

1                                    AMENDMENT TO SENATE BILL 730

2            AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 730 by replacing  
3 everything after the enacting clause with the following:

4            "Section 5. The Use Tax Act is amended by changing  
5 Section 3-55 as follows:

6            (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)  
7            Sec. 3-55. Multistate exemption. The tax imposed by this  
8 Act does not apply to the use of tangible personal property  
9 in this State under the following circumstances:

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

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

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

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

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

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

28 (f) The temporary storage in this State of building  
29 materials and fixtures that are acquired either in this State  
30 or outside this State by an Illinois registered combination  
31 retailer and construction contractor, and that the purchaser  
32 thereafter uses outside this State by incorporating that  
33 property into real estate located outside this State.

34 (g) The use or purchase of tangible personal property by

1 a common carrier by rail or motor that receives the physical  
2 possession of the property in Illinois, and that transports  
3 the property, or shares with another common carrier in the  
4 transportation of the property, out of Illinois on a standard  
5 uniform bill of lading showing the seller of the property as  
6 the shipper or consignor of the property to a destination  
7 outside Illinois, for use outside Illinois.

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

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

25 (j) Beginning on January 1, 2002, the use of tangible  
26 personal property purchased from an Illinois retailer by a  
27 taxpayer engaged in centralized purchasing activities in  
28 Illinois who will, upon receipt of the property in Illinois,  
29 temporarily store the property in Illinois (i) for the  
30 purpose of subsequently transporting it outside this State  
31 for use or consumption thereafter solely outside this State  
32 or (ii) for the purpose of being processed, fabricated, or  
33 manufactured into, attached to, or incorporated into other  
34 tangible personal property to be transported outside this

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

14 (Source: P.A. 90-519, eff. 6-1-98; 90-552, eff. 12-12-97;  
15 91-51, eff. 6-30-99; 91-313, eff. 7-29-99; 91-587, eff.  
16 8-14-99; revised 9-29-99.)

17 Section 10. The Service Use Tax Act is amended by  
18 changing Section 3-45 as follows:

19 (35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

20 Sec. 3-45. Multistate exemption. The tax imposed by this  
21 Act does not apply to the use of tangible personal property  
22 in this State under the following circumstances:

23 (a) The use, in this State, of property acquired outside  
24 this State by a nonresident individual and brought into this  
25 State by the individual for his or her own use while  
26 temporarily within this State or while passing through this  
27 State.

28 (b) The use, in this State, of property that is acquired  
29 outside this State and that is moved into this State for use  
30 as rolling stock moving in interstate commerce.

31 (c) The use, in this State, of property that is acquired  
32 outside this State and caused to be brought into this State

1 by a person who has already paid a tax in another state in  
2 respect to the sale, purchase, or use of that property, to  
3 the extent of the amount of the tax properly due and paid in  
4 the other state.

5 (d) The temporary storage, in this State, of property  
6 that is acquired outside this State and that after being  
7 brought into this State and stored here temporarily, is used  
8 solely outside this State or is physically attached to or  
9 incorporated into other property that is used solely outside  
10 this State, or is altered by converting, fabricating,  
11 manufacturing, printing, processing, or shaping, and, as  
12 altered, is used solely outside this State.

13 (e) Beginning July 1, 1999, the use, in this State, of  
14 fuel acquired outside this State and brought into this State  
15 in the fuel supply tanks of locomotives engaged in freight  
16 hauling and passenger service for interstate commerce. This  
17 subsection is exempt from the provisions of Section 3-75.

18 (f) Beginning on January 1, 2002, the use of tangible  
19 personal property purchased from an Illinois retailer by a  
20 taxpayer engaged in centralized purchasing activities in  
21 Illinois who will, upon receipt of the property in Illinois,  
22 temporarily store the property in Illinois (i) for the  
23 purpose of subsequently transporting it outside this State  
24 for use or consumption thereafter solely outside this State  
25 or (ii) for the purpose of being processed, fabricated, or  
26 manufactured into, attached to, or incorporated into other  
27 tangible personal property to be transported outside this  
28 State and thereafter used or consumed solely outside this  
29 State. The Director of Revenue shall, pursuant to rules  
30 adopted in accordance with the Illinois Administrative  
31 Procedure Act, issue a permit to any taxpayer in good  
32 standing with the Department who is eligible for the  
33 exemption under this subsection (f). The permit issued under  
34 this subsection (f) shall authorize the holder, to the extent

1 and in the manner specified in the rules adopted under this  
 2 Act, to purchase tangible personal property from a retailer  
 3 exempt from the taxes imposed by this Act. Taxpayers shall  
 4 maintain all necessary books and records to substantiate the  
 5 use and consumption of all such tangible personal property  
 6 outside of the State of Illinois.

7 (Source: P.A. 91-51, eff. 6-30-99; 91-313, eff. 7-29-99;  
 8 91-587, eff. 8-14-99; revised 9-29-99.)

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

11 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

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

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

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

24 (3) Personal property purchased by any not-for-profit  
 25 arts or cultural organization that establishes, by proof  
 26 required by the Department by rule, that it has received an  
 27 exemption under Section 501(c)(3) of the Internal Revenue  
 28 Code and that is organized and operated for the presentation  
 29 or support of arts or cultural programming, activities, or  
 30 services. These organizations include, but are not limited  
 31 to, music and dramatic arts organizations such as symphony  
 32 orchestras and theatrical groups, arts and cultural service

1 organizations, local arts councils, visual arts  
2 organizations, and media arts organizations.

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

7 (5) Graphic arts machinery and equipment, including  
8 repair and replacement parts, both new and used, and  
9 including that manufactured on special order or purchased for  
10 lease, certified by the purchaser to be used primarily for  
11 graphic arts production.

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

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

34 Farm machinery and equipment shall include precision

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

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

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

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

31 (10) Oil field exploration, drilling, and production  
32 equipment, including (i) rigs and parts of rigs, rotary rigs,  
33 cable tool rigs, and workover rigs, (ii) pipe and tubular  
34 goods, including casing and drill strings, (iii) pumps and



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

12 (12) Coal exploration, mining, offhighway hauling,  
13 processing, maintenance, and reclamation equipment, including  
14 replacement parts and equipment, and including equipment  
15 purchased for lease, but excluding motor vehicles required to  
16 be registered under the Illinois Vehicle Code.

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

27 (14) Semen used for artificial insemination of livestock  
28 for direct agricultural production.

29 (15) Horses, or interests in horses, registered with and  
30 meeting the requirements of any of the Arabian Horse Club  
31 Registry of America, Appaloosa Horse Club, American Quarter  
32 Horse Association, United States Trotting Association, or  
33 Jockey Club, as appropriate, used for purposes of breeding or  
34 racing for prizes.

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

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

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

25           (19) Beginning with taxable years ending on or after  
26 December 31, 1995 and ending with taxable years ending on or  
27 before December 31, 2004, personal property that is used in  
28 the performance of infrastructure repairs in this State,  
29 including but not limited to municipal roads and streets,  
30 access roads, bridges, sidewalks, waste disposal systems,  
31 water and sewer line extensions, water distribution and  
32 purification facilities, storm water drainage and retention  
33 facilities, and sewage treatment facilities, resulting from a  
34 State or federally declared disaster in Illinois or bordering

1 Illinois when such repairs are initiated on facilities  
2 located in the declared disaster area within 6 months after  
3 the disaster.

4 (20) Beginning July 1, 1999, game or game birds sold at  
5 a "game breeding and hunting preserve area" or an "exotic  
6 game hunting area" as those terms are used in the Wildlife  
7 Code or at a hunting enclosure approved through rules adopted  
8 by the Department of Natural Resources. This paragraph is  
9 exempt from the provisions of Section 3-55.

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

29 (22) ~~(21)~~ Beginning January 1, 2000, personal property,  
30 including food, purchased through fundraising events for the  
31 benefit of a public or private elementary or secondary  
32 school, a group of those schools, or one or more school  
33 districts if the events are sponsored by an entity recognized  
34 by the school district that consists primarily of volunteers

1 and includes parents and teachers of the school children.  
2 This paragraph does not apply to fundraising events (i) for  
3 the benefit of private home instruction or (ii) for which the  
4 fundraising entity purchases the personal property sold at  
5 the events from another individual or entity that sold the  
6 property for the purpose of resale by the fundraising entity  
7 and that profits from the sale to the fundraising entity.  
8 This paragraph is exempt from the provisions of Section 3-55.

9 (23) ~~(20)~~ Beginning January 1, 2000, new or used  
10 automatic vending machines that prepare and serve hot food  
11 and beverages, including coffee, soup, and other items, and  
12 replacement parts for these machines. This paragraph is  
13 exempt from the provisions of Section 3-55.

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

1 consumption of all such tangible personal property outside of  
2 the State of Illinois.

3 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;  
4 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.  
5 7-20-99; 91-439, eff. 8-6-99; 91-533, eff. 8-13-99; 91-637,  
6 eff. 8-20-99; 91-644, eff. 8-20-99; revised 9-29-99.)

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

9 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

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

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

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

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

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

23 (4) Graphic arts machinery and equipment, including  
24 repair and replacement parts, both new and used, and  
25 including that manufactured on special order or purchased for  
26 lease, certified by the purchaser to be used primarily for  
27 graphic arts production.

28 (5) A motor vehicle of the first division, a motor  
29 vehicle of the second division that is a self-contained motor  
30 vehicle designed or permanently converted to provide living  
31 quarters for recreational, camping, or travel use, with  
32 direct walk through access to the living quarters from the  
33 driver's seat, or a motor vehicle of the second division that  
34 is of the van configuration designed for the transportation

1 of not less than 7 nor more than 16 passengers, as defined in  
2 Section 1-146 of the Illinois Vehicle Code, that is used for  
3 automobile renting, as defined in the Automobile Renting  
4 Occupation and Use Tax Act.

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

8 (7) Proceeds of that portion of the selling price of a  
9 passenger car the sale of which is subject to the Replacement  
10 Vehicle Tax.

11 (8) Personal property sold to an Illinois county fair  
12 association for use in conducting, operating, or promoting  
13 the county fair.

14 (9) Personal property sold to a not-for-profit arts or  
15 cultural organization that establishes, by proof required by  
16 the Department by rule, that it has received an exemption  
17 under Section 501(c)(3) of the Internal Revenue Code and that  
18 is organized and operated for the presentation or support of  
19 arts or cultural programming, activities, or services. These  
20 organizations include, but are not limited to, music and  
21 dramatic arts organizations such as symphony orchestras and  
22 theatrical groups, arts and cultural service organizations,  
23 local arts councils, visual arts organizations, and media  
24 arts organizations.

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

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

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

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

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

29 (14) Machinery and equipment that will be used by the  
30 purchaser, or a lessee of the purchaser, primarily in the  
31 process of manufacturing or assembling tangible personal  
32 property for wholesale or retail sale or lease, whether the  
33 sale or lease is made directly by the manufacturer or by some  
34 other person, whether the materials used in the process are



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

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

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

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

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

30 (19) Oil field exploration, drilling, and production  
31 equipment, including (i) rigs and parts of rigs, rotary rigs,  
32 cable tool rigs, and workover rigs, (ii) pipe and tubular  
33 goods, including casing and drill strings, (iii) pumps and  
34 pump-jack units, (iv) storage tanks and flow lines, (v) any

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

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

11 (21) Coal exploration, mining, offhighway hauling,  
12 processing, maintenance, and reclamation equipment, including  
13 replacement parts and equipment, and including equipment  
14 purchased for lease, but excluding motor vehicles required to  
15 be registered under the Illinois Vehicle Code.

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

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

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

33 (25) A motor vehicle sold in this State to a nonresident  
34 even though the motor vehicle is delivered to the nonresident

1 in this State, if the motor vehicle is not to be titled in  
2 this State, and if a driveaway decal permit is issued to the  
3 motor vehicle as provided in Section 3-603 of the Illinois  
4 Vehicle Code or if the nonresident purchaser has vehicle  
5 registration plates to transfer to the motor vehicle upon  
6 returning to his or her home state. The issuance of the  
7 driveaway decal permit or having the out-of-state  
8 registration plates to be transferred is prima facie evidence  
9 that the motor vehicle will not be titled in this State.

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

12 (27) Horses, or interests in horses, registered with and  
13 meeting the requirements of any of the Arabian Horse Club  
14 Registry of America, Appaloosa Horse Club, American Quarter  
15 Horse Association, United States Trotting Association, or  
16 Jockey Club, as appropriate, used for purposes of breeding or  
17 racing for prizes.

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

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

31 (30) Beginning with taxable years ending on or after  
32 December 31, 1995 and ending with taxable years ending on or  
33 before December 31, 2004, personal property that is donated  
34 for disaster relief to be used in a State or federally

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

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

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

26 (33) ~~(32)~~ A motor vehicle, as that term is defined in  
27 Section 1-146 of the Illinois Vehicle Code, that is donated  
28 to a corporation, limited liability company, society,  
29 association, foundation, or institution that is determined by  
30 the Department to be organized and operated exclusively for  
31 educational purposes. For purposes of this exemption, "a  
32 corporation, limited liability company, society, association,  
33 foundation, or institution organized and operated exclusively  
34 for educational purposes" means all tax-supported public

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

11 (34) ~~(33)~~ Beginning January 1, 2000, personal property,  
12 including food, purchased through fundraising events for the  
13 benefit of a public or private elementary or secondary  
14 school, a group of those schools, or one or more school  
15 districts if the events are sponsored by an entity recognized  
16 by the school district that consists primarily of volunteers  
17 and includes parents and teachers of the school children.  
18 This paragraph does not apply to fundraising events (i) for  
19 the benefit of private home instruction or (ii) for which the  
20 fundraising entity purchases the personal property sold at  
21 the events from another individual or entity that sold the  
22 property for the purpose of resale by the fundraising entity  
23 and that profits from the sale to the fundraising entity.  
24 This paragraph is exempt from the provisions of Section 2-70.

25 (35) ~~(32)~~ Beginning January 1, 2000, new or used  
26 automatic vending machines that prepare and serve hot food  
27 and beverages, including coffee, soup, and other items, and  
28 replacement parts for these machines. This paragraph is  
29 exempt from the provisions of Section 2-70.

30 (36) Beginning on January 1, 2002, tangible personal  
31 property purchased from an Illinois retailer by a taxpayer  
32 engaged in centralized purchasing activities in Illinois who  
33 will, upon receipt of the property in Illinois, temporarily  
34 store the property in Illinois (i) for the purpose of

1 subsequently transporting it outside this State for use or  
2 consumption thereafter solely outside this State or (ii) for  
3 the purpose of being processed, fabricated, or manufactured  
4 into, attached to, or incorporated into other tangible  
5 personal property to be transported outside this State and  
6 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 (36). The permit issued under this paragraph (36)  
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 (Source: P.A. 90-14, eff. 7-1-97; 90-519, eff. 6-1-98;  
20 90-552, eff. 12-12-97; 90-605, eff. 6-30-98; 91-51, eff.  
21 6-30-99; 91-200, eff. 7-20-99; 91-439, eff. 8-6-99; 91-533,  
22 eff. 8-13-99; 91-637, eff. 8-20-99; 91-644, eff. 8-20-99;  
23 revised 9-28-99.)

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law."