



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB2648

Introduced 1/10/2024, by Sen. Jil Tracy

SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5

35 ILCS 110/3-5

35 ILCS 115/3-5

35 ILCS 120/2-5

625 ILCS 5/3-1001

from Ch. 95 1/2, par. 3-1001

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and the Vehicle Use Tax Article of the Illinois Vehicle Code. Provides that the taxes under those Acts do not apply to a motor vehicle that is registered in the State to an Illinois resident who acquired the vehicle while the Illinois resident was stationed outside of this State as an active duty member of the military.

LRB103 33006 HLH 65421 b

1 AN ACT concerning revenue.

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

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

6 (35 ILCS 105/3-5)

7 (Text of Section before amendment by P.A. 103-384)

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 not-for-profit
18 Illinois county fair association for use in conducting,
19 operating, or 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

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

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

26 (5) Until July 1, 2003, a passenger car that is a

1 replacement vehicle to the extent that the purchase price of
2 the car is subject to the Replacement Vehicle Tax.

3 (6) Until July 1, 2003 and beginning again on September 1,
4 2004 through August 30, 2014, graphic arts machinery and
5 equipment, including repair and replacement parts, both new
6 and used, and including that manufactured on special order,
7 certified by the purchaser to be used primarily for graphic
8 arts production, and including machinery and equipment
9 purchased for lease. Equipment includes chemicals or chemicals
10 acting as catalysts but only if the chemicals or chemicals
11 acting as catalysts effect a direct and immediate change upon
12 a graphic arts product. Beginning on July 1, 2017, graphic
13 arts machinery and equipment is included in the manufacturing
14 and assembling machinery and equipment exemption under
15 paragraph (18).

16 (7) Farm chemicals.

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

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

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

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

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

1 such equipment.

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

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

12 This item (11) is exempt from the provisions of Section
13 3-90.

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

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

1 at least one individual or package for hire from the city of
2 origination to the city of final destination on the same
3 aircraft, without regard to a change in the flight number of
4 that aircraft.

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

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

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

1 photoprocessing machinery and equipment purchased for lease.

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

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

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

1 of producing machines, tools, dies, jigs, patterns, gauges, or
2 other similar items of no commercial value on special order
3 for a particular purchaser. The exemption provided by this
4 paragraph (18) includes production related tangible personal
5 property, as defined in Section 3-50, purchased on or after
6 July 1, 2019. The exemption provided by this paragraph (18)
7 does not include machinery and equipment used in (i) the
8 generation of electricity for wholesale or retail sale; (ii)
9 the generation or treatment of natural or artificial gas for
10 wholesale or retail sale that is delivered to customers
11 through pipes, pipelines, or mains; or (iii) the treatment of
12 water for wholesale or retail sale that is delivered to
13 customers through pipes, pipelines, or mains. The provisions
14 of Public Act 98-583 are declaratory of existing law as to the
15 meaning and scope of this exemption. Beginning on July 1,
16 2017, the exemption provided by this paragraph (18) includes,
17 but is not limited to, graphic arts machinery and equipment,
18 as defined in paragraph (6) of this Section.

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

24 (20) Semen used for artificial insemination of livestock
25 for direct agricultural production.

26 (21) Horses, or interests in horses, registered with and

1 meeting the requirements of any of the Arabian Horse Club
2 Registry of America, Appaloosa Horse Club, American Quarter
3 Horse Association, United States Trotting Association, or
4 Jockey Club, as appropriate, used for purposes of breeding or
5 racing for prizes. This item (21) is exempt from the
6 provisions of Section 3-90, and the exemption provided for
7 under this item (21) applies for all periods beginning May 30,
8 1995, but no claim for credit or refund is allowed on or after
9 January 1, 2008 for such taxes paid during the period
10 beginning May 30, 2000 and ending on January 1, 2008.

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

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

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

1 for any reason, the lessor is liable to pay that amount to the
2 Department.

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

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

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" as that term is
2 used in the Wildlife Code. This paragraph is exempt from the
3 provisions of Section 3-90.

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

23 (28) Beginning January 1, 2000, personal property,
24 including food, purchased through fundraising events for the
25 benefit of a public or private elementary or secondary school,
26 a group of those schools, or one or more school districts if

1 the events are sponsored by an entity recognized by the school
2 district that consists primarily of volunteers and includes
3 parents and teachers of the school children. This paragraph
4 does not apply to fundraising events (i) for the benefit of
5 private home instruction or (ii) for which the fundraising
6 entity purchases the personal property sold at the events from
7 another individual or entity that sold the property for the
8 purpose of resale by the fundraising entity and that profits
9 from the sale to the fundraising entity. This paragraph is
10 exempt from the provisions of Section 3-90.

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

21 (30) Beginning January 1, 2001 and through June 30, 2016,
22 food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages,
24 soft drinks, and food that has been prepared for immediate
25 consumption) and prescription and nonprescription medicines,
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human
2 use, when purchased for use by a person receiving medical
3 assistance under Article V of the Illinois Public Aid Code who
4 resides in a licensed long-term care facility, as defined in
5 the Nursing Home Care Act, or in a licensed facility as defined
6 in the ID/DD Community Care Act, the MC/DD Act, or the
7 Specialized Mental Health Rehabilitation Act of 2013.

8 (31) 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
12 purchased by a lessor who leases the equipment, under a lease
13 of one year or longer executed or in effect at the time the
14 lessor would otherwise be subject to the tax imposed by this
15 Act, to a hospital that has been issued an active tax exemption
16 identification number by the Department under Section 1g of
17 the Retailers' Occupation Tax Act. If the equipment is leased
18 in a manner that does not qualify for this exemption or is used
19 in any other nonexempt manner, the lessor shall be liable for
20 the tax imposed under this Act or the Service Use Tax Act, as
21 the case may be, based on the fair market value of the property
22 at the time the nonqualifying use occurs. No lessor shall
23 collect or attempt to collect an amount (however designated)
24 that purports to reimburse that lessor for the tax imposed by
25 this Act or the Service Use Tax Act, as the case may be, if the
26 tax has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall
2 have a legal right to claim a refund of that amount from the
3 lessor. If, however, that amount is not refunded to the lessee
4 for any reason, the lessor is liable to pay that amount to the
5 Department. This paragraph is exempt from the provisions of
6 Section 3-90.

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

1 for any reason, the lessor is liable to pay that amount to the
2 Department. This paragraph is exempt from the provisions of
3 Section 3-90.

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

23 (34) 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 3-90.

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

20 Beginning January 1, 2010 and continuing through December
21 31, 2023, this exemption applies only to the use of qualifying
22 tangible personal property by persons who modify, refurbish,
23 complete, repair, replace, or maintain aircraft and who (i)
24 hold an Air Agency Certificate and are empowered to operate an
25 approved repair station by the Federal Aviation
26 Administration, (ii) have a Class IV Rating, and (iii) conduct

1 operations in accordance with Part 145 of the Federal Aviation
2 Regulations. From January 1, 2024 through December 31, 2029,
3 this exemption applies only to the use of qualifying tangible
4 personal property by: (A) 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; and (B) persons who engage in the modification,
11 replacement, repair, and maintenance of aircraft engines or
12 power plants without regard to whether or not those persons
13 meet the qualifications of item (A).

14 The exemption does not include aircraft operated by a
15 commercial air carrier providing scheduled passenger air
16 service pursuant to authority issued under Part 121 or Part
17 129 of the Federal Aviation Regulations. The changes made to
18 this paragraph (35) by Public Act 98-534 are declarative of
19 existing law. It is the intent of the General Assembly that the
20 exemption under this paragraph (35) applies continuously from
21 January 1, 2010 through December 31, 2024; however, no claim
22 for credit or refund is allowed for taxes paid as a result of
23 the disallowance of this exemption on or after January 1, 2015
24 and prior to February 5, 2020 (the effective date of Public Act
25 101-629).

26 (36) Tangible personal property purchased by a

1 public-facilities corporation, as described in Section
2 11-65-10 of the Illinois Municipal Code, for purposes of
3 constructing or furnishing a municipal convention hall, but
4 only if the legal title to the municipal convention hall is
5 transferred to the municipality without any further
6 consideration by or on behalf of the municipality at the time
7 of the completion of the municipal convention hall or upon the
8 retirement or redemption of any bonds or other debt
9 instruments issued by the public-facilities corporation in
10 connection with the development of the municipal convention
11 hall. This exemption includes existing public-facilities
12 corporations as provided in Section 11-65-25 of the Illinois
13 Municipal Code. This paragraph is exempt from the provisions
14 of Section 3-90.

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

17 (38) Merchandise that is subject to the Rental Purchase
18 Agreement Occupation and Use Tax. The purchaser must certify
19 that the item is purchased to be rented subject to a
20 rental-purchase ~~rental-purchase~~ agreement, as defined in the
21 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide
22 proof of registration under the Rental Purchase Agreement
23 Occupation and Use Tax Act. This paragraph is exempt from the
24 provisions of Section 3-90.

25 (39) Tangible personal property purchased by a purchaser
26 who is exempt from the tax imposed by this Act by operation of

1 federal law. This paragraph is exempt from the provisions of
2 Section 3-90.

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

17 The Department of Commerce and Economic Opportunity shall
18 grant a certificate of exemption under this item (40) to
19 qualified data centers as defined by Section 605-1025 of the
20 Department of Commerce and Economic Opportunity Law of the
21 Civil Administrative Code of Illinois.

22 For the purposes of this item (40):

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

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

1 Commerce and Economic Opportunity.

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

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

8 "Breast pump" means an electrically controlled or
9 manually controlled pump device designed or marketed to be
10 used to express milk from a human breast during lactation,
11 including the pump device and any battery, AC adapter, or
12 other power supply unit that is used to power the pump
13 device and is packaged and sold with the pump device at the
14 time of sale.

15 "Breast pump collection and storage supplies" means
16 items of tangible personal property designed or marketed
17 to be used in conjunction with a breast pump to collect
18 milk expressed from a human breast and to store collected
19 milk until it is ready for consumption.

20 "Breast pump collection and storage supplies"
21 includes, but is not limited to: breast shields and breast
22 shield connectors; breast pump tubes and tubing adapters;
23 breast pump valves and membranes; backflow protectors and
24 backflow protector adaptors; bottles and bottle caps
25 specific to the operation of the breast pump; and breast
26 milk storage bags.

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

13 "Breast pump kit" means a kit that: (1) contains no
14 more than a breast pump, breast pump collection and
15 storage supplies, a rechargeable battery for operating the
16 breast pump, a breastmilk cooler, bottle stands, ice
17 packs, and a breast pump carrying case; and (2) is
18 pre-packaged as a breast pump kit by the breast pump
19 manufacturer or distributor.

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

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

1 Section 5-5, eff. 6-7-23; 103-9, Article 15, Section 15-5,
2 eff. 6-7-23; 103-154, eff. 6-30-23; revised 9-12-23.)

3 (Text of Section after amendment by P.A. 103-384)

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

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

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

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

1 and media arts organizations. On and after July 1, 2001 (the
2 effective date of Public Act 92-35), however, an entity
3 otherwise eligible for this exemption shall not make tax-free
4 purchases unless it has an active identification number issued
5 by the Department.

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

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

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

1 and used, and including that manufactured on special order,
2 certified by the purchaser to be used primarily for graphic
3 arts production, and including machinery and equipment
4 purchased for lease. Equipment includes chemicals or chemicals
5 acting as catalysts but only if the chemicals or chemicals
6 acting as catalysts effect a direct and immediate change upon
7 a graphic arts product. Beginning on July 1, 2017, graphic
8 arts machinery and equipment is included in the manufacturing
9 and assembling machinery and equipment exemption under
10 paragraph (18).

11 (7) Farm chemicals.

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

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

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

22 (11) Farm machinery and equipment, both new and used,
23 including that manufactured on special order, certified by the
24 purchaser to be used primarily for production agriculture or
25 State or federal agricultural programs, including individual
26 replacement parts for the machinery and equipment, including

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

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

23 Farm machinery and equipment also includes computers,
24 sensors, software, and related equipment used primarily in the
25 computer-assisted operation of production agriculture
26 facilities, equipment, and activities such as, but not limited

1 to, the collection, monitoring, and correlation of animal and
2 crop data for the purpose of formulating animal diets and
3 agricultural chemicals.

4 Beginning on January 1, 2024, farm machinery and equipment
5 also includes electrical power generation equipment used
6 primarily for production agriculture.

7 This item (11) is exempt from the provisions of Section
8 3-90.

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

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

26 (13) Proceeds of mandatory service charges separately

1 stated on customers' bills for the purchase and consumption of
2 food and beverages purchased at retail from a retailer, to the
3 extent that the proceeds of the service charge are in fact
4 turned over as tips or as a substitute for tips to the
5 employees who participate directly in preparing, serving,
6 hosting or cleaning up the food or beverage function with
7 respect to which the service charge is imposed.

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

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

23 (16) Until July 1, 2028, coal and aggregate exploration,
24 mining, off-highway hauling, processing, maintenance, and
25 reclamation equipment, including replacement parts and
26 equipment, and including equipment purchased for lease, but

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

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

14 (18) Manufacturing and assembling machinery and equipment
15 used primarily in the process of manufacturing or assembling
16 tangible personal property for wholesale or retail sale or
17 lease, whether that sale or lease is made directly by the
18 manufacturer or by some other person, whether the materials
19 used in the process are owned by the manufacturer or some other
20 person, or whether that sale or lease is made apart from or as
21 an incident to the seller's engaging in the service occupation
22 of producing machines, tools, dies, jigs, patterns, gauges, or
23 other similar items of no commercial value on special order
24 for a particular purchaser. The exemption provided by this
25 paragraph (18) includes production related tangible personal
26 property, as defined in Section 3-50, purchased on or after

1 July 1, 2019. The exemption provided by this paragraph (18)
2 does not include machinery and equipment used in (i) the
3 generation of electricity for wholesale or retail sale; (ii)
4 the generation or treatment of natural or artificial gas for
5 wholesale or retail sale that is delivered to customers
6 through pipes, pipelines, or mains; or (iii) the treatment of
7 water for wholesale or retail sale that is delivered to
8 customers through pipes, pipelines, or mains. The provisions
9 of Public Act 98-583 are declaratory of existing law as to the
10 meaning and scope of this exemption. Beginning on July 1,
11 2017, the exemption provided by this paragraph (18) includes,
12 but is not limited to, graphic arts machinery and equipment,
13 as defined in paragraph (6) of this Section.

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

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

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

1 provisions of Section 3-90, and the exemption provided for
2 under this item (21) applies for all periods beginning May 30,
3 1995, but no claim for credit or refund is allowed on or after
4 January 1, 2008 for such taxes paid during the period
5 beginning May 30, 2000 and ending on January 1, 2008.

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

1 for any reason, the lessor is liable to pay that amount to the
2 Department.

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

24 (24) 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 (25) 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 (26) Beginning July 1, 1999, game or game birds purchased
22 at a "game breeding and hunting preserve area" as that term is
23 used in the Wildlife Code. This paragraph is exempt from the
24 provisions of Section 3-90.

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

1 corporation, limited liability company, society, association,
2 foundation, or institution that is determined by the
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 (28) 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 3-90.

6 (29) 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 3-90.

16 (30) Beginning January 1, 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 (31) 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 Service Use Tax Act, as
16 the case may be, based on the fair market value of the property
17 at the time the nonqualifying use occurs. No lessor shall
18 collect or attempt to collect an amount (however designated)
19 that purports to reimburse that lessor for the tax imposed by
20 this Act or the Service Use Tax Act, as the case may be, if the
21 tax has not been paid by the lessor. If a lessor improperly
22 collects any such amount from the lessee, the lessee shall
23 have a legal right to claim a refund of that amount from the
24 lessor. If, however, that amount is not refunded to the lessee
25 for any reason, the lessor is liable to pay that amount to the
26 Department. This paragraph is exempt from the provisions of

1 Section 3-90.

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

25 (33) On and after July 1, 2003 and through June 30, 2004,
26 the use in this State of motor vehicles of the second division

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

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

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

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

15 Beginning January 1, 2010 and continuing through December
16 31, 2023, this exemption applies only to the use of qualifying
17 tangible personal property by persons who modify, refurbish,
18 complete, repair, replace, or maintain aircraft and who (i)
19 hold an Air Agency Certificate and are empowered to operate an
20 approved repair station by the Federal Aviation
21 Administration, (ii) have a Class IV Rating, and (iii) conduct
22 operations in accordance with Part 145 of the Federal Aviation
23 Regulations. From January 1, 2024 through December 31, 2029,
24 this exemption applies only to the use of qualifying tangible
25 personal property by: (A) persons who modify, refurbish,
26 complete, repair, replace, or maintain aircraft and who (i)

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

9 The exemption does not include aircraft operated by a
10 commercial air carrier providing scheduled passenger air
11 service pursuant to authority issued under Part 121 or Part
12 129 of the Federal Aviation Regulations. The changes made to
13 this paragraph (35) by Public Act 98-534 are declarative of
14 existing law. It is the intent of the General Assembly that the
15 exemption under this paragraph (35) applies continuously from
16 January 1, 2010 through December 31, 2024; however, no claim
17 for credit or refund is allowed for taxes paid as a result of
18 the disallowance of this exemption on or after January 1, 2015
19 and prior to February 5, 2020 (the effective date of Public Act
20 101-629).

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

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

10 (37) Beginning January 1, 2017 and through December 31,
11 2026, menstrual pads, tampons, and menstrual cups.

12 (38) Merchandise that is subject to the Rental Purchase
13 Agreement Occupation and Use Tax. The purchaser must certify
14 that the item is purchased to be rented subject to a
15 rental-purchase ~~rental-purchase~~ agreement, as defined in the
16 Rental-Purchase ~~Rental-Purchase~~ Agreement Act, and provide
17 proof of registration under the Rental Purchase Agreement
18 Occupation and Use Tax Act. This paragraph is exempt from the
19 provisions of Section 3-90.

20 (39) Tangible personal property purchased by a purchaser
21 who is exempt from the tax imposed by this Act by operation of
22 federal law. This paragraph is exempt from the provisions of
23 Section 3-90.

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

12 The Department of Commerce and Economic Opportunity shall
13 grant a certificate of exemption under this item (40) to
14 qualified data centers as defined by Section 605-1025 of the
15 Department of Commerce and Economic Opportunity Law of the
16 Civil Administrative Code of Illinois.

17 For the purposes of this item (40):

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

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

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

23 This item (40) is exempt from the provisions of Section
24 3-90.

25 (41) Beginning July 1, 2022, breast pumps, breast pump
26 collection and storage supplies, and breast pump kits. This

1 item (41) is exempt from the provisions of Section 3-90. As
2 used in this item (41):

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

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

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

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

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

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

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

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

1 paragraph. Retailers must keep the form as documentation of
2 the exemption in their records for a period of not less than 6
3 years. "Armed forces of the United States" means the United
4 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
5 This paragraph is exempt from the provisions of Section 3-90.

6 (44) A motor vehicle of the first division, as defined in
7 Section 1-146 of the Illinois Vehicle Code, that is registered
8 in the State to an Illinois resident who acquired the vehicle
9 while the Illinois resident was stationed outside of this
10 State as an active duty member of the military. This item (44)
11 is exempt from the provisions of Section 3-90.

12 As used in this item (44):

13 "Active duty member of the military" means a service
14 member who undertakes any full-time military training or
15 full-time military duty, no matter how described under federal
16 or State law, for which a service member is ordered to report
17 by the President, by the Governor of a state, commonwealth, or
18 territory of the United States, by an act of Congress, or by
19 any other appropriate military authority.

20 "Illinois resident" means an individual who meets the
21 definition of "resident" under subparagraph (A) of paragraph
22 (20) of subsection (a) of Section 1501 of the Illinois Income
23 Tax Act.

24 "Service member" means a person who is a member of any
25 component of the United States Armed Forces or the National
26 Guard of any state, the District of Columbia, a commonwealth,

1 or a territory of the United States.

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

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

10 (35 ILCS 110/3-5)

11 (Text of Section before amendment by P.A. 103-384)

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

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

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

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

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

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

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

1 immediate change upon a graphic arts product. Beginning on
2 July 1, 2017, graphic arts machinery and equipment is included
3 in the manufacturing and assembling machinery and equipment
4 exemption under Section 2 of this Act.

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

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

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

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

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

19 This item (7) is exempt from the provisions of Section
20 3-75.

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

1 domestic stopovers.

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

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

21 (10) 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 (11) Proceeds from the sale of photoprocessing machinery
6 and equipment, including repair and replacement parts, both
7 new and used, including that manufactured on special order,
8 certified by the purchaser to be used primarily for
9 photoprocessing, and including photoprocessing machinery and
10 equipment purchased for lease.

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

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

24 (14) Horses, or interests in horses, registered with and
25 meeting the requirements of any of the Arabian Horse Club
26 Registry of America, Appaloosa Horse Club, American Quarter

1 Horse Association, United States Trotting Association, or
2 Jockey Club, as appropriate, used for purposes of breeding or
3 racing for prizes. This item (14) is exempt from the
4 provisions of Section 3-75, and the exemption provided for
5 under this item (14) applies for all periods beginning May 30,
6 1995, but no claim for credit or refund is allowed on or after
7 January 1, 2008 (the effective date of Public Act 95-88) for
8 such taxes paid during the period beginning May 30, 2000 and
9 ending on January 1, 2008 (the effective date of Public Act
10 95-88).

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

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

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

1 is liable to pay that amount to the Department.

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

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

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

1 used in the Wildlife Code. This paragraph is exempt from the
2 provisions of Section 3-75.

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

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

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

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

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

1 use, when purchased for use by a person receiving medical
2 assistance under Article V of the Illinois Public Aid Code who
3 resides in a licensed long-term care facility, as defined in
4 the Nursing Home Care Act, or in a licensed facility as defined
5 in the ID/DD Community Care Act, the MC/DD Act, or the
6 Specialized Mental Health Rehabilitation Act of 2013.

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

1 right to claim a refund of that amount from the lessor. If,
2 however, that amount is not refunded to the lessee for any
3 reason, the lessor is liable to pay that amount to the
4 Department. This paragraph is exempt from the provisions of
5 Section 3-75.

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

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

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

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

25 Beginning January 1, 2010 and continuing through December
26 31, 2023, this exemption applies only to the use of qualifying

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

20 The exemption does not include aircraft operated by a
21 commercial air carrier providing scheduled passenger air
22 service pursuant to authority issued under Part 121 or Part
23 129 of the Federal Aviation Regulations. The changes made to
24 this paragraph (27) by Public Act 98-534 are declarative of
25 existing law. It is the intent of the General Assembly that the
26 exemption under this paragraph (27) applies continuously from

1 January 1, 2010 through December 31, 2024; however, no claim
2 for credit or refund is allowed for taxes paid as a result of
3 the disallowance of this exemption on or after January 1, 2015
4 and prior to February 5, 2020 (the effective date of Public Act
5 101-629).

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

21 (29) Beginning January 1, 2017 and through December 31,
22 2026, menstrual pads, tampons, and menstrual cups.

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

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

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

20 For the purposes of this item (31):

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

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

1 chilling equipment and systems; mechanical systems and
2 equipment; monitoring and secure systems; emergency
3 generators; hardware; computers; servers; data storage
4 devices; network connectivity equipment; racks; cabinets;
5 telecommunications cabling infrastructure; raised floor
6 systems; peripheral components or systems; software;
7 mechanical, electrical, or plumbing systems; battery
8 systems; cooling systems and towers; temperature control
9 systems; other cabling; and other data center
10 infrastructure equipment and systems necessary to operate
11 qualified tangible personal property, including fixtures;
12 and component parts of any of the foregoing, including
13 installation, maintenance, repair, refurbishment, and
14 replacement of qualified tangible personal property to
15 generate, transform, transmit, distribute, or manage
16 electricity necessary to operate qualified tangible
17 personal property; and all other tangible personal
18 property that is essential to the operations of a computer
19 data center. The term "qualified tangible personal
20 property" also includes building materials physically
21 incorporated into ~~in to~~ 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 (31) is exempt from the provisions of Section

1 3-75.

2 (32) Beginning July 1, 2022, breast pumps, breast pump
3 collection and storage supplies, and breast pump kits. This
4 item (32) is exempt from the provisions of Section 3-75. As
5 used in this item (32):

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

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

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

25 "Breast pump collection and storage supplies" does not
26 include: (1) bottles and bottle caps not specific to the

1 operation of the breast pump; (2) breast pump travel bags
2 and other similar carrying accessories, including ice
3 packs, labels, and other similar products; (3) breast pump
4 cleaning supplies; (4) nursing bras, bra pads, breast
5 shells, and other similar products; and (5) creams,
6 ointments, and other similar products that relieve
7 breastfeeding-related symptoms or conditions of the
8 breasts or nipples, unless sold as part of a breast pump
9 kit that is pre-packaged by the breast pump manufacturer
10 or distributor.

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

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

22 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
23 Section 70-10, eff. 4-19-22; 102-700, Article 75, Section
24 75-10, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
25 Section 5-10, eff. 6-7-23; 103-9, Article 15, Section 15-10,
26 eff. 6-7-23; 103-154, eff. 6-30-23; revised 9-14-23.)

1 (Text of Section after amendment by P.A. 103-384)

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

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

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

14 (3) Personal property purchased by a not-for-profit arts
15 or cultural organization that establishes, by proof required
16 by the Department by rule, that it has received an exemption
17 under Section 501(c)(3) of the Internal Revenue Code and that
18 is organized and operated primarily for the presentation or
19 support of arts or cultural programming, activities, or
20 services. These organizations include, but are not limited to,
21 music and dramatic arts organizations such as symphony
22 orchestras and theatrical groups, arts and cultural service
23 organizations, local arts councils, visual arts organizations,
24 and media arts organizations. On and after July 1, 2001 (the
25 effective date of Public Act 92-35), however, an entity

1 otherwise eligible for this exemption shall not make tax-free
2 purchases unless it has an active identification number issued
3 by the Department.

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

8 (5) Until July 1, 2003 and beginning again on September 1,
9 2004 through August 30, 2014, graphic arts machinery and
10 equipment, including repair and replacement parts, both new
11 and used, and including that manufactured on special order or
12 purchased for lease, certified by the purchaser to be used
13 primarily for graphic arts production. Equipment includes
14 chemicals or chemicals acting as catalysts but only if the
15 chemicals or chemicals acting as catalysts effect a direct and
16 immediate change upon a graphic arts product. Beginning on
17 July 1, 2017, graphic arts machinery and equipment is included
18 in the manufacturing and assembling machinery and equipment
19 exemption under Section 2 of this Act.

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

23 (7) Farm machinery and equipment, both new and used,
24 including that manufactured on special order, certified by the
25 purchaser to be used primarily for production agriculture or
26 State or federal agricultural programs, including individual

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

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

24 Farm machinery and equipment also includes computers,
25 sensors, software, and related equipment used primarily in the
26 computer-assisted operation of production agriculture

1 facilities, equipment, and activities such as, but not limited
2 to, the collection, monitoring, and correlation of animal and
3 crop data for the purpose of formulating animal diets and
4 agricultural chemicals.

5 Beginning on January 1, 2024, farm machinery and equipment
6 also includes electrical power generation equipment used
7 primarily for production agriculture.

8 This item (7) is exempt from the provisions of Section
9 3-75.

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

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

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

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

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

26 (12) Until July 1, 2028, coal and aggregate exploration,

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

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

13 (14) Horses, or interests in horses, registered with and
14 meeting the requirements of any of the Arabian Horse Club
15 Registry of America, Appaloosa Horse Club, American Quarter
16 Horse Association, United States Trotting Association, or
17 Jockey Club, as appropriate, used for purposes of breeding or
18 racing for prizes. This item (14) is exempt from the
19 provisions of Section 3-75, and the exemption provided for
20 under this item (14) applies for all periods beginning May 30,
21 1995, but no claim for credit or refund is allowed on or after
22 January 1, 2008 (the effective date of Public Act 95-88) for
23 such taxes paid during the period beginning May 30, 2000 and
24 ending on January 1, 2008 (the effective date of Public Act
25 95-88).

26 (15) Computers and communications equipment utilized for

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

23 (16) Personal property purchased by a lessor who leases
24 the property, under a lease of one year or longer executed or
25 in effect at the time the lessor would otherwise be subject to
26 the tax imposed by this Act, to a governmental body that has

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

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

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

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

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

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

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

25 (22) Beginning January 1, 2000 and through December 31,
26 2001, new or used automatic vending machines that prepare and

1 serve hot food and beverages, including coffee, soup, and
2 other items, and replacement parts for these machines.
3 Beginning January 1, 2002 and through June 30, 2003, machines
4 and parts for machines used in commercial, coin-operated
5 amusement and vending business if a use or occupation tax is
6 paid on the gross receipts derived from the use of the
7 commercial, coin-operated amusement and vending machines. This
8 paragraph is exempt from the provisions of Section 3-75.

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

22 (24) Beginning on August 2, 2001 (the effective date of
23 Public Act 92-227), computers and communications equipment
24 utilized for any hospital purpose and equipment used in the
25 diagnosis, analysis, or treatment of hospital patients
26 purchased by a lessor who leases the equipment, under a lease

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

21 (25) Beginning on August 2, 2001 (the effective date of
22 Public Act 92-227), personal property purchased by a lessor
23 who leases the property, under a lease of one year or longer
24 executed or in effect at the time the lessor would otherwise be
25 subject to the tax imposed by this Act, to a governmental body
26 that has been issued an active tax exemption identification

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

17 (26) Beginning January 1, 2008, tangible personal property
18 used in the construction or maintenance of a community water
19 supply, as defined under Section 3.145 of the Environmental
20 Protection Act, that is operated by a not-for-profit
21 corporation that holds a valid water supply permit issued
22 under Title IV of the Environmental Protection Act. This
23 paragraph is exempt from the provisions of Section 3-75.

24 (27) Beginning January 1, 2010 and continuing through
25 December 31, 2029, materials, parts, equipment, components,
26 and furnishings incorporated into or upon an aircraft as part

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

14 Beginning January 1, 2010 and continuing through December
15 31, 2023, this exemption applies only to the use of qualifying
16 tangible personal property transferred incident to the
17 modification, refurbishment, completion, replacement, repair,
18 or maintenance of aircraft by persons who (i) hold an Air
19 Agency Certificate and are empowered to operate an approved
20 repair station by the Federal Aviation Administration, (ii)
21 have a Class IV Rating, and (iii) conduct operations in
22 accordance with Part 145 of the Federal Aviation Regulations.
23 From January 1, 2024 through December 31, 2029, this exemption
24 applies only to the use of qualifying tangible personal
25 property by: (A) persons who modify, refurbish, complete,
26 repair, replace, or maintain aircraft and who (i) hold an Air

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

9 The exemption does not include aircraft operated by a
10 commercial air carrier providing scheduled passenger air
11 service pursuant to authority issued under Part 121 or Part
12 129 of the Federal Aviation Regulations. The changes made to
13 this paragraph (27) by Public Act 98-534 are declarative of
14 existing law. It is the intent of the General Assembly that the
15 exemption under this paragraph (27) applies continuously from
16 January 1, 2010 through December 31, 2024; however, no claim
17 for credit or refund is allowed for taxes paid as a result of
18 the disallowance of this exemption on or after January 1, 2015
19 and prior to February 5, 2020 (the effective date of Public Act
20 101-629).

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

1 consideration by or on behalf of the municipality at the time
2 of the completion of the municipal convention hall or upon the
3 retirement or redemption of any bonds or other debt
4 instruments issued by the public-facilities corporation in
5 connection with the development of the municipal convention
6 hall. This exemption includes existing public-facilities
7 corporations as provided in Section 11-65-25 of the Illinois
8 Municipal Code. This paragraph is exempt from the provisions
9 of Section 3-75.

10 (29) Beginning January 1, 2017 and through December 31,
11 2026, menstrual pads, tampons, and menstrual cups.

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

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

1 supplement, or replace computer equipment or enabling software
2 purchased or leased in the original investment that would have
3 qualified.

4 The Department of Commerce and Economic Opportunity shall
5 grant a certificate of exemption under this item (31) to
6 qualified data centers as defined by Section 605-1025 of the
7 Department of Commerce and Economic Opportunity Law of the
8 Civil Administrative Code of Illinois.

9 For the purposes of this item (31):

10 "Data center" means a building or a series of
11 buildings rehabilitated or constructed to house working
12 servers in one physical location or multiple sites within
13 the State of Illinois.

14 "Qualified tangible personal property" means:
15 electrical systems and equipment; climate control and
16 chilling equipment and systems; mechanical systems and
17 equipment; monitoring and secure systems; emergency
18 generators; hardware; computers; servers; data storage
19 devices; network connectivity equipment; racks; cabinets;
20 telecommunications cabling infrastructure; raised floor
21 systems; peripheral components or systems; software;
22 mechanical, electrical, or plumbing systems; battery
23 systems; cooling systems and towers; temperature control
24 systems; other cabling; and other data center
25 infrastructure equipment and systems necessary to operate
26 qualified tangible personal property, including fixtures;

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

15 This item (31) is exempt from the provisions of Section
16 3-75.

17 (32) Beginning July 1, 2022, breast pumps, breast pump
18 collection and storage supplies, and breast pump kits. This
19 item (32) is exempt from the provisions of Section 3-75. As
20 used in this item (32):

21 "Breast pump" means an electrically controlled or
22 manually controlled pump device designed or marketed to be
23 used to express milk from a human breast during lactation,
24 including the pump device and any battery, AC adapter, or
25 other power supply unit that is used to power the pump
26 device and is packaged and sold with the pump device at the

1 time of sale.

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

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

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

26 "Breast pump kit" means a kit that: (1) contains no

1 more than a breast pump, breast pump collection and
2 storage supplies, a rechargeable battery for operating the
3 breast pump, a breastmilk cooler, bottle stands, ice
4 packs, and a breast pump carrying case; and (2) is
5 pre-packaged as a breast pump kit by the breast pump
6 manufacturer or distributor.

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

11 (34) Beginning on January 1, 2024, tangible personal
12 property purchased by an active duty member of the armed
13 forces of the United States who presents valid military
14 identification and purchases the property using a form of
15 payment where the federal government is the payor. The member
16 of the armed forces must complete, at the point of sale, a form
17 prescribed by the Department of Revenue documenting that the
18 transaction is eligible for the exemption under this
19 paragraph. Retailers must keep the form as documentation of
20 the exemption in their records for a period of not less than 6
21 years. "Armed forces of the United States" means the United
22 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
23 This paragraph is exempt from the provisions of Section 3-75.

24 (35) A motor vehicle of the first division, as defined in
25 Section 1-146 of the Illinois Vehicle Code, that is registered
26 in the State to an Illinois resident who acquired the vehicle

1 while the Illinois resident was stationed outside of this
2 State as an active duty member of the military. This item (35)
3 is exempt from the provisions of Section 3-75.

4 As used in this item (35):

5 "Active duty member of the military" means a service
6 member who undertakes any full-time military training or
7 full-time military duty, no matter how described under federal
8 or State law, for which a service member is ordered to report
9 by the President, by the Governor of a state, commonwealth, or
10 territory of the United States, by an act of Congress, or by
11 any other appropriate military authority.

12 "Illinois resident" means an individual who meets the
13 definition of "resident" under subparagraph (A) of paragraph
14 (20) of subsection (a) of Section 1501 of the Illinois Income
15 Tax Act.

16 "Service member" means a person who is a member of any
17 component of the United States Armed Forces or the National
18 Guard of any state, the District of Columbia, a commonwealth,
19 or a territory of the United States.

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

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

3 (35 ILCS 115/3-5)

4 (Text of Section before amendment by P.A. 103-384)

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

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

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

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

1 organizations, local arts councils, visual arts organizations,
2 and media arts organizations. On and after July 1, 2001 (the
3 effective date of Public Act 92-35), however, an entity
4 otherwise eligible for this exemption shall not make tax-free
5 purchases unless it has an active identification number issued
6 by the Department.

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

11 (5) 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 or
15 purchased for lease, certified by the purchaser to be used
16 primarily for graphic arts production. Equipment includes
17 chemicals or chemicals acting as catalysts but only if the
18 chemicals or chemicals acting as catalysts effect a direct and
19 immediate change upon a graphic arts product. Beginning on
20 July 1, 2017, graphic arts machinery and equipment is included
21 in the manufacturing and assembling machinery and equipment
22 exemption under Section 2 of this Act.

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

26 (7) Farm machinery and equipment, both new and used,

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

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

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

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

11 This item (7) is exempt from the provisions of Section
12 3-55.

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

20 Beginning July 1, 2013, fuel and petroleum products sold
21 to or used by an air carrier, certified by the carrier to be
22 used for consumption, shipment, or storage in the conduct of
23 its business as an air common carrier, for a flight that (i) is
24 engaged in foreign trade or is engaged in trade between the
25 United States and any of its possessions and (ii) transports
26 at least one individual or package for hire from the city of

1 origination to the city of final destination on the same
2 aircraft, without regard to a change in the flight number of
3 that aircraft.

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

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

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

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

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

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

1 (15) Horses, or interests in horses, registered with and
2 meeting the requirements of any of the Arabian Horse Club
3 Registry of America, Appaloosa Horse Club, American Quarter
4 Horse Association, United States Trotting Association, or
5 Jockey Club, as appropriate, used for purposes of breeding or
6 racing for prizes. This item (15) is exempt from the
7 provisions of Section 3-55, and the exemption provided for
8 under this item (15) applies for all periods beginning May 30,
9 1995, but no claim for credit or refund is allowed on or after
10 January 1, 2008 (the effective date of Public Act 95-88) for
11 such taxes paid during the period beginning May 30, 2000 and
12 ending on January 1, 2008 (the effective date of Public Act
13 95-88).

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

22 (17) Personal property sold to a lessor who leases the
23 property, under a lease of one year or longer executed or in
24 effect at the time of the purchase, to a governmental body that
25 has been issued an active tax exemption identification number
26 by the Department under Section 1g of the Retailers'

1 Occupation Tax Act.

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

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

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

1 in the Wildlife Code. This paragraph is exempt from the
2 provisions of Section 3-55.

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

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

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

10 (23) Beginning January 1, 2000 and through December 31,
11 2001, new or used automatic vending machines that prepare and
12 serve hot food and beverages, including coffee, soup, and
13 other items, and replacement parts for these machines.
14 Beginning January 1, 2002 and through June 30, 2003, machines
15 and parts for machines used in commercial, coin-operated
16 amusement and vending business if a use or occupation tax is
17 paid on the gross receipts derived from the use of the
18 commercial, coin-operated amusement and vending machines. This
19 paragraph is exempt from the provisions of Section 3-55.

20 (24) Beginning on August 2, 2001 (the effective date of
21 Public Act 92-227), computers and communications equipment
22 utilized for any hospital purpose and equipment used in the
23 diagnosis, analysis, or treatment of hospital patients sold to
24 a lessor who leases the equipment, under a lease of one year or
25 longer executed or in effect at the time of the purchase, to a
26 hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g of
2 the Retailers' Occupation Tax Act. This paragraph is exempt
3 from the provisions of Section 3-55.

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

12 (26) Beginning on January 1, 2002 and through June 30,
13 2016, tangible personal property purchased from an Illinois
14 retailer by a taxpayer engaged in centralized purchasing
15 activities in Illinois who will, upon receipt of the property
16 in Illinois, temporarily store the property in Illinois (i)
17 for the purpose of subsequently transporting it outside this
18 State for use or consumption thereafter solely outside this
19 State or (ii) for the purpose of being processed, fabricated,
20 or manufactured into, attached to, or incorporated into other
21 tangible personal property to be transported outside this
22 State and thereafter used or consumed solely outside this
23 State. The Director of Revenue shall, pursuant to rules
24 adopted in accordance with the Illinois Administrative
25 Procedure Act, issue a permit to any taxpayer in good standing
26 with the Department who is eligible for the exemption under

1 this paragraph (26). The permit issued under this paragraph
2 (26) shall authorize the holder, to the extent and in the
3 manner specified in the rules adopted under this Act, to
4 purchase tangible personal property from a retailer exempt
5 from the taxes imposed by this Act. Taxpayers shall maintain
6 all necessary books and records to substantiate the use and
7 consumption of all such tangible personal property outside of
8 the State of Illinois.

9 (27) Beginning January 1, 2008, tangible personal property
10 used in the construction or maintenance of a community water
11 supply, as defined under Section 3.145 of the Environmental
12 Protection Act, that is operated by a not-for-profit
13 corporation that holds a valid water supply permit issued
14 under Title IV of the Environmental Protection Act. This
15 paragraph is exempt from the provisions of Section 3-55.

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

1 hall. This exemption includes existing public-facilities
2 corporations as provided in Section 11-65-25 of the Illinois
3 Municipal Code. This paragraph is exempt from the provisions
4 of Section 3-55.

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

19 The changes made to this paragraph (29) by Public Act
20 98-534 are declarative of existing law. It is the intent of the
21 General Assembly that the exemption under this paragraph (29)
22 applies continuously from January 1, 2010 through December 31,
23 2024; however, no claim for credit or refund is allowed for
24 taxes paid as a result of the disallowance of this exemption on
25 or after January 1, 2015 and prior to February 5, 2020 (the
26 effective date of Public Act 101-629).

1 (30) Beginning January 1, 2017 and through December 31,
2 2026, menstrual pads, tampons, and menstrual cups.

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

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

20 The Department of Commerce and Economic Opportunity shall
21 grant a certificate of exemption under this item (32) to
22 qualified data centers as defined by Section 605-1025 of the
23 Department of Commerce and Economic Opportunity Law of the
24 Civil Administrative Code of Illinois.

25 For the purposes of this item (32):

26 "Data center" means a building or a series of

1 buildings rehabilitated or constructed to house working
2 servers in one physical location or multiple sites within
3 the State of Illinois.

4 "Qualified tangible personal property" means:
5 electrical systems and equipment; climate control and
6 chilling equipment and systems; mechanical systems and
7 equipment; monitoring and secure systems; emergency
8 generators; hardware; computers; servers; data storage
9 devices; network connectivity equipment; racks; cabinets;
10 telecommunications cabling infrastructure; raised floor
11 systems; peripheral components or systems; software;
12 mechanical, electrical, or plumbing systems; battery
13 systems; cooling systems and towers; temperature control
14 systems; other cabling; and other data center
15 infrastructure equipment and systems necessary to operate
16 qualified tangible personal property, including fixtures;
17 and component parts of any of the foregoing, including
18 installation, maintenance, repair, refurbishment, and
19 replacement of qualified tangible personal property to
20 generate, transform, transmit, distribute, or manage
21 electricity necessary to operate qualified tangible
22 personal property; and all other tangible personal
23 property that is essential to the operations of a computer
24 data center. The term "qualified tangible personal
25 property" also includes building materials physically
26 incorporated into ~~in to~~ the qualifying data center. To

1 document the exemption allowed under this Section, the
2 retailer must obtain from the purchaser a copy of the
3 certificate of eligibility issued by the Department of
4 Commerce and Economic Opportunity.

5 This item (32) is exempt from the provisions of Section
6 3-55.

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

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

18 "Breast pump collection and storage supplies" means
19 items of tangible personal property designed or marketed
20 to be used in conjunction with a breast pump to collect
21 milk expressed from a human breast and to store collected
22 milk until it is ready for consumption.

23 "Breast pump collection and storage supplies"
24 includes, but is not limited to: breast shields and breast
25 shield connectors; breast pump tubes and tubing adapters;
26 breast pump valves and membranes; backflow protectors and

1 backflow protector adaptors; bottles and bottle caps
2 specific to the operation of the breast pump; and breast
3 milk storage bags.

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

16 "Breast pump kit" means a kit that: (1) contains no
17 more than a breast pump, breast pump collection and
18 storage supplies, a rechargeable battery for operating the
19 breast pump, a breastmilk cooler, bottle stands, ice
20 packs, and a breast pump carrying case; and (2) is
21 pre-packaged as a breast pump kit by the breast pump
22 manufacturer or distributor.

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

1 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
2 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
3 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
4 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,
5 eff. 6-7-23; 103-154, eff. 6-30-23; revised 9-19-23.)

6 (Text of Section after amendment by P.A. 103-384)

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

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

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

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

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

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

13 (5) Until July 1, 2003 and beginning again on September 1,
14 2004 through August 30, 2014, graphic arts machinery and
15 equipment, including repair and replacement parts, both new
16 and used, and including that manufactured on special order or
17 purchased for lease, certified by the purchaser to be used
18 primarily for graphic arts production. Equipment includes
19 chemicals or chemicals acting as catalysts but only if the
20 chemicals or chemicals acting as catalysts effect a direct and
21 immediate change upon a graphic arts product. Beginning on
22 July 1, 2017, graphic arts machinery and equipment is included
23 in the manufacturing and assembling machinery and equipment
24 exemption under Section 2 of this Act.

25 (6) Personal property sold by a teacher-sponsored student
26 organization affiliated with an elementary or secondary school

1 located in Illinois.

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

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

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

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

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

13 This item (7) is exempt from the provisions of Section
14 3-55.

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

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

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

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

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

24 (11) Photoprocessing machinery and equipment, including
25 repair and replacement parts, both new and used, including
26 that manufactured on special order, certified by the purchaser

1 to be used primarily for photoprocessing, and including
2 photoprocessing machinery and equipment purchased for lease.

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

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

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

3 (15) Horses, or interests in horses, registered with and
4 meeting the requirements of any of the Arabian Horse Club
5 Registry of America, Appaloosa Horse Club, American Quarter
6 Horse Association, United States Trotting Association, or
7 Jockey Club, as appropriate, used for purposes of breeding or
8 racing for prizes. This item (15) is exempt from the
9 provisions of Section 3-55, and the exemption provided for
10 under this item (15) applies for all periods beginning May 30,
11 1995, but no claim for credit or refund is allowed on or after
12 January 1, 2008 (the effective date of Public Act 95-88) for
13 such taxes paid during the period beginning May 30, 2000 and
14 ending on January 1, 2008 (the effective date of Public Act
15 95-88).

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

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

1 has been issued an active tax exemption identification number
2 by the Department under Section 1g of the Retailers'
3 Occupation Tax Act.

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

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

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

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

24 (22) Beginning January 1, 2000, personal property,
25 including food, purchased through fundraising events for the
26 benefit of a public or private elementary or secondary school,

1 a group of those schools, or one or more school districts if
2 the events are sponsored by an entity recognized by the school
3 district that consists primarily of volunteers and includes
4 parents and teachers of the school children. This paragraph
5 does not apply to fundraising events (i) for the benefit of
6 private home instruction or (ii) for which the fundraising
7 entity purchases the personal property sold at the events from
8 another individual or entity that sold the property for the
9 purpose of resale by the fundraising entity and that profits
10 from the sale to the fundraising entity. This paragraph is
11 exempt from the provisions of Section 3-55.

12 (23) Beginning January 1, 2000 and through December 31,
13 2001, new or used automatic vending machines that prepare and
14 serve hot food and beverages, including coffee, soup, and
15 other items, and replacement parts for these machines.
16 Beginning January 1, 2002 and through June 30, 2003, machines
17 and parts for machines used in commercial, coin-operated
18 amusement and vending business if a use or occupation tax is
19 paid on the gross receipts derived from the use of the
20 commercial, coin-operated amusement and vending machines. This
21 paragraph is exempt from the provisions of Section 3-55.

22 (24) Beginning on August 2, 2001 (the effective date of
23 Public Act 92-227), computers and communications equipment
24 utilized for any hospital purpose and equipment used in the
25 diagnosis, analysis, or treatment of hospital patients sold to
26 a lessor who leases the equipment, under a lease of one year or

1 longer executed or in effect at the time of the purchase, to a
2 hospital that has been issued an active tax exemption
3 identification number by the Department under Section 1g of
4 the Retailers' Occupation Tax Act. This paragraph is exempt
5 from the provisions of Section 3-55.

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

14 (26) Beginning on January 1, 2002 and through June 30,
15 2016, tangible personal property purchased from an Illinois
16 retailer by a taxpayer engaged in centralized purchasing
17 activities in Illinois who will, upon receipt of the property
18 in Illinois, temporarily store the property in Illinois (i)
19 for the purpose of subsequently transporting it outside this
20 State for use or consumption thereafter solely outside this
21 State or (ii) for the purpose of being processed, fabricated,
22 or manufactured into, attached to, or incorporated into other
23 tangible personal property to be transported outside this
24 State and thereafter used or consumed solely outside this
25 State. The Director of Revenue shall, pursuant to rules
26 adopted in accordance with the Illinois Administrative

1 Procedure Act, issue a permit to any taxpayer in good standing
2 with the Department who is eligible for the exemption under
3 this paragraph (26). The permit issued under this paragraph
4 (26) shall authorize the holder, to the extent and in the
5 manner specified in the rules adopted under this Act, to
6 purchase tangible personal property from a retailer exempt
7 from the taxes imposed by this Act. Taxpayers shall maintain
8 all necessary books and records to substantiate the use and
9 consumption of all such tangible personal property outside of
10 the State of Illinois.

11 (27) Beginning January 1, 2008, tangible personal property
12 used in the construction or maintenance of a community water
13 supply, as defined under Section 3.145 of the Environmental
14 Protection Act, that is operated by a not-for-profit
15 corporation that holds a valid water supply permit issued
16 under Title IV of the Environmental Protection Act. This
17 paragraph is exempt from the provisions of Section 3-55.

18 (28) Tangible personal property sold to a
19 public-facilities corporation, as described in Section
20 11-65-10 of the Illinois Municipal Code, for purposes of
21 constructing or furnishing a municipal convention hall, but
22 only if the legal title to the municipal convention hall is
23 transferred to the municipality without any further
24 consideration by or on behalf of the municipality at the time
25 of the completion of the municipal convention hall or upon the
26 retirement or redemption of any bonds or other debt

1 instruments issued by the public-facilities corporation in
2 connection with the development of the municipal convention
3 hall. This exemption includes existing public-facilities
4 corporations as provided in Section 11-65-25 of the Illinois
5 Municipal Code. This paragraph is exempt from the provisions
6 of Section 3-55.

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

23 Beginning January 1, 2010 and continuing through December
24 31, 2023, this exemption applies only to the transfer of
25 qualifying tangible personal property incident to the
26 modification, refurbishment, completion, replacement, repair,

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

21 The changes made to this paragraph (29) by Public Act
22 98-534 are declarative of existing law. It is the intent of the
23 General Assembly that the exemption under this paragraph (29)
24 applies continuously from January 1, 2010 through December 31,
25 2024; however, no claim for credit or refund is allowed for
26 taxes paid as a result of the disallowance of this exemption on

1 or after January 1, 2015 and prior to February 5, 2020 (the
2 effective date of Public Act 101-629).

3 (30) Beginning January 1, 2017 and through December 31,
4 2026, menstrual pads, tampons, and menstrual cups.

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

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

22 The Department of Commerce and Economic Opportunity shall
23 grant a certificate of exemption under this item (32) to
24 qualified data centers as defined by Section 605-1025 of the
25 Department of Commerce and Economic Opportunity Law of the
26 Civil Administrative Code of Illinois.

1 For the purposes of this item (32):

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

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

1 property" also includes building materials physically
2 incorporated into ~~in to~~ the qualifying data center. To
3 document the exemption allowed under this Section, the
4 retailer must obtain from the purchaser a copy of the
5 certificate of eligibility issued by the Department of
6 Commerce and Economic Opportunity.

7 This item (32) is exempt from the provisions of Section
8 3-55.

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

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

20 "Breast pump collection and storage supplies" means
21 items of tangible personal property designed or marketed
22 to be used in conjunction with a breast pump to collect
23 milk expressed from a human breast and to store collected
24 milk until it is ready for consumption.

25 "Breast pump collection and storage supplies"
26 includes, but is not limited to: breast shields and breast

1 shield connectors; breast pump tubes and tubing adapters;
2 breast pump valves and membranes; backflow protectors and
3 backflow protector adaptors; bottles and bottle caps
4 specific to the operation of the breast pump; and breast
5 milk storage bags.

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

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

25 (34) Tangible personal property sold by or on behalf of
26 the State Treasurer pursuant to the Revised Uniform Unclaimed

1 Property Act. This item (34) is exempt from the provisions of
2 Section 3-55.

3 (35) Beginning on January 1, 2024, tangible personal
4 property purchased by an active duty member of the armed
5 forces of the United States who presents valid military
6 identification and purchases the property using a form of
7 payment where the federal government is the payor. The member
8 of the armed forces must complete, at the point of sale, a form
9 prescribed by the Department of Revenue documenting that the
10 transaction is eligible for the exemption under this
11 paragraph. Retailers must keep the form as documentation of
12 the exemption in their records for a period of not less than 6
13 years. "Armed forces of the United States" means the United
14 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
15 This paragraph is exempt from the provisions of Section 3-55.

16 (36) A motor vehicle of the first division, as defined in
17 Section 1-146 of the Illinois Vehicle Code, that is registered
18 in the State to an Illinois resident who acquired the vehicle
19 while the Illinois resident was stationed outside of this
20 State as an active duty member of the military. This item (36)
21 is exempt from the provisions of Section 3-55.

22 As used in this item (36):

23 "Active duty member of the military" means a service
24 member who undertakes any full-time military training or
25 full-time military duty, no matter how described under federal
26 or State law, for which a service member is ordered to report

1 by the President, by the Governor of a state, commonwealth, or
2 territory of the United States, by an act of Congress, or by
3 any other appropriate military authority.

4 "Illinois resident" means an individual who meets the
5 definition of "resident" under subparagraph (A) of paragraph
6 (20) of subsection (a) of Section 1501 of the Illinois Income
7 Tax Act.

8 "Service member" means a person who is a member of any
9 component of the United States Armed Forces or the National
10 Guard of any state, the District of Columbia, a commonwealth,
11 or a territory of the United States.

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

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

20 (35 ILCS 120/2-5)

21 (Text of Section before amendment by P.A. 103-384)

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

1 (1) Farm chemicals.

2 (2) Farm machinery and equipment, both new and used,
3 including that manufactured on special order, certified by
4 the purchaser to be used primarily for production
5 agriculture or State or federal agricultural programs,
6 including individual replacement parts for the machinery
7 and equipment, including machinery and equipment purchased
8 for lease, and including implements of husbandry defined
9 in Section 1-130 of the Illinois Vehicle Code, farm
10 machinery and agricultural chemical and fertilizer
11 spreaders, and nurse wagons required to be registered
12 under Section 3-809 of the Illinois Vehicle Code, but
13 excluding other motor vehicles required to be registered
14 under the Illinois Vehicle Code. Horticultural polyhouses
15 or hoop houses used for propagating, growing, or
16 overwintering plants shall be considered farm machinery
17 and equipment under this item (2). Agricultural chemical
18 tender tanks and dry boxes shall include units sold
19 separately from a motor vehicle required to be licensed
20 and units sold mounted on a motor vehicle required to be
21 licensed, if the selling price of the tender is separately
22 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
26 not limited to, tractors, harvesters, sprayers, planters,

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

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

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

15 This item (2) is exempt from the provisions of Section
16 2-70.

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

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

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

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

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

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

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

24 (9) Personal property sold to a not-for-profit arts or
25 cultural organization that establishes, by proof required
26 by the Department by rule, that it has received an

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

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

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

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

9 (12) (Blank).

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

1 transportation of persons or property in furtherance of
2 any commercial or industrial enterprise whether for-hire
3 or not.

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

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

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

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

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

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

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

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

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

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

26 (21) Until July 1, 2028, coal and aggregate

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

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

19 Beginning July 1, 2013, fuel and petroleum products
20 sold to or used by an air carrier, certified by the carrier
21 to be used for consumption, shipment, or storage in the
22 conduct of its business as an air common carrier, for a
23 flight that (i) is engaged in foreign trade or is engaged
24 in trade between the United States and any of its
25 possessions and (ii) transports at least one individual or
26 package for hire from the city of origination to the city

1 of final destination on the same aircraft, without regard
2 to a change in the flight number of that aircraft.

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

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

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

26 (25-5) The exemption under item (25) does not apply if

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

1 accordance with this item (25-5) shall be proportionately
2 distributed as if the tax were collected at the 6.25%
3 general rate imposed under this Act.

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

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

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

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

1 require.

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

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

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

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

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

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

1 (the effective date of Public Act 95-88) for such taxes
2 paid during the period beginning May 30, 2000 and ending
3 on January 1, 2008 (the effective date of Public Act
4 95-88).

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

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

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

1 tax exemption identification number by the Department that
2 assists victims of the disaster who reside within the
3 declared disaster area.

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

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

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

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

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

1 the purpose of resale by the fundraising entity and that
2 profits from the sale to the fundraising entity. This
3 paragraph is exempt from the provisions of Section 2-70.

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

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

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

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

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

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

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

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

26 (40) Beginning January 1, 2010 and continuing through

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

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

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

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

26 (41) Tangible personal property sold to a

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

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

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

25 (44) Qualified tangible personal property used in the
26 construction or operation of a data center that has been

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

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

20 For the purposes of this item (44):

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

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

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

1 This item (44) is exempt from the provisions of
2 Section 2-70.

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

20 (46) Beginning July 1, 2022, breast pumps, breast pump
21 collection and storage supplies, and breast pump kits.
22 This item (46) is exempt from the provisions of Section
23 2-70. As used in this item (46):

24 "Breast pump" means an electrically controlled or
25 manually controlled pump device designed or marketed to be
26 used to express milk from a human breast during lactation,

1 including the pump device and any battery, AC adapter, or
2 other power supply unit that is used to power the pump
3 device and is packaged and sold with the pump device at the
4 time of sale.

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

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

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

1 kit that is pre-packaged by the breast pump manufacturer
2 or distributor.

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

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

14 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
15 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,
16 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
17 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
18 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
19 6-7-23; 103-154, eff. 6-30-23; revised 9-26-23.)

20 (Text of Section after amendment by P.A. 103-384)

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

24 (1) Farm chemicals.

25 (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) A motor vehicle of the first division, as defined
2 in Section 1-146 of the Illinois Vehicle Code, that is
3 registered in the State to an Illinois resident who
4 acquired the vehicle while the Illinois resident was
5 stationed outside of this State as an active duty member
6 of the military. This item (49) is exempt from the
7 provisions of Section 2-70.

8 As used in this item (49):

9 "Active duty member of the military" means a service
10 member who undertakes any full-time military training or
11 full-time military duty, no matter how described under
12 federal or State law, for which a service member is
13 ordered to report by the President, by the Governor of a
14 state, commonwealth, or territory of the United States, by
15 an act of Congress, or by any other appropriate military
16 authority.

17 "Illinois resident" means an individual who meets the
18 definition of "resident" under subparagraph (A) of
19 paragraph (20) of subsection (a) of Section 1501 of the
20 Illinois Income Tax Act.

21 "Service member" means a person who is a member of any
22 component of the United States Armed Forces or the
23 National Guard of any state, the District of Columbia, a
24 commonwealth, or a territory of the United States.

25 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
26 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,

1 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
2 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
3 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
4 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
5 9-26-23.)

6 Section 25. The Illinois Vehicle Code is amended by
7 changing Section 3-1001 as follows:

8 (625 ILCS 5/3-1001) (from Ch. 95 1/2, par. 3-1001)

9 Sec. 3-1001. A tax is hereby imposed on the privilege of
10 using, in this State, any motor vehicle as defined in Section
11 1-146 of this Code acquired by gift, transfer, or purchase,
12 and having a year model designation preceding the year of
13 application for title by 5 or fewer years prior to October 1,
14 1985 and 10 or fewer years on and after October 1, 1985 and
15 prior to January 1, 1988. On and after January 1, 1988, the tax
16 shall apply to all motor vehicles without regard to model
17 year. Except that the tax shall not apply:

18 (i) if the use of the motor vehicle is otherwise taxed
19 under the Use Tax Act;

20 (ii) if the motor vehicle is bought and used by a
21 governmental agency or a society, association, foundation
22 or institution organized and operated exclusively for
23 charitable, religious or educational purposes;

24 (iii) if the use of the motor vehicle is not subject to

1 the Use Tax Act by reason of subsection (a), (b), (c), (d),
 2 (e) or (f) of Section 3-55 of that Act dealing with the
 3 prevention of actual or likely multistate taxation;

4 (iv) to implements of husbandry;

5 (v) when a junking certificate is issued pursuant to
 6 Section 3-117(a) of this Code;

7 (vi) when a vehicle is subject to the replacement
 8 vehicle tax imposed by Section 3-2001 of this Act;

9 (vii) when the transfer is a gift to a beneficiary in
 10 the administration of an estate and the beneficiary is a
 11 surviving spouse; or -

12 (viii) if the use of the motor vehicle is not subject
 13 to the Use Tax Act by reason of item (44) of Section 3-5 of
 14 that Act.

15 Prior to January 1, 1988, the rate of tax shall be 5% of
 16 the selling price for each purchase of a motor vehicle covered
 17 by Section 3-1001 of this Code. Except as hereinafter
 18 provided, beginning January 1, 1988 and until January 1, 2022,
 19 the rate of tax shall be as follows for transactions in which
 20 the selling price of the motor vehicle is less than \$15,000:

21	Number of Years Transpired After	Applicable Tax
22	Model Year of Motor Vehicle	
23	1 or less	\$390
24	2	290
25	3	215
26	4	165

1	5	115
2	6	90
3	7	80
4	8	65
5	9	50
6	10	40
7	over 10	25

8 Except as hereinafter provided, beginning January 1, 1988 and
 9 until January 1, 2022, the rate of tax shall be as follows for
 10 transactions in which the selling price of the motor vehicle
 11 is \$15,000 or more:

12	Selling Price	Applicable Tax
13	\$15,000 - \$19,999	\$ 750
14	\$20,000 - \$24,999	\$1,000
15	\$25,000 - \$29,999	\$1,250
16	\$30,000 and over	\$1,500

17 Except as hereinafter provided, beginning on January 1,
 18 2022, the rate of tax shall be as follows for transactions in
 19 which the selling price of the motor vehicle is less than
 20 \$15,000:

21 (1) if one year or less has transpired after the model
 22 year of the vehicle, then the applicable tax is \$465;

23 (2) if 2 years have transpired after the model year of
 24 the motor vehicle, then the applicable tax is \$365;

25 (3) if 3 years have transpired after the model year of
 26 the motor vehicle, then the applicable tax is \$290;

1 (4) if 4 years have transpired after the model year of
2 the motor vehicle, then the applicable tax is \$240;

3 (5) if 5 years have transpired after the model year of
4 the motor vehicle, then the applicable tax is \$190;

5 (6) if 6 years have transpired after the model year of
6 the motor vehicle, then the applicable tax is \$165;

7 (7) if 7 years have transpired after the model year of
8 the motor vehicle, then the applicable tax is \$155;

9 (8) if 8 years have transpired after the model year of
10 the motor vehicle, then the applicable tax is \$140;

11 (9) if 9 years have transpired after the model year of
12 the motor vehicle, then the applicable tax is \$125;

13 (10) if 10 years have transpired after the model year
14 of the motor vehicle, then the applicable tax is \$115; and

15 (11) if more than 10 years have transpired after the
16 model year of the motor vehicle, then the applicable tax
17 is \$100.

18 Except as hereinafter provided, beginning on January 1,
19 2022, the rate of tax shall be as follows for transactions in
20 which the selling price of the motor vehicle is \$15,000 or
21 more:

22 (1) if the selling price is \$15,000 or more, but less
23 than \$20,000, then the applicable tax shall be \$850;

24 (2) if the selling price is \$20,000 or more, but less
25 than \$25,000, then the applicable tax shall be \$1,100;

26 (3) if the selling price is \$25,000 or more, but less

1 than \$30,000, then the applicable tax shall be \$1,350;

2 (4) if the selling price is \$30,000 or more, but less
3 than \$50,000, then the applicable tax shall be \$1,600;

4 (5) if the selling price is \$50,000 or more, but less
5 than \$100,000, then the applicable tax shall be \$2,600;

6 (6) if the selling price is \$100,000 or more, but less
7 than \$1,000,000, then the applicable tax shall be \$5,100;
8 and

9 (7) if the selling price is \$1,000,000 or more, then
10 the applicable tax shall be \$10,100.

11 For the following transactions, the tax rate shall be \$15 for
12 each motor vehicle acquired in such transaction:

13 (i) when the transferee or purchaser is the spouse,
14 mother, father, brother, sister or child of the
15 transferor;

16 (ii) when the transfer is a gift to a beneficiary in
17 the administration of an estate, including, but not
18 limited to, the administration of an inter vivos trust
19 that became irrevocable upon the death of a grantor, and
20 the beneficiary is not a surviving spouse;

21 (iii) when a motor vehicle which has once been
22 subjected to the Illinois retailers' occupation tax or use
23 tax is transferred in connection with the organization,
24 reorganization, dissolution or partial liquidation of an
25 incorporated or unincorporated business wherein the
26 beneficial ownership is not changed.

1 A claim that the transaction is taxable under subparagraph
2 (i) shall be supported by such proof of family relationship as
3 provided by rules of the Department.

4 For a transaction in which a motorcycle, motor driven
5 cycle or moped is acquired the tax rate shall be \$25.

6 On and after October 1, 1985 and until January 1, 2022,
7 1/12 of \$5,000,000 of the moneys received by the Department of
8 Revenue pursuant to this Section shall be paid each month into
9 the Build Illinois Fund; on and after January 1, 2022, 1/12 of
10 \$40,000,000 of the moneys received by the Department of
11 Revenue pursuant to this Section shall be paid each month into
12 the Build Illinois Fund; and the remainder shall be paid into
13 the General Revenue Fund.

14 The tax imposed by this Section shall be abated and no
15 longer imposed when the amount deposited to secure the bonds
16 issued pursuant to the Build Illinois Bond Act is sufficient
17 to provide for the payment of the principal of, and interest
18 and premium, if any, on the bonds, as certified to the State
19 Comptroller and the Director of Revenue by the Director of the
20 Governor's Office of Management and Budget.

21 (Source: P.A. 102-353, eff. 1-1-22; 102-762, eff. 5-13-22.)

22 Section 95. No acceleration or delay. Where this Act makes
23 changes in a statute that is represented in this Act by text
24 that is not yet or no longer in effect (for example, a Section
25 represented by multiple versions), the use of that text does

1 not accelerate or delay the taking effect of (i) the changes
2 made by this Act or (ii) provisions derived from any other
3 Public Act.