



Sen. Don Harmon

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1 AMENDMENT TO HOUSE BILL 3144

2 AMENDMENT NO. _____. Amend House Bill 3144, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Use Tax Act is amended by changing
6 Sections 3-5 and 3-10 as follows:

7 (35 ILCS 105/3-5)

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

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

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

4 (3) Personal property purchased by a not-for-profit arts
5 or cultural organization that establishes, by proof required
6 by the Department by rule, that it has received an exemption
7 under Section 501(c)(3) of the Internal Revenue Code and that
8 is organized and operated primarily for the presentation or
9 support of arts or cultural programming, activities, or
10 services. These organizations include, but are not limited to,
11 music and dramatic arts organizations such as symphony
12 orchestras and theatrical groups, arts and cultural service
13 organizations, local arts councils, visual arts organizations,
14 and media arts organizations. On and after July 1, 2001 (the
15 effective date of Public Act 92-35), however, an entity
16 otherwise eligible for this exemption shall not make tax-free
17 purchases unless it has an active identification number issued
18 by the Department.

19 (4) Except as otherwise provided in this Act, personal
20 property purchased by a governmental body, by a corporation,
21 society, association, foundation, or institution organized and
22 operated exclusively for charitable, religious, or educational
23 purposes, or by a not-for-profit corporation, society,
24 association, foundation, institution, or organization that has
25 no compensated officers or employees and that is organized and
26 operated primarily for the recreation of persons 55 years of

1 age or older. A limited liability company may qualify for the
2 exemption under this paragraph only if the limited liability
3 company is organized and operated exclusively for educational
4 purposes. On and after July 1, 1987, however, no entity
5 otherwise eligible for this exemption shall make tax-free
6 purchases unless it has an active exemption identification
7 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
14 and 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
20 a graphic arts product. Beginning on July 1, 2017, graphic
21 arts machinery and equipment is included in the manufacturing
22 and assembling machinery and equipment exemption under
23 paragraph (18).

24 (7) Farm chemicals.

25 (8) Legal tender, currency, medallions, or gold or silver
26 coinage issued by the State of Illinois, the government of the

1 United States of America, or the government of any foreign
2 country, and bullion.

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

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

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

1 of the tender is separately stated.

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

10 Farm machinery and equipment also includes computers,
11 sensors, software, and related equipment used primarily in the
12 computer-assisted operation of production agriculture
13 facilities, equipment, and activities such as, but not limited
14 to, the collection, monitoring, and correlation of animal and
15 crop data for the purpose of formulating animal diets and
16 agricultural chemicals.

17 Beginning on January 1, 2024, farm machinery and equipment
18 also includes electrical power generation equipment used
19 primarily for production agriculture.

20 This item (11) is exempt from the provisions of Section
21 3-90.

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

1 the United States without regard to previous or subsequent
2 domestic stopovers.

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

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

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

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

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

10 (16) Until July 1, 2028, coal and aggregate exploration,
11 mining, off-highway hauling, processing, maintenance, and
12 reclamation equipment, including replacement parts and
13 equipment, and including equipment purchased for lease, but
14 excluding motor vehicles required to be registered under the
15 Illinois Vehicle Code. The changes made to this Section by
16 Public Act 97-767 apply on and after July 1, 2003, but no claim
17 for credit or refund is allowed on or after August 16, 2013
18 (the effective date of Public Act 98-456) for such taxes paid
19 during the period beginning July 1, 2003 and ending on August
20 16, 2013 (the effective date of Public Act 98-456).

21 (17) 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 (18) Manufacturing and assembling machinery and equipment
2 used primarily in the process of manufacturing or assembling
3 tangible personal property for wholesale or retail sale or
4 lease, whether that sale or lease is made directly by the
5 manufacturer or by some other person, whether the materials
6 used in the process are owned by the manufacturer or some other
7 person, or whether that sale or lease is made apart from or as
8 an incident to the seller's engaging in the service occupation
9 of producing machines, tools, dies, jigs, patterns, gauges, or
10 other similar items of no commercial value on special order
11 for a particular purchaser. The exemption provided by this
12 paragraph (18) includes production related tangible personal
13 property, as defined in Section 3-50, purchased on or after
14 July 1, 2019. The exemption provided by this paragraph (18)
15 does not include machinery and equipment used in (i) the
16 generation of electricity for wholesale or retail sale; (ii)
17 the generation or treatment of natural or artificial gas for
18 wholesale or retail sale that is delivered to customers
19 through pipes, pipelines, or mains; or (iii) the treatment of
20 water for wholesale or retail sale that is delivered to
21 customers through pipes, pipelines, or mains. The provisions
22 of Public Act 98-583 are declaratory of existing law as to the
23 meaning and scope of this exemption. Beginning on July 1,
24 2017, the exemption provided by this paragraph (18) includes,
25 but is not limited to, graphic arts machinery and equipment,
26 as defined in paragraph (6) of this Section.

1 (19) Personal property delivered to a purchaser or
2 purchaser's donee inside Illinois when the purchase order for
3 that personal property was received by a florist located
4 outside Illinois who has a florist located inside Illinois
5 deliver the personal property.

6 (20) Semen used for artificial insemination of livestock
7 for direct agricultural production.

8 (21) Horses, or interests in horses, registered with and
9 meeting the requirements of any of the Arabian Horse Club
10 Registry of America, Appaloosa Horse Club, American Quarter
11 Horse Association, United States Trotting Association, or
12 Jockey Club, as appropriate, used for purposes of breeding or
13 racing for prizes. This item (21) is exempt from the
14 provisions of Section 3-90, and the exemption provided for
15 under this item (21) applies for all periods beginning May 30,
16 1995, but no claim for credit or refund is allowed on or after
17 January 1, 2008 for such taxes paid during the period
18 beginning May 30, 2000 and ending on January 1, 2008.

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

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

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

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

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

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

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

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

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

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

5 (28) Beginning January 1, 2000, personal property,
6 including food, purchased through fundraising events for the
7 benefit of a public or private elementary or secondary school,
8 a group of those schools, or one or more school districts if
9 the events are sponsored by an entity recognized by the school
10 district that consists primarily of volunteers and includes
11 parents and teachers of the school children. This paragraph
12 does not apply to fundraising events (i) for the benefit of
13 private home instruction or (ii) for which the fundraising
14 entity purchases the personal property sold at the events from
15 another individual or entity that sold the property for the
16 purpose of resale by the fundraising entity and that profits
17 from the sale to the fundraising entity. This paragraph is
18 exempt from the provisions of Section 3-90.

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

1 commercial, coin-operated amusement and vending machines. This
2 paragraph is exempt from the provisions of Section 3-90.

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

16 (31) Beginning on August 2, 2001 (the effective date of
17 Public Act 92-227), computers and communications equipment
18 utilized for any hospital purpose and equipment used in the
19 diagnosis, analysis, or treatment of hospital patients
20 purchased by a lessor who leases the equipment, under a lease
21 of one year or longer executed or in effect at the time the
22 lessor would otherwise be subject to the tax imposed by this
23 Act, to a hospital that has been issued an active tax exemption
24 identification number by the Department under Section 1g of
25 the Retailers' Occupation Tax Act. If the equipment is leased
26 in a manner that does not qualify for this exemption or is used

1 in any other nonexempt manner, the lessor shall be liable for
2 the tax imposed under this Act or the Service Use Tax Act, as
3 the case may be, based on the fair market value of the property
4 at the time the nonqualifying use occurs. No lessor shall
5 collect or attempt to collect an amount (however designated)
6 that purports to reimburse that lessor for the tax imposed by
7 this Act or the Service Use Tax Act, as the case may be, if the
8 tax has not been paid by the lessor. If a lessor improperly
9 collects any such amount from the lessee, the lessee shall
10 have a legal right to claim a refund of that amount from the
11 lessor. If, however, that amount is not refunded to the lessee
12 for any reason, the lessor is liable to pay that amount to the
13 Department. This paragraph is exempt from the provisions of
14 Section 3-90.

15 (32) Beginning on August 2, 2001 (the effective date of
16 Public Act 92-227), personal property purchased by a lessor
17 who leases the property, under a lease of one year or longer
18 executed or in effect at the time the lessor would otherwise be
19 subject to the tax imposed by this Act, to a governmental body
20 that has been issued an active sales tax exemption
21 identification number by the Department under Section 1g of
22 the Retailers' Occupation Tax Act. If the property is leased
23 in a manner that does not qualify for this exemption or used in
24 any other nonexempt manner, the lessor shall be liable for the
25 tax imposed under this Act or the Service Use Tax Act, as the
26 case may be, based on the fair market value of the property at

1 the time the nonqualifying use occurs. No lessor shall collect
2 or attempt to collect an amount (however designated) that
3 purports to reimburse that lessor for the tax imposed by this
4 Act or the Service Use Tax Act, as the case may be, if the tax
5 has not been paid by the lessor. If a lessor improperly
6 collects any such amount from the lessee, the lessee shall
7 have a legal right to claim a refund of that amount from the
8 lessor. If, however, that amount is not refunded to the lessee
9 for any reason, the lessor is liable to pay that amount to the
10 Department. This paragraph is exempt from the provisions of
11 Section 3-90.

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

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

5 (34) Beginning January 1, 2008, tangible personal property
6 used in the construction or maintenance of a community water
7 supply, as defined under Section 3.145 of the Environmental
8 Protection Act, that is operated by a not-for-profit
9 corporation that holds a valid water supply permit issued
10 under Title IV of the Environmental Protection Act. This
11 paragraph is exempt from the provisions of Section 3-90.

12 (35) Beginning January 1, 2010 and continuing through
13 December 31, 2029, materials, parts, equipment, components,
14 and furnishings incorporated into or upon an aircraft as part
15 of the modification, refurbishment, completion, replacement,
16 repair, or maintenance of the aircraft. This exemption
17 includes consumable supplies used in the modification,
18 refurbishment, completion, replacement, repair, and
19 maintenance of aircraft. However, until January 1, 2024, this
20 exemption excludes any materials, parts, equipment,
21 components, and consumable supplies used in the modification,
22 replacement, repair, and maintenance of aircraft engines or
23 power plants, whether such engines or power plants are
24 installed or uninstalled upon any such aircraft. "Consumable
25 supplies" include, but are not limited to, adhesive, tape,
26 sandpaper, general purpose lubricants, cleaning solution,

1 latex gloves, and protective films.

2 Beginning January 1, 2010 and continuing through December
3 31, 2023, this exemption applies only to the use of qualifying
4 tangible personal property by persons who modify, refurbish,
5 complete, repair, replace, or maintain aircraft and who (i)
6 hold an Air Agency Certificate and are empowered to operate an
7 approved repair station by the Federal Aviation
8 Administration, (ii) have a Class IV Rating, and (iii) conduct
9 operations in accordance with Part 145 of the Federal Aviation
10 Regulations. From January 1, 2024 through December 31, 2029,
11 this exemption applies only to the use of qualifying tangible
12 personal property by: (A) persons who modify, refurbish,
13 complete, repair, replace, or maintain aircraft and who (i)
14 hold an Air Agency Certificate and are empowered to operate an
15 approved repair station by the Federal Aviation
16 Administration, (ii) have a Class IV Rating, and (iii) conduct
17 operations in accordance with Part 145 of the Federal Aviation
18 Regulations; and (B) persons who engage in the modification,
19 replacement, repair, and maintenance of aircraft engines or
20 power plants without regard to whether or not those persons
21 meet the qualifications of item (A).

22 The exemption does not include aircraft operated by a
23 commercial air carrier providing scheduled passenger air
24 service pursuant to authority issued under Part 121 or Part
25 129 of the Federal Aviation Regulations. The changes made to
26 this paragraph (35) by Public Act 98-534 are declarative of

1 existing law. It is the intent of the General Assembly that the
2 exemption under this paragraph (35) applies continuously from
3 January 1, 2010 through December 31, 2024; however, no claim
4 for credit or refund is allowed for taxes paid as a result of
5 the disallowance of this exemption on or after January 1, 2015
6 and prior to February 5, 2020 (the effective date of Public Act
7 101-629).

8 (36) 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
17 instruments issued by the public-facilities corporation in
18 connection with the development of the municipal convention
19 hall. This exemption includes existing public-facilities
20 corporations as provided in Section 11-65-25 of the Illinois
21 Municipal Code. This paragraph is exempt from the provisions
22 of Section 3-90.

23 (37) Beginning January 1, 2017 and through December 31,
24 2026, menstrual pads, tampons, and menstrual cups.

25 (38) Merchandise that is subject to the Rental Purchase
26 Agreement Occupation and Use Tax. The purchaser must certify

1 that the item is purchased to be rented subject to a
2 rental-purchase ~~rental-purchase~~ agreement, as defined in the
3 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide
4 proof of registration under the Rental Purchase Agreement
5 Occupation and Use Tax Act. This paragraph is exempt from the
6 provisions of Section 3-90.

7 (39) Tangible personal property purchased by a purchaser
8 who is exempt from the tax imposed by this Act by operation of
9 federal law. This paragraph is exempt from the provisions of
10 Section 3-90.

11 (40) Qualified tangible personal property used in the
12 construction or operation of a data center that has been
13 granted a certificate of exemption by the Department of
14 Commerce and Economic Opportunity, whether that tangible
15 personal property is purchased by the owner, operator, or
16 tenant of the data center or by a contractor or subcontractor
17 of the owner, operator, or tenant. Data centers that would
18 have qualified for a certificate of exemption prior to January
19 1, 2020 had Public Act 101-31 been in effect may apply for and
20 obtain an exemption for subsequent purchases of computer
21 equipment or enabling software purchased or leased to upgrade,
22 supplement, or replace computer equipment or enabling software
23 purchased or leased in the original investment that would have
24 qualified.

25 The Department of Commerce and Economic Opportunity shall
26 grant a certificate of exemption under this item (40) to

1 qualified data centers as defined by Section 605-1025 of the
2 Department of Commerce and Economic Opportunity Law of the
3 Civil Administrative Code of Illinois.

4 For the purposes of this item (40):

5 "Data center" means a building or a series of
6 buildings rehabilitated or constructed to house working
7 servers in one physical location or multiple sites within
8 the State of Illinois.

9 "Qualified tangible personal property" means:
10 electrical systems and equipment; climate control and
11 chilling equipment and systems; mechanical systems and
12 equipment; monitoring and secure systems; emergency
13 generators; hardware; computers; servers; data storage
14 devices; network connectivity equipment; racks; cabinets;
15 telecommunications cabling infrastructure; raised floor
16 systems; peripheral components or systems; software;
17 mechanical, electrical, or plumbing systems; battery
18 systems; cooling systems and towers; temperature control
19 systems; other cabling; and other data center
20 infrastructure equipment and systems necessary to operate
21 qualified tangible personal property, including fixtures;
22 and component parts of any of the foregoing, including
23 installation, maintenance, repair, refurbishment, and
24 replacement of qualified tangible personal property to
25 generate, transform, transmit, distribute, or manage
26 electricity necessary to operate qualified tangible

1 personal property; and all other tangible personal
2 property that is essential to the operations of a computer
3 data center. The term "qualified tangible personal
4 property" also includes building materials physically
5 incorporated into ~~in to~~ the qualifying data center. To
6 document the exemption allowed under this Section, the
7 retailer must obtain from the purchaser a copy of the
8 certificate of eligibility issued by the Department of
9 Commerce and Economic Opportunity.

10 This item (40) is exempt from the provisions of Section
11 3-90.

12 (41) Beginning July 1, 2022, breast pumps, breast pump
13 collection and storage supplies, and breast pump kits. This
14 item (41) is exempt from the provisions of Section 3-90. As
15 used in this item (41):

16 "Breast pump" means an electrically controlled or
17 manually controlled pump device designed or marketed to be
18 used to express milk from a human breast during lactation,
19 including the pump device and any battery, AC adapter, or
20 other power supply unit that is used to power the pump
21 device and is packaged and sold with the pump device at the
22 time of sale.

23 "Breast pump collection and storage supplies" means
24 items of tangible personal property designed or marketed
25 to be used in conjunction with a breast pump to collect
26 milk expressed from a human breast and to store collected

1 milk until it is ready for consumption.

2 "Breast pump collection and storage supplies"
3 includes, but is not limited to: breast shields and breast
4 shield connectors; breast pump tubes and tubing adapters;
5 breast pump valves and membranes; backflow protectors and
6 backflow protector adaptors; bottles and bottle caps
7 specific to the operation of the breast pump; and breast
8 milk storage bags.

9 "Breast pump collection and storage supplies" does not
10 include: (1) bottles and bottle caps not specific to the
11 operation of the breast pump; (2) breast pump travel bags
12 and other similar carrying accessories, including ice
13 packs, labels, and other similar products; (3) breast pump
14 cleaning supplies; (4) nursing bras, bra pads, breast
15 shells, and other similar products; and (5) creams,
16 ointments, and other similar products that relieve
17 breastfeeding-related symptoms or conditions of the
18 breasts or nipples, unless sold as part of a breast pump
19 kit that is pre-packaged by the breast pump manufacturer
20 or distributor.

21 "Breast pump kit" means a kit that: (1) contains no
22 more than a breast pump, breast pump collection and
23 storage supplies, a rechargeable battery for operating the
24 breast pump, a breastmilk cooler, bottle stands, ice
25 packs, and a breast pump carrying case; and (2) is
26 pre-packaged as a breast pump kit by the breast pump

1 manufacturer or distributor.

2 (42) Tangible personal property sold by or on behalf of
3 the State Treasurer pursuant to the Revised Uniform Unclaimed
4 Property Act. This item (42) is exempt from the provisions of
5 Section 3-90.

6 (43) Beginning on January 1, 2024, tangible personal
7 property purchased by an active duty member of the armed
8 forces of the United States who presents valid military
9 identification and purchases the property using a form of
10 payment where the federal government is the payor. The member
11 of the armed forces must complete, at the point of sale, a form
12 prescribed by the Department of Revenue documenting that the
13 transaction is eligible for the exemption under this
14 paragraph. Retailers must keep the form as documentation of
15 the exemption in their records for a period of not less than 6
16 years. "Armed forces of the United States" means the United
17 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
18 This paragraph is exempt from the provisions of Section 3-90.

19 (44) Beginning on January 1, 2026, as further defined in
20 Section 3-10, food for human consumption that is to be
21 consumed off the premises where it is sold (other than
22 alcoholic beverages, food consisting of or infused with adult
23 use cannabis, soft drinks, candy, and food that has been
24 prepared for immediate consumption). This item (44) is exempt
25 from the provisions of Section 3-90.

26 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,

1 Section 70-5, eff. 4-19-22; 102-700, Article 75, Section 75-5,
2 eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
3 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,
4 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
5 revised 12-12-23.)

6 (35 ILCS 105/3-10)

7 Sec. 3-10. Rate of tax. Unless otherwise provided in this
8 Section, the tax imposed by this Act is at the rate of 6.25% of
9 either the selling price or the fair market value, if any, of
10 the tangible personal property. In all cases where property
11 functionally used or consumed is the same as the property that
12 was purchased at retail, then the tax is imposed on the selling
13 price of the property. In all cases where property
14 functionally used or consumed is a by-product or waste product
15 that has been refined, manufactured, or produced from property
16 purchased at retail, then the tax is imposed on the lower of
17 the fair market value, if any, of the specific property so used
18 in this State or on the selling price of the property purchased
19 at retail. For purposes of this Section "fair market value"
20 means the price at which property would change hands between a
21 willing buyer and a willing seller, neither being under any
22 compulsion to buy or sell and both having reasonable knowledge
23 of the relevant facts. The fair market value shall be
24 established by Illinois sales by the taxpayer of the same
25 property as that functionally used or consumed, or if there

1 are no such sales by the taxpayer, then comparable sales or
2 purchases of property of like kind and character in Illinois.

3 Beginning on July 1, 2000 and through December 31, 2000,
4 with respect to motor fuel, as defined in Section 1.1 of the
5 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
6 the Use Tax Act, the tax is imposed at the rate of 1.25%.

7 Beginning on August 6, 2010 through August 15, 2010, and
8 beginning again on August 5, 2022 through August 14, 2022,
9 with respect to sales tax holiday items as defined in Section
10 3-6 of this Act, the tax is imposed at the rate of 1.25%.

11 With respect to gasohol, the tax imposed by this Act
12 applies to (i) 70% of the proceeds of sales made on or after
13 January 1, 1990, and before July 1, 2003, (ii) 80% of the
14 proceeds of sales made on or after July 1, 2003 and on or
15 before July 1, 2017, (iii) 100% of the proceeds of sales made
16 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
17 the proceeds of sales made on or after January 1, 2024 and on
18 or before December 31, 2028, and (v) 100% of the proceeds of
19 sales made after December 31, 2028. If, at any time, however,
20 the tax under this Act on sales of gasohol is imposed at the
21 rate of 1.25%, then the tax imposed by this Act applies to 100%
22 of the proceeds of sales of gasohol made during that time.

23 With respect to mid-range ethanol blends, the tax imposed
24 by this Act applies to (i) 80% of the proceeds of sales made on
25 or after January 1, 2024 and on or before December 31, 2028 and
26 (ii) 100% of the proceeds of sales made thereafter. If, at any

1 time, however, the tax under this Act on sales of mid-range
2 ethanol blends is imposed at the rate of 1.25%, then the tax
3 imposed by this Act applies to 100% of the proceeds of sales of
4 mid-range ethanol blends made during that time.

5 With respect to majority blended ethanol fuel, the tax
6 imposed by this Act does not apply to the proceeds of sales
7 made on or after July 1, 2003 and on or before December 31,
8 2028 but applies to 100% of the proceeds of sales made
9 thereafter.

10 With respect to biodiesel blends with no less than 1% and
11 no more than 10% biodiesel, the tax imposed by this Act applies
12 to (i) 80% of the proceeds of sales made on or after July 1,
13 2003 and on or before December 31, 2018 and (ii) 100% of the
14 proceeds of sales made after December 31, 2018 and before
15 January 1, 2024. On and after January 1, 2024 and on or before
16 December 31, 2030, the taxation of biodiesel, renewable
17 diesel, and biodiesel blends shall be as provided in Section
18 3-5.1. If, at any time, however, the tax under this Act on
19 sales of biodiesel blends with no less than 1% and no more than
20 10% biodiesel is imposed at the rate of 1.25%, then the tax
21 imposed by this Act applies to 100% of the proceeds of sales of
22 biodiesel blends with no less than 1% and no more than 10%
23 biodiesel made during that time.

24 With respect to biodiesel and biodiesel blends with more
25 than 10% but no more than 99% biodiesel, the tax imposed by
26 this Act does not apply to the proceeds of sales made on or

1 after July 1, 2003 and on or before December 31, 2023. On and
2 after January 1, 2024 and on or before December 31, 2030, the
3 taxation of biodiesel, renewable diesel, and biodiesel blends
4 shall be as provided in Section 3-5.1.

5 Until July 1, 2022 and ~~from beginning again on~~ July 1, 2023
6 through December 31, 2025, with respect to food for human
7 consumption that is to be consumed off the premises where it is
8 sold (other than alcoholic beverages, food consisting of or
9 infused with adult use cannabis, soft drinks, and food that
10 has been prepared for immediate consumption), the tax is
11 imposed at the rate of 1%. Beginning on July 1, 2022 and until
12 July 1, 2023, with respect to food for human consumption that
13 is to be consumed off the premises where it is sold (other than
14 alcoholic beverages, food consisting of or infused with adult
15 use cannabis, soft drinks, and food that has been prepared for
16 immediate consumption), the tax is imposed at the rate of 0%.
17 On and after January 1, 2026, food for human consumption that
18 is to be consumed off the premises where it is sold (other than
19 alcoholic beverages, food consisting of or infused with adult
20 use cannabis, soft drinks, candy, and food that has been
21 prepared for immediate consumption) is exempt from the tax
22 imposed by this Act.

23 With respect to prescription and nonprescription
24 medicines, drugs, medical appliances, products classified as
25 Class III medical devices by the United States Food and Drug
26 Administration that are used for cancer treatment pursuant to

1 a prescription, as well as any accessories and components
2 related to those devices, modifications to a motor vehicle for
3 the purpose of rendering it usable by a person with a
4 disability, and insulin, blood sugar testing materials,
5 syringes, and needles used by human diabetics, the tax is
6 imposed at the rate of 1%. For the purposes of this Section,
7 until September 1, 2009: the term "soft drinks" means any
8 complete, finished, ready-to-use, non-alcoholic drink, whether
9 carbonated or not, including, but not limited to, soda water,
10 cola, fruit juice, vegetable juice, carbonated water, and all
11 other preparations commonly known as soft drinks of whatever
12 kind or description that are contained in any closed or sealed
13 bottle, can, carton, or container, regardless of size; but
14 "soft drinks" does not include coffee, tea, non-carbonated
15 water, infant formula, milk or milk products as defined in the
16 Grade A Pasteurized Milk and Milk Products Act, or drinks
17 containing 50% or more natural fruit or vegetable juice.

18 Notwithstanding any other provisions of this Act,
19 beginning September 1, 2009, "soft drinks" means non-alcoholic
20 beverages that contain natural or artificial sweeteners. "Soft
21 drinks" does not include beverages that contain milk or milk
22 products, soy, rice or similar milk substitutes, or greater
23 than 50% of vegetable or fruit juice by volume.

24 Until August 1, 2009, and notwithstanding any other
25 provisions of this Act, "food for human consumption that is to
26 be consumed off the premises where it is sold" includes all

1 food sold through a vending machine, except soft drinks and
2 food products that are dispensed hot from a vending machine,
3 regardless of the location of the vending machine. Beginning
4 August 1, 2009, and notwithstanding any other provisions of
5 this Act, "food for human consumption that is to be consumed
6 off the premises where it is sold" includes all food sold
7 through a vending machine, except soft drinks, candy, and food
8 products that are dispensed hot from a vending machine,
9 regardless of the location of the vending machine.

10 Notwithstanding any other provisions of this Act,
11 beginning September 1, 2009, "food for human consumption that
12 is to be consumed off the premises where it is sold" does not
13 include candy. For purposes of this Section, "candy" means a
14 preparation of sugar, honey, or other natural or artificial
15 sweeteners in combination with chocolate, fruits, nuts or
16 other ingredients or flavorings in the form of bars, drops, or
17 pieces. "Candy" does not include any preparation that contains
18 flour or requires refrigeration.

19 Notwithstanding any other provisions of this Act,
20 beginning September 1, 2009, "nonprescription medicines and
21 drugs" does not include grooming and hygiene products. For
22 purposes of this Section, "grooming and hygiene products"
23 includes, but is not limited to, soaps and cleaning solutions,
24 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
25 lotions and screens, unless those products are available by
26 prescription only, regardless of whether the products meet the

1 definition of "over-the-counter-drugs". For the purposes of
2 this paragraph, "over-the-counter-drug" means a drug for human
3 use that contains a label that identifies the product as a drug
4 as required by 21 CFR 201.66. The "over-the-counter-drug"
5 label includes:

6 (A) a "Drug Facts" panel; or

7 (B) a statement of the "active ingredient(s)" with a
8 list of those ingredients contained in the compound,
9 substance or preparation.

10 Beginning on January 1, 2014 (the effective date of Public
11 Act 98-122), "prescription and nonprescription medicines and
12 drugs" includes medical cannabis purchased from a registered
13 dispensing organization under the Compassionate Use of Medical
14 Cannabis Program Act.

15 As used in this Section, "adult use cannabis" means
16 cannabis subject to tax under the Cannabis Cultivation
17 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
18 and does not include cannabis subject to tax under the
19 Compassionate Use of Medical Cannabis Program Act.

20 If the property that is purchased at retail from a
21 retailer is acquired outside Illinois and used outside
22 Illinois before being brought to Illinois for use here and is
23 taxable under this Act, the "selling price" on which the tax is
24 computed shall be reduced by an amount that represents a
25 reasonable allowance for depreciation for the period of prior
26 out-of-state use.

1 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,
2 Section 20-5, eff. 4-19-22; 102-700, Article 60, Section
3 60-15, eff. 4-19-22; 102-700, Article 65, Section 65-5, eff.
4 4-19-22; 103-9, eff. 6-7-23; 103-154 eff. 6-30-23.)

5 Section 10. The Service Use Tax Act is amended by changing
6 Sections 3-5 and 3-10 as follows:

7 (35 ILCS 110/3-5)

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

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

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

20 (3) Personal property purchased by a not-for-profit arts
21 or cultural organization that establishes, by proof required
22 by the Department by rule, that it has received an exemption
23 under Section 501(c)(3) of the Internal Revenue Code and that
24 is 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 July 1, 2001 (the
7 effective date of Public Act 92-35), however, an entity
8 otherwise eligible for this exemption shall not make tax-free
9 purchases unless it has an active identification number issued
10 by the Department.

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

15 (5) Until July 1, 2003 and beginning again on September 1,
16 2004 through August 30, 2014, graphic arts machinery and
17 equipment, including repair and replacement parts, both new
18 and used, and including that manufactured on special order or
19 purchased for lease, certified by the purchaser to be used
20 primarily for graphic arts production. Equipment includes
21 chemicals or chemicals acting as catalysts but only if the
22 chemicals or chemicals acting as catalysts effect a direct and
23 immediate change upon a graphic arts product. Beginning on
24 July 1, 2017, graphic arts machinery and equipment is included
25 in the manufacturing and assembling machinery and equipment
26 exemption under Section 2 of this Act.

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

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

23 Farm machinery and equipment shall include precision
24 farming equipment that is installed or purchased to be
25 installed on farm machinery and equipment, including, but not
26 limited to, tractors, harvesters, sprayers, planters, seeders,

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

5 Farm machinery and equipment also includes computers,
6 sensors, software, and related equipment used primarily in the
7 computer-assisted operation of production agriculture
8 facilities, equipment, and activities such as, but not limited
9 to, the collection, monitoring, and correlation of animal and
10 crop data for the purpose of formulating animal diets and
11 agricultural chemicals.

12 Beginning on January 1, 2024, farm machinery and equipment
13 also includes electrical power generation equipment used
14 primarily for production agriculture.

15 This item (7) is exempt from the provisions of Section
16 3-75.

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

24 Beginning July 1, 2013, fuel and petroleum products sold
25 to or used by an air carrier, certified by the carrier to be
26 used for consumption, shipment, or storage in the conduct of

1 its business as an air common carrier, for a flight that (i) is
2 engaged in foreign trade or is engaged in trade between the
3 United States and any of its possessions and (ii) transports
4 at least one individual or package for hire from the city of
5 origination to the city of final destination on the same
6 aircraft, without regard to a change in the flight number of
7 that aircraft.

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

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

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

7 (12) Until July 1, 2028, coal and aggregate exploration,
8 mining, off-highway hauling, processing, maintenance, and
9 reclamation equipment, including replacement parts and
10 equipment, and including equipment purchased for lease, but
11 excluding motor vehicles required to be registered under the
12 Illinois Vehicle Code. The changes made to this Section by
13 Public Act 97-767 apply on and after July 1, 2003, but no claim
14 for credit or refund is allowed on or after August 16, 2013
15 (the effective date of Public Act 98-456) for such taxes paid
16 during the period beginning July 1, 2003 and ending on August
17 16, 2013 (the effective date of Public Act 98-456).

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

20 (14) 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 (14) is exempt from the
26 provisions of Section 3-75, and the exemption provided for

1 under this item (14) applies for all periods beginning May 30,
2 1995, but no claim for credit or refund is allowed on or after
3 January 1, 2008 (the effective date of Public Act 95-88) for
4 such taxes paid during the period beginning May 30, 2000 and
5 ending on January 1, 2008 (the effective date of Public Act
6 95-88).

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

1 however, that amount is not refunded to the lessee for any
2 reason, the lessor is liable to pay that amount to the
3 Department.

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

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

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

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

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

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

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

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

1 entity purchases the personal property sold at the events from
2 another individual or entity that sold the property for the
3 purpose of resale by the fundraising entity and that profits
4 from the sale to the fundraising entity. This paragraph is
5 exempt from the provisions of Section 3-75.

6 (22) Beginning January 1, 2000 and through December 31,
7 2001, new or used automatic vending machines that prepare and
8 serve hot food and beverages, including coffee, soup, and
9 other items, and replacement parts for these machines.
10 Beginning January 1, 2002 and through June 30, 2003, machines
11 and parts for machines used in commercial, coin-operated
12 amusement and vending business if a use or occupation tax is
13 paid on the gross receipts derived from the use of the
14 commercial, coin-operated amusement and vending machines. This
15 paragraph is exempt from the provisions of Section 3-75.

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

1 in the ID/DD Community Care Act, the MC/DD Act, or the
2 Specialized Mental Health Rehabilitation Act of 2013.

3 (24) Beginning on August 2, 2001 (the effective date of
4 Public Act 92-227), computers and communications equipment
5 utilized for any hospital purpose and equipment used in the
6 diagnosis, analysis, or treatment of hospital patients
7 purchased by a lessor who leases the equipment, under a lease
8 of one year or longer executed or in effect at the time the
9 lessor would otherwise be subject to the tax imposed by this
10 Act, to a hospital that has been issued an active tax exemption
11 identification number by the Department under Section 1g of
12 the Retailers' Occupation Tax Act. If the equipment is leased
13 in a manner that does not qualify for this exemption or is used
14 in any other nonexempt manner, the lessor shall be liable for
15 the tax imposed under this Act or the Use Tax Act, as the case
16 may be, based on the fair market value of the property at the
17 time the nonqualifying use occurs. No lessor shall collect or
18 attempt to collect an amount (however designated) that
19 purports to reimburse that lessor for the tax imposed by this
20 Act or the Use Tax Act, as the case may be, if the tax has not
21 been paid by the lessor. If a lessor improperly collects any
22 such amount from the lessee, the lessee shall have a legal
23 right to claim a refund of that amount from the lessor. If,
24 however, that amount is not refunded to the lessee for any
25 reason, the lessor is liable to pay that amount to the
26 Department. This paragraph is exempt from the provisions of

1 Section 3-75.

2 (25) Beginning on August 2, 2001 (the effective date of
3 Public Act 92-227), personal property purchased by a lessor
4 who leases the property, under a lease of one year or longer
5 executed or in effect at the time the lessor would otherwise be
6 subject to the tax imposed by this Act, to a governmental body
7 that has been issued an active tax exemption identification
8 number by the Department under Section 1g of the Retailers'
9 Occupation Tax Act. If the property is leased in a manner that
10 does not qualify for this exemption or is used in any other
11 nonexempt manner, the lessor shall be liable for the tax
12 imposed under this Act or the Use Tax Act, as the case may be,
13 based on the fair market value of the property at the time the
14 nonqualifying use occurs. No lessor shall collect or attempt
15 to collect an amount (however designated) that purports to
16 reimburse that lessor for the tax imposed by this Act or the
17 Use Tax Act, as the case may be, if the tax has not been paid
18 by the lessor. If a lessor improperly collects any such amount
19 from the lessee, the lessee shall have a legal right to claim a
20 refund of that amount from the lessor. If, however, that
21 amount is not refunded to the lessee for any reason, the lessor
22 is liable to pay that amount to the Department. This paragraph
23 is exempt from the provisions of Section 3-75.

24 (26) Beginning January 1, 2008, tangible personal property
25 used in the construction or maintenance of a community water
26 supply, as defined under Section 3.145 of the Environmental

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

5 (27) Beginning January 1, 2010 and continuing through
6 December 31, 2029, materials, parts, equipment, components,
7 and furnishings incorporated into or upon an aircraft as part
8 of the modification, refurbishment, completion, replacement,
9 repair, or maintenance of the aircraft. This exemption
10 includes consumable supplies used in the modification,
11 refurbishment, completion, replacement, repair, and
12 maintenance of aircraft. However, until January 1, 2024, this
13 exemption excludes any materials, parts, equipment,
14 components, and consumable supplies used in the modification,
15 replacement, repair, and maintenance of aircraft engines or
16 power plants, whether such engines or power plants are
17 installed or uninstalled upon any such aircraft. "Consumable
18 supplies" include, but are not limited to, adhesive, tape,
19 sandpaper, general purpose lubricants, cleaning solution,
20 latex gloves, and protective films.

21 Beginning January 1, 2010 and continuing through December
22 31, 2023, this exemption applies only to the use of qualifying
23 tangible personal property transferred incident to the
24 modification, refurbishment, completion, replacement, repair,
25 or maintenance of aircraft by persons who (i) hold an Air
26 Agency Certificate and are empowered to operate an approved

1 repair station by the Federal Aviation Administration, (ii)
2 have a Class IV Rating, and (iii) conduct operations in
3 accordance with Part 145 of the Federal Aviation Regulations.
4 From January 1, 2024 through December 31, 2029, this exemption
5 applies only to the use of qualifying tangible personal
6 property by: (A) persons who modify, refurbish, complete,
7 repair, replace, or maintain aircraft and who (i) hold an Air
8 Agency Certificate and are empowered to operate an approved
9 repair station by the Federal Aviation Administration, (ii)
10 have a Class IV Rating, and (iii) conduct operations in
11 accordance with Part 145 of the Federal Aviation Regulations;
12 and (B) persons who engage in the modification, replacement,
13 repair, and maintenance of aircraft engines or power plants
14 without regard to whether or not those persons meet the
15 qualifications of item (A).

16 The exemption does not include aircraft operated by a
17 commercial air carrier providing scheduled passenger air
18 service pursuant to authority issued under Part 121 or Part
19 129 of the Federal Aviation Regulations. The changes made to
20 this paragraph (27) by Public Act 98-534 are declarative of
21 existing law. It is the intent of the General Assembly that the
22 exemption under this paragraph (27) applies continuously from
23 January 1, 2010 through December 31, 2024; however, no claim
24 for credit or refund is allowed for taxes paid as a result of
25 the disallowance of this exemption on or after January 1, 2015
26 and prior to February 5, 2020 (the effective date of Public Act

1 101-629).

2 (28) Tangible personal property purchased by a
3 public-facilities corporation, as described in Section
4 11-65-10 of the Illinois Municipal Code, for purposes of
5 constructing or furnishing a municipal convention hall, but
6 only if the legal title to the municipal convention hall is
7 transferred to the municipality without any further
8 consideration by or on behalf of the municipality at the time
9 of the completion of the municipal convention hall or upon the
10 retirement or redemption of any bonds or other debt
11 instruments issued by the public-facilities corporation in
12 connection with the development of the municipal convention
13 hall. This exemption includes existing public-facilities
14 corporations as provided in Section 11-65-25 of the Illinois
15 Municipal Code. This paragraph is exempt from the provisions
16 of Section 3-75.

17 (29) Beginning January 1, 2017 and through December 31,
18 2026, menstrual pads, tampons, and menstrual cups.

19 (30) Tangible personal property transferred to a purchaser
20 who is exempt from the tax imposed by this Act by operation of
21 federal law. This paragraph is exempt from the provisions of
22 Section 3-75.

23 (31) Qualified tangible personal property used in the
24 construction or operation of a data center that has been
25 granted a certificate of exemption by the Department of
26 Commerce and Economic Opportunity, whether that tangible

1 personal property is purchased by the owner, operator, or
2 tenant of the data center or by a contractor or subcontractor
3 of the owner, operator, or tenant. Data centers that would
4 have qualified for a certificate of exemption prior to January
5 1, 2020 had Public Act 101-31 been in effect, may apply for and
6 obtain an exemption for subsequent purchases of computer
7 equipment or enabling software purchased or leased to upgrade,
8 supplement, or replace computer equipment or enabling software
9 purchased or leased in the original investment that would have
10 qualified.

11 The Department of Commerce and Economic Opportunity shall
12 grant a certificate of exemption under this item (31) to
13 qualified data centers as defined by Section 605-1025 of the
14 Department of Commerce and Economic Opportunity Law of the
15 Civil Administrative Code of Illinois.

16 For the purposes of this item (31):

17 "Data center" means a building or a series of
18 buildings rehabilitated or constructed to house working
19 servers in one physical location or multiple sites within
20 the State of Illinois.

21 "Qualified tangible personal property" means:
22 electrical systems and equipment; climate control and
23 chilling equipment and systems; mechanical systems and
24 equipment; monitoring and secure systems; emergency
25 generators; hardware; computers; servers; data storage
26 devices; network connectivity equipment; racks; cabinets;

1 telecommunications cabling infrastructure; raised floor
2 systems; peripheral components or systems; software;
3 mechanical, electrical, or plumbing systems; battery
4 systems; cooling systems and towers; temperature control
5 systems; other cabling; and other data center
6 infrastructure equipment and systems necessary to operate
7 qualified tangible personal property, including fixtures;
8 and component parts of any of the foregoing, including
9 installation, maintenance, repair, refurbishment, and
10 replacement of qualified tangible personal property to
11 generate, transform, transmit, distribute, or manage
12 electricity necessary to operate qualified tangible
13 personal property; and all other tangible personal
14 property that is essential to the operations of a computer
15 data center. The term "qualified tangible personal
16 property" also includes building materials physically
17 incorporated into ~~in to~~ the qualifying data center. To
18 document the exemption allowed under this Section, the
19 retailer must obtain from the purchaser a copy of the
20 certificate of eligibility issued by the Department of
21 Commerce and Economic Opportunity.

22 This item (31) is exempt from the provisions of Section
23 3-75.

24 (32) Beginning July 1, 2022, breast pumps, breast pump
25 collection and storage supplies, and breast pump kits. This
26 item (32) is exempt from the provisions of Section 3-75. As

1 used in this item (32):

2 "Breast pump" means an electrically controlled or
3 manually controlled pump device designed or marketed to be
4 used to express milk from a human breast during lactation,
5 including the pump device and any battery, AC adapter, or
6 other power supply unit that is used to power the pump
7 device and is packaged and sold with the pump device at the
8 time of sale.

9 "Breast pump collection and storage supplies" means
10 items of tangible personal property designed or marketed
11 to be used in conjunction with a breast pump to collect
12 milk expressed from a human breast and to store collected
13 milk until it is ready for consumption.

14 "Breast pump collection and storage supplies"
15 includes, but is not limited to: breast shields and breast
16 shield connectors; breast pump tubes and tubing adapters;
17 breast pump valves and membranes; backflow protectors and
18 backflow protector adaptors; bottles and bottle caps
19 specific to the operation of the breast pump; and breast
20 milk storage bags.

21 "Breast pump collection and storage supplies" does not
22 include: (1) bottles and bottle caps not specific to the
23 operation of the breast pump; (2) breast pump travel bags
24 and other similar carrying accessories, including ice
25 packs, labels, and other similar products; (3) breast pump
26 cleaning supplies; (4) nursing bras, bra pads, breast

1 shells, and other similar products; and (5) creams,
2 ointments, and other similar products that relieve
3 breastfeeding-related symptoms or conditions of the
4 breasts or nipples, unless sold as part of a breast pump
5 kit that is pre-packaged by the breast pump manufacturer
6 or distributor.

7 "Breast pump kit" means a kit that: (1) contains no
8 more than a breast pump, breast pump collection and
9 storage supplies, a rechargeable battery for operating the
10 breast pump, a breastmilk cooler, bottle stands, ice
11 packs, and a breast pump carrying case; and (2) is
12 pre-packaged as a breast pump kit by the breast pump
13 manufacturer or distributor.

14 (33) Tangible personal property sold by or on behalf of
15 the State Treasurer pursuant to the Revised Uniform Unclaimed
16 Property Act. This item (33) is exempt from the provisions of
17 Section 3-75.

18 (34) Beginning on January 1, 2024, tangible personal
19 property purchased by an active duty member of the armed
20 forces of the United States who presents valid military
21 identification and purchases the property using a form of
22 payment where the federal government is the payor. The member
23 of the armed forces must complete, at the point of sale, a form
24 prescribed by the Department of Revenue documenting that the
25 transaction is eligible for the exemption under this
26 paragraph. Retailers must keep the form as documentation of

1 the exemption in their records for a period of not less than 6
2 years. "Armed forces of the United States" means the United
3 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
4 This paragraph is exempt from the provisions of Section 3-75.

5 (35) Beginning on January 1, 2026, as further defined in
6 Section 3-10, food prepared for immediate consumption and
7 transferred incident to a sale of service subject to this Act
8 or the Service Occupation Tax Act by an entity licensed under
9 the Hospital Licensing Act, the Nursing Home Care Act, the
10 Assisted Living and Shared Housing Act, the ID/DD Community
11 Care Act, the MC/DD Act, the Specialized Mental Health
12 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
13 by an entity that holds a permit issued pursuant to the Life
14 Care Facilities Act. This item (35) is exempt from the
15 provisions of Section 3-75.

16 (36) Beginning on January 1, 2026, as further defined in
17 Section 3-10, food for human consumption that is to be
18 consumed off the premises where it is sold (other than
19 alcoholic beverages, food consisting of or infused with adult
20 use cannabis, soft drinks, candy, and food that has been
21 prepared for immediate consumption). This item (36) is exempt
22 from the provisions of Section 3-75.

23 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
24 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
25 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
26 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,

1 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
2 revised 12-12-23.)

3 (35 ILCS 110/3-10) (from Ch. 120, par. 439.33-10)

4 Sec. 3-10. Rate of tax. Unless otherwise provided in this
5 Section, the tax imposed by this Act is at the rate of 6.25% of
6 the selling price of tangible personal property transferred as
7 an incident to the sale of service, but, for the purpose of
8 computing this tax, in no event shall the selling price be less
9 than the cost price of the property to the serviceman.

10 Beginning on July 1, 2000 and through December 31, 2000,
11 with respect to motor fuel, as defined in Section 1.1 of the
12 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
13 the Use Tax Act, the tax is imposed at the rate of 1.25%.

14 With respect to gasohol, as defined in the Use Tax Act, the
15 tax imposed by this Act applies to (i) 70% of the selling price
16 of property transferred as an incident to the sale of service
17 on or after January 1, 1990, and before July 1, 2003, (ii) 80%
18 of the selling price of property transferred as an incident to
19 the sale of service on or after July 1, 2003 and on or before
20 July 1, 2017, (iii) 100% of the selling price of property
21 transferred as an incident to the sale of service after July 1,
22 2017 and before January 1, 2024, (iv) 90% of the selling price
23 of property transferred as an incident to the sale of service
24 on or after January 1, 2024 and on or before December 31, 2028,
25 and (v) 100% of the selling price of property transferred as an

1 incident to the sale of service after December 31, 2028. If, at
2 any time, however, the tax under this Act on sales of gasohol,
3 as defined in the Use Tax Act, is imposed at the rate of 1.25%,
4 then the tax imposed by this Act applies to 100% of the
5 proceeds of sales of gasohol made during that time.

6 With respect to mid-range ethanol blends, as defined in
7 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
8 applies to (i) 80% of the selling price of property
9 transferred as an incident to the sale of service on or after
10 January 1, 2024 and on or before December 31, 2028 and (ii)
11 100% of the selling price of property transferred as an
12 incident to the sale of service after December 31, 2028. If, at
13 any time, however, the tax under this Act on sales of mid-range
14 ethanol blends is imposed at the rate of 1.25%, then the tax
15 imposed by this Act applies to 100% of the selling price of
16 mid-range ethanol blends transferred as an incident to the
17 sale of service during that time.

18 With respect to majority blended ethanol fuel, as defined
19 in the Use Tax Act, the tax imposed by this Act does not apply
20 to the selling price of property transferred as an incident to
21 the sale of service on or after July 1, 2003 and on or before
22 December 31, 2028 but applies to 100% of the selling price
23 thereafter.

24 With respect to biodiesel blends, as defined in the Use
25 Tax Act, with no less than 1% and no more than 10% biodiesel,
26 the tax imposed by this Act applies to (i) 80% of the selling

1 price of property transferred as an incident to the sale of
2 service on or after July 1, 2003 and on or before December 31,
3 2018 and (ii) 100% of the proceeds of the selling price after
4 December 31, 2018 and before January 1, 2024. On and after
5 January 1, 2024 and on or before December 31, 2030, the
6 taxation of biodiesel, renewable diesel, and biodiesel blends
7 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
8 at any time, however, the tax under this Act on sales of
9 biodiesel blends, as defined in the Use Tax Act, with no less
10 than 1% and no more than 10% biodiesel is imposed at the rate
11 of 1.25%, then the tax imposed by this Act applies to 100% of
12 the proceeds of sales of biodiesel blends with no less than 1%
13 and no more than 10% biodiesel made during that time.

14 With respect to biodiesel, as defined in the Use Tax Act,
15 and biodiesel blends, as defined in the Use Tax Act, with more
16 than 10% but no more than 99% biodiesel, the tax imposed by
17 this Act does not apply to the proceeds of the selling price of
18 property transferred as an incident to the sale of service on
19 or after July 1, 2003 and on or before December 31, 2023. On
20 and after January 1, 2024 and on or before December 31, 2030,
21 the taxation of biodiesel, renewable diesel, and biodiesel
22 blends shall be as provided in Section 3-5.1 of the Use Tax
23 Act.

24 At the election of any registered serviceman made for each
25 fiscal year, sales of service in which the aggregate annual
26 cost price of tangible personal property transferred as an

1 incident to the sales of service is less than 35%, or 75% in
2 the case of servicemen transferring prescription drugs or
3 servicemen engaged in graphic arts production, of the
4 aggregate annual total gross receipts from all sales of
5 service, the tax imposed by this Act shall be based on the
6 serviceman's cost price of the tangible personal property
7 transferred as an incident to the sale of those services.

8 Until July 1, 2022 and ~~from beginning again on~~ July 1, 2023
9 through December 31, 2025, the tax shall be imposed at the rate
10 of 1% on food prepared for immediate consumption and
11 transferred incident to a sale of service subject to this Act
12 or the Service Occupation Tax Act by an entity licensed under
13 the Hospital Licensing Act, the Nursing Home Care Act, the
14 Assisted Living and Shared Housing Act, the ID/DD Community
15 Care Act, the MC/DD Act, the Specialized Mental Health
16 Rehabilitation Act of 2013, or the Child Care Act of 1969, or
17 an entity that holds a permit issued pursuant to the Life Care
18 Facilities Act. Until July 1, 2022 and ~~from beginning again on~~
19 July 1, 2023 through December 31, 2025, the tax shall also be
20 imposed at the rate of 1% on food for human consumption that is
21 to be consumed off the premises where it is sold (other than
22 alcoholic beverages, food consisting of or infused with adult
23 use cannabis, soft drinks, and food that has been prepared for
24 immediate consumption and is not otherwise included in this
25 paragraph).

26 Beginning on July 1, 2022 and until July 1, 2023, the tax

1 shall be imposed at the rate of 0% on food prepared for
2 immediate consumption and transferred incident to a sale of
3 service subject to this Act or the Service Occupation Tax Act
4 by an entity licensed under the Hospital Licensing Act, the
5 Nursing Home Care Act, the Assisted Living and Shared Housing
6 Act, the ID/DD Community Care Act, the MC/DD Act, the
7 Specialized Mental Health Rehabilitation Act of 2013, or the
8 Child Care Act of 1969, or an entity that holds a permit issued
9 pursuant to the Life Care Facilities Act. Beginning on July 1,
10 2022 and until July 1, 2023, the tax shall also be imposed at
11 the rate of 0% on food for human consumption that is to be
12 consumed off the premises where it is sold (other than
13 alcoholic beverages, food consisting of or infused with adult
14 use cannabis, soft drinks, and food that has been prepared for
15 immediate consumption and is not otherwise included in this
16 paragraph).

17 On an after January 1, 2026, food prepared for immediate
18 consumption and transferred incident to a sale of service
19 subject to this Act or the Service Occupation Tax Act by an
20 entity licensed under the Hospital Licensing Act, the Nursing
21 Home Care Act, the Assisted Living and Shared Housing Act, the
22 ID/DD Community Care Act, the MC/DD Act, the Specialized
23 Mental Health Rehabilitation Act of 2013, or the Child Care
24 Act of 1969, or by an entity that holds a permit issued
25 pursuant to the Life Care Facilities Act is exempt from the tax
26 under this Act. On and after January 1, 2026, food for human

1 consumption that is to be consumed off the premises where it is
2 sold (other than alcoholic beverages, food consisting of or
3 infused with adult use cannabis, soft drinks, candy, and food
4 that has been prepared for immediate consumption and is not
5 otherwise included in this paragraph) is exempt from the tax
6 under this Act.

7 The tax shall ~~also~~ be imposed at the rate of 1% on
8 prescription and nonprescription medicines, drugs, medical
9 appliances, products classified as Class III medical devices
10 by the United States Food and Drug Administration that are
11 used for cancer treatment pursuant to a prescription, as well
12 as any accessories and components related to those devices,
13 modifications to a motor vehicle for the purpose of rendering
14 it usable by a person with a disability, and insulin, blood
15 sugar testing materials, syringes, and needles used by human
16 diabetics. For the purposes of this Section, until September
17 1, 2009: the term "soft drinks" means any complete, finished,
18 ready-to-use, non-alcoholic drink, whether carbonated or not,
19 including, but not limited to, soda water, cola, fruit juice,
20 vegetable juice, carbonated water, and all other preparations
21 commonly known as soft drinks of whatever kind or description
22 that are contained in any closed or sealed bottle, can,
23 carton, or container, regardless of size; but "soft drinks"
24 does not include coffee, tea, non-carbonated water, infant
25 formula, milk or milk products as defined in the Grade A
26 Pasteurized Milk and Milk Products Act, or drinks containing

1 50% or more natural fruit or vegetable juice.

2 Notwithstanding any other provisions of this Act,
3 beginning September 1, 2009, "soft drinks" means non-alcoholic
4 beverages that contain natural or artificial sweeteners. "Soft
5 drinks" does not include beverages that contain milk or milk
6 products, soy, rice or similar milk substitutes, or greater
7 than 50% of vegetable or fruit juice by volume.

8 Until August 1, 2009, and notwithstanding any other
9 provisions of this Act, "food for human consumption that is to
10 be consumed off the premises where it is sold" includes all
11 food sold through a vending machine, except soft drinks and
12 food products that are dispensed hot from a vending machine,
13 regardless of the location of the vending machine. Beginning
14 August 1, 2009, and notwithstanding any other provisions of
15 this Act, "food for human consumption that is to be consumed
16 off the premises where it is sold" includes all food sold
17 through a vending machine, except soft drinks, candy, and food
18 products that are dispensed hot from a vending machine,
19 regardless of the location of the vending machine.

20 Notwithstanding any other provisions of this Act,
21 beginning September 1, 2009, "food for human consumption that
22 is to be consumed off the premises where it is sold" does not
23 include candy. For purposes of this Section, "candy" means a
24 preparation of sugar, honey, or other natural or artificial
25 sweeteners in combination with chocolate, fruits, nuts or
26 other ingredients or flavorings in the form of bars, drops, or

1 pieces. "Candy" does not include any preparation that contains
2 flour or requires refrigeration.

3 Notwithstanding any other provisions of this Act,
4 beginning September 1, 2009, "nonprescription medicines and
5 drugs" does not include grooming and hygiene products. For
6 purposes of this Section, "grooming and hygiene products"
7 includes, but is not limited to, soaps and cleaning solutions,
8 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
9 lotions and screens, unless those products are available by
10 prescription only, regardless of whether the products meet the
11 definition of "over-the-counter-drugs". For the purposes of
12 this paragraph, "over-the-counter-drug" means a drug for human
13 use that contains a label that identifies the product as a drug
14 as required by 21 CFR 201.66. The "over-the-counter-drug"
15 label includes:

16 (A) a "Drug Facts" panel; or

17 (B) a statement of the "active ingredient(s)" with a
18 list of those ingredients contained in the compound,
19 substance or preparation.

20 Beginning on January 1, 2014 (the effective date of Public
21 Act 98-122), "prescription and nonprescription medicines and
22 drugs" includes medical cannabis purchased from a registered
23 dispensing organization under the Compassionate Use of Medical
24 Cannabis Program Act.

25 As used in this Section, "adult use cannabis" means
26 cannabis subject to tax under the Cannabis Cultivation

1 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
2 and does not include cannabis subject to tax under the
3 Compassionate Use of Medical Cannabis Program Act.

4 If the property that is acquired from a serviceman is
5 acquired outside Illinois and used outside Illinois before
6 being brought to Illinois for use here and is taxable under
7 this Act, the "selling price" on which the tax is computed
8 shall be reduced by an amount that represents a reasonable
9 allowance for depreciation for the period of prior
10 out-of-state use.

11 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;
12 102-700, Article 20, Section 20-10, eff. 4-19-22; 102-700,
13 Article 60, Section 60-20, eff. 4-19-22; 103-9, eff. 6-7-23;
14 103-154, eff. 6-30-23.)

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

17 (35 ILCS 115/3-5)

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

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

1 property was not purchased by the enterprise for the purpose
2 of resale by the enterprise.

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

6 (3) Personal property purchased by any not-for-profit arts
7 or cultural organization that establishes, by proof required
8 by the Department by rule, that it has received an exemption
9 under Section 501(c)(3) of the Internal Revenue Code and that
10 is organized and operated primarily for the presentation or
11 support of arts or cultural programming, activities, or
12 services. These organizations include, but are not limited to,
13 music and dramatic arts organizations such as symphony
14 orchestras and theatrical groups, arts and cultural service
15 organizations, local arts councils, visual arts organizations,
16 and media arts organizations. On and after July 1, 2001 (the
17 effective date of Public Act 92-35), however, an entity
18 otherwise eligible for this exemption shall not make tax-free
19 purchases unless it has an active identification number issued
20 by the Department.

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

25 (5) Until July 1, 2003 and beginning again on September 1,
26 2004 through August 30, 2014, graphic arts machinery and

1 equipment, including repair and replacement parts, both new
2 and used, and including that manufactured on special order or
3 purchased for lease, certified by the purchaser to be used
4 primarily for graphic arts production. Equipment includes
5 chemicals or chemicals acting as catalysts but only if the
6 chemicals or chemicals acting as catalysts effect a direct and
7 immediate change upon a graphic arts product. Beginning on
8 July 1, 2017, graphic arts machinery and equipment is included
9 in the manufacturing and assembling machinery and equipment
10 exemption under Section 2 of this Act.

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

14 (7) 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
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

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

22 Beginning on January 1, 2024, farm machinery and equipment
23 also includes electrical power generation equipment used
24 primarily for production agriculture.

25 This item (7) is exempt from the provisions of Section
26 3-55.

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

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

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

26 (10) Until July 1, 2003, oil field exploration, drilling,

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

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

15 (12) Until July 1, 2028, coal and aggregate exploration,
16 mining, off-highway hauling, processing, maintenance, and
17 reclamation equipment, including replacement parts and
18 equipment, and including equipment purchased for lease, but
19 excluding motor vehicles required to be registered under the
20 Illinois Vehicle Code. The changes made to this Section by
21 Public Act 97-767 apply on and after July 1, 2003, but no claim
22 for credit or refund is allowed on or after August 16, 2013
23 (the effective date of Public Act 98-456) for such taxes paid
24 during the period beginning July 1, 2003 and ending on August
25 16, 2013 (the effective date of Public Act 98-456).

26 (13) Beginning January 1, 1992 and through June 30, 2016,

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

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

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

1 95-88).

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

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

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

26 (19) Beginning with taxable years ending on or after

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

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

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

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

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

24 (23) Beginning January 1, 2000 and through December 31,
25 2001, new or used automatic vending machines that prepare and
26 serve hot food and beverages, including coffee, soup, and

1 other items, and replacement parts for these machines.
2 Beginning January 1, 2002 and through June 30, 2003, machines
3 and parts for machines used in commercial, coin-operated
4 amusement and vending business if a use or occupation tax is
5 paid on the gross receipts derived from the use of the
6 commercial, coin-operated amusement and vending machines. This
7 paragraph is exempt from the provisions of Section 3-55.

8 (24) Beginning on August 2, 2001 (the effective date of
9 Public Act 92-227), computers and communications equipment
10 utilized for any hospital purpose and equipment used in the
11 diagnosis, analysis, or treatment of hospital patients sold to
12 a lessor who leases the equipment, under a lease of one year or
13 longer executed or in effect at the time of the purchase, to a
14 hospital that has been issued an active tax exemption
15 identification number by the Department under Section 1g of
16 the Retailers' Occupation Tax Act. This paragraph is exempt
17 from the provisions of Section 3-55.

18 (25) Beginning on August 2, 2001 (the effective date of
19 Public Act 92-227), personal property sold to a lessor who
20 leases the property, under a lease of one year or longer
21 executed or in effect at the time of the purchase, to a
22 governmental body that has been issued an active tax exemption
23 identification number by the Department under Section 1g of
24 the Retailers' Occupation Tax Act. This paragraph is exempt
25 from the provisions of Section 3-55.

26 (26) Beginning on January 1, 2002 and through June 30,

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

23 (27) Beginning January 1, 2008, tangible personal property
24 used in the construction or maintenance of a community water
25 supply, as defined under Section 3.145 of the Environmental
26 Protection Act, that is operated by a not-for-profit

1 corporation that holds a valid water supply permit issued
2 under Title IV of the Environmental Protection Act. This
3 paragraph is exempt from the provisions of Section 3-55.

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

19 (29) Beginning January 1, 2010 and continuing through
20 December 31, 2029, materials, parts, equipment, components,
21 and furnishings incorporated into or upon an aircraft as part
22 of the modification, refurbishment, completion, replacement,
23 repair, or maintenance of the aircraft. This exemption
24 includes consumable supplies used in the modification,
25 refurbishment, completion, replacement, repair, and
26 maintenance of aircraft. However, until January 1, 2024, this

1 exemption excludes any materials, parts, equipment,
2 components, and consumable supplies used in the modification,
3 replacement, repair, and maintenance of aircraft engines or
4 power plants, whether such engines or power plants are
5 installed or uninstalled upon any such aircraft. "Consumable
6 supplies" include, but are not limited to, adhesive, tape,
7 sandpaper, general purpose lubricants, cleaning solution,
8 latex gloves, and protective films.

9 Beginning January 1, 2010 and continuing through December
10 31, 2023, this exemption applies only to the transfer of
11 qualifying tangible personal property incident to the
12 modification, refurbishment, completion, replacement, repair,
13 or maintenance of an aircraft by persons who (i) hold an Air
14 Agency Certificate and are empowered to operate an approved
15 repair station by the Federal Aviation Administration, (ii)
16 have a Class IV Rating, and (iii) conduct operations in
17 accordance with Part 145 of the Federal Aviation Regulations.
18 The exemption does not include aircraft operated by a
19 commercial air carrier providing scheduled passenger air
20 service pursuant to authority issued under Part 121 or Part
21 129 of the Federal Aviation Regulations. From January 1, 2024
22 through December 31, 2029, this exemption applies only to the
23 use of qualifying tangible personal property by: (A) persons
24 who modify, refurbish, complete, repair, replace, or maintain
25 aircraft and who (i) hold an Air Agency Certificate and are
26 empowered to operate an approved repair station by the Federal

1 Aviation Administration, (ii) have a Class IV Rating, and
2 (iii) conduct operations in accordance with Part 145 of the
3 Federal Aviation Regulations; and (B) persons who engage in
4 the modification, replacement, repair, and maintenance of
5 aircraft engines or power plants without regard to whether or
6 not those persons meet the qualifications of item (A).

7 The changes made to this paragraph (29) by Public Act
8 98-534 are declarative of existing law. It is the intent of the
9 General Assembly that the exemption under this paragraph (29)
10 applies continuously from January 1, 2010 through December 31,
11 2024; however, no claim for credit or refund is allowed for
12 taxes paid as a result of the disallowance of this exemption on
13 or after January 1, 2015 and prior to February 5, 2020 (the
14 effective date of Public Act 101-629).

15 (30) Beginning January 1, 2017 and through December 31,
16 2026, menstrual pads, tampons, and menstrual cups.

17 (31) Tangible personal property transferred to a purchaser
18 who is exempt from tax by operation of federal law. This
19 paragraph is exempt from the provisions of Section 3-55.

20 (32) Qualified tangible personal property used in the
21 construction or operation of a data center that has been
22 granted a certificate of exemption by the Department of
23 Commerce and Economic Opportunity, whether that tangible
24 personal property is purchased by the owner, operator, or
25 tenant of the data center or by a contractor or subcontractor
26 of the owner, operator, or tenant. Data centers that would

1 have qualified for a certificate of exemption prior to January
2 1, 2020 had Public Act 101-31 been in effect, may apply for and
3 obtain an exemption for subsequent purchases of computer
4 equipment or enabling software purchased or leased to upgrade,
5 supplement, or replace computer equipment or enabling software
6 purchased or leased in the original investment that would have
7 qualified.

8 The Department of Commerce and Economic Opportunity shall
9 grant a certificate of exemption under this item (32) to
10 qualified data centers as defined by Section 605-1025 of the
11 Department of Commerce and Economic Opportunity Law of the
12 Civil Administrative Code of Illinois.

13 For the purposes of this item (32):

14 "Data center" means a building or a series of
15 buildings rehabilitated or constructed to house working
16 servers in one physical location or multiple sites within
17 the State of Illinois.

18 "Qualified tangible personal property" means:
19 electrical systems and equipment; climate control and
20 chilling equipment and systems; mechanical systems and
21 equipment; monitoring and secure systems; emergency
22 generators; hardware; computers; servers; data storage
23 devices; network connectivity equipment; racks; cabinets;
24 telecommunications cabling infrastructure; raised floor
25 systems; peripheral components or systems; software;
26 mechanical, electrical, or plumbing systems; battery

1 systems; cooling systems and towers; temperature control
2 systems; other cabling; and other data center
3 infrastructure equipment and systems necessary to operate
4 qualified tangible personal property, including fixtures;
5 and component parts of any of the foregoing, including
6 installation, maintenance, repair, refurbishment, and
7 replacement of qualified tangible personal property to
8 generate, transform, transmit, distribute, or manage
9 electricity necessary to operate qualified tangible
10 personal property; and all other tangible personal
11 property that is essential to the operations of a computer
12 data center. The term "qualified tangible personal
13 property" also includes building materials physically
14 incorporated into ~~in to~~ the qualifying data center. To
15 document the exemption allowed under this Section, the
16 retailer must obtain from the purchaser a copy of the
17 certificate of eligibility issued by the Department of
18 Commerce and Economic Opportunity.

19 This item (32) is exempt from the provisions of Section
20 3-55.

21 (33) Beginning July 1, 2022, breast pumps, breast pump
22 collection and storage supplies, and breast pump kits. This
23 item (33) is exempt from the provisions of Section 3-55. As
24 used in this item (33):

25 "Breast pump" means an electrically controlled or
26 manually controlled pump device designed or marketed to be

1 used to express milk from a human breast during lactation,
2 including the pump device and any battery, AC adapter, or
3 other power supply unit that is used to power the pump
4 device and is packaged and sold with the pump device at the
5 time of sale.

6 "Breast pump collection and storage supplies" means
7 items of tangible personal property designed or marketed
8 to be used in conjunction with a breast pump to collect
9 milk expressed from a human breast and to store collected
10 milk until it is ready for consumption.

11 "Breast pump collection and storage supplies"
12 includes, but is not limited to: breast shields and breast
13 shield connectors; breast pump tubes and tubing adapters;
14 breast pump valves and membranes; backflow protectors and
15 backflow protector adaptors; bottles and bottle caps
16 specific to the operation of the breast pump; and breast
17 milk storage bags.

18 "Breast pump collection and storage supplies" does not
19 include: (1) bottles and bottle caps not specific to the
20 operation of the breast pump; (2) breast pump travel bags
21 and other similar carrying accessories, including ice
22 packs, labels, and other similar products; (3) breast pump
23 cleaning supplies; (4) nursing bras, bra pads, breast
24 shells, and other similar products; and (5) creams,
25 ointments, and other similar products that relieve
26 breastfeeding-related symptoms or conditions of the

1 breasts or nipples, unless sold as part of a breast pump
2 kit that is pre-packaged by the breast pump manufacturer
3 or distributor.

4 "Breast pump kit" means a kit that: (1) contains no
5 more than a breast pump, breast pump collection and
6 storage supplies, a rechargeable battery for operating the
7 breast pump, a breastmilk cooler, bottle stands, ice
8 packs, and a breast pump carrying case; and (2) is
9 pre-packaged as a breast pump kit by the breast pump
10 manufacturer or distributor.

11 (34) Tangible personal property sold by or on behalf of
12 the State Treasurer pursuant to the Revised Uniform Unclaimed
13 Property Act. This item (34) is exempt from the provisions of
14 Section 3-55.

15 (35) Beginning on January 1, 2024, tangible personal
16 property purchased by an active duty member of the armed
17 forces of the United States who presents valid military
18 identification and purchases the property using a form of
19 payment where the federal government is the payor. The member
20 of the armed forces must complete, at the point of sale, a form
21 prescribed by the Department of Revenue documenting that the
22 transaction is eligible for the exemption under this
23 paragraph. Retailers must keep the form as documentation of
24 the exemption in their records for a period of not less than 6
25 years. "Armed forces of the United States" means the United
26 States Army, Navy, Air Force, Marine Corps, or Coast Guard.

1 This paragraph is exempt from the provisions of Section 3-55.

2 (36) Beginning on January 1, 2026, as further defined in
3 Section 3-10, food prepared for immediate consumption and
4 transferred incident to a sale of service subject to this Act
5 or the Service Use Tax Act by an entity licensed under the
6 Hospital Licensing Act, the Nursing Home Care Act, the
7 Assisted Living and Shared Housing Act, the ID/DD Community
8 Care Act, the MC/DD Act, the Specialized Mental Health
9 Rehabilitation Act of 2013, or the Child Care Act of 1969 or by
10 an entity that holds a permit issued pursuant to the Life Care
11 Facilities Act. This item (36) is exempt from the provisions
12 of Section 3-55.

13 (37) Beginning on January 1, 2026, as further defined in
14 Section 3-10, food for human consumption that is to be
15 consumed off the premises where it is sold (other than
16 alcoholic beverages, food consisting of or infused with adult
17 use cannabis, soft drinks, candy, and food that has been
18 prepared for immediate consumption). This item (37) is exempt
19 from the provisions of Section 3-55.

20 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
21 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
22 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
23 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,
24 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
25 revised 12-12-23.)

1 (35 ILCS 115/3-10) (from Ch. 120, par. 439.103-10)

2 Sec. 3-10. Rate of tax. Unless otherwise provided in this
3 Section, the tax imposed by this Act is at the rate of 6.25% of
4 the "selling price", as defined in Section 2 of the Service Use
5 Tax Act, of the tangible personal property. For the purpose of
6 computing this tax, in no event shall the "selling price" be
7 less than the cost price to the serviceman of the tangible
8 personal property transferred. The selling price of each item
9 of tangible personal property transferred as an incident of a
10 sale of service may be shown as a distinct and separate item on
11 the serviceman's billing to the service customer. If the
12 selling price is not so shown, the selling price of the
13 tangible personal property is deemed to be 50% of the
14 serviceman's entire billing to the service customer. When,
15 however, a serviceman contracts to design, develop, and
16 produce special order machinery or equipment, the tax imposed
17 by this Act shall be based on the serviceman's cost price of
18 the tangible personal property transferred incident to the
19 completion of the contract.

20 Beginning on July 1, 2000 and through December 31, 2000,
21 with respect to motor fuel, as defined in Section 1.1 of the
22 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
23 the Use Tax Act, the tax is imposed at the rate of 1.25%.

24 With respect to gasohol, as defined in the Use Tax Act, the
25 tax imposed by this Act shall apply to (i) 70% of the cost
26 price of property transferred as an incident to the sale of

1 service on or after January 1, 1990, and before July 1, 2003,
2 (ii) 80% of the selling price of property transferred as an
3 incident to the sale of service on or after July 1, 2003 and on
4 or before July 1, 2017, (iii) 100% of the selling price of
5 property transferred as an incident to the sale of service
6 after July 1, 2017 and prior to January 1, 2024, (iv) 90% of
7 the selling price of property transferred as an incident to
8 the sale of service on or after January 1, 2024 and on or
9 before December 31, 2028, and (v) 100% of the selling price of
10 property transferred as an incident to the sale of service
11 after December 31, 2028. If, at any time, however, the tax
12 under this Act on sales of gasohol, as defined in the Use Tax
13 Act, is imposed at the rate of 1.25%, then the tax imposed by
14 this Act applies to 100% of the proceeds of sales of gasohol
15 made during that time.

16 With respect to mid-range ethanol blends, as defined in
17 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
18 applies to (i) 80% of the selling price of property
19 transferred as an incident to the sale of service on or after
20 January 1, 2024 and on or before December 31, 2028 and (ii)
21 100% of the selling price of property transferred as an
22 incident to the sale of service after December 31, 2028. If, at
23 any time, however, the tax under this Act on sales of mid-range
24 ethanol blends is imposed at the rate of 1.25%, then the tax
25 imposed by this Act applies to 100% of the selling price of
26 mid-range ethanol blends transferred as an incident to the

1 sale of service during that time.

2 With respect to majority blended ethanol fuel, as defined
3 in the Use Tax Act, the tax imposed by this Act does not apply
4 to the selling price of property transferred as an incident to
5 the sale of service on or after July 1, 2003 and on or before
6 December 31, 2028 but applies to 100% of the selling price
7 thereafter.

8 With respect to biodiesel blends, as defined in the Use
9 Tax Act, with no less than 1% and no more than 10% biodiesel,
10 the tax imposed by this Act applies to (i) 80% of the selling
11 price of property transferred as an incident to the sale of
12 service on or after July 1, 2003 and on or before December 31,
13 2018 and (ii) 100% of the proceeds of the selling price after
14 December 31, 2018 and before January 1, 2024. On and after
15 January 1, 2024 and on or before December 31, 2030, the
16 taxation of biodiesel, renewable diesel, and biodiesel blends
17 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
18 at any time, however, the tax under this Act on sales of
19 biodiesel blends, as defined in the Use Tax Act, with no less
20 than 1% and no more than 10% biodiesel is imposed at the rate
21 of 1.25%, then the tax imposed by this Act applies to 100% of
22 the proceeds of sales of biodiesel blends with no less than 1%
23 and no more than 10% biodiesel made during that time.

24 With respect to biodiesel, as defined in the Use Tax Act,
25 and biodiesel blends, as defined in the Use Tax Act, with more
26 than 10% but no more than 99% biodiesel material, the tax

1 imposed by this Act does not apply to the proceeds of the
2 selling price of property transferred as an incident to the
3 sale of service on or after July 1, 2003 and on or before
4 December 31, 2023. On and after January 1, 2024 and on or
5 before December 31, 2030, the taxation of biodiesel, renewable
6 diesel, and biodiesel blends shall be as provided in Section
7 3-5.1 of the Use Tax Act.

8 At the election of any registered serviceman made for each
9 fiscal year, sales of service in which the aggregate annual
10 cost price of tangible personal property transferred as an
11 incident to the sales of service is less than 35%, or 75% in
12 the case of servicemen transferring prescription drugs or
13 servicemen engaged in graphic arts production, of the
14 aggregate annual total gross receipts from all sales of
15 service, the tax imposed by this Act shall be based on the
16 serviceman's cost price of the tangible personal property
17 transferred incident to the sale of those services.

18 Until July 1, 2022 and ~~from beginning again on~~ July 1, 2023
19 through December 31, 2025, the tax shall be imposed at the rate
20 of 1% on food prepared for immediate consumption and
21 transferred incident to a sale of service subject to this Act
22 or the Service Use Tax Act by an entity licensed under the
23 Hospital Licensing Act, the Nursing Home Care Act, the
24 Assisted Living and Shared Housing Act, the ID/DD Community
25 Care Act, the MC/DD Act, the Specialized Mental Health
26 Rehabilitation Act of 2013, or the Child Care Act of 1969, or

1 an entity that holds a permit issued pursuant to the Life Care
2 Facilities Act. Until July 1, 2022 and from ~~beginning again on~~
3 July 1, 2023 through December 31, 2025, the tax shall also be
4 imposed at the rate of 1% on food for human consumption that is
5 to be consumed off the premises where it is sold (other than
6 alcoholic beverages, food consisting of or infused with adult
7 use cannabis, soft drinks, and food that has been prepared for
8 immediate consumption and is not otherwise included in this
9 paragraph).

10 Beginning on July 1, 2022 and until July 1, 2023, the tax
11 shall be imposed at the rate of 0% on food prepared for
12 immediate consumption and transferred incident to a sale of
13 service subject to this Act or the Service Use Tax Act by an
14 entity licensed under the Hospital Licensing Act, the Nursing
15 Home Care Act, the Assisted Living and Shared Housing Act, the
16 ID/DD Community Care Act, the MC/DD Act, the Specialized
17 Mental Health Rehabilitation Act of 2013, or the Child Care
18 Act of 1969, or an entity that holds a permit issued pursuant
19 to the Life Care Facilities Act. Beginning July 1, 2022 and
20 until July 1, 2023, the tax shall also be imposed at the rate
21 of 0% on food for human consumption that is to be consumed off
22 the premises where it is sold (other than alcoholic beverages,
23 food consisting of or infused with adult use cannabis, soft
24 drinks, and food that has been prepared for immediate
25 consumption and is not otherwise included in this paragraph).

26 On and after January 1, 2026, food prepared for immediate

1 consumption and transferred incident to a sale of service
2 subject to this Act or the Service Use Tax Act by an entity
3 licensed under the Hospital Licensing Act, the Nursing Home
4 Care Act, the Assisted Living and Shared Housing Act, the
5 ID/DD Community Care Act, the MC/DD Act, the Specialized
6 Mental Health Rehabilitation Act of 2013, or the Child Care
7 Act of 1969, or an entity that holds a permit issued pursuant
8 to the Life Care Facilities Act is exempt from the tax imposed
9 by this Act. On and after January 1, 2026, food for human
10 consumption that is to be consumed off the premises where it is
11 sold (other than alcoholic beverages, food consisting of or
12 infused with adult use cannabis, soft drinks, candy, and food
13 that has been prepared for immediate consumption and is not
14 otherwise included in this paragraph) is exempt from the tax
15 imposed by this Act.

16 The tax shall ~~also~~ be imposed at the rate of 1% on
17 prescription and nonprescription medicines, drugs, medical
18 appliances, products classified as Class III medical devices
19 by the United States Food and Drug Administration that are
20 used for cancer treatment pursuant to a prescription, as well
21 as any accessories and components related to those devices,
22 modifications to a motor vehicle for the purpose of rendering
23 it usable by a person with a disability, and insulin, blood
24 sugar testing materials, syringes, and needles used by human
25 diabetics. For the purposes of this Section, until September
26 1, 2009: the term "soft drinks" means any complete, finished,

1 ready-to-use, non-alcoholic drink, whether carbonated or not,
2 including, but not limited to, soda water, cola, fruit juice,
3 vegetable juice, carbonated water, and all other preparations
4 commonly known as soft drinks of whatever kind or description
5 that are contained in any closed or sealed can, carton, or
6 container, regardless of size; but "soft drinks" does not
7 include coffee, tea, non-carbonated water, infant formula,
8 milk or milk products as defined in the Grade A Pasteurized
9 Milk and Milk Products Act, or drinks containing 50% or more
10 natural fruit or vegetable juice.

11 Notwithstanding any other provisions of this Act,
12 beginning September 1, 2009, "soft drinks" means non-alcoholic
13 beverages that contain natural or artificial sweeteners. "Soft
14 drinks" does not include beverages that contain milk or milk
15 products, soy, rice or similar milk substitutes, or greater
16 than 50% of vegetable or fruit juice by volume.

17 Until August 1, 2009, and notwithstanding any other
18 provisions of this Act, "food for human consumption that is to
19 be consumed off the premises where it is sold" includes all
20 food sold through a vending machine, except soft drinks and
21 food products that are dispensed hot from a vending machine,
22 regardless of the location of the vending machine. Beginning
23 August 1, 2009, and notwithstanding any other provisions of
24 this Act, "food for human consumption that is to be consumed
25 off the premises where it is sold" includes all food sold
26 through a vending machine, except soft drinks, candy, and food

1 products that are dispensed hot from a vending machine,
2 regardless of the location of the vending machine.

3 Notwithstanding any other provisions of this Act,
4 beginning September 1, 2009, "food for human consumption that
5 is to be consumed off the premises where it is sold" does not
6 include candy. For purposes of this Section, "candy" means a
7 preparation of sugar, honey, or other natural or artificial
8 sweeteners in combination with chocolate, fruits, nuts or
9 other ingredients or flavorings in the form of bars, drops, or
10 pieces. "Candy" does not include any preparation that contains
11 flour or requires refrigeration.

12 Notwithstanding any other provisions of this Act,
13 beginning September 1, 2009, "nonprescription medicines and
14 drugs" does not include grooming and hygiene products. For
15 purposes of this Section, "grooming and hygiene products"
16 includes, but is not limited to, soaps and cleaning solutions,
17 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
18 lotions and screens, unless those products are available by
19 prescription only, regardless of whether the products meet the
20 definition of "over-the-counter-drugs". For the purposes of
21 this paragraph, "over-the-counter-drug" means a drug for human
22 use that contains a label that identifies the product as a drug
23 as required by 21 CFR 201.66. The "over-the-counter-drug"
24 label includes:

25 (A) a "Drug Facts" panel; or

26 (B) a statement of the "active ingredient(s)" with a

1 list of those ingredients contained in the compound,
2 substance or preparation.

3 Beginning on January 1, 2014 (the effective date of Public
4 Act 98-122), "prescription and nonprescription medicines and
5 drugs" includes medical cannabis purchased from a registered
6 dispensing organization under the Compassionate Use of Medical
7 Cannabis Program Act.

8 As used in this Section, "adult use cannabis" means
9 cannabis subject to tax under the Cannabis Cultivation
10 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
11 and does not include cannabis subject to tax under the
12 Compassionate Use of Medical Cannabis Program Act.

13 (Source: P.A. 102-4, eff. 4-27-21; 102-16, eff. 6-17-21;
14 102-700, Article 20, Section 20-15, eff. 4-19-22; 102-700,
15 Article 60, Section 60-25, eff. 4-19-22; 103-9, eff. 6-7-23;
16 103-154, eff. 6-30-23.)

17 Section 20. The Retailers' Occupation Tax Act is amended
18 by changing Sections 2-5, 2-10, and 2-27 as follows:

19 (35 ILCS 120/2-5)

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

23 (1) Farm chemicals.

24 (2) Farm machinery and equipment, both new and used,

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

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

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

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

10 Beginning on January 1, 2024, farm machinery and
11 equipment also includes electrical power generation
12 equipment used primarily for production agriculture.

13 This item (2) is exempt from the provisions of Section
14 2-70.

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

22 (4) Until July 1, 2003 and beginning again September
23 1, 2004 through August 30, 2014, graphic arts machinery
24 and equipment, including repair and replacement parts,
25 both new and used, and including that manufactured on
26 special order or purchased for lease, certified by the

1 purchaser to be used primarily for graphic arts
2 production. Equipment includes chemicals or chemicals
3 acting as catalysts but only if the chemicals or chemicals
4 acting as catalysts effect a direct and immediate change
5 upon a graphic arts product. Beginning on July 1, 2017,
6 graphic arts machinery and equipment is included in the
7 manufacturing and assembling machinery and equipment
8 exemption under paragraph (14).

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

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

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

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

22 (9) Personal property sold to a not-for-profit arts or
23 cultural organization that establishes, by proof required
24 by the Department by rule, that it has received an
25 exemption under Section 501(c)(3) of the Internal Revenue
26 Code and that is organized and operated primarily for the

1 presentation or support of arts or cultural programming,
2 activities, or services. These organizations include, but
3 are not limited to, music and dramatic arts organizations
4 such as symphony orchestras and theatrical groups, arts
5 and cultural service organizations, local arts councils,
6 visual arts organizations, and media arts organizations.
7 On and after July 1, 2001 (the effective date of Public Act
8 92-35), however, an entity otherwise eligible for this
9 exemption shall not make tax-free purchases unless it has
10 an active identification number issued by the Department.

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

18 (11) Except as otherwise provided in this Section,
19 personal property sold to a governmental body, to a
20 corporation, society, association, foundation, or
21 institution organized and operated exclusively for
22 charitable, religious, or educational purposes, or to a
23 not-for-profit corporation, society, association,
24 foundation, institution, or organization that has no
25 compensated officers or employees and that is organized
26 and operated primarily for the recreation of persons 55

1 years of age or older. A limited liability company may
2 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
6 exemption shall make tax-free purchases unless it has an
7 active identification number issued by the Department.

8 (12) (Blank).

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

1 any commercial or industrial enterprise whether for-hire
2 or not.

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

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

1 wholesale or retail sale that is delivered to customers
2 through pipes, pipelines, or mains; or (iii) the treatment
3 of water for wholesale or retail sale that is delivered to
4 customers through pipes, pipelines, or mains. The
5 provisions of Public Act 98-583 are declaratory of
6 existing law as to the meaning and scope of this
7 exemption. Beginning on July 1, 2017, the exemption
8 provided by this paragraph (14) includes, but is not
9 limited to, graphic arts machinery and equipment, as
10 defined in paragraph (4) of this Section.

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

19 (16) Tangible personal property sold to a purchaser if
20 the purchaser is exempt from use tax by operation of
21 federal law. This paragraph is exempt from the provisions
22 of Section 2-70.

23 (17) Tangible personal property sold to a common
24 carrier by rail or motor that receives the physical
25 possession of the property in Illinois and that transports
26 the property, or shares with another common carrier in the

1 transportation of the property, out of Illinois on a
2 standard uniform bill of lading showing the seller of the
3 property as the shipper or consignor of the property to a
4 destination outside Illinois, for use outside Illinois.

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

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

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

25 (21) Until July 1, 2028, coal and aggregate
26 exploration, mining, off-highway hauling, processing,

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

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

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

1 to a change in the flight number of that aircraft.

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

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

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

25 (25-5) The exemption under item (25) does not apply if
26 the state in which the motor vehicle will be titled does

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

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

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

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

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

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

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

2 "Based in this State" means hangared, stored, or
3 otherwise used, excluding post-sale customizations as
4 defined in this Section, for 10 or more days in each
5 12-month period immediately following the date of the sale
6 of the aircraft.

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

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

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

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

1 paid during the period beginning May 30, 2000 and ending
2 on January 1, 2008 (the effective date of Public Act
3 95-88).

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

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

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

1 assists victims of the disaster who reside within the
2 declared disaster area.

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

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

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

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

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

1 profits from the sale to the fundraising entity. This
2 paragraph is exempt from the provisions of Section 2-70.

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

14 (35-5) Beginning August 23, 2001 and through June 30,
15 2016, food for human consumption that is to be consumed
16 off the premises where it is sold (other than alcoholic
17 beverages, soft drinks, and food that has been prepared
18 for immediate consumption) and prescription and
19 nonprescription medicines, drugs, medical appliances, and
20 insulin, urine testing materials, syringes, and needles
21 used by diabetics, for human use, when purchased for use
22 by a person receiving medical assistance under Article V
23 of the Illinois Public Aid Code who resides in a licensed
24 long-term care facility, as defined in the Nursing Home
25 Care Act, or a licensed facility as defined in the ID/DD
26 Community Care Act, the MC/DD Act, or the Specialized

1 Mental Health Rehabilitation Act of 2013.

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

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

19 (38) Beginning on January 1, 2002 and through June 30,
20 2016, tangible personal property purchased from an
21 Illinois retailer by a taxpayer engaged in centralized
22 purchasing activities in Illinois who will, upon receipt
23 of the property in Illinois, temporarily store the
24 property in Illinois (i) for the purpose of subsequently
25 transporting it outside this State for use or consumption
26 thereafter solely outside this State or (ii) for the

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

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

25 (40) Beginning January 1, 2010 and continuing through
26 December 31, 2029, materials, parts, equipment,

1 components, and furnishings incorporated into or upon an
2 aircraft as part of the modification, refurbishment,
3 completion, replacement, repair, or maintenance of the
4 aircraft. This exemption includes consumable supplies used
5 in the modification, refurbishment, completion,
6 replacement, repair, and maintenance of aircraft. However,
7 until January 1, 2024, this exemption excludes any
8 materials, parts, equipment, components, and consumable
9 supplies used in the modification, replacement, repair,
10 and maintenance of aircraft engines or power plants,
11 whether such engines or power plants are installed or
12 uninstalled upon any such aircraft. "Consumable supplies"
13 include, but are not limited to, adhesive, tape,
14 sandpaper, general purpose lubricants, cleaning solution,
15 latex gloves, and protective films.

16 Beginning January 1, 2010 and continuing through
17 December 31, 2023, this exemption applies only to the sale
18 of qualifying tangible personal property to persons who
19 modify, refurbish, complete, replace, or maintain an
20 aircraft and who (i) hold an Air Agency Certificate and
21 are empowered to operate an approved repair station by the
22 Federal Aviation Administration, (ii) have a Class IV
23 Rating, and (iii) conduct operations in accordance with
24 Part 145 of the Federal Aviation Regulations. The
25 exemption does not include aircraft operated by a
26 commercial air carrier providing scheduled passenger air

1 service pursuant to authority issued under Part 121 or
2 Part 129 of the Federal Aviation Regulations. From January
3 1, 2024 through December 31, 2029, this exemption applies
4 only to the use of qualifying tangible personal property
5 by: (A) persons who modify, refurbish, complete, repair,
6 replace, or maintain aircraft and who (i) hold an Air
7 Agency Certificate and are empowered to operate an
8 approved repair station by the Federal Aviation
9 Administration, (ii) have a Class IV Rating, and (iii)
10 conduct operations in accordance with Part 145 of the
11 Federal Aviation Regulations; and (B) persons who engage
12 in the modification, replacement, repair, and maintenance
13 of aircraft engines or power plants without regard to
14 whether or not those persons meet the qualifications of
15 item (A).

16 The changes made to this paragraph (40) by Public Act
17 98-534 are declarative of existing law. It is the intent
18 of the General Assembly that the exemption under this
19 paragraph (40) applies continuously from January 1, 2010
20 through December 31, 2024; however, no claim for credit or
21 refund is allowed for taxes paid as a result of the
22 disallowance of this exemption on or after January 1, 2015
23 and prior to February 5, 2020 (the effective date of
24 Public Act 101-629).

25 (41) Tangible personal property sold to a
26 public-facilities corporation, as described in Section

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

14 (42) Beginning January 1, 2017 and through December
15 31, 2026, menstrual pads, tampons, and menstrual cups.

16 (43) Merchandise that is subject to the Rental
17 Purchase Agreement Occupation and Use Tax. The purchaser
18 must certify that the item is purchased to be rented
19 subject to a rental-purchase ~~rental-purchase~~ agreement, as
20 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement
21 Act, and provide proof of registration under the Rental
22 Purchase Agreement Occupation and Use Tax Act. This
23 paragraph is exempt from the provisions of Section 2-70.

24 (44) Qualified tangible personal property used in the
25 construction or operation of a data center that has been
26 granted a certificate of exemption by the Department of

1 Commerce and Economic Opportunity, whether that tangible
2 personal property is purchased by the owner, operator, or
3 tenant of the data center or by a contractor or
4 subcontractor of the owner, operator, or tenant. Data
5 centers that would have qualified for a certificate of
6 exemption prior to January 1, 2020 had Public Act 101-31
7 been in effect, may apply for and obtain an exemption for
8 subsequent purchases of computer equipment or enabling
9 software purchased or leased to upgrade, supplement, or
10 replace computer equipment or enabling software purchased
11 or leased in the original investment that would have
12 qualified.

13 The Department of Commerce and Economic Opportunity
14 shall grant a certificate of exemption under this item
15 (44) to qualified data centers as defined by Section
16 605-1025 of the Department of Commerce and Economic
17 Opportunity Law of the Civil Administrative Code of
18 Illinois.

19 For the purposes of this item (44):

20 "Data center" means a building or a series of
21 buildings rehabilitated or constructed to house
22 working servers in one physical location or multiple
23 sites within the State of Illinois.

24 "Qualified tangible personal property" means:
25 electrical systems and equipment; climate control and
26 chilling equipment and systems; mechanical systems and

1 equipment; monitoring and secure systems; emergency
2 generators; hardware; computers; servers; data storage
3 devices; network connectivity equipment; racks;
4 cabinets; telecommunications cabling infrastructure;
5 raised floor systems; peripheral components or
6 systems; software; mechanical, electrical, or plumbing
7 systems; battery systems; cooling systems and towers;
8 temperature control systems; other cabling; and other
9 data center infrastructure equipment and systems
10 necessary to operate qualified tangible personal
11 property, including fixtures; and component parts of
12 any of the foregoing, including installation,
13 maintenance, repair, refurbishment, and replacement of
14 qualified tangible personal property to generate,
15 transform, transmit, distribute, or manage electricity
16 necessary to operate qualified tangible personal
17 property; and all other tangible personal property
18 that is essential to the operations of a computer data
19 center. The term "qualified tangible personal
20 property" also includes building materials physically
21 incorporated into the qualifying data center. To
22 document the exemption allowed under this Section, the
23 retailer must obtain from the purchaser a copy of the
24 certificate of eligibility issued by the Department of
25 Commerce and Economic Opportunity.

26 This item (44) is exempt from the provisions of

1 Section 2-70.

2 (45) Beginning January 1, 2020 and through December
3 31, 2020, sales of tangible personal property made by a
4 marketplace seller over a marketplace for which tax is due
5 under this Act but for which use tax has been collected and
6 remitted to the Department by a marketplace facilitator
7 under Section 2d of the Use Tax Act are exempt from tax
8 under this Act. A marketplace seller claiming this
9 exemption shall maintain books and records demonstrating
10 that the use tax on such sales has been collected and
11 remitted by a marketplace facilitator. Marketplace sellers
12 that have properly remitted tax under this Act on such
13 sales may file a claim for credit as provided in Section 6
14 of this Act. No claim is allowed, however, for such taxes
15 for which a credit or refund has been issued to the
16 marketplace facilitator under the Use Tax Act, or for
17 which the marketplace facilitator has filed a claim for
18 credit or refund under the Use Tax Act.

19 (46) Beginning July 1, 2022, breast pumps, breast pump
20 collection and storage supplies, and breast pump kits.
21 This item (46) is exempt from the provisions of Section
22 2-70. As used in this item (46):

23 "Breast pump" means an electrically controlled or
24 manually controlled pump device designed or marketed to be
25 used to express milk from a human breast during lactation,
26 including the pump device and any battery, AC adapter, or

1 other power supply unit that is used to power the pump
2 device and is packaged and sold with the pump device at the
3 time of sale.

4 "Breast pump collection and storage supplies" means
5 items of tangible personal property designed or marketed
6 to be used in conjunction with a breast pump to collect
7 milk expressed from a human breast and to store collected
8 milk until it is ready for consumption.

9 "Breast pump collection and storage supplies"
10 includes, but is not limited to: breast shields and breast
11 shield connectors; breast pump tubes and tubing adapters;
12 breast pump valves and membranes; backflow protectors and
13 backflow protector adaptors; bottles and bottle caps
14 specific to the operation of the breast pump; and breast
15 milk storage bags.

16 "Breast pump collection and storage supplies" does not
17 include: (1) bottles and bottle caps not specific to the
18 operation of the breast pump; (2) breast pump travel bags
19 and other similar carrying accessories, including ice
20 packs, labels, and other similar products; (3) breast pump
21 cleaning supplies; (4) nursing bras, bra pads, breast
22 shells, and other similar products; and (5) creams,
23 ointments, and other similar products that relieve
24 breastfeeding-related symptoms or conditions of the
25 breasts or nipples, unless sold as part of a breast pump
26 kit that is pre-packaged by the breast pump manufacturer

1 or distributor.

2 "Breast pump kit" means a kit that: (1) contains no
3 more than a breast pump, breast pump collection and
4 storage supplies, a rechargeable battery for operating the
5 breast pump, a breastmilk cooler, bottle stands, ice
6 packs, and a breast pump carrying case; and (2) is
7 pre-packaged as a breast pump kit by the breast pump
8 manufacturer or distributor.

9 (47) Tangible personal property sold by or on behalf
10 of the State Treasurer pursuant to the Revised Uniform
11 Unclaimed Property Act. This item (47) is exempt from the
12 provisions of Section 2-70.

13 (48) Beginning on January 1, 2024, tangible personal
14 property purchased by an active duty member of the armed
15 forces of the United States who presents valid military
16 identification and purchases the property using a form of
17 payment where the federal government is the payor. The
18 member of the armed forces must complete, at the point of
19 sale, a form prescribed by the Department of Revenue
20 documenting that the transaction is eligible for the
21 exemption under this paragraph. Retailers must keep the
22 form as documentation of the exemption in their records
23 for a period of not less than 6 years. "Armed forces of the
24 United States" means the United States Army, Navy, Air
25 Force, Marine Corps, or Coast Guard. This paragraph is
26 exempt from the provisions of Section 2-70.

1 (49) Beginning on January 1, 2026, as further defined
2 in Section 2-10, food for human consumption that is to be
3 consumed off the premises where it is sold (other than
4 alcoholic beverages, food consisting of or infused with
5 adult use cannabis, soft drinks, candy, and food that has
6 been prepared for immediate consumption). This item (49)
7 is exempt from the provisions of Section 2-70.

8 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
9 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,
10 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
11 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
12 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
13 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
14 12-12-23.)

15 (35 ILCS 120/2-10)

16 Sec. 2-10. Rate of tax. Unless otherwise provided in this
17 Section, the tax imposed by this Act is at the rate of 6.25% of
18 gross receipts from sales of tangible personal property made
19 in the course of business.

20 Beginning on July 1, 2000 and through December 31, 2000,
21 with respect to motor fuel, as defined in Section 1.1 of the
22 Motor Fuel Tax Law, and gasohol, as defined in Section 3-40 of
23 the Use Tax Act, the tax is imposed at the rate of 1.25%.

24 Beginning on August 6, 2010 through August 15, 2010, and
25 beginning again on August 5, 2022 through August 14, 2022,

1 with respect to sales tax holiday items as defined in Section
2 2-8 of this Act, the tax is imposed at the rate of 1.25%.

3 Within 14 days after July 1, 2000 (the effective date of
4 Public Act 91-872), each retailer of motor fuel and gasohol
5 shall cause the following notice to be posted in a prominently
6 visible place on each retail dispensing device that is used to
7 dispense motor fuel or gasohol in the State of Illinois: "As of
8 July 1, 2000, the State of Illinois has eliminated the State's
9 share of sales tax on motor fuel and gasohol through December
10 31, 2000. The price on this pump should reflect the
11 elimination of the tax." The notice shall be printed in bold
12 print on a sign that is no smaller than 4 inches by 8 inches.
13 The sign shall be clearly visible to customers. Any retailer
14 who fails to post or maintain a required sign through December
15 31, 2000 is guilty of a petty offense for which the fine shall
16 be \$500 per day per each retail premises where a violation
17 occurs.

18 With respect to gasohol, as defined in the Use Tax Act, the
19 tax imposed by this Act applies to (i) 70% of the proceeds of
20 sales made on or after January 1, 1990, and before July 1,
21 2003, (ii) 80% of the proceeds of sales made on or after July
22 1, 2003 and on or before July 1, 2017, (iii) 100% of the
23 proceeds of sales made after July 1, 2017 and prior to January
24 1, 2024, (iv) 90% of the proceeds of sales made on or after
25 January 1, 2024 and on or before December 31, 2028, and (v)
26 100% of the proceeds of sales made after December 31, 2028. If,

1 at any time, however, the tax under this Act on sales of
2 gasohol, as defined in the Use Tax Act, is imposed at the rate
3 of 1.25%, then the tax imposed by this Act applies to 100% of
4 the proceeds of sales of gasohol made during that time.

5 With respect to mid-range ethanol blends, as defined in
6 Section 3-44.3 of the Use Tax Act, the tax imposed by this Act
7 applies to (i) 80% of the proceeds of sales made on or after
8 January 1, 2024 and on or before December 31, 2028 and (ii)
9 100% of the proceeds of sales made after December 31, 2028. If,
10 at any time, however, the tax under this Act on sales of
11 mid-range ethanol blends is imposed at the rate of 1.25%, then
12 the tax imposed by this Act applies to 100% of the proceeds of
13 sales of mid-range ethanol blends made during that time.

14 With respect to majority blended ethanol fuel, as defined
15 in the Use Tax Act, the tax imposed by this Act does not apply
16 to the proceeds of sales made on or after July 1, 2003 and on
17 or before December 31, 2028 but applies to 100% of the proceeds
18 of sales made thereafter.

19 With respect to biodiesel blends, as defined in the Use
20 Tax Act, with no less than 1% and no more than 10% biodiesel,
21 the tax imposed by this Act applies to (i) 80% of the proceeds
22 of sales made on or after July 1, 2003 and on or before
23 December 31, 2018 and (ii) 100% of the proceeds of sales made
24 after December 31, 2018 and before January 1, 2024. On and
25 after January 1, 2024 and on or before December 31, 2030, the
26 taxation of biodiesel, renewable diesel, and biodiesel blends

1 shall be as provided in Section 3-5.1 of the Use Tax Act. If,
2 at any time, however, the tax under this Act on sales of
3 biodiesel blends, as defined in the Use Tax Act, with no less
4 than 1% and no more than 10% biodiesel is imposed at the rate
5 of 1.25%, then the tax imposed by this Act applies to 100% of
6 the proceeds of sales of biodiesel blends with no less than 1%
7 and no more than 10% biodiesel made during that time.

8 With respect to biodiesel, as defined in the Use Tax Act,
9 and biodiesel blends, as defined in the Use Tax Act, with more
10 than 10% but no more than 99% biodiesel, the tax imposed by
11 this Act does not apply to the proceeds of sales made on or
12 after July 1, 2003 and on or before December 31, 2023. On and
13 after January 1, 2024 and on or before December 31, 2030, the
14 taxation of biodiesel, renewable diesel, and biodiesel blends
15 shall be as provided in Section 3-5.1 of the Use Tax Act.

16 Until July 1, 2022 and from beginning again on July 1, 2023
17 through December 31, 2025, with respect to food for human
18 consumption that is to be consumed off the premises where it is
19 sold (other than alcoholic beverages, food consisting of or
20 infused with adult use cannabis, soft drinks, and food that
21 has been prepared for immediate consumption), the tax is
22 imposed at the rate of 1%. Beginning July 1, 2022 and until
23 July 1, 2023, with respect to food for human consumption that
24 is to be consumed off the premises where it is sold (other than
25 alcoholic beverages, food consisting of or infused with adult
26 use cannabis, soft drinks, and food that has been prepared for

1 immediate consumption), the tax is imposed at the rate of 0%.
2 On and after January 1, 2026, food for human consumption that
3 is to be consumed off the premises where it is sold (other than
4 alcoholic beverages, food consisting of or infused with adult
5 use cannabis, soft drinks, candy, and food that has been
6 prepared for immediate consumption) is exempt from the tax
7 imposed by this Act.

8 With respect to prescription and nonprescription
9 medicines, drugs, medical appliances, products classified as
10 Class III medical devices by the United States Food and Drug
11 Administration that are used for cancer treatment pursuant to
12 a prescription, as well as any accessories and components
13 related to those devices, modifications to a motor vehicle for
14 the purpose of rendering it usable by a person with a
15 disability, and insulin, blood sugar testing materials,
16 syringes, and needles used by human diabetics, the tax is
17 imposed at the rate of 1%. For the purposes of this Section,
18 until September 1, 2009: the term "soft drinks" means any
19 complete, finished, ready-to-use, non-alcoholic drink, whether
20 carbonated or not, including, but not limited to, soda water,
21 cola, fruit juice, vegetable juice, carbonated water, and all
22 other preparations commonly known as soft drinks of whatever
23 kind or description that are contained in any closed or sealed
24 bottle, can, carton, or container, regardless of size; but
25 "soft drinks" does not include coffee, tea, non-carbonated
26 water, infant formula, milk or milk products as defined in the

1 Grade A Pasteurized Milk and Milk Products Act, or drinks
2 containing 50% or more natural fruit or vegetable juice.

3 Notwithstanding any other provisions of this Act,
4 beginning September 1, 2009, "soft drinks" means non-alcoholic
5 beverages that contain natural or artificial sweeteners. "Soft
6 drinks" does not include beverages that contain milk or milk
7 products, soy, rice or similar milk substitutes, or greater
8 than 50% of vegetable or fruit juice by volume.

9 Until August 1, 2009, and notwithstanding any other
10 provisions of this Act, "food for human consumption that is to
11 be consumed off the premises where it is sold" includes all
12 food sold through a vending machine, except soft drinks and
13 food products that are dispensed hot from a vending machine,
14 regardless of the location of the vending machine. Beginning
15 August 1, 2009, and notwithstanding any other provisions of
16 this Act, "food for human consumption that is to be consumed
17 off the premises where it is sold" includes all food sold
18 through a vending machine, except soft drinks, candy, and food
19 products that are dispensed hot from a vending machine,
20 regardless of the location of the vending machine.

21 Notwithstanding any other provisions of this Act,
22 beginning September 1, 2009, "food for human consumption that
23 is to be consumed off the premises where it is sold" does not
24 include candy. For purposes of this Section, "candy" means a
25 preparation of sugar, honey, or other natural or artificial
26 sweeteners in combination with chocolate, fruits, nuts or

1 other ingredients or flavorings in the form of bars, drops, or
2 pieces. "Candy" does not include any preparation that contains
3 flour or requires refrigeration.

4 Notwithstanding any other provisions of this Act,
5 beginning September 1, 2009, "nonprescription medicines and
6 drugs" does not include grooming and hygiene products. For
7 purposes of this Section, "grooming and hygiene products"
8 includes, but is not limited to, soaps and cleaning solutions,
9 shampoo, toothpaste, mouthwash, antiperspirants, and sun tan
10 lotions and screens, unless those products are available by
11 prescription only, regardless of whether the products meet the
12 definition of "over-the-counter-drugs". For the purposes of
13 this paragraph, "over-the-counter-drug" means a drug for human
14 use that contains a label that identifies the product as a drug
15 as required by 21 CFR 201.66. The "over-the-counter-drug"
16 label includes:

17 (A) a "Drug Facts" panel; or

18 (B) a statement of the "active ingredient(s)" with a
19 list of those ingredients contained in the compound,
20 substance or preparation.

21 Beginning on January 1, 2014 (the effective date of Public
22 Act 98-122), "prescription and nonprescription medicines and
23 drugs" includes medical cannabis purchased from a registered
24 dispensing organization under the Compassionate Use of Medical
25 Cannabis Program Act.

26 As used in this Section, "adult use cannabis" means

1 cannabis subject to tax under the Cannabis Cultivation
2 Privilege Tax Law and the Cannabis Purchaser Excise Tax Law
3 and does not include cannabis subject to tax under the
4 Compassionate Use of Medical Cannabis Program Act.

5 (Source: P.A. 102-4, eff. 4-27-21; 102-700, Article 20,
6 Section 20-20, eff. 4-19-22; 102-700, Article 60, Section
7 60-30, eff. 4-19-22; 102-700, Article 65, Section 65-10, eff.
8 4-19-22; 103-9, eff. 6-7-23; 103-154, eff. 6-30-23.)

9 (35 ILCS 120/2-27)

10 Sec. 2-27. Prepaid telephone calling arrangements.
11 "Prepaid telephone calling arrangements" mean the right to
12 exclusively purchase telephone or telecommunications services
13 that must be paid for in advance and enable the origination of
14 one or more intrastate, interstate, or international telephone
15 calls or other telecommunications using an access number, an
16 authorization code, or both, whether manually or
17 electronically dialed, for which payment to a retailer must be
18 made in advance, provided that, unless recharged, no further
19 service is provided once that prepaid amount of service has
20 been consumed, and provided further that the telephone or
21 telecommunications services included in such arrangement are
22 obtained through the purchase of a preloaded phone, calling
23 card, or other item of tangible personal property. Prepaid
24 telephone calling arrangements include the recharge of a
25 prepaid calling arrangement if and only if the additional

1 telephone or telecommunications services included in the
2 recharge are obtained through the purchase of a preloaded
3 phone, calling card, or other item of tangible personal
4 property. For purposes of this Section, "recharge" means the
5 purchase of additional prepaid telephone or telecommunications
6 services whether or not the purchaser acquires a different
7 access number or authorization code. For purposes of this
8 Section, "telecommunications" means that term as defined in
9 Section 2 of the Telecommunications Excise Tax Act. "Prepaid
10 telephone calling arrangement" does not include an arrangement
11 whereby the service provider reflects the amount of the
12 purchase as a credit on an account for a customer under an
13 existing subscription plan, nor does it include a recharge
14 that is not obtained through the purchase of a preloaded
15 phone, calling card, or other item of tangible personal
16 property.

17 (Source: P.A. 91-870, eff. 6-22-00.)

18 Section 22. The Prepaid Wireless 9-1-1 Surcharge Act is
19 amended by changing Section 15 as follows:

20 (50 ILCS 753/15)

21 Sec. 15. Prepaid wireless 9-1-1 surcharge.

22 (a) Until September 30, 2015, there is hereby imposed on
23 consumers a prepaid wireless 9-1-1 surcharge of 1.5% per
24 retail transaction. Beginning October 1, 2015, the prepaid

1 wireless 9-1-1 surcharge shall be 3% per retail transaction.
2 Until December 31, 2023 and beginning July 1, 2024, the
3 surcharge authorized by this subsection (a) does not apply in
4 a home rule municipality having a population in excess of
5 500,000.

6 (a-5) On or after the effective date of this amendatory
7 Act of the 98th General Assembly and until December 31, 2023,
8 and from July 1, 2024 to July 1, 2029, a home rule municipality
9 having a population in excess of 500,000 on the effective date
10 of this amendatory Act may impose a prepaid wireless 9-1-1
11 surcharge not to exceed 9% per retail transaction sourced to
12 that jurisdiction and collected and remitted in accordance
13 with the provisions of subsection (b-5) of this Section.

14 (b) The prepaid wireless 9-1-1 surcharge shall be
15 collected by the seller from the consumer with respect to each
16 retail transaction occurring in this State and shall be
17 remitted to the Department by the seller as provided in this
18 Act. The amount of the prepaid wireless 9-1-1 surcharge shall
19 be separately stated as a distinct item apart from the charge
20 for the prepaid wireless telecommunications service on an
21 invoice, receipt, or other similar document that is provided
22 to the consumer by the seller or shall be otherwise disclosed
23 to the consumer. If the seller does not separately state the
24 surcharge as a distinct item to the consumer as provided in
25 this Section, then the seller shall maintain books and records
26 as required by this Act which clearly identify the amount of

1 the 9-1-1 surcharge for retail transactions.

2 For purposes of this subsection (b), a retail transaction
3 occurs in this State if (i) the retail transaction is made in
4 person by a consumer at the seller's business location and the
5 business is located within the State; (ii) the seller is a
6 provider and sells prepaid wireless telecommunications service
7 to a consumer located in Illinois; (iii) the retail
8 transaction is treated as occurring in this State for purposes
9 of the Retailers' Occupation Tax Act; or (iv) a seller that is
10 included within the definition of a "retailer maintaining a
11 place of business in this State" under Section 2 of the Use Tax
12 Act makes a sale of prepaid wireless telecommunications
13 service to a consumer located in Illinois. In the case of a
14 retail transaction which does not occur in person at a
15 seller's business location, if a consumer uses a credit card
16 to purchase prepaid wireless telecommunications service
17 on-line or over the telephone, and no product is shipped to the
18 consumer, the transaction occurs in this State if the billing
19 address for the consumer's credit card is in this State.

20 (b-5) The prepaid wireless 9-1-1 surcharge imposed under
21 subsection (a-5) of this Section shall be collected by the
22 seller from the consumer with respect to each retail
23 transaction occurring in the municipality imposing the
24 surcharge. The amount of the prepaid wireless 9-1-1 surcharge
25 shall be separately stated on an invoice, receipt, or other
26 similar document that is provided to the consumer by the

1 seller or shall be otherwise disclosed to the consumer. If the
2 seller does not separately state the surcharge as a distinct
3 item to the consumer as provided in this Section, then the
4 seller shall maintain books and records as required by this
5 Act which clearly identify the amount of the 9-1-1 surcharge
6 for retail transactions.

7 For purposes of this subsection (b-5), a retail
8 transaction occurs in the municipality if (i) the retail
9 transaction is made in person by a consumer at the seller's
10 business location and the business is located within the
11 municipality; (ii) the seller is a provider and sells prepaid
12 wireless telecommunications service to a consumer located in
13 the municipality; (iii) the retail transaction is treated as
14 occurring in the municipality for purposes of the Retailers'
15 Occupation Tax Act; or (iv) a seller that is included within
16 the definition of a "retailer maintaining a place of business
17 in this State" under Section 2 of the Use Tax Act makes a sale
18 of prepaid wireless telecommunications service to a consumer
19 located in the municipality. In the case of a retail
20 transaction which does not occur in person at a seller's
21 business location, if a consumer uses a credit card to
22 purchase prepaid wireless telecommunications service on-line
23 or over the telephone, and no product is shipped to the
24 consumer, the transaction occurs in the municipality if the
25 billing address for the consumer's credit card is in the
26 municipality.

1 (c) The prepaid wireless 9-1-1 surcharge is imposed on the
2 consumer and not on any provider. The seller shall be liable to
3 remit all prepaid wireless 9-1-1 surcharges that the seller
4 collects from consumers as provided in Section 20, including
5 all such surcharges that the seller is deemed to collect where
6 the amount of the surcharge has not been separately stated on
7 an invoice, receipt, or other similar document provided to the
8 consumer by the seller. The surcharge collected or deemed
9 collected by a seller shall constitute a debt owed by the
10 seller to this State, and any such surcharge actually
11 collected shall be held in trust for the benefit of the
12 Department.

13 For purposes of this subsection (c), the surcharge shall
14 not be imposed or collected from entities that have an active
15 tax exemption identification number issued by the Department
16 under Section 1g of the Retailers' Occupation Tax Act.

17 (d) The amount of the prepaid wireless 9-1-1 surcharge
18 that is collected by a seller from a consumer, if such amount
19 is separately stated on an invoice, receipt, or other similar
20 document provided to the consumer by the seller, shall not be
21 included in the base for measuring any tax, fee, surcharge, or
22 other charge that is imposed by this State, any political
23 subdivision of this State, or any intergovernmental agency.

24 (e) (Blank).

25 (e-5) Any changes in the rate of the surcharge imposed by a
26 municipality under the authority granted in subsection (a-5)

1 of this Section shall be effective on the first day of the
2 first calendar month to occur at least 60 days after the
3 enactment of the change. The Department shall provide not less
4 than 30 days' notice of the increase or reduction in the rate
5 of such surcharge on the Department's website.

6 (f) When prepaid wireless telecommunications service is
7 sold with one or more other products or services for a single,
8 non-itemized price, then the percentage specified in
9 subsection (a) or (a-5) of this Section 15 shall be applied to
10 the entire non-itemized price unless the seller elects to
11 apply the percentage to (i) the dollar amount of the prepaid
12 wireless telecommunications service if that dollar amount is
13 disclosed to the consumer or (ii) the portion of the price that
14 is attributable to the prepaid wireless telecommunications
15 service if the retailer can identify that portion by
16 reasonable and verifiable standards from its books and records
17 that are kept in the regular course of business for other
18 purposes, including, but not limited to, books and records
19 that are kept for non-tax purposes. However, if a minimal
20 amount of prepaid wireless telecommunications service is sold
21 with a prepaid wireless device for a single, non-itemized
22 price, then the seller may elect not to apply the percentage
23 specified in subsection (a) or (a-5) of this Section 15 to such
24 transaction. For purposes of this subsection, an amount of
25 service denominated as 10 minutes or less or \$5 or less is
26 considered minimal.

1 (g) The prepaid wireless 9-1-1 surcharge imposed under
2 subsections (a) and (a-5) of this Section is not imposed on the
3 provider or the consumer for wireless Lifeline service where
4 the consumer does not pay the provider for the service. Where
5 the consumer purchases from the provider optional minutes,
6 texts, or other services in addition to the federally funded
7 Lifeline benefit, a consumer must pay the prepaid wireless
8 9-1-1 surcharge, and it must be collected by the seller
9 according to subsection (b-5).

10 (Source: P.A. 102-9, eff. 6-3-21; 103-564, eff. 11-17-23.)

11 Section 25. The Counties Code is amended by changing
12 Sections 5-1009, 5-1030, and 5-1134 and by adding Section
13 5-1006.9 as follows:

14 (55 ILCS 5/5-1006.9 new)

15 Sec. 5-1006.9. County Grocery Occupation Tax Law.

16 (a) The corporate authorities of any county may, by
17 ordinance or resolution that takes effect on or after January
18 1, 2026, impose a tax upon all persons engaged in the business
19 of selling groceries at retail in the county, but outside of
20 any municipality, on the gross receipts from those sales made
21 in the course of that business. If imposed, the tax shall be at
22 the rate of 1% of the gross receipts from these sales.

23 The tax imposed by a county under this subsection and all
24 civil penalties that may be assessed as an incident of the tax

1 shall be collected and enforced by the Department. The
2 certificate of registration that is issued by the Department
3 to a retailer under the Retailers' Occupation Tax Act shall
4 permit the retailer to engage in a business that is taxable
5 under any ordinance or resolution enacted under this
6 subsection without registering separately with the Department
7 under that ordinance or resolution or under this subsection.

8 The Department shall have full power to administer and
9 enforce this subsection; to collect all taxes and penalties
10 due under this subsection; to dispose of taxes and penalties
11 so collected in the manner provided in this Section and under
12 rules adopted by the Department; and to determine all rights
13 to credit memoranda arising on account of the erroneous
14 payment of tax or penalty under this subsection.

15 In the administration of, and compliance with, this
16 subsection, the Department and persons who are subject to this
17 subsection 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 1, 2 through 2-65 (in respect to
22 all provisions therein other than the State rate of tax), 2c, 3
23 (except as to the disposition of taxes and penalties
24 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a,
25 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12 and 13 of the Retailers'
26 Occupation Tax Act and all of the Uniform Penalty and Interest

1 Act, as fully as if those provisions were set forth in this
2 Section.

3 Persons subject to any tax imposed under the authority
4 granted in this subsection may reimburse themselves for their
5 seller's tax liability hereunder by separately stating that
6 tax as an additional charge, which charge may be stated in
7 combination, in a single amount, with State tax that sellers
8 are required to collect under the Use Tax Act, pursuant to such
9 bracket schedules as the Department may prescribe.

10 (b) If a tax has been imposed under subsection (a), then a
11 service occupation tax must also be imposed at the same rate
12 upon all persons engaged, in the county but outside of a
13 municipality, in the business of making sales of service, who,
14 as an incident to making those sales of service, transfer
15 groceries, as defined in this Section, as an incident to a sale
16 of service.

17 The tax imposed under this subsection and all civil
18 penalties that may be assessed as an incident thereof shall be
19 collected and enforced by the Department. The certificate of
20 registration that is issued by the Department to a retailer
21 under the Retailers' Occupation Tax Act or the Service
22 Occupation Tax Act shall permit the registrant to engage in a
23 business that is taxable under any ordinance or resolution
24 enacted pursuant to this subsection without registering
25 separately with the Department under the ordinance or
26 resolution or under this subsection.

1 The Department shall have full power to administer and
2 enforce this subsection, to collect all taxes and penalties
3 due under this subsection, to dispose of taxes and penalties
4 so collected in the manner provided in this Section and under
5 rules adopted by the Department, and to determine all rights
6 to credit memoranda arising on account of the erroneous
7 payment of a tax or penalty under this subsection.

8 In the administration of and compliance with this
9 subsection, the Department and persons who are subject to this
10 subsection shall have the same rights, remedies, privileges,
11 immunities, powers and duties, and be subject to the same
12 conditions, restrictions, limitations, penalties and
13 definitions of terms, and employ the same modes of procedure
14 as are set forth in Sections 2, 2c, 3 through 3-50 (in respect
15 to all provisions contained in those Sections other than the
16 State rate of tax), 4, 5, 7, 8, 9 (except as to the disposition
17 of taxes and penalties collected), 10, 11, 12, 13, 15, 16, 17,
18 18, 19, and 20 of the Service Occupation Tax Act and all
19 provisions of the Uniform Penalty and Interest Act, as fully
20 as if those provisions were set forth in this Section.

21 Persons subject to any tax imposed under the authority
22 granted in this subsection may reimburse themselves for their
23 serviceman's tax liability by separately stating the tax as an
24 additional charge, which may be stated in combination, in a
25 single amount, with State tax that servicemen are authorized
26 to collect under the Service Use Tax Act, pursuant to any

1 bracketed schedules set forth by the Department.

2 (c) The Department shall immediately pay over to the State
3 Treasurer, ex officio, as trustee, all taxes and penalties
4 collected under this Section. Those taxes and penalties shall
5 be deposited into the County Grocery Tax Trust Fund, a trust
6 fund created in the State treasury. Except as otherwise
7 provided in this Section, moneys in the County Grocery Tax
8 Trust Fund shall be used to make payments to counties and for
9 the payment of refunds under this Section.

10 Moneys deposited into the County Grocery Tax Trust Fund
11 under this Section are not subject to appropriation and shall
12 be used as provided in this Section. All deposits into the
13 County Grocery Tax Trust Fund shall be held in the County
14 Grocery Tax Trust Fund by the State Treasurer, ex officio, as
15 trustee separate and apart from all public moneys or funds of
16 this State.

17 Whenever the Department determines that a refund should be
18 made under this Section to a claimant instead of issuing a
19 credit memorandum, the Department shall notify the State
20 Comptroller, who shall cause the order to be drawn for the
21 amount specified and to the person named in the notification
22 from the Department. The refund shall be paid by the State
23 Treasurer out of the County Grocery Tax Trust Fund.

24 (d) As soon as possible after the first day of each month,
25 upon certification of the Department, the Comptroller shall
26 order transferred, and the Treasurer shall transfer, to the

1 STAR Bonds Revenue Fund the local sales tax increment, if any,
2 as defined in the Innovation Development and Economy Act,
3 collected under this Section.

4 After the monthly transfer to the STAR Bonds Revenue Fund,
5 if any, on or before the 25th day of each calendar month, the
6 Department shall prepare and certify to the Comptroller the
7 disbursement of stated sums of money to named counties, the
8 counties to be those from which retailers have paid taxes or
9 penalties under this Section to the Department during the
10 second preceding calendar month. The amount to be paid to each
11 county shall be the amount (not including credit memoranda)
12 collected under this Section during the second preceding
13 calendar month by the Department plus an amount the Department
14 determines is necessary to offset any amounts that were
15 erroneously paid to a different taxing body, and not including
16 an amount equal to the amount of refunds made during the second
17 preceding calendar month by the Department on behalf of such
18 county, and not including any amount that the Department
19 determines is necessary to offset any amounts that were
20 payable to a different taxing body but were erroneously paid
21 to the county, and not including any amounts that are
22 transferred to the STAR Bonds Revenue Fund.

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

1 State.

2 (f) Except as otherwise provided in this subsection, an
3 ordinance or resolution imposing or discontinuing the tax
4 hereunder or effecting a change in the rate thereof shall
5 either (i) be adopted and a certified copy thereof filed with
6 the Department on or before the first day of April, whereupon
7 the Department shall proceed to administer and enforce this
8 Section as of the first day of July next following the adoption
9 and filing, or (ii) be adopted and a certified copy thereof
10 filed with the Department on or before the first day of
11 October, whereupon the Department shall proceed to administer
12 and enforce this Section as of the first day of January next
13 following the adoption and filing.

14 (g) When certifying the amount of a monthly disbursement
15 to a county under this Section, the Department shall increase
16 or decrease the amount by an amount necessary to offset any
17 misallocation of previous disbursements. The offset amount
18 shall be the amount erroneously disbursed within the previous
19 6 months from the time a misallocation is discovered.

20 (h) As used in this Section, "Department" means the
21 Department of Revenue.

22 For purposes of the tax authorized to be imposed under
23 subsection (a), "groceries" has the same meaning as "food for
24 human consumption that is to be consumed off the premises
25 where it is sold (other than alcoholic beverages, food
26 consisting of or infused with adult use cannabis, soft drinks,

1 candy, and food that has been prepared for immediate
2 consumption)", as further defined in Section 2-10 of the
3 Retailers' Occupation Tax Act.

4 For purposes of the tax authorized to be imposed under
5 subsection (b), "groceries" has the same meaning as "food for
6 human consumption that is to be consumed off the premises
7 where it is sold (other than alcoholic beverages, food
8 consisting of or infused with adult use cannabis, soft drinks,
9 candy, and food that has been prepared for immediate
10 consumption)", as further defined in Section 3-10 of the
11 Service Occupation Tax Act.

12 For purposes of the tax authorized to be imposed under
13 subsection (b), "groceries" also means food prepared for
14 immediate consumption and transferred incident to a sale of
15 service subject to the Service Occupation Tax Act or the
16 Service Use Tax Act by an entity licensed under the Hospital
17 Licensing Act, the Nursing Home Care Act, the Assisted Living
18 and Shared Housing Act, the ID/DD Community Care Act, the
19 MC/DD Act, the Specialized Mental Health Rehabilitation Act of
20 2013, or the Child Care Act of 1969, or an entity that holds a
21 permit issued pursuant to the Life Care Facilities Act.

22 (i) This Section may be referred to as the County Grocery
23 Occupation Tax Law.

24 (55 ILCS 5/5-1009) (from Ch. 34, par. 5-1009)

25 Sec. 5-1009. Limitation on home rule powers. Except as

1 provided in Sections 5-1006, 5-1006.5, 5-1006.8, 5-1006.9
2 5-1007, and 5-1008, on and after September 1, 1990, no home
3 rule county has the authority to impose, pursuant to its home
4 rule authority, a retailers' occupation tax, service
5 occupation tax, use tax, sales tax or other tax on the use,
6 sale or purchase of tangible personal property based on the
7 gross receipts from such sales or the selling or purchase
8 price of said tangible personal property. Notwithstanding the
9 foregoing, this Section does not preempt any home rule imposed
10 tax such as the following: (1) a tax on alcoholic beverages,
11 whether based on gross receipts, volume sold or any other
12 measurement; (2) a tax based on the number of units of
13 cigarettes or tobacco products; (3) a tax, however measured,
14 based on the use of a hotel or motel room or similar facility;
15 (4) a tax, however measured, on the sale or transfer of real
16 property; (5) a tax, however measured, on lease receipts; (6)
17 a tax on food prepared for immediate consumption and on
18 alcoholic beverages sold by a business which provides for on
19 premise consumption of said food or alcoholic beverages; or
20 (7) other taxes not based on the selling or purchase price or
21 gross receipts from the use, sale or purchase of tangible
22 personal property. This Section does not preempt a home rule
23 county from imposing a tax, however measured, on the use, for
24 consideration, of a parking lot, garage, or other parking
25 facility.

26 On and after December 1, 2019, no home rule county has the

1 authority to impose, pursuant to its home rule authority, a
2 tax, however measured, on sales of aviation fuel, as defined
3 in Section 3 of the Retailers' Occupation Tax Act, unless the
4 tax revenue is expended for airport-related purposes. For
5 purposes of this Section, "airport-related purposes" has the
6 meaning ascribed in Section 6z-20.2 of the State Finance Act.
7 Aviation fuel shall be excluded from tax only for so long as
8 the revenue use requirements of 49 U.S.C. 47017(b) and 49
9 U.S.C. 47133 are binding on the county.

10 This Section is a limitation, pursuant to subsection (g)
11 of Section 6 of Article VII of the Illinois Constitution, on
12 the power of home rule units to tax. The changes made to this
13 Section by Public Act 101-10 are a denial and limitation of
14 home rule powers and functions under subsection (g) of Section
15 6 of Article VII of the Illinois Constitution.

16 (Source: P.A. 101-10, eff. 6-5-19; 101-27, eff. 6-25-19;
17 102-558, eff. 8-20-21.)

18 (55 ILCS 5/5-1030) (from Ch. 34, par. 5-1030)

19 Sec. 5-1030. Hotel rooms, tax on gross rental receipts.

20 (a) The corporate authorities of any county may by
21 ordinance impose a tax upon all persons engaged in such county
22 in the business of renting, leasing or letting rooms in a hotel
23 which is not located within a city, village, or incorporated
24 town that imposes a tax under Section 8-3-14 of the Illinois
25 Municipal Code, as defined in "The Hotel Operators' Occupation

1 Tax Act", at a rate not to exceed 5% of the gross rental
2 receipts from such renting, leasing or letting, excluding,
3 however, from gross rental receipts, the proceeds of such
4 renting, leasing or letting to permanent residents of that
5 hotel, and may provide for the administration and enforcement
6 of the tax, and for the collection thereof from the persons
7 subject to the tax, as the corporate authorities determine to
8 be necessary or practicable for the effective administration
9 of the tax.

10 (b) With the consent of municipalities representing at
11 least 67% of the population of Winnebago County, as determined
12 by the 2010 federal decennial census and as expressed by
13 resolution of the corporate authorities of those
14 municipalities, the county board of Winnebago County may, by
15 ordinance, impose a tax upon all persons engaged in the county
16 in the business of renting, leasing, or letting rooms in a
17 hotel that imposes a tax under Section 8-3-14 of the Illinois
18 Municipal Code, as defined in the ~~"The~~ Hotel Operators'
19 Occupation Tax Act", at a rate not to exceed 2% of the gross
20 rental receipts from renting, leasing, or letting, excluding,
21 however, from gross rental receipts, the proceeds of the
22 renting, leasing, or letting to permanent residents of that
23 hotel, and may provide for the administration and enforcement
24 of the tax, and for the collection thereof from the persons
25 subject to the tax, as the county board determines to be
26 necessary or practicable for the effective administration of

1 the tax. The tax shall be instituted on a county-wide basis and
2 shall be in addition to any tax imposed by this or any other
3 provision of law. The revenue generated under this subsection
4 shall be accounted for and segregated from all other funds of
5 the county and shall be utilized solely for either: (1)
6 encouraging, supporting, marketing, constructing, or
7 operating, either directly by the county or through other
8 taxing bodies within the county, sports, arts, or other
9 entertainment or tourism facilities or programs for the
10 purpose of promoting tourism, competitiveness, job growth, and
11 for the general health and well-being of the citizens of the
12 county; or (2) payment towards debt services on bonds issued
13 for the purposes set forth in this subsection.

14 (b-5) The county board of Sangamon County may, by
15 ordinance, impose a tax upon all persons engaged in the county
16 in the business of renting, leasing, or letting rooms in a
17 hotel that imposes a tax under Section 8-3-14 of the Illinois
18 Municipal Code, as defined in the Hotel Operators' Occupation
19 Tax Act, at a rate not to exceed 3% of the gross rental
20 receipts from renting, leasing, or letting, excluding,
21 however, from gross rental receipts, the proceeds of the
22 renting, leasing, or letting to permanent residents of that
23 hotel, and may provide for the administration and enforcement
24 of the tax, and for the collection thereof from the persons
25 subject to the tax, as the county board determines to be
26 necessary or practicable for the effective administration of

1 the tax. The tax shall be instituted on a county-wide basis and
2 shall be in addition to any tax imposed by this or any other
3 provision of law. The revenue generated under this subsection
4 shall be accounted for and segregated from all other funds of
5 the county and shall be used solely for either: (1)
6 encouraging, supporting, marketing, constructing, or
7 operating, either directly by the county or through other
8 taxing bodies within the county, sports, arts, or other
9 entertainment or tourism facilities or programs for the
10 purpose of promoting tourism, competitiveness, job growth, and
11 for the general health and well-being of the citizens of the
12 county; or (2) payment towards debt services on bonds issued
13 for the purposes set forth in this subsection.

14 (c) A Tourism Facility Board shall be established,
15 comprised of a representative from the county and from each
16 municipality that has approved the imposition of the tax under
17 subsection (b) of this Section.

18 (1) A Board member's vote is weighted based on the
19 municipality's population relative to the population of
20 the county, with the county representing the population
21 within unincorporated areas of the county. Representatives
22 from the Rockford Park District and Rockford Area
23 Convention and Visitors Bureau shall serve as ex-officio
24 members with no voting rights.

25 (2) The Board must meet not less frequently than once
26 per year to direct the use of revenues collected from the

1 tax imposed under subsection (b) of this Section that are
2 not already directed for use pursuant to an
3 intergovernmental agreement between the county and another
4 entity represented on the Board, including the ex-officio
5 members, and for any other reason the Board deems
6 necessary. Affirmative actions of the Board shall require
7 a weighted vote of Board members representing not less
8 than 67% of the population of the county.

9 (3) The Board shall not be a separate unit of local
10 government, shall have no paid staff, and members of the
11 Board shall receive no compensation or reimbursement of
12 expenses from proceeds of the tax imposed under subsection
13 (b) of this Section.

14 (d) Persons subject to any tax imposed pursuant to
15 authority granted by this Section may reimburse themselves for
16 their tax liability for such tax by separately stating such
17 tax as an additional charge, which charge may be stated in
18 combination, in a single amount, with State tax imposed under
19 "The Hotel Operators' Occupation Tax Act".

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

24 An ordinance or resolution imposing a tax hereunder or
25 effecting a change in the rate thereof shall be effective on
26 the first day of the calendar month next following its passage

1 and required publication.

2 The amounts collected by any county pursuant to this
3 Section shall be expended to promote tourism; conventions;
4 expositions; theatrical, sports and cultural activities within
5 that county or otherwise to attract nonresident overnight
6 visitors to the county.

7 Any county may agree with any unit of local government,
8 including any authority defined as a metropolitan exposition,
9 auditorium and office building authority, fair and exposition
10 authority, exposition and auditorium authority, or civic
11 center authority created pursuant to provisions of Illinois
12 law and the territory of which unit of local government or
13 authority is co-extensive with or wholly within such county,
14 to impose and collect for a period not to exceed 40 years, any
15 portion or all of the tax authorized pursuant to this Section
16 and to transmit such tax so collected to such unit of local
17 government or authority. The amount so paid shall be expended
18 by any such unit of local government or authority for the
19 purposes for which such tax is authorized. Any such agreement
20 must be authorized by resolution or ordinance, as the case may
21 be, of such county and unit of local government or authority,
22 and such agreement may provide for the irrevocable imposition
23 and collection of said tax at such rate, or amount as limited
24 by a given rate, as may be agreed upon for the full period of
25 time set forth in such agreement; and such agreement may
26 further provide for any other terms as deemed necessary or

1 advisable by such county and such unit of local government or
2 authority. Any such agreement shall be binding and enforceable
3 by either party to such agreement. Such agreement entered into
4 pursuant to this Section shall not in any event constitute an
5 indebtedness of such county subject to any limitation imposed
6 by statute or otherwise.

7 (Source: P.A. 98-313, eff. 8-12-13.)

8 (55 ILCS 5/5-1134)

9 Sec. 5-1134. Project labor agreements.

10 (a) Any sports, arts, or entertainment facilities that
11 receive revenue from a tax imposed under subsection (b) or
12 (b-5) of Section 5-1030 of this Code shall be considered to be
13 public works within the meaning of the Prevailing Wage Act.
14 The county authorities responsible for the construction,
15 renovation, modification, or alteration of the sports, arts,
16 or entertainment facilities shall enter into project labor
17 agreements with labor organizations as defined in the National
18 Labor Relations Act to assure that no labor dispute interrupts
19 or interferes with the construction, renovation, modification,
20 or alteration of the projects.

21 (b) The project labor agreements must include the
22 following:

23 (1) provisions establishing the minimum hourly wage
24 for each class of labor organization employees;

25 (2) provisions establishing the benefits and other

1 compensation for such class of labor organization; and

2 (3) provisions establishing that no strike or disputes
3 will be engaged in by the labor organization employees.

4 The county, taxing bodies, municipalities, and the labor
5 organizations shall have the authority to include other terms
6 and conditions as they deem necessary.

7 (c) The project labor agreement shall be filed with the
8 Director of ~~the Illinois Department of~~ Labor in accordance
9 with procedures established by the Department. At a minimum,
10 the project labor agreement must provide the names, addresses,
11 and occupations of the owner of the facilities and the
12 individuals representing the labor organization employees
13 participating in the project labor agreement. The agreement
14 must also specify the terms and conditions required in
15 subsection (b) of this Section.

16 (d) In any agreement for the construction or
17 rehabilitation of a facility using revenue generated under
18 subsection (b) or (b-5) of Section 5-1030 of this Code, in
19 connection with the prequalification of general contractors
20 for construction or rehabilitation of the facility, it shall
21 be required that a commitment will be submitted detailing how
22 the general contractor will expend 15% or more of the
23 aggregate dollar value of the project as a whole with one or
24 more minority-owned businesses, women-owned businesses, or
25 businesses owned by a person with a disability, as these terms
26 are defined in Section 2 of the Business Enterprise for

1 Minorities, Women, and Persons with Disabilities Act.

2 (Source: P.A. 100-391, eff. 8-25-17.)

3 Section 30. The Illinois Municipal Code is amended by
4 changing Sections 8-11-1.1 and 8-11-6a and adding Section
5 8-11-24 as follows:

6 (65 ILCS 5/8-11-1.1) (from Ch. 24, par. 8-11-1.1)

7 Sec. 8-11-1.1. Non-home rule municipalities; imposition of
8 taxes.

9 (a) The corporate authorities of a non-home rule
10 municipality may, ~~upon approval of the electors of the~~
11 ~~municipality pursuant to subsection (b) of this Section,~~
12 impose by ordinance or resolution the taxes ~~tax~~ authorized in
13 Sections 8-11-1.3, 8-11-1.4 and 8-11-1.5 of this Act.

14 (b) (Blank). ~~The corporate authorities of the municipality~~
15 ~~may by ordinance or resolution call for the submission to the~~
16 ~~electors of the municipality the question of whether the~~
17 ~~municipality shall impose such tax. Such question shall be~~
18 ~~certified by the municipal clerk to the election authority in~~
19 ~~accordance with Section 28-5 of the Election Code and shall be~~
20 ~~in a form in accordance with Section 16-7 of the Election Code.~~

21 ~~Notwithstanding any provision of law to the contrary, if~~
22 ~~the proceeds of the tax may be used for municipal operations~~
23 ~~pursuant to Section 8-11-1.3, 8-11-1.4, or 8-11-1.5, then the~~
24 ~~election authority must submit the question in substantially~~

1 ~~the following form:~~

2 ~~Shall the corporate authorities of the municipality be~~
3 ~~authorized to levy a tax at a rate of (rate)% for~~
4 ~~expenditures on municipal operations, expenditures on~~
5 ~~public infrastructure, or property tax relief?~~

6 ~~If a majority of the electors in the municipality voting~~
7 ~~upon the question vote in the affirmative, such tax shall be~~
8 ~~imposed.~~

9 (c) Until January 1, 1992, an ordinance or resolution
10 imposing the tax of not more than 1% hereunder or
11 discontinuing the same shall be adopted and a certified copy
12 thereof, together with a certification that the ordinance or
13 resolution received referendum approval in the case of the
14 imposition of such tax, filed with the Department of Revenue,
15 on or before the first day of June, whereupon the Department
16 shall proceed to administer and enforce the additional tax or
17 to discontinue the tax, as the case may be, as of the first day
18 of September next following such adoption and filing.

19 Beginning January 1, 1992 and through December 31, 1992,
20 an ordinance or resolution imposing or discontinuing the tax
21 hereunder shall be adopted and a certified copy thereof filed
22 with the Department on or before the first day of July,
23 whereupon the Department shall proceed to administer and
24 enforce this Section as of the first day of October next
25 following such adoption and filing.

26 Beginning January 1, 1993, and through September 30, 2002,

1 an ordinance or resolution imposing or discontinuing the tax
2 hereunder shall be adopted and a certified copy thereof filed
3 with the Department on or before the first day of October,
4 whereupon the Department shall proceed to administer and
5 enforce this Section as of the first day of January next
6 following such adoption and filing.

7 Beginning October 1, 2002, and through December 31, 2013,
8 an ordinance or resolution imposing or discontinuing the tax
9 under this Section or effecting a change in the rate of tax
10 must either (i) be adopted and a certified copy of the
11 ordinance or resolution filed with the Department on or before
12 the first day of April, whereupon the Department shall proceed
13 to administer and enforce this Section as of the first day of
14 July next following the adoption and filing; or (ii) be
15 adopted and a certified copy of the ordinance or resolution
16 filed with the Department on or before the first day of
17 October, whereupon the Department shall proceed to administer
18 and enforce this Section as of the first day of January next
19 following the adoption and filing.

20 Beginning January 1, 2014, if an ordinance or resolution
21 imposing the tax under this Section, discontinuing the tax
22 under this Section, or effecting a change in the rate of tax
23 under this Section is adopted, a certified copy thereof,
24 ~~together with a certification that the ordinance or resolution~~
25 ~~received referendum approval in the case of the imposition of~~
26 ~~or increase in the rate of such tax,~~ shall be filed with the

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

8 Notwithstanding any provision in this Section to the
9 contrary, if, in a non-home rule municipality with more than
10 150,000 but fewer than 200,000 inhabitants, as determined by
11 the last preceding federal decennial census, an ordinance or
12 resolution under this Section imposes or discontinues a tax or
13 changes the tax rate as of July 1, 2007, then that ordinance or
14 resolution, together with a certification that the ordinance
15 or resolution received referendum approval in the case of the
16 imposition of the tax, must be adopted and a certified copy of
17 that ordinance or resolution must be filed with the Department
18 on or before May 15, 2007, whereupon the Department shall
19 proceed to administer and enforce this Section as of July 1,
20 2007.

21 Notwithstanding any provision in this Section to the
22 contrary, if, in a non-home rule municipality with more than
23 6,500 but fewer than 7,000 inhabitants, as determined by the
24 last preceding federal decennial census, an ordinance or
25 resolution under this Section imposes or discontinues a tax or
26 changes the tax rate on or before May 20, 2009, then that

1 ordinance or resolution, together with a certification that
2 the ordinance or resolution received referendum approval in
3 the case of the imposition of the tax, must be adopted and a
4 certified copy of that ordinance or resolution must be filed
5 with the Department on or before May 20, 2009, whereupon the
6 Department shall proceed to administer and enforce this
7 Section as of July 1, 2009.

8 A non-home rule municipality may file a certified copy of
9 an ordinance or resolution, ~~with a certification that the~~
10 ~~ordinance or resolution received referendum approval in the~~
11 ~~case of the imposition of the tax,~~ with the Department of
12 Revenue, as required under this Section, only after October 2,
13 2000.

14 The tax authorized by this Section may not be more than 1%
15 and may be imposed only in 1/4% increments.

16 (Source: P.A. 98-584, eff. 8-27-13.)

17 (65 ILCS 5/8-11-6a) (from Ch. 24, par. 8-11-6a)

18 Sec. 8-11-6a. Home rule municipalities; preemption of
19 certain taxes. Except as provided in Sections 8-11-1, 8-11-5,
20 8-11-6, 8-11-6b, 8-11-6c, 8-11-23, 8-11-24, and 11-74.3-6 on
21 and after September 1, 1990, no home rule municipality has the
22 authority to impose, pursuant to its home rule authority, a
23 retailer's occupation tax, service occupation tax, use tax,
24 sales tax or other tax on the use, sale or purchase of tangible
25 personal property based on the gross receipts from such sales

1 or the selling or purchase price of said tangible personal
2 property. Notwithstanding the foregoing, this Section does not
3 preempt any home rule imposed tax such as the following: (1) a
4 tax on alcoholic beverages, whether based on gross receipts,
5 volume sold or any other measurement; (2) a tax based on the
6 number of units of cigarettes or tobacco products (provided,
7 however, that a home rule municipality that has not imposed a
8 tax based on the number of units of cigarettes or tobacco
9 products before July 1, 1993, shall not impose such a tax after
10 that date); (3) a tax, however measured, based on the use of a
11 hotel or motel room or similar facility; (4) a tax, however
12 measured, on the sale or transfer of real property; (5) a tax,
13 however measured, on lease receipts; (6) a tax on food
14 prepared for immediate consumption and on alcoholic beverages
15 sold by a business which provides for on premise consumption
16 of said food or alcoholic beverages; or (7) other taxes not
17 based on the selling or purchase price or gross receipts from
18 the use, sale or purchase of tangible personal property. This
19 Section does not preempt a home rule municipality with a
20 population of more than 2,000,000 from imposing a tax, however
21 measured, on the use, for consideration, of a parking lot,
22 garage, or other parking facility. This Section is not
23 intended to affect any existing tax on food and beverages
24 prepared for immediate consumption on the premises where the
25 sale occurs, or any existing tax on alcoholic beverages, or
26 any existing tax imposed on the charge for renting a hotel or

1 motel room, which was in effect January 15, 1988, or any
2 extension of the effective date of such an existing tax by
3 ordinance of the municipality imposing the tax, which
4 extension is hereby authorized, in any non-home rule
5 municipality in which the imposition of such a tax has been
6 upheld by judicial determination, nor is this Section intended
7 to preempt the authority granted by Public Act 85-1006. On and
8 after December 1, 2019, no home rule municipality has the
9 authority to impose, pursuant to its home rule authority, a
10 tax, however measured, on sales of aviation fuel, as defined
11 in Section 3 of the Retailers' Occupation Tax Act, unless the
12 tax is not subject to the revenue use requirements of 49 U.S.C.
13 47107(b) and 49 U.S.C. 47133, or unless the tax revenue is
14 expended for airport-related purposes. For purposes of this
15 Section, "airport-related purposes" has the meaning ascribed
16 in Section 6z-20.2 of the State Finance Act. Aviation fuel
17 shall be excluded from tax only if, and for so long as, the
18 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
19 47133 are binding on the municipality. This Section is a
20 limitation, pursuant to subsection (g) of Section 6 of Article
21 VII of the Illinois Constitution, on the power of home rule
22 units to tax. The changes made to this Section by Public Act
23 101-10 are a denial and limitation of home rule powers and
24 functions under subsection (g) of Section 6 of Article VII of
25 the Illinois Constitution.

26 (Source: P.A. 101-10, eff. 6-5-19; 101-27, eff. 6-25-19;

1 101-593, eff. 12-4-19.)

2 (65 ILCS 5/8-11-24 new)

3 Sec. 8-11-24. Municipal Grocery Occupation Tax Law.

4 (a) The corporate authorities of any municipality may, by
5 ordinance or resolution that takes effect on or after January
6 1, 2026, impose a tax upon all persons engaged in the business
7 of selling groceries at retail in the municipality on the
8 gross receipts from those sales made in the course of that
9 business. If imposed, the tax shall be at the rate of 1% of the
10 gross receipts from these sales.

11 The tax imposed by a municipality under this subsection
12 and all civil penalties that may be assessed as an incident of
13 the tax shall be collected and enforced by the Department. The
14 certificate of registration that is issued by the Department
15 to a retailer under the Retailers' Occupation Tax Act shall
16 permit the retailer to engage in a business that is taxable
17 under any ordinance or resolution enacted under this
18 subsection without registering separately with the Department
19 under that ordinance or resolution or under this subsection.

20 The Department shall have full power to administer and
21 enforce this subsection; to collect all taxes and penalties
22 due under this subsection; to dispose of taxes and penalties
23 so collected in the manner provided in this Section and under
24 rules adopted by the Department; and to determine all rights
25 to credit memoranda arising on account of the erroneous

1 payment of tax or penalty under this subsection.

2 In the administration of, and compliance with, this
3 subsection, the Department and persons who are subject to this
4 subsection shall have the same rights, remedies, privileges,
5 immunities, powers, and duties, and be subject to the same
6 conditions, restrictions, limitations, penalties and
7 definitions of terms, and employ the same modes of procedure,
8 as are prescribed in Sections 1, 2 through 2-65 (in respect to
9 all provisions therein other than the State rate of tax), 2c, 3
10 (except as to the disposition of taxes and penalties
11 collected), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a,
12 6b, 6c, 6d, 7, 8, 9, 10, 11, 11a, 12 and 13 of the Retailers'
13 Occupation Tax Act and all of the Uniform Penalty and Interest
14 Act, as fully as if those provisions were set forth in this
15 Section.

16 Persons subject to any tax imposed under the authority
17 granted in this subsection may reimburse themselves for their
18 seller's tax liability hereunder by separately stating that
19 tax as an additional charge, which charge may be stated in
20 combination, in a single amount, with State tax which sellers
21 are required to collect under the Use Tax Act, pursuant to such
22 bracket schedules as the Department may prescribe.

23 (b) If a tax has been imposed under subsection (a), then a
24 service occupation tax must also be imposed at the same rate
25 upon all persons engaged, in the municipality, in the business
26 of making sales of service, who, as an incident to making those

1 sales of service, transfer groceries, as defined in this
2 Section, as an incident to a sale of service.

3 The tax imposed under this subsection and all civil
4 penalties that may be assessed as an incident thereof shall be
5 collected and enforced by the Department. The certificate of
6 registration that is issued by the Department to a retailer
7 under the Retailers' Occupation Tax Act or the Service
8 Occupation Tax Act shall permit the registrant to engage in a
9 business that is taxable under any ordinance or resolution
10 enacted pursuant to this subsection without registering
11 separately with the Department under the ordinance or
12 resolution or under this subsection.

13 The Department shall have full power to administer and
14 enforce this subsection, to collect all taxes and penalties
15 due under this subsection, to dispose of taxes and penalties
16 so collected in the manner provided in this Section and under
17 rules adopted by the Department, and to determine all rights
18 to credit memoranda arising on account of the erroneous
19 payment of a tax or penalty under this subsection.

20 In the administration of and compliance with this
21 subsection, the Department and persons who are subject to this
22 subsection 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 set forth in Sections 2, 2c, 3 through 3-50 (in respect

1 to all provisions contained in those Sections other than the
2 State rate of tax), 4, 5, 7, 8, 9 (except as to the disposition
3 of taxes and penalties collected), 10, 11, 12, 13, 15, 16, 17,
4 18, 19, and 20 of the Service Occupation Tax Act and all
5 provisions of the Uniform Penalty and Interest Act, as fully
6 as if those provisions were set forth in this Section.

7 Persons subject to any tax imposed under the authority
8 granted in this subsection may reimburse themselves for their
9 serviceman's tax liability by separately stating the tax as an
10 additional charge, which may be stated in combination, in a
11 single amount, with State tax that servicemen are authorized
12 to collect under the Service Use Tax Act, pursuant to any
13 bracketed schedules set forth by the Department.

14 (c) The Department shall immediately pay over to the State
15 Treasurer, ex officio, as trustee, all taxes and penalties
16 collected under this Section. Those taxes and penalties shall
17 be deposited into the Municipal Grocery Tax Trust Fund, a
18 trust fund created in the State treasury. Except as otherwise
19 provided in this Section, moneys in the Municipal Grocery Tax
20 Trust Fund shall be used to make payments to municipalities
21 and for the payment of refunds under this Section.

22 Moneys deposited into the Municipal Grocery Tax Trust Fund
23 under this Section are not subject to appropriation and shall
24 be used as provided in this Section. All deposits into the
25 Municipal Grocery Tax Trust Fund shall be held in the
26 Municipal Grocery Tax Trust Fund by the State Treasurer, ex

1 officio, as trustee separate and apart from all public moneys
2 or funds of this State.

3 Whenever the Department determines that a refund should be
4 made under this Section to a claimant instead of issuing a
5 credit memorandum, the Department shall notify the State
6 Comptroller, who shall cause the order to be drawn for the
7 amount specified and to the person named in the notification
8 from the Department. The refund shall be paid by the State
9 Treasurer out of the Municipal Grocery Tax Trust Fund.

10 (d) As soon as possible after the first day of each month,
11 upon certification of the Department, the Comptroller shall
12 order transferred, and the Treasurer shall transfer, to the
13 STAR Bonds Revenue Fund the local sales tax increment, if any,
14 as defined in the Innovation Development and Economy Act,
15 collected under this Section.

16 After the monthly transfer to the STAR Bonds Revenue Fund,
17 if any, on or before the 25th day of each calendar month, the
18 Department shall prepare and certify to the Comptroller the
19 disbursement of stated sums of money to named municipalities,
20 the municipalities to be those from which retailers have paid
21 taxes or penalties under this Section to the Department during
22 the second preceding calendar month. The amount to be paid to
23 each municipality shall be the amount (not including credit
24 memoranda) collected under this Section during the second
25 preceding calendar month by the Department plus an amount the
26 Department determines is necessary to offset any amounts that

1 were erroneously paid to a different taxing body, and not
2 including an amount equal to the amount of refunds made during
3 the second preceding calendar month by the Department on
4 behalf of such municipality, and not including any amount that
5 the Department determines is necessary to offset any amounts
6 that were payable to a different taxing body but were
7 erroneously paid to the municipality, and not including any
8 amounts that are transferred to the STAR Bonds Revenue Fund.

9 (e) Nothing in this Section shall be construed to
10 authorize a municipality to impose a tax upon the privilege of
11 engaging in any business which under the Constitution of the
12 United States may not be made the subject of taxation by this
13 State.

14 (f) Except as otherwise provided in this subsection, an
15 ordinance or resolution imposing or discontinuing the tax
16 hereunder or effecting a change in the rate thereof shall
17 either (i) be adopted and a certified copy thereof filed with
18 the Department on or before the first day of April, whereupon
19 the Department shall proceed to administer and enforce this
20 Section as of the first day of July next following the adoption
21 and filing or (ii) be adopted and a certified copy thereof
22 filed with the Department on or before the first day of
23 October, whereupon the Department shall proceed to administer
24 and enforce this Section as of the first day of January next
25 following the adoption and filing.

26 (g) When certifying the amount of a monthly disbursement

1 to a municipality under this Section, the Department shall
2 increase or decrease the amount by an amount necessary to
3 offset any misallocation of previous disbursements. The offset
4 amount shall be the amount erroneously disbursed within the
5 previous 6 months from the time a misallocation is discovered.

6 (h) As used in this Section, "Department" means the
7 Department of Revenue.

8 For purposes of the tax authorized to be imposed under
9 subsection (a), "groceries" has the same meaning as "food for
10 human consumption that is to be consumed off the premises
11 where it is sold (other than alcoholic beverages, food
12 consisting of or infused with adult use cannabis, soft drinks,
13 candy, and food that has been prepared for immediate
14 consumption)", as further defined in Section 2-10 of the
15 Retailers' Occupation Tax Act.

16 For purposes of the tax authorized to be imposed under
17 subsection (b), "groceries" has the same meaning as "food for
18 human consumption that is to be consumed off the premises
19 where it is sold (other than alcoholic beverages, food
20 consisting of or infused with adult use cannabis, soft drinks,
21 candy, and food that has been prepared for immediate
22 consumption)", as further defined in Section 3-10 of the
23 Service Occupation Tax Act. For purposes of the tax authorized
24 to be imposed under subsection (b), "groceries" also means
25 food prepared for immediate consumption and transferred
26 incident to a sale of service subject to the Service

1 Occupation Tax Act or the Service Use Tax Act by an entity
2 licensed under the Hospital Licensing Act, the Nursing Home
3 Care Act, the Assisted Living and Shared Housing Act, the
4 ID/DD Community Care Act, the MC/DD Act, the Specialized
5 Mental Health Rehabilitation Act of 2013, or the Child Care
6 Act of 1969, or an entity that holds a permit issued pursuant
7 to the Life Care Facilities Act.

8 (i) This Section may be referred to as the Municipal
9 Grocery Occupation Tax Law.

10 Section 35. The Regional Transportation Authority Act is
11 amended by changing Section 4.03 as follows:

12 (70 ILCS 3615/4.03) (from Ch. 111 2/3, par. 704.03)

13 Sec. 4.03. Taxes.

14 (a) In order to carry out any of the powers or purposes of
15 the Authority, the Board may by ordinance adopted with the
16 concurrence of 12 of the then Directors, impose throughout the
17 metropolitan region any or all of the taxes provided in this
18 Section. Except as otherwise provided in this Act, taxes
19 imposed under this Section and civil penalties imposed
20 incident thereto shall be collected and enforced by the State
21 Department of Revenue. The Department shall have the power to
22 administer and enforce the taxes and to determine all rights
23 for refunds for erroneous payments of the taxes. Nothing in
24 Public Act 95-708 is intended to invalidate any taxes

1 currently imposed by the Authority. The increased vote
2 requirements to impose a tax shall only apply to actions taken
3 after January 1, 2008 (the effective date of Public Act
4 95-708).

5 (b) The Board may impose a public transportation tax upon
6 all persons engaged in the metropolitan region in the business
7 of selling at retail motor fuel for operation of motor
8 vehicles upon public highways. The tax shall be at a rate not
9 to exceed 5% of the gross receipts from the sales of motor fuel
10 in the course of the business. As used in this Act, the term
11 "motor fuel" shall have the same meaning as in the Motor Fuel
12 Tax Law. The Board may provide for details of the tax. The
13 provisions of any tax shall conform, as closely as may be
14 practicable, to the provisions of the Municipal Retailers
15 Occupation Tax Act, including without limitation, conformity
16 to penalties with respect to the tax imposed and as to the
17 powers of the State Department of Revenue to promulgate and
18 enforce rules and regulations relating to the administration
19 and enforcement of the provisions of the tax imposed, except
20 that reference in the Act to any municipality shall refer to
21 the Authority and the tax shall be imposed only with regard to
22 receipts from sales of motor fuel in the metropolitan region,
23 at rates as limited by this Section.

24 (c) In connection with the tax imposed under paragraph (b)
25 of this Section, the Board may impose a tax upon the privilege
26 of using in the metropolitan region motor fuel for the

1 operation of a motor vehicle upon public highways, the tax to
2 be at a rate not in excess of the rate of tax imposed under
3 paragraph (b) of this Section. The Board may provide for
4 details of the tax.

5 (d) The Board may impose a motor vehicle parking tax upon
6 the privilege of parking motor vehicles at off-street parking
7 facilities in the metropolitan region at which a fee is
8 charged, and may provide for reasonable classifications in and
9 exemptions to the tax, for administration and enforcement
10 thereof and for civil penalties and refunds thereunder and may
11 provide criminal penalties thereunder, the maximum penalties
12 not to exceed the maximum criminal penalties provided in the
13 Retailers' Occupation Tax Act. The Authority may collect and
14 enforce the tax itself or by contract with any unit of local
15 government. The State Department of Revenue shall have no
16 responsibility for the collection and enforcement unless the
17 Department agrees with the Authority to undertake the
18 collection and enforcement. As used in this paragraph, the
19 term "parking facility" means a parking area or structure
20 having parking spaces for more than 2 vehicles at which motor
21 vehicles are permitted to park in return for an hourly, daily,
22 or other periodic fee, whether publicly or privately owned,
23 but does not include parking spaces on a public street, the use
24 of which is regulated by parking meters.

25 (e) The Board may impose a Regional Transportation
26 Authority Retailers' Occupation Tax upon all persons engaged

1 in the business of selling tangible personal property at
2 retail in the metropolitan region. In Cook County, the tax
3 rate shall be 1.25% of the gross receipts from sales of food
4 for human consumption that is to be consumed off the premises
5 where it is sold (other than alcoholic beverages, food
6 consisting of or infused with adult use cannabis, soft drinks,
7 candy, and food that has been prepared for immediate
8 consumption) and tangible personal property taxed at the 1%
9 rate under the Retailers' Occupation Tax Act ~~(or at the 0% rate~~
10 ~~imposed under this amendatory Act of the 102nd General~~
11 ~~Assembly)~~, and 1% of the gross receipts from other taxable
12 sales made in the course of that business. In DuPage, Kane,
13 Lake, McHenry, and Will counties, the tax rate shall be 0.75%
14 of the gross receipts from all taxable sales made in the course
15 of that business. The rate of tax imposed in DuPage, Kane,
16 Lake, McHenry, and Will counties under this Section on sales
17 of aviation fuel on or after December 1, 2019 shall, however,
18 be 0.25% unless the Regional Transportation Authority in
19 DuPage, Kane, Lake, McHenry, and Will counties has an
20 "airport-related purpose" and the additional 0.50% of the
21 0.75% tax on aviation fuel is expended for airport-related
22 purposes. If there is no airport-related purpose to which
23 aviation fuel tax revenue is dedicated, then aviation fuel is
24 excluded from the additional 0.50% of the 0.75% tax. The tax
25 imposed under this Section and all civil penalties that may be
26 assessed as an incident thereof shall be collected and

1 enforced by the State Department of Revenue. The Department
2 shall have full power to administer and enforce this Section;
3 to collect all taxes and penalties so collected in the manner
4 hereinafter provided; and to determine all rights to credit
5 memoranda arising on account of the erroneous payment of tax
6 or penalty hereunder. In the administration of, and compliance
7 with this Section, the Department and persons who are subject
8 to this Section shall have the same rights, remedies,
9 privileges, immunities, powers, and duties, and be subject to
10 the same conditions, restrictions, limitations, penalties,
11 exclusions, exemptions, and definitions of terms, and employ
12 the same modes of procedure, as are prescribed in Sections 1,
13 1a, 1a-1, 1c, 1d, 1e, 1f, 1i, 1j, 2 through 2-65 (in respect to
14 all provisions therein other than the State rate of tax), 2c, 3
15 (except as to the disposition of taxes and penalties
16 collected, and except that the retailer's discount is not
17 allowed for taxes paid on aviation fuel that are subject to the
18 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
19 47133), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l,
20 6, 6a, 6b, 6c, 6d, 7, 8, 9, 10, 11, 12, and 13 of the
21 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
22 Penalty and Interest Act, as fully as if those provisions were
23 set forth herein.

24 The Board and DuPage, Kane, Lake, McHenry, and Will
25 counties must comply with the certification requirements for
26 airport-related purposes under Section 2-22 of the Retailers'

1 Occupation Tax Act. For purposes of this Section,
2 "airport-related purposes" has the meaning ascribed in Section
3 6z-20.2 of the State Finance Act. This exclusion for aviation
4 fuel only applies for so long as the revenue use requirements
5 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
6 Authority.

7 Persons subject to any tax imposed under the authority
8 granted in this Section may reimburse themselves for their
9 seller's tax liability hereunder by separately stating the tax
10 as an additional charge, which charge may be stated in
11 combination in a single amount with State taxes that sellers
12 are required to collect under the Use Tax Act, under any
13 bracket schedules the Department may prescribe.

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 warrant to be drawn for the
18 amount specified, and to the person named, in the notification
19 from the Department. The refund shall be paid by the State
20 Treasurer out of the Regional Transportation Authority tax
21 fund established under paragraph (n) of this Section or the
22 Local Government Aviation Trust Fund, as appropriate.

23 If a tax is imposed under this subsection (e), a tax shall
24 also be imposed under subsections (f) and (g) of this Section.

25 For the purpose of determining whether a tax authorized
26 under this Section is applicable, a retail sale by a producer

1 of coal or other mineral mined in Illinois, is a sale at retail
2 at the place where the coal or other mineral mined in Illinois
3 is extracted from the earth. This paragraph does not apply to
4 coal or other mineral when it is delivered or shipped by the
5 seller to the purchaser at a point outside Illinois so that the
6 sale is exempt under the Federal Constitution as a sale in
7 interstate or foreign commerce.

8 No tax shall be imposed or collected under this subsection
9 on the sale of a motor vehicle in this State to a resident of
10 another state if that motor vehicle will not be titled in this
11 State.

12 Nothing in this Section shall be construed to authorize
13 the Regional Transportation Authority to impose a tax upon the
14 privilege of engaging in any business that under the
15 Constitution of the United States may not be made the subject
16 of taxation by this State.

17 (f) If a tax has been imposed under paragraph (e), a
18 Regional Transportation Authority Service Occupation Tax shall
19 also be imposed upon all persons engaged, in the metropolitan
20 region in the business of making sales of service, who as an
21 incident to making the sales of service, transfer tangible
22 personal property within the metropolitan region, either in
23 the form of tangible personal property or in the form of real
24 estate as an incident to a sale of service. In Cook County, the
25 tax rate shall be: (1) 1.25% of the serviceman's cost price of
26 food prepared for immediate consumption and transferred

1 incident to a sale of service subject to the service
2 occupation tax by an entity that is located in the
3 metropolitan region and that is licensed under the Hospital
4 Licensing Act, the Nursing Home Care Act, the Assisted Living
5 and Shared Housing Act, the Specialized Mental Health
6 Rehabilitation Act of 2013, the ID/DD Community Care Act, ~~or~~
7 the MC/DD Act, or the Child Care Act of 1969, or an entity that
8 holds a permit issued pursuant to the Life Care Facilities Act
9 ~~that is located in the metropolitan region;~~ (2) 1.25% of the
10 selling price of food for human consumption that is to be
11 consumed off the premises where it is sold (other than
12 alcoholic beverages, food consisting of or infused with adult
13 use cannabis, soft drinks, candy, and food that has been
14 prepared for immediate consumption) and tangible personal
15 property taxed at the 1% rate under the Service Occupation Tax
16 Act ~~(or at the 0% rate imposed under this amendatory Act of the~~
17 ~~102nd General Assembly);~~ and (3) 1% of the selling price from
18 other taxable sales of tangible personal property transferred.
19 In DuPage, Kane, Lake, McHenry, and Will counties, the rate
20 shall be 0.75% of the selling price of all tangible personal
21 property transferred. The rate of tax imposed in DuPage, Kane,
22 Lake, McHenry, and Will counties under this Section on sales
23 of aviation fuel on or after December 1, 2019 shall, however,
24 be 0.25% unless the Regional Transportation Authority in
25 DuPage, Kane, Lake, McHenry, and Will counties has an
26 "airport-related purpose" and the additional 0.50% of the

1 0.75% tax on aviation fuel is expended for airport-related
2 purposes. If there is no airport-related purpose to which
3 aviation fuel tax revenue is dedicated, then aviation fuel is
4 excluded from the additional 0.5% of the 0.75% tax.

5 The Board and DuPage, Kane, Lake, McHenry, and Will
6 counties must comply with the certification requirements for
7 airport-related purposes under Section 2-22 of the Retailers'
8 Occupation Tax Act. For purposes of this Section,
9 "airport-related purposes" has the meaning ascribed in Section
10 6z-20.2 of the State Finance Act. This exclusion for aviation
11 fuel only applies for so long as the revenue use requirements
12 of 49 U.S.C. 47107(b) and 49 U.S.C. 47133 are binding on the
13 Authority.

14 The tax imposed under this paragraph and all civil
15 penalties that may be assessed as an incident thereof shall be
16 collected and enforced by the State Department of Revenue. The
17 Department shall have full power to administer and enforce
18 this paragraph; to collect all taxes and penalties due
19 hereunder; to dispose of taxes and penalties collected in the
20 manner hereinafter provided; and to determine all rights to
21 credit memoranda arising on account of the erroneous payment
22 of tax or penalty hereunder. In the administration of and
23 compliance with this paragraph, the Department and persons who
24 are subject to this paragraph shall have the same rights,
25 remedies, privileges, immunities, powers, and duties, and be
26 subject to the same conditions, restrictions, limitations,

1 penalties, exclusions, exemptions, and definitions of terms,
2 and employ the same modes of procedure, as are prescribed in
3 Sections 1a-1, 2, 2a, 3 through 3-50 (in respect to all
4 provisions therein other than the State rate of tax), 4
5 (except that the reference to the State shall be to the
6 Authority), 5, 7, 8 (except that the jurisdiction to which the
7 tax shall be a debt to the extent indicated in that Section 8
8 shall be the Authority), 9 (except as to the disposition of
9 taxes and penalties collected, and except that the returned
10 merchandise credit for this tax may not be taken against any
11 State tax, and except that the retailer's discount is not
12 allowed for taxes paid on aviation fuel that are subject to the
13 revenue use requirements of 49 U.S.C. 47107(b) and 49 U.S.C.
14 47133), 10, 11, 12 (except the reference therein to Section 2b
15 of the Retailers' Occupation Tax Act), 13 (except that any
16 reference to the State shall mean the Authority), the first
17 paragraph of Section 15, 16, 17, 18, 19, and 20 of the Service
18 Occupation Tax Act and Section 3-7 of the Uniform Penalty and
19 Interest Act, as fully as if those provisions were set forth
20 herein.

21 Persons subject to any tax imposed under the authority
22 granted in this paragraph may reimburse themselves for their
23 serviceman's tax liability hereunder by separately stating the
24 tax as an additional charge, that charge may be stated in
25 combination in a single amount with State tax that servicemen
26 are authorized to collect under the Service Use Tax Act, under

1 any bracket schedules the Department may prescribe.

2 Whenever the Department determines that a refund should be
3 made under this paragraph to a claimant instead of issuing a
4 credit memorandum, the Department shall notify the State
5 Comptroller, who shall cause the warrant to be drawn for the
6 amount specified, and to the person named in the notification
7 from the Department. The refund shall be paid by the State
8 Treasurer out of the Regional Transportation Authority tax
9 fund established under paragraph (n) of this Section or the
10 Local Government Aviation Trust Fund, as appropriate.

11 Nothing in this paragraph shall be construed to authorize
12 the Authority to impose a tax upon the privilege of engaging in
13 any business that under the Constitution of the United States
14 may not be made the subject of taxation by the State.

15 (g) If a tax has been imposed under paragraph (e), a tax
16 shall also be imposed upon the privilege of using in the
17 metropolitan region, any item of tangible personal property
18 that is purchased outside the metropolitan region at retail
19 from a retailer, and that is titled or registered with an
20 agency of this State's government. In Cook County, the tax
21 rate shall be 1% of the selling price of the tangible personal
22 property, as "selling price" is defined in the Use Tax Act. In
23 DuPage, Kane, Lake, McHenry, and Will counties, the tax rate
24 shall be 0.75% of the selling price of the tangible personal
25 property, as "selling price" is defined in the Use Tax Act. The
26 tax shall be collected from persons whose Illinois address for

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

14 The Department shall have full power to administer and
15 enforce this paragraph; to collect all taxes, penalties, and
16 interest due hereunder; to dispose of taxes, penalties, and
17 interest collected in the manner hereinafter provided; and to
18 determine all rights to credit memoranda or refunds arising on
19 account of the erroneous payment of tax, penalty, or interest
20 hereunder. In the administration of and compliance with this
21 paragraph, the Department and persons who are subject to this
22 paragraph shall have the same rights, remedies, privileges,
23 immunities, powers, and duties, and be subject to the same
24 conditions, restrictions, limitations, penalties, exclusions,
25 exemptions, and definitions of terms and employ the same modes
26 of procedure, as are prescribed in Sections 2 (except the

1 definition of "retailer maintaining a place of business in
2 this State"), 3 through 3-80 (except provisions pertaining to
3 the State rate of tax, and except provisions concerning
4 collection or refunding of the tax by retailers), 4, 11, 12,
5 12a, 14, 15, 19 (except the portions pertaining to claims by
6 retailers and except the last paragraph concerning refunds),
7 20, 21, and 22 of the Use Tax Act, and are not inconsistent
8 with this paragraph, as fully as if those provisions were set
9 forth herein.

10 Whenever the Department determines that a refund should be
11 made under this paragraph to a claimant instead of issuing a
12 credit memorandum, the Department shall notify the State
13 Comptroller, who shall cause the order to be drawn for the
14 amount specified, and to the person named in the notification
15 from the Department. The refund shall be paid by the State
16 Treasurer out of the Regional Transportation Authority tax
17 fund established under paragraph (n) of this Section.

18 (h) The Authority may impose a replacement vehicle tax of
19 \$50 on any passenger car as defined in Section 1-157 of the
20 Illinois Vehicle Code purchased within the metropolitan region
21 by or on behalf of an insurance company to replace a passenger
22 car of an insured person in settlement of a total loss claim.
23 The tax imposed may not become effective before the first day
24 of the month following the passage of the ordinance imposing
25 the tax and receipt of a certified copy of the ordinance by the
26 Department of Revenue. The Department of Revenue shall collect

1 the tax for the Authority in accordance with Sections 3-2002
2 and 3-2003 of the Illinois Vehicle Code.

3 The Department shall immediately pay over to the State
4 Treasurer, ex officio, as trustee, all taxes collected
5 hereunder.

6 As soon as possible after the first day of each month,
7 beginning January 1, 2011, upon certification of the
8 Department of Revenue, the Comptroller shall order
9 transferred, and the Treasurer shall transfer, to the STAR
10 Bonds Revenue Fund the local sales tax increment, as defined
11 in the Innovation Development and Economy Act, collected under
12 this Section during the second preceding calendar month for
13 sales within a STAR bond district.

14 After the monthly transfer to the STAR Bonds Revenue Fund,
15 on or before the 25th day of each calendar month, the
16 Department shall prepare and certify to the Comptroller the
17 disbursement of stated sums of money to the Authority. The
18 amount to be paid to the Authority shall be the amount
19 collected hereunder during the second preceding calendar month
20 by the Department, less any amount determined by the
21 Department to be necessary for the payment of refunds, and
22 less any amounts that are transferred to the STAR Bonds
23 Revenue Fund. Within 10 days after receipt by the Comptroller
24 of the disbursement certification to the Authority provided
25 for in this Section to be given to the Comptroller by the
26 Department, the Comptroller shall cause the orders to be drawn

1 for that amount in accordance with the directions contained in
2 the certification.

3 (i) The Board may not impose any other taxes except as it
4 may from time to time be authorized by law to impose.

5 (j) A certificate of registration issued by the State
6 Department of Revenue to a retailer under the Retailers'
7 Occupation Tax Act or under the Service Occupation Tax Act
8 shall permit the registrant to engage in a business that is
9 taxed under the tax imposed under paragraphs (b), (e), (f) or
10 (g) of this Section and no additional registration shall be
11 required under the tax. A certificate issued under the Use Tax
12 Act or the Service Use Tax Act shall be applicable with regard
13 to any tax imposed under paragraph (c) of this Section.

14 (k) The provisions of any tax imposed under paragraph (c)
15 of this Section shall conform as closely as may be practicable
16 to the provisions of the Use Tax Act, including without
17 limitation conformity as to penalties with respect to the tax
18 imposed and as to the powers of the State Department of Revenue
19 to promulgate and enforce rules and regulations relating to
20 the administration and enforcement of the provisions of the
21 tax imposed. The taxes shall be imposed only on use within the
22 metropolitan region and at rates as provided in the paragraph.

23 (l) The Board in imposing any tax as provided in
24 paragraphs (b) and (c) of this Section, shall, after seeking
25 the advice of the State Department of Revenue, provide means
26 for retailers, users or purchasers of motor fuel for purposes

1 other than those with regard to which the taxes may be imposed
2 as provided in those paragraphs to receive refunds of taxes
3 improperly paid, which provisions may be at variance with the
4 refund provisions as applicable under the Municipal Retailers
5 Occupation Tax Act. The State Department of Revenue may
6 provide for certificates of registration for users or
7 purchasers of motor fuel for purposes other than those with
8 regard to which taxes may be imposed as provided in paragraphs
9 (b) and (c) of this Section to facilitate the reporting and
10 nontaxability of the exempt sales or uses.

11 (m) Any ordinance imposing or discontinuing any tax under
12 this Section shall be adopted and a certified copy thereof
13 filed with the Department on or before June 1, whereupon the
14 Department of Revenue shall proceed to administer and enforce
15 this Section on behalf of the Regional Transportation
16 Authority as of September 1 next following such adoption and
17 filing. Beginning January 1, 1992, an ordinance or resolution
18 imposing or discontinuing the tax hereunder shall be adopted
19 and a certified copy thereof filed with the Department on or
20 before the first day of July, whereupon the Department shall
21 proceed to administer and enforce this Section as of the first
22 day of October next following such adoption and filing.
23 Beginning January 1, 1993, an ordinance or resolution
24 imposing, increasing, decreasing, or discontinuing the tax
25 hereunder shall be adopted and a certified copy thereof filed
26 with the Department, whereupon the Department shall proceed to

1 administer and enforce this Section as of the first day of the
2 first month to occur not less than 60 days following such
3 adoption and filing. Any ordinance or resolution of the
4 Authority imposing a tax under this Section and in effect on
5 August 1, 2007 shall remain in full force and effect and shall
6 be administered by the Department of Revenue under the terms
7 and conditions and rates of tax established by such ordinance
8 or resolution until the Department begins administering and
9 enforcing an increased tax under this Section as authorized by
10 Public Act 95-708. The tax rates authorized by Public Act
11 95-708 are effective only if imposed by ordinance of the
12 Authority.

13 (n) Except as otherwise provided in this subsection (n),
14 the State Department of Revenue shall, upon collecting any
15 taxes as provided in this Section, pay the taxes over to the
16 State Treasurer as trustee for the Authority. The taxes shall
17 be held in a trust fund outside the State Treasury. If an
18 airport-related purpose has been certified, taxes and
19 penalties collected in DuPage, Kane, Lake, McHenry and Will
20 counties on aviation fuel sold on or after December 1, 2019
21 from the 0.50% of the 0.75% rate shall be immediately paid over
22 by the Department to the State Treasurer, ex officio, as
23 trustee, for deposit into the Local Government Aviation Trust
24 Fund. The Department shall only pay moneys into the Local
25 Government Aviation Trust Fund under this Act for so long as
26 the revenue use requirements of 49 U.S.C. 47107(b) and 49

1 U.S.C. 47133 are binding on the Authority. On or before the
2 25th day of each calendar month, the State Department of
3 Revenue shall prepare and certify to the Comptroller of the
4 State of Illinois and to the Authority (i) the amount of taxes
5 collected in each county other than Cook County in the
6 metropolitan region, (not including, if an airport-related
7 purpose has been certified, the taxes and penalties collected
8 from the 0.50% of the 0.75% rate on aviation fuel sold on or
9 after December 1, 2019 that are deposited into the Local
10 Government Aviation Trust Fund) (ii) the amount of taxes
11 collected within the City of Chicago, and (iii) the amount
12 collected in that portion of Cook County outside of Chicago,
13 each amount less the amount necessary for the payment of
14 refunds to taxpayers located in those areas described in items
15 (i), (ii), and (iii), and less 1.5% of the remainder, which
16 shall be transferred from the trust fund into the Tax
17 Compliance and Administration Fund. The Department, at the
18 time of each monthly disbursement to the Authority, shall
19 prepare and certify to the State Comptroller the amount to be
20 transferred into the Tax Compliance and Administration Fund
21 under this subsection. Within 10 days after receipt by the
22 Comptroller of the certification of the amounts, the
23 Comptroller shall cause an order to be drawn for the transfer
24 of the amount certified into the Tax Compliance and
25 Administration Fund and the payment of two-thirds of the
26 amounts certified in item (i) of this subsection to the

1 Authority and one-third of the amounts certified in item (i)
2 of this subsection to the respective counties other than Cook
3 County and the amount certified in items (ii) and (iii) of this
4 subsection to the Authority.

5 In addition to the disbursement required by the preceding
6 paragraph, an allocation shall be made in July 1991 and each
7 year thereafter to the Regional Transportation Authority. The
8 allocation shall be made in an amount equal to the average
9 monthly distribution during the preceding calendar year
10 (excluding the 2 months of lowest receipts) and the allocation
11 shall include the amount of average monthly distribution from
12 the Regional Transportation Authority Occupation and Use Tax
13 Replacement Fund. The distribution made in July 1992 and each
14 year thereafter under this paragraph and the preceding
15 paragraph shall be reduced by the amount allocated and
16 disbursed under this paragraph in the preceding calendar year.
17 The Department of Revenue shall prepare and certify to the
18 Comptroller for disbursement the allocations made in
19 accordance with this paragraph.

20 (o) Failure to adopt a budget ordinance or otherwise to
21 comply with Section 4.01 of this Act or to adopt a Five-year
22 Capital Program or otherwise to comply with paragraph (b) of
23 Section 2.01 of this Act shall not affect the validity of any
24 tax imposed by the Authority otherwise in conformity with law.

25 (p) At no time shall a public transportation tax or motor
26 vehicle parking tax authorized under paragraphs (b), (c), and

1 (d) of this Section be in effect at the same time as any
2 retailers' occupation, use or service occupation tax
3 authorized under paragraphs (e), (f), and (g) of this Section
4 is in effect.

5 Any taxes imposed under the authority provided in
6 paragraphs (b), (c), and (d) shall remain in effect only until
7 the time as any tax authorized by paragraph (e), (f), or (g) of
8 this Section are imposed and becomes effective. Once any tax
9 authorized by paragraph (e), (f), or (g) is imposed the Board
10 may not reimpose taxes as authorized in paragraphs (b), (c),
11 and (d) of the Section unless any tax authorized by paragraph
12 (e), (f), or (g) of this Section becomes ineffective by means
13 other than an ordinance of the Board.

14 (q) Any existing rights, remedies and obligations
15 (including enforcement by the Regional Transportation
16 Authority) arising under any tax imposed under paragraph (b),
17 (c), or (d) of this Section shall not be affected by the
18 imposition of a tax under paragraph (e), (f), or (g) of this
19 Section.

20 (Source: P.A. 101-10, eff. 6-5-19; 101-81, eff. 7-12-19;
21 101-604, eff. 12-13-19; 102-700, eff. 4-19-22.)

22 Section 99. Effective date. This Act takes effect upon
23 becoming law."