

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) Beginning July 1, 2024, home-delivered meals provided
7 to Medicare or Medicaid recipients when payment is made by an
8 intermediary, such as a Medicare Administrative Contractor, a
9 Managed Care Organization, or a Medicare Advantage
10 Organization, pursuant to a government contract. This item
11 (44) is exempt from the provisions of Section 3-90.

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

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

20 (35 ILCS 110/3-5)

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

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

24 (1) Personal property purchased from a corporation,

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

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

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

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

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

3 (5) 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 or
7 purchased for lease, certified by the purchaser to be used
8 primarily for graphic arts production. Equipment includes
9 chemicals or chemicals acting as catalysts but only if the
10 chemicals or chemicals acting as catalysts effect a direct and
11 immediate change upon a graphic arts product. Beginning on
12 July 1, 2017, graphic arts machinery and equipment is included
13 in the manufacturing and assembling machinery and equipment
14 exemption under Section 2 of this Act.

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

18 (7) Farm machinery and equipment, both new and used,
19 including that manufactured on special order, certified by the
20 purchaser to be used primarily for production agriculture or
21 State or federal agricultural programs, including individual
22 replacement parts for the machinery and equipment, including
23 machinery and equipment purchased for lease, and including
24 implements of husbandry defined in Section 1-130 of the
25 Illinois Vehicle Code, farm machinery and agricultural
26 chemical and fertilizer spreaders, and nurse wagons required

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

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

19 Farm machinery and equipment also includes computers,
20 sensors, software, and related equipment used primarily in the
21 computer-assisted operation of production agriculture
22 facilities, equipment, and activities such as, but not limited
23 to, the collection, monitoring, and correlation of animal and
24 crop data for the purpose of formulating animal diets and
25 agricultural chemicals.

26 Beginning on January 1, 2024, farm machinery and equipment

1 also includes electrical power generation equipment used
2 primarily for production agriculture.

3 This item (7) is exempt from the provisions of Section
4 3-75.

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

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

22 (9) Proceeds of mandatory service charges separately
23 stated on customers' bills for the purchase and consumption of
24 food and beverages acquired as an incident to the purchase of a
25 service from a serviceman, to the extent that the proceeds of
26 the service charge are in fact turned over as tips or as a

1 substitute for tips to the employees who participate directly
2 in preparing, serving, hosting or cleaning up the food or
3 beverage function with respect to which the service charge is
4 imposed.

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

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

21 (12) Until July 1, 2028, coal and aggregate exploration,
22 mining, off-highway hauling, processing, maintenance, and
23 reclamation equipment, including replacement parts and
24 equipment, and including equipment purchased for lease, but
25 excluding motor vehicles required to be registered under the
26 Illinois Vehicle Code. The changes made to this Section by

1 Public Act 97-767 apply on and after July 1, 2003, but no claim
2 for credit or refund is allowed on or after August 16, 2013
3 (the effective date of Public Act 98-456) for such taxes paid
4 during the period beginning July 1, 2003 and ending on August
5 16, 2013 (the effective date of Public Act 98-456).

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

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

21 (15) Computers and communications equipment utilized for
22 any hospital purpose and equipment used in the diagnosis,
23 analysis, or treatment of hospital patients purchased by a
24 lessor who leases the equipment, under a lease of one year or
25 longer executed or in effect at the time the lessor would
26 otherwise be subject to the tax imposed by this Act, to a

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

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

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

12 (17) 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 donated
15 for disaster relief to be used in a State or federally declared
16 disaster area in Illinois or bordering Illinois by a
17 manufacturer or retailer that is registered in this State to a
18 corporation, society, association, foundation, or institution
19 that has been issued a sales tax exemption identification
20 number by the Department that assists victims of the disaster
21 who reside within the declared disaster area.

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

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

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

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

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

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

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

1 paid on the gross receipts derived from the use of the
2 commercial, coin-operated amusement and vending machines. This
3 paragraph is exempt from the provisions of Section 3-75.

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

17 (24) Beginning on August 2, 2001 (the effective date of
18 Public Act 92-227), computers and communications equipment
19 utilized for any hospital purpose and equipment used in the
20 diagnosis, analysis, or treatment of hospital patients
21 purchased by a lessor who leases the equipment, under a lease
22 of one year or longer executed or in effect at the time the
23 lessor would otherwise be subject to the tax imposed by this
24 Act, to a hospital that has been issued an active tax exemption
25 identification number by the Department under Section 1g of
26 the Retailers' Occupation Tax Act. If the equipment is leased

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

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

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

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

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

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

9 Beginning January 1, 2010 and continuing through December
10 31, 2023, this exemption applies only to the use of qualifying
11 tangible personal property transferred incident to the
12 modification, refurbishment, completion, replacement, repair,
13 or maintenance of aircraft by persons who (i) hold an Air
14 Agency Certificate and are empowered to operate an approved
15 repair station by the Federal Aviation Administration, (ii)
16 have a Class IV Rating, and (iii) conduct operations in
17 accordance with Part 145 of the Federal Aviation Regulations.
18 From January 1, 2024 through December 31, 2029, this exemption
19 applies only to the use of qualifying tangible personal
20 property by: (A) persons who modify, refurbish, complete,
21 repair, replace, or maintain aircraft and who (i) hold an Air
22 Agency Certificate and are empowered to operate an approved
23 repair station by the Federal Aviation Administration, (ii)
24 have a Class IV Rating, and (iii) conduct operations in
25 accordance with Part 145 of the Federal Aviation Regulations;
26 and (B) persons who engage in the modification, replacement,

1 repair, and maintenance of aircraft engines or power plants
2 without regard to whether or not those persons meet the
3 qualifications of item (A).

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. The changes made to
8 this paragraph (27) by Public Act 98-534 are declarative of
9 existing law. It is the intent of the General Assembly that the
10 exemption under this paragraph (27) applies continuously from
11 January 1, 2010 through December 31, 2024; however, no claim
12 for credit or refund is allowed for taxes paid as a result of
13 the disallowance of this exemption on or after January 1, 2015
14 and prior to February 5, 2020 (the effective date of Public Act
15 101-629).

16 (28) Tangible personal property purchased by 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 3-75.

5 (29) Beginning January 1, 2017 and through December 31,
6 2026, menstrual pads, tampons, and menstrual cups.

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

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

25 The Department of Commerce and Economic Opportunity shall
26 grant a certificate of exemption under this item (31) to

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

4 For the purposes of this item (31):

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

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

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

10 This item (31) is exempt from the provisions of Section
11 3-75.

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

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

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

1 milk until it is ready for consumption.

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

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

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

1 manufacturer or distributor.

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

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

11 (Text of Section after 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
25 or cultural organization that establishes, by proof required

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

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

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

1 July 1, 2017, graphic arts machinery and equipment is included
2 in the manufacturing and assembling machinery and equipment
3 exemption under Section 2 of this Act.

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

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

26 Farm machinery and equipment shall include precision

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 been paid by the lessor. If a lessor improperly collects any
2 such amount from the lessee, the lessee shall have a legal
3 right to claim a refund of that amount from the lessor. If,
4 however, that amount is not refunded to the lessee for any
5 reason, the lessor is liable to pay that amount to the
6 Department.

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

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

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

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

1 provisions of Section 3-75.

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

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

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

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

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

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

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

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

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

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

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

24 Beginning January 1, 2010 and continuing through December
25 31, 2023, this exemption applies only to the use of qualifying
26 tangible personal property transferred incident to the

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

19 The exemption does not include aircraft operated by a
20 commercial air carrier providing scheduled passenger air
21 service pursuant to authority issued under Part 121 or Part
22 129 of the Federal Aviation Regulations. The changes made to
23 this paragraph (27) by Public Act 98-534 are declarative of
24 existing law. It is the intent of the General Assembly that the
25 exemption under this paragraph (27) applies continuously from
26 January 1, 2010 through December 31, 2024; however, no claim

1 for credit or refund is allowed for taxes paid as a result of
2 the disallowance of this exemption on or after January 1, 2015
3 and prior to February 5, 2020 (the effective date of Public Act
4 101-629).

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

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

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

26 (31) Qualified tangible personal property used in the

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

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

19 For the purposes of this item (31):

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

25 This item (31) is exempt from the provisions of Section
26 3-75.

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

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

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

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

24 "Breast pump collection and storage supplies" does not
25 include: (1) bottles and bottle caps not specific to the
26 operation of the breast pump; (2) breast pump travel bags

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

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

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

21 (34) Beginning on January 1, 2024, tangible personal
22 property purchased by an active duty member of the armed
23 forces of the United States who presents valid military
24 identification and purchases the property using a form of
25 payment where the federal government is the payor. The member
26 of the armed forces must complete, at the point of sale, a form

1 prescribed by the Department of Revenue documenting that the
2 transaction is eligible for the exemption under this
3 paragraph. Retailers must keep the form as documentation of
4 the exemption in their records for a period of not less than 6
5 years. "Armed forces of the United States" means the United
6 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
7 This paragraph is exempt from the provisions of Section 3-75.

8 (35) Beginning July 1, 2024, home-delivered meals provided
9 to Medicare or Medicaid recipients when payment is made by an
10 intermediary, such as a Medicare Administrative Contractor, a
11 Managed Care Organization, or a Medicare Advantage
12 Organization, pursuant to a government contract. This
13 paragraph (35) is exempt from the provisions of Section 3-75.

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

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

22 (35 ILCS 115/3-5)

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

24 Sec. 3-5. Exemptions. The following tangible personal

1 property is exempt from the tax imposed by this Act:

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

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

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

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

5 (5) Until July 1, 2003 and beginning again on September 1,
6 2004 through August 30, 2014, graphic arts machinery and
7 equipment, including repair and replacement parts, both new
8 and used, and including that manufactured on special order or
9 purchased for lease, certified by the purchaser to be used
10 primarily for graphic arts production. Equipment includes
11 chemicals or chemicals acting as catalysts but only if the
12 chemicals or chemicals acting as catalysts effect a direct and
13 immediate change upon a graphic arts product. Beginning on
14 July 1, 2017, graphic arts machinery and equipment is included
15 in the manufacturing and assembling machinery and equipment
16 exemption under Section 2 of this Act.

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

20 (7) Farm machinery and equipment, both new and used,
21 including that manufactured on special order, certified by the
22 purchaser to be used primarily for production agriculture or
23 State or federal agricultural programs, including individual
24 replacement parts for the machinery and equipment, including
25 machinery and equipment purchased for lease, and including
26 implements of husbandry defined in Section 1-130 of the

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

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

21 Farm machinery and equipment also includes computers,
22 sensors, software, and related equipment used primarily in the
23 computer-assisted operation of production agriculture
24 facilities, equipment, and activities such as, but not limited
25 to, the collection, monitoring, and correlation of animal and
26 crop data for the purpose of formulating animal diets and

1 agricultural chemicals.

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

5 This item (7) is exempt from the provisions of Section
6 3-55.

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

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

24 (9) Proceeds of mandatory service charges separately
25 stated on customers' bills for the purchase and consumption of
26 food and beverages, to the extent that the proceeds of the

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

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

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

21 (12) Until July 1, 2028, coal and aggregate exploration,
22 mining, off-highway hauling, processing, maintenance, and
23 reclamation equipment, including replacement parts and
24 equipment, and including equipment purchased for lease, but
25 excluding motor vehicles required to be registered under the
26 Illinois Vehicle Code. The changes made to this Section by

1 Public Act 97-767 apply on and after July 1, 2003, but no claim
2 for credit or refund is allowed on or after August 16, 2013
3 (the effective date of Public Act 98-456) for such taxes paid
4 during the period beginning July 1, 2003 and ending on August
5 16, 2013 (the effective date of Public Act 98-456).

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

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

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

1 provisions of Section 3-55, and the exemption provided for
2 under this item (15) 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 (the effective date of Public Act 95-88) for
5 such taxes paid during the period beginning May 30, 2000 and
6 ending on January 1, 2008 (the effective date of Public Act
7 95-88).

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

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

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

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

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

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

23 (21) A motor vehicle, as that term is defined in Section
24 1-146 of the Illinois Vehicle Code, that is donated to a
25 corporation, limited liability company, society, association,
26 foundation, or institution that is determined by the

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

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

1 purpose of resale by the fundraising entity and that profits
2 from the sale to the fundraising entity. This paragraph is
3 exempt from the provisions of Section 3-55.

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

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

24 (25) Beginning on August 2, 2001 (the effective date of
25 Public Act 92-227), personal property sold to a lessor who
26 leases the property, under a lease of one year or longer

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

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

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

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

25 (29) 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 transfer of
17 qualifying tangible personal property incident to the
18 modification, refurbishment, completion, replacement, repair,
19 or maintenance of an aircraft by persons who (i) hold an Air
20 Agency Certificate and are empowered to operate an approved
21 repair station by the Federal Aviation Administration, (ii)
22 have a Class IV Rating, and (iii) conduct operations in
23 accordance with Part 145 of the Federal Aviation Regulations.
24 The exemption does not include aircraft operated by a
25 commercial air carrier providing scheduled passenger air
26 service pursuant to authority issued under Part 121 or Part

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

13 The changes made to this paragraph (29) by Public Act
14 98-534 are declarative of existing law. It is the intent of the
15 General Assembly that the exemption under this paragraph (29)
16 applies continuously from January 1, 2010 through December 31,
17 2024; however, no claim for credit or refund is allowed for
18 taxes paid as a result of the disallowance of this exemption on
19 or after January 1, 2015 and prior to February 5, 2020 (the
20 effective date of Public Act 101-629).

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

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

26 (32) Qualified tangible personal property used in the

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

14 The Department of Commerce and Economic Opportunity shall
15 grant a certificate of exemption under this item (32) to
16 qualified data centers as defined by Section 605-1025 of the
17 Department of Commerce and Economic Opportunity Law of the
18 Civil Administrative Code of Illinois.

19 For the purposes of this item (32):

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

25 This item (32) is exempt from the provisions of Section
26 3-55.

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

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

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

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

24 "Breast pump collection and storage supplies" does not
25 include: (1) bottles and bottle caps not specific to the
26 operation of the breast pump; (2) breast pump travel bags

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

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

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

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

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

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

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

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

14 (3) Personal property purchased by any 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
26 otherwise eligible for this exemption shall not make tax-free

1 purchases unless it has an active identification number issued
2 by the Department.

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

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

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

22 (7) 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 (7). 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 (7) is exempt from the provisions of Section
8 3-55.

9 (8) 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 (9) Proceeds of mandatory service charges separately

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

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

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

23 (15) Horses, or interests in horses, registered with and
24 meeting the requirements of any of the Arabian Horse Club
25 Registry of America, Appaloosa Horse Club, American Quarter
26 Horse Association, United States Trotting Association, or

1 Jockey Club, as appropriate, used for purposes of breeding or
2 racing for prizes. This item (15) is exempt from the
3 provisions of Section 3-55, and the exemption provided for
4 under this item (15) applies for all periods beginning May 30,
5 1995, but no claim for credit or refund is allowed on or after
6 January 1, 2008 (the effective date of Public Act 95-88) for
7 such taxes paid during the period beginning May 30, 2000 and
8 ending on January 1, 2008 (the effective date of Public Act
9 95-88).

10 (16) Computers and communications equipment utilized for
11 any hospital purpose and equipment used in the diagnosis,
12 analysis, or treatment of hospital patients sold to a lessor
13 who leases the equipment, under a lease of one year or longer
14 executed or in effect at the time of the purchase, to a
15 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.

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

24 (18) 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 (19) 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 (20) Beginning July 1, 1999, game or game birds sold at a
22 "game breeding and hunting preserve area" as that term is used
23 in the Wildlife Code. This paragraph is exempt from the
24 provisions of Section 3-55.

25 (21) 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 (22) 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 3-55.

6 (23) 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 3-55.

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

26 (25) Beginning on August 2, 2001 (the effective date of

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

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

1 from the taxes imposed by this Act. Taxpayers shall maintain
2 all necessary books and records to substantiate the use and
3 consumption of all such tangible personal property outside of
4 the State of Illinois.

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

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

1 (29) Beginning January 1, 2010 and continuing through
2 December 31, 2029, materials, parts, equipment, components,
3 and furnishings incorporated into or upon an aircraft as part
4 of the modification, refurbishment, completion, replacement,
5 repair, or maintenance of the aircraft. This exemption
6 includes consumable supplies used in the modification,
7 refurbishment, completion, replacement, repair, and
8 maintenance of aircraft. However, until January 1, 2024, this
9 exemption excludes any materials, parts, equipment,
10 components, and consumable supplies used in the modification,
11 replacement, repair, and maintenance of aircraft engines or
12 power plants, whether such engines or power plants are
13 installed or uninstalled upon any such aircraft. "Consumable
14 supplies" 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 December
18 31, 2023, this exemption applies only to the transfer of
19 qualifying tangible personal property incident to the
20 modification, refurbishment, completion, replacement, repair,
21 or maintenance of an aircraft by persons who (i) hold an Air
22 Agency Certificate and are empowered to operate an approved
23 repair station by the Federal Aviation Administration, (ii)
24 have a Class IV Rating, and (iii) conduct operations in
25 accordance with Part 145 of the Federal Aviation Regulations.
26 The 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 Part
3 129 of the Federal Aviation Regulations. From January 1, 2024
4 through December 31, 2029, this exemption applies only to the
5 use of qualifying tangible personal property by: (A) persons
6 who modify, refurbish, complete, repair, replace, or maintain
7 aircraft and who (i) hold an Air Agency Certificate and are
8 empowered to operate an approved repair station by the Federal
9 Aviation Administration, (ii) have a Class IV Rating, and
10 (iii) conduct operations in accordance with Part 145 of the
11 Federal Aviation Regulations; and (B) persons who engage in
12 the modification, replacement, repair, and maintenance of
13 aircraft engines or power plants without regard to whether or
14 not those persons meet the qualifications of item (A).

15 The changes made to this paragraph (29) by Public Act
16 98-534 are declarative of existing law. It is the intent of the
17 General Assembly that the exemption under this paragraph (29)
18 applies continuously from January 1, 2010 through December 31,
19 2024; however, no claim for credit or refund is allowed for
20 taxes paid as a result of the disallowance of this exemption on
21 or after January 1, 2015 and prior to February 5, 2020 (the
22 effective date of Public Act 101-629).

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

25 (31) Tangible personal property transferred to a purchaser
26 who is exempt from tax by operation of federal law. This

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

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

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

21 For the purposes of this item (32):

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

26 "Qualified tangible personal property" means:

1 electrical systems and equipment; climate control and
2 chilling equipment and systems; mechanical systems and
3 equipment; monitoring and secure systems; emergency
4 generators; hardware; computers; servers; data storage
5 devices; network connectivity equipment; racks; cabinets;
6 telecommunications cabling infrastructure; raised floor
7 systems; peripheral components or systems; software;
8 mechanical, electrical, or plumbing systems; battery
9 systems; cooling systems and towers; temperature control
10 systems; other cabling; and other data center
11 infrastructure equipment and systems necessary to operate
12 qualified tangible personal property, including fixtures;
13 and component parts of any of the foregoing, including
14 installation, maintenance, repair, refurbishment, and
15 replacement of qualified tangible personal property to
16 generate, transform, transmit, distribute, or manage
17 electricity necessary to operate qualified tangible
18 personal property; and all other tangible personal
19 property that is essential to the operations of a computer
20 data center. The term "qualified tangible personal
21 property" also includes building materials physically
22 incorporated into ~~in to~~ 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 (32) is exempt from the provisions of Section
2 3-55.

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

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

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

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

26 "Breast pump collection and storage supplies" does not

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

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

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

23 (35) Beginning on January 1, 2024, tangible personal
24 property purchased by an active duty member of the armed
25 forces of the United States who presents valid military
26 identification and purchases the property using a form of

1 payment where the federal government is the payor. The member
2 of the armed forces must complete, at the point of sale, a form
3 prescribed by the Department of Revenue documenting that the
4 transaction is eligible for the exemption under this
5 paragraph. Retailers must keep the form as documentation of
6 the exemption in their records for a period of not less than 6
7 years. "Armed forces of the United States" means the United
8 States Army, Navy, Air Force, Marine Corps, or Coast Guard.
9 This paragraph is exempt from the provisions of Section 3-55.

10 (36) Beginning July 1, 2024, home-delivered meals provided
11 to Medicare or Medicaid recipients when payment is made by an
12 intermediary, such as a Medicare Administrative Contractor, a
13 Managed Care Organization, or a Medicare Advantage
14 Organization, pursuant to a government contract. This
15 paragraph (35) is exempt from the provisions of Section 3-55.

16 (Source: P.A. 102-16, eff. 6-17-21; 102-700, Article 70,
17 Section 70-15, eff. 4-19-22; 102-700, Article 75, Section
18 75-15, eff. 4-19-22; 102-1026, eff. 5-27-22; 103-9, Article 5,
19 Section 5-15, eff. 6-7-23; 103-9, Article 15, Section 15-15,
20 eff. 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24;
21 revised 9-19-23.)

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

24 (35 ILCS 120/2-5)

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

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

5 (1) Farm chemicals.

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

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

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

19 This item (2) is exempt from the provisions of Section
20 2-70.

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

1 or resale.

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

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

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

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

25 (8) Personal property sold to an Illinois county fair
26 association for use in conducting, operating, or promoting

1 the county fair.

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

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

24 (11) Personal property sold to a governmental body, to
25 a corporation, society, association, foundation, or
26 institution organized and operated exclusively for

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

13 (12) (Blank).

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

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

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

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

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

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

24 (16) Tangible personal property sold to a purchaser if
25 the purchaser is exempt from use tax by operation of
26 federal law. This paragraph is exempt from the provisions

1 of Section 2-70.

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

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

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

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

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

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

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

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

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

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

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

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

1 out-of-state registration plates to be transferred is
2 prima facie evidence that the motor vehicle will not be
3 titled in this State.

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

1 following the filing of an intent to title the vehicle in
2 the purchaser's state of residence if the purchaser titles
3 the vehicle in his or her state of residence within 30 days
4 after the date of sale. The tax collected under this Act in
5 accordance with this item (25-5) shall be proportionately
6 distributed as if the tax were collected at the 6.25%
7 general rate imposed under this Act.

8 (25-7) Beginning on July 1, 2007, no tax is imposed
9 under this Act on the sale of an aircraft, as defined in
10 Section 3 of the Illinois Aeronautics Act, if all of the
11 following conditions are met:

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

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

21 (3) the seller retains in his or her books and
22 records and provides to the Department a signed and
23 dated certification from the purchaser, on a form
24 prescribed by the Department, certifying that the
25 requirements of this item (25-7) are met. The
26 certificate must also include the name and address of

1 the purchaser, the address of the location where the
2 aircraft is to be titled or registered, the address of
3 the primary physical location of the aircraft, and
4 other information that the Department may reasonably
5 require.

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

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

12 "Registered in this State" means an aircraft
13 registered with the Department of Transportation,
14 Aeronautics Division, or titled or registered with the
15 Federal Aviation Administration to an address located in
16 this State.

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

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

21 (27) Horses, or interests in horses, registered with
22 and meeting the requirements of any of the Arabian Horse
23 Club Registry of America, Appaloosa Horse Club, American
24 Quarter Horse Association, United States Trotting
25 Association, or Jockey Club, as appropriate, used for
26 purposes of breeding or racing for prizes. This item (27)

1 is exempt from the provisions of Section 2-70, and the
2 exemption provided for under this item (27) applies for
3 all periods beginning May 30, 1995, but no claim for
4 credit or refund is allowed on or after January 1, 2008
5 (the effective date of Public Act 95-88) for such taxes
6 paid during the period beginning May 30, 2000 and ending
7 on January 1, 2008 (the effective date of Public Act
8 95-88).

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

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

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

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

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

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

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

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

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

1 fundraising events (i) for the benefit of private home
2 instruction or (ii) for which the fundraising entity
3 purchases the personal property sold at the events from
4 another individual or entity that sold the property for
5 the purpose of resale by the fundraising entity and that
6 profits from the sale to the fundraising entity. This
7 paragraph is exempt from the provisions of Section 2-70.

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

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

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

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

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

24 (38) Beginning on January 1, 2002 and through June 30,
25 2016, tangible personal property purchased from an
26 Illinois retailer by a taxpayer engaged in centralized

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

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

1 permit issued under Title IV of the Environmental
2 Protection Act. This paragraph is exempt from the
3 provisions of Section 2-70.

4 (40) Beginning January 1, 2010 and continuing through
5 December 31, 2029, materials, parts, equipment,
6 components, and furnishings incorporated into or upon an
7 aircraft as part of the modification, refurbishment,
8 completion, replacement, repair, or maintenance of the
9 aircraft. This exemption includes consumable supplies used
10 in the modification, refurbishment, completion,
11 replacement, repair, and maintenance of aircraft. However,
12 until January 1, 2024, this exemption excludes any
13 materials, parts, equipment, components, and consumable
14 supplies used in the modification, replacement, repair,
15 and maintenance of aircraft engines or power plants,
16 whether such engines or power plants are installed or
17 uninstalled upon any such aircraft. "Consumable supplies"
18 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
22 December 31, 2023, this exemption applies only to the sale
23 of qualifying tangible personal property to persons who
24 modify, refurbish, complete, replace, or maintain an
25 aircraft and who (i) hold an Air Agency Certificate and
26 are empowered to operate an approved repair station by the

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

21 The changes made to this paragraph (40) by Public Act
22 98-534 are declarative of existing law. It is the intent
23 of the General Assembly that the exemption under this
24 paragraph (40) applies continuously from January 1, 2010
25 through December 31, 2024; however, no claim for credit or
26 refund is allowed for taxes paid as a result of the

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

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

19 (42) Beginning January 1, 2017 and through December
20 31, 2026, menstrual pads, tampons, and menstrual cups.

21 (43) Merchandise that is subject to the Rental
22 Purchase Agreement Occupation and Use Tax. The purchaser
23 must certify that the item is purchased to be rented
24 subject to a rental-purchase ~~rental-purchase~~ agreement, as
25 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement
26 Act, and provide proof of registration under the Rental

1 Purchase Agreement Occupation and Use Tax Act. This
2 paragraph is exempt from the provisions of Section 2-70.

3 (44) 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
9 subcontractor of the owner, operator, or tenant. Data
10 centers that would have qualified for a certificate of
11 exemption prior to January 1, 2020 had Public Act 101-31
12 been in effect, may apply for and obtain an exemption for
13 subsequent purchases of computer equipment or enabling
14 software purchased or leased to upgrade, supplement, or
15 replace computer equipment or enabling software purchased
16 or leased in the original investment that would have
17 qualified.

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

24 For the purposes of this item (44):

25 "Data center" means a building or a series of
26 buildings rehabilitated or constructed to house

1 working servers in one physical location or multiple
2 sites within the State of Illinois.

3 "Qualified tangible personal property" means:
4 electrical systems and equipment; climate control and
5 chilling equipment and systems; mechanical systems and
6 equipment; monitoring and secure systems; emergency
7 generators; hardware; computers; servers; data storage
8 devices; network connectivity equipment; racks;
9 cabinets; telecommunications cabling infrastructure;
10 raised floor systems; peripheral components or
11 systems; software; mechanical, electrical, or plumbing
12 systems; battery systems; cooling systems and towers;
13 temperature control systems; other cabling; and other
14 data center infrastructure equipment and systems
15 necessary to operate qualified tangible personal
16 property, including fixtures; and component parts of
17 any of the foregoing, including installation,
18 maintenance, repair, refurbishment, and replacement of
19 qualified tangible personal property to generate,
20 transform, transmit, distribute, or manage electricity
21 necessary to operate qualified tangible personal
22 property; and all other tangible personal property
23 that is essential to the operations of a computer data
24 center. The term "qualified tangible personal
25 property" also includes building materials physically
26 incorporated into 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 (44) is exempt from the provisions of
6 Section 2-70.

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

24 (46) Beginning July 1, 2022, breast pumps, breast pump
25 collection and storage supplies, and breast pump kits.
26 This item (46) is exempt from the provisions of Section

1 2-70. As used in this item (46):

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

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

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

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

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

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

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

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

24 (Text of Section after amendment by P.A. 103-384)
25 Sec. 2-5. Exemptions. Gross receipts from proceeds from

1 the sale of the following tangible personal property are
2 exempt from the tax imposed by this Act:

3 (1) Farm chemicals.

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

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

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

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

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

17 This item (2) is exempt from the provisions of Section
18 2-70.

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

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

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

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

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

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

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

26 (9) Personal property sold to a not-for-profit arts or

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

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

22 (11) Except as otherwise provided in this Section,
23 personal property sold to a governmental body, to a
24 corporation, society, association, foundation, or
25 institution organized and operated exclusively for
26 charitable, religious, or educational purposes, or to a

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

12 (12) (Blank).

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

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

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

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

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

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

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

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

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

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

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

1 and including photoprocessing machinery and equipment
2 purchased for lease.

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

15 (22) Until June 30, 2013, fuel and petroleum products
16 sold to or used by an air 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
19 flight destined for or returning from a location or
20 locations outside the United States without regard to
21 previous or subsequent domestic stopovers.

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

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

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

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

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

1 prima facie evidence that the motor vehicle will not be
2 titled in this State.

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

1 the purchaser's state of residence if the purchaser titles
2 the vehicle in his or her state of residence within 30 days
3 after the date of sale. The tax collected under this Act in
4 accordance with this item (25-5) shall be proportionately
5 distributed as if the tax were collected at the 6.25%
6 general rate imposed under this Act.

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

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

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

20 (3) the seller retains in his or her books and
21 records and provides to the Department a signed and
22 dated certification from the purchaser, on a form
23 prescribed by the Department, certifying that the
24 requirements of this item (25-7) are met. The
25 certificate must also include the name and address of
26 the purchaser, the address of the location where the

1 aircraft is to be titled or registered, the address of
2 the primary physical location of the aircraft, and
3 other information that the Department may reasonably
4 require.

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

6 "Based in this State" means hangared, stored, or
7 otherwise used, excluding post-sale customizations as
8 defined in this Section, for 10 or more days in each
9 12-month period immediately following the date of the sale
10 of the aircraft.

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

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

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

20 (27) Horses, or interests in horses, registered with
21 and meeting the requirements of any of the Arabian Horse
22 Club Registry of America, Appaloosa Horse Club, American
23 Quarter Horse Association, United States Trotting
24 Association, or Jockey Club, as appropriate, used for
25 purposes of breeding or racing for prizes. This item (27)
26 is exempt from the provisions of Section 2-70, and the

1 exemption provided for under this item (27) applies for
2 all periods beginning May 30, 1995, but no claim for
3 credit or refund is allowed on or after January 1, 2008
4 (the effective date of Public Act 95-88) for such taxes
5 paid during the period beginning May 30, 2000 and ending
6 on January 1, 2008 (the effective date of Public Act
7 95-88).

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

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

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

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

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

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

24 (33) A motor vehicle, as that term is defined in
25 Section 1-146 of the Illinois Vehicle Code, that is
26 donated to a corporation, limited liability company,

1 society, association, foundation, or institution that is
2 determined by the Department to be organized and operated
3 exclusively for educational purposes. For purposes of this
4 exemption, "a corporation, limited liability company,
5 society, association, foundation, or institution organized
6 and operated exclusively for educational purposes" means
7 all tax-supported public schools, private schools that
8 offer systematic instruction in useful branches of
9 learning by methods common to public schools and that
10 compare favorably in their scope and intensity with the
11 course of study presented in tax-supported schools, and
12 vocational or technical schools or institutes organized
13 and operated exclusively to provide a course of study of
14 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 (34) Beginning January 1, 2000, personal property,
19 including food, purchased through fundraising events for
20 the benefit of a public or private elementary or secondary
21 school, a group of those schools, or one or more school
22 districts if the events are sponsored by an entity
23 recognized by the school district that consists primarily
24 of volunteers and includes parents and teachers of the
25 school children. This paragraph does not apply to
26 fundraising events (i) for the benefit of private home

1 instruction or (ii) for which the fundraising entity
2 purchases the personal property sold at the events from
3 another individual or entity that sold the property for
4 the purpose of resale by the fundraising entity and that
5 profits from the sale to the fundraising entity. This
6 paragraph is exempt from the provisions of Section 2-70.

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

18 (35-5) Beginning August 23, 2001 and through June 30,
19 2016, food for human consumption that is to be consumed
20 off the premises where it is sold (other than alcoholic
21 beverages, soft drinks, and food that has been prepared
22 for immediate consumption) and prescription and
23 nonprescription medicines, drugs, medical appliances, and
24 insulin, urine testing materials, syringes, and needles
25 used by diabetics, for human use, when purchased for use
26 by a person receiving medical assistance under Article V

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

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

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

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

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

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

1 Protection Act. This paragraph is exempt from the
2 provisions of Section 2-70.

3 (40) Beginning January 1, 2010 and continuing through
4 December 31, 2029, materials, parts, equipment,
5 components, and furnishings incorporated into or upon an
6 aircraft as part of the modification, refurbishment,
7 completion, replacement, repair, or maintenance of the
8 aircraft. This exemption includes consumable supplies used
9 in the modification, refurbishment, completion,
10 replacement, repair, and maintenance of aircraft. However,
11 until January 1, 2024, this exemption excludes any
12 materials, parts, equipment, components, and consumable
13 supplies used in the modification, replacement, repair,
14 and maintenance of aircraft engines or power plants,
15 whether such engines or power plants are installed or
16 uninstalled upon any such aircraft. "Consumable supplies"
17 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
21 December 31, 2023, this exemption applies only to the sale
22 of qualifying tangible personal property to persons who
23 modify, refurbish, complete, replace, or maintain an
24 aircraft and who (i) hold an Air Agency Certificate and
25 are empowered to operate an approved repair station by the
26 Federal Aviation Administration, (ii) have a Class IV

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

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

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

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

18 (42) Beginning January 1, 2017 and through December
19 31, 2026, menstrual pads, tampons, and menstrual cups.

20 (43) Merchandise that is subject to the Rental
21 Purchase Agreement Occupation and Use Tax. The purchaser
22 must certify that the item is purchased to be rented
23 subject to a rental-purchase ~~rental-purchase~~ agreement, as
24 defined in the Rental-Purchase ~~Rental-Purchase~~ Agreement
25 Act, and provide proof of registration under the Rental
26 Purchase Agreement Occupation and Use Tax Act. This

1 paragraph is exempt from the provisions of Section 2-70.

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

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

23 For the purposes of this item (44):

24 "Data center" means a building or a series of
25 buildings rehabilitated or constructed to house
26 working servers in one physical location or multiple

1 sites within the State of Illinois.

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

1 retailer must obtain from the purchaser a copy of the
2 certificate of eligibility issued by the Department of
3 Commerce and Economic Opportunity.

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

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

23 (46) Beginning July 1, 2022, breast pumps, breast pump
24 collection and storage supplies, and breast pump kits.
25 This item (46) is exempt from the provisions of Section
26 2-70. As used in this item (46):

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

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

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

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

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

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

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

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

1 for a period of not less than 6 years. "Armed forces of the
2 United States" means the United States Army, Navy, Air
3 Force, Marine Corps, or Coast Guard. This paragraph is
4 exempt from the provisions of Section 2-70.

5 (49) Beginning July 1, 2024, home-delivered meals
6 provided to Medicare or Medicaid recipients when payment
7 is made by an intermediary, such as a Medicare
8 Administrative Contractor, a Managed Care Organization, or
9 a Medicare Advantage Organization, pursuant to a
10 government contract. This paragraph (49) is exempt from
11 the provisions of Section 2-70.

12 (Source: P.A. 102-16, eff. 6-17-21; 102-634, eff. 8-27-21;
13 102-700, Article 70, Section 70-20, eff. 4-19-22; 102-700,
14 Article 75, Section 75-20, eff. 4-19-22; 102-813, eff.
15 5-13-22; 102-1026, eff. 5-27-22; 103-9, Article 5, Section
16 5-20, eff. 6-7-23; 103-9, Article 15, Section 15-20, eff.
17 6-7-23; 103-154, eff. 6-30-23; 103-384, eff. 1-1-24; revised
18 9-26-23.)

19 Section 95. No acceleration or delay. Where this Act makes
20 changes in a statute that is represented in this Act by text
21 that is not yet or no longer in effect (for example, a Section
22 represented by multiple versions), the use of that text does
23 not accelerate or delay the taking effect of (i) the changes
24 made by this Act or (ii) provisions derived from any other
25 Public Act.

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.