; and with relation to the
23 provisions of the "Use Tax Act" referred to therein, except
24 provisions concerning collection or refunding of the tax by
25 retailers, and except the provisions of Section 19 pertaining
26 to claims by retailers and except the last paragraph concerning

1 refunds, and except that credit memoranda issued hereunder may
2 not be used to discharge any State tax liability) of the
3 ~~"Automobile Renting Occupation and Use Tax Act", as the same~~
4 ~~are now or may hereafter be amended,~~ which are not inconsistent
5 with this Section, as fully as if provisions contained in those
6 Sections of said Act were set forth herein.

7 Whenever the Department determines that a refund should be
8 made under this Section to a claimant instead of issuing a
9 credit memorandum, the Department shall notify the State
10 Comptroller, who shall cause the order to be drawn for the
11 amount specified, and to the person named, in such notification
12 from the Department. Such refund shall be paid by the State
13 Treasurer out of the county automobile renting tax fund.

14 The Department shall forthwith pay over to the State
15 Treasurer, ex-officio, as trustee, all taxes, penalties and
16 interest collected hereunder. On or before the 25th day of each
17 calendar month, the Department shall prepare and certify to the
18 State Comptroller the disbursement of stated sums of money to
19 named counties from which the Department, during the second
20 preceding calendar month, collected taxes hereunder from
21 persons whose Illinois address for titling or registration
22 purposes is given as being in the unincorporated area of such
23 county. The amount to be paid to each county shall be the
24 amount (not including credit memoranda) collected hereunder
25 during the second preceding calendar month by the Department,
26 and not including an amount equal to the amount of refunds made

1 during the second preceding calendar month by the Department on
2 behalf of such county, less 2% of such balance, which sum shall
3 be retained by the State Treasurer to cover the costs incurred
4 by the Department in administering and enforcing this Section
5 as provided herein. The Department at the time of each monthly
6 disbursement to the counties shall prepare and certify to the
7 State Comptroller the amount, so retained by the State
8 Treasurer, to be paid into the General Revenue Fund of the
9 State Treasury. Within 10 days after receipt, by the State
10 Comptroller, of the disbursement certification to the counties
11 and the General Revenue Fund, provided for in this Section to
12 be given to the State Comptroller by the Department, the State
13 Comptroller shall cause the orders to be drawn for the
14 respective amounts in accordance with the directions contained
15 in such certification.

16 An ordinance or resolution imposing or discontinuing the
17 tax under this Section or effecting a change in the rate
18 thereof shall be adopted and a certified copy thereof filed
19 with the Department either: (i) on or before the first day of
20 April, in which case the Department shall proceed to administer
21 and enforce this Section as of the first day of July next
22 following the adoption or filing; or (ii) on or before the
23 first day of October, in which case the Department shall
24 proceed to administer and enforce this Section as of the first
25 day of January next following the adoption and filing.

26 ~~An ordinance or resolution imposing a tax hereunder or~~

1 ~~effecting a change in the rate thereof shall be effective on~~
2 ~~the first day of the calendar month next following the month in~~
3 ~~which such ordinance or resolution is passed. The corporate~~
4 ~~authorities of any county which levies a tax authorized by this~~
5 ~~Section shall transmit to the Department of Revenue on or not~~
6 ~~later than 5 days after passage of the ordinance or resolution~~
7 ~~a certified copy of the ordinance or resolution imposing such~~
8 ~~tax whereupon the Department of Revenue shall proceed to~~
9 ~~administer and enforce this Section on behalf of such county as~~
10 ~~of the effective date of the ordinance or resolution. Upon a~~
11 ~~change in rate of a tax levied hereunder, or upon the~~
12 ~~discontinuance of the tax, the corporate authorities of the~~
13 ~~county shall, on or not later than 5 days after passage of the~~
14 ~~ordinance or resolution discontinuing the tax or effecting a~~
15 ~~change in rate, transmit to the Department of Revenue a~~
16 ~~certified copy of the ordinance or resolution effecting such~~
17 ~~change or discontinuance.~~

18 This Section shall be known and may be cited as the "County
19 Automobile Renting Use Tax Law".

20 (Source: P.A. 86-962.)

21 Section 40. The Illinois Municipal Code is amended by
22 changing Sections 8-11-7 and 8-11-8 as follows:

23 (65 ILCS 5/8-11-7) (from Ch. 24, par. 8-11-7)

24 Sec. 8-11-7. Municipal Automobile Renting Occupation Tax.

1 The corporate authorities of a municipality may impose a tax
2 upon all persons engaged in the business of renting automobiles
3 in the municipality at the rate of not to exceed 1% of the
4 gross receipts from such business. The tax imposed by a
5 municipality pursuant to this Section and all civil penalties
6 that may be assessed as an incident thereof shall be collected
7 and enforced by the State Department of Revenue. The
8 certificate of registration which is issued by the Department
9 to a retailer under the Retailers' Occupation Tax Act or under
10 the Automobile Renting Occupation and Use Tax Act shall permit
11 such person to engage in a business which is taxable under any
12 ordinance or resolution enacted pursuant to this Section
13 without registering separately with the Department under such
14 ordinance or resolution or under this Section. The Department
15 shall have full power to administer and enforce this Section;
16 to collect all taxes and penalties due hereunder; to dispose of
17 taxes and penalties so collected in the manner hereinafter
18 provided; and to determine all rights to credit memoranda,
19 arising on account of the erroneous payment of tax or penalty
20 hereunder. In the administration of, and compliance with, this
21 Section, the Department and persons who are subject to this
22 Section shall have the same rights, remedies, privileges,
23 immunities, powers and duties, and be subject to the same
24 conditions, restrictions, limitations, penalties and
25 definitions of terms, and employ the same modes of procedure,
26 as are prescribed in Sections 2 and 3 (in respect to all

1 provisions therein other than the State rate of tax; and with
2 relation to the provisions of the "~~Retailers' Occupation Tax~~"
3 referred to therein, except as to the disposition of taxes and
4 penalties collected, and except for the provision allowing
5 retailers a deduction from the tax to cover certain costs, and
6 except that credit memoranda issued hereunder may not be used
7 to discharge any State tax liability) of the Automobile Renting
8 Occupation and Use Tax Act, as fully as if those provisions
9 were set forth herein.

10 Persons subject to any tax imposed pursuant to the
11 authority granted in this Section may reimburse themselves for
12 their tax liability hereunder by separately stating such tax as
13 an additional charge, which charge may be stated in
14 combination, in a single amount, with State tax which sellers
15 are required to collect under the Automobile Renting Occupation
16 and Use Tax Act pursuant to such bracket schedules as the
17 Department may prescribe.

18 Whenever the Department determines that a refund should be
19 made under this Section to a claimant instead of issuing a
20 credit memorandum, the Department shall notify the State
21 Comptroller, who shall cause the order to be drawn for the
22 amount specified, and to the person named, in such notification
23 from the Department. Such refund shall be paid by the State
24 Treasurer out of the municipal automobile renting tax fund.

25 The Department shall forthwith pay over to the State
26 Treasurer, ex-officio, as trustee, all taxes and penalties

1 collected hereunder. On or before the 25th day of each calendar
2 month, the Department shall prepare and certify to the
3 Comptroller the disbursement of stated sums of money to named
4 municipalities, the municipalities to be those from which
5 renters have paid taxes or penalties hereunder to the
6 Department during the second preceding calendar month. The
7 amount to be paid to each municipality shall be the amount (not
8 including credit memoranda) collected hereunder during the
9 second preceding calendar month by the Department, and not
10 including an amount equal to the amount of refunds made during
11 the second preceding calendar month by the Department on behalf
12 of such municipality, less 1.6% of such balance, which sum
13 shall be retained by the State Treasurer to cover the costs
14 incurred by the Department in administering and enforcing this
15 Section as provided herein. The Department at the time of each
16 monthly disbursement to the municipalities shall prepare and
17 certify to the Comptroller the amount, so retained by the State
18 Treasurer, to be paid into the General Revenue Fund of the
19 State Treasury. Within 10 days after receipt, by the
20 Comptroller, of the disbursement certification to the
21 municipalities and the General Revenue Fund, provided for in
22 this Section to be given to the Comptroller by the Department,
23 the Comptroller shall cause the orders to be drawn for the
24 respective amounts in accordance with the directions contained
25 in such certification.

26 Nothing in this Section shall be construed to authorize a

1 municipality to impose a tax upon the privilege of engaging in
2 any business which under the Constitution of the United States
3 may not be made the subject of taxation by this State.

4 An ordinance or resolution imposing or discontinuing the
5 tax under this Section or effecting a change in the rate
6 thereof shall be adopted and a certified copy thereof filed
7 with the Department either: (i) on or before the first day of
8 April, in which case the Department shall proceed to administer
9 and enforce this Section as of the first day of July next
10 following the adoption or filing; or (ii) on or before the
11 first day of October, in which case the Department shall
12 proceed to administer and enforce this Section as of the first
13 day of January next following the adoption and filing.

14 ~~An ordinance or resolution imposing a tax hereunder or~~
15 ~~effecting a change in the rate thereof shall be effective on~~
16 ~~the first day of the calendar month next following publication~~
17 ~~as provided in Section 1 2 4. The corporate authorities of any~~
18 ~~municipality which levies a tax authorized by this Section~~
19 ~~shall transmit to the Department of Revenue on or not later~~
20 ~~than 5 days after publication a certified copy of the ordinance~~
21 ~~or resolution imposing such tax whereupon the Department of~~
22 ~~Revenue shall proceed to administer and enforce this Section on~~
23 ~~behalf of such municipality as of the effective date of the~~
24 ~~ordinance or resolution. Upon a change in rate of a tax levied~~
25 ~~hereunder, or upon the discontinuance of the tax, the corporate~~
26 ~~authorities of the municipality shall on or not later than 5~~

1 ~~days after publication of the ordinance or resolution~~
2 ~~discontinuing the tax or effecting a change in rate transmit to~~
3 ~~the Department of Revenue a certified copy of the ordinance or~~
4 ~~resolution effecting such change or discontinuance.~~

5 The Department of Revenue must upon the request of the
6 municipal clerk, city council or village board of trustees
7 submit to a city, village or incorporated town a list of those
8 persons who are registered with the Department to pay
9 automobile renting occupation tax within that governmental
10 unit. This list shall contain only the names of persons who
11 have paid the tax and not the amount of tax paid by such
12 person.

13 As used in this Section, "municipal" and "municipality"
14 means a city, village or incorporated town, including an
15 incorporated town which has superseded a civil township.

16 This Section shall be known and may be cited as the
17 "Municipal Automobile Renting Occupation Tax Act".

18 (Source: P.A. 86-1475.)

19 (65 ILCS 5/8-11-8) (from Ch. 24, par. 8-11-8)

20 Sec. 8-11-8. Municipal Automobile Renting Use Tax. The
21 corporate authorities of a municipality may impose a tax upon
22 the privilege of using, in such municipality, an automobile
23 which is rented from a rentor outside Illinois, and which is
24 titled or registered with an agency of this State's government,
25 at a rate not to exceed 1% of the rental price of such

1 automobile. Such tax shall be collected from persons whose
2 Illinois address for titling or registration purposes is given
3 as being in such municipality. Such tax shall be collected by
4 the Department of Revenue for any municipality imposing such
5 tax. Such tax must be paid to the State, or an exemption
6 determination must be obtained from the Department of Revenue,
7 before the title or certificate of registration for the
8 property may be issued. The tax or proof of exemption may be
9 transmitted to the Department by way of the State agency with
10 which, or State officer with whom, the tangible personal
11 property must be titled or registered if the Department and
12 such agency or State officer determine that this procedure will
13 expedite the processing of applications for title or
14 registration.

15 The Department shall have full power to administer and
16 enforce this Section; to collect all taxes, penalties and
17 interest due hereunder; to dispose of taxes, penalties and
18 interest so collected in the manner hereinafter provided, and
19 to determine all rights to credit memoranda or refunds arising
20 on account of the erroneous payment of tax, penalty or interest
21 hereunder. In the administration of, and compliance with, this
22 Section, the Department and persons who are subject to this
23 Section shall have the same rights, remedies, privileges,
24 immunities, powers and duties, and be subject to the same
25 conditions, restrictions, limitations, penalties and
26 definitions of terms, and employ the same modes of procedure as

1 are prescribed in Sections 2 and 4 (except provisions
2 pertaining to the State rate of tax; and with relation to the
3 provisions of the "Use Tax Act" referred to therein, except
4 provisions concerning collection or refunding of the tax by
5 retailers, and except the provisions of Section 19 pertaining
6 to claims by retailers and except the last paragraph concerning
7 refunds, and except that credit memoranda issued hereunder may
8 not be used to discharge any State tax liability) of the
9 "~~Automobile Renting Occupation and Use Tax Act~~", ~~enacted by the~~
10 ~~Eighty-second General Assembly, as the same are now or may~~
11 ~~hereafter be amended~~, which are not inconsistent with this
12 Section, as fully as if provisions contained in those Sections
13 of said Act were set forth herein.

14 Whenever the Department determines that a refund should be
15 made under this Section to a claimant instead of issuing a
16 credit memorandum, the Department shall notify the State
17 Comptroller, who shall cause the order to be drawn for the
18 amount specified, and to the person named, in such notification
19 from the Department. Such refund shall be paid by the State
20 Treasurer out of the municipal automobile renting tax fund.

21 The Department shall forthwith pay over to the State
22 Treasurer, ex-officio, as trustee, all taxes, penalties and
23 interest collected hereunder. On or before the 25th day of each
24 calendar month, the Department shall prepare and certify to the
25 State Comptroller the disbursement of stated sums of money to
26 named municipalities, the municipality in each instance to be

1 that municipality from which the Department, during the second
2 preceding calendar month, collected taxes hereunder from
3 persons whose Illinois address for titling or registration
4 purposes is given as being in such municipality. The amount to
5 be paid to each municipality shall be the amount (not including
6 credit memoranda) collected hereunder during the second
7 preceding calendar month by the Department, and not including
8 an amount equal to the amount of refunds made during the second
9 preceding calendar month by the Department on behalf of such
10 municipality, less 1.6% of such balance, which sum shall be
11 retained by the State Treasurer to cover the costs incurred by
12 the Department in administering and enforcing this Section as
13 provided herein. The Department at the time of each monthly
14 disbursement to the municipalities shall prepare and certify to
15 the State Comptroller the amount, so retained by the State
16 Treasurer, to be paid into the General Revenue Fund of the
17 State Treasury. Within 10 days after receipt, by the State
18 Comptroller, of the disbursement certification to the
19 municipalities and the General Revenue Fund, provided or in
20 this Section to be given to the State Comptroller by the
21 Department, the State Comptroller shall cause the orders to be
22 drawn for the respective amounts in accordance with the
23 directions contained in such certification.

24 An ordinance or resolution imposing or discontinuing the
25 tax under this Section or effecting a change in the rate
26 thereof shall be adopted and a certified copy thereof filed

1 with the Department either: (i) on or before the first day of
2 April, in which case the Department shall proceed to administer
3 and enforce this Section as of the first day of July next
4 following the adoption or filing; or (ii) on or before the
5 first day of October, in which case the Department shall
6 proceed to administer and enforce this Section as of the first
7 day of January next following the adoption and filing.

8 ~~An ordinance or resolution imposing a tax hereunder or~~
9 ~~effecting a change in the rate thereof shall be effective on~~
10 ~~the first day of the second calendar month next following~~
11 ~~publication as provided in Section 1-2-4. The corporate~~
12 ~~authorities of any municipality which levies a tax authorized~~
13 ~~by this Section shall transmit to the Department of Revenue not~~
14 ~~later than 5 days after publication a certified copy of the~~
15 ~~ordinance or resolution imposing such tax whereupon the~~
16 ~~Department of Revenue shall proceed to administer and enforce~~
17 ~~this Section on behalf of such municipality as of the effective~~
18 ~~date of the ordinance or resolution. Upon a change in rate of a~~
19 ~~tax levied hereunder, or upon the discontinuance of the tax,~~
20 ~~the corporate authorities of the municipality shall, on or not~~
21 ~~later than 5 days after publication of the ordinance or~~
22 ~~resolution discontinuing the tax or effecting a change in rate,~~
23 ~~transmit to the Department of Revenue a certified copy of the~~
24 ~~ordinance or resolution effecting such change or~~
25 ~~discontinuance.~~

26 As used in this Section, "Municipal" and "Municipality"

1 means a city, village or incorporated town, including an
2 incorporated town which has superseded a civil township.

3 This Section shall be known and may be cited as the
4 "Municipal Automobile Renting Use Tax Act".

5 (Source: P.A. 84-149.)

6 Section 99. Effective date. This Act takes effect upon
7 becoming law."