

1 AN ACT in relation to taxes.

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  
5 Section 3-5 as follows:

6 (35 ILCS 105/3-5) (from Ch. 120, par. 439.3-5)

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

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

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

19 (3) Personal property purchased by a not-for-profit arts  
20 or cultural organization that establishes, by proof required  
21 by the Department by rule, that it has received an exemption  
22 under Section 501(c)(3) of the Internal Revenue Code and that  
23 is organized and operated primarily for the presentation or  
24 support of arts or cultural programming, activities, or  
25 services. These organizations include, but are not limited  
26 to, music and dramatic arts organizations such as symphony  
27 orchestras and theatrical groups, arts and cultural service  
28 organizations, local arts councils, visual arts  
29 organizations, and media arts organizations. On and after the  
30 effective date of this amendatory Act of the 92nd General  
31 Assembly, however, an entity otherwise eligible for this

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

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

18 (5) A passenger car that is a replacement vehicle to the  
19 extent that the purchase price of the car is subject to the  
20 Replacement Vehicle Tax.

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

27 (7) Farm chemicals.

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

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

1           (10) A motor vehicle of the first division, a motor  
2 vehicle of the second division that is a self-contained motor  
3 vehicle designed or permanently converted to provide living  
4 quarters for recreational, camping, or travel use, with  
5 direct walk through to the living quarters from the driver's  
6 seat, or a motor vehicle of the second division that is of  
7 the van configuration designed for the transportation of not  
8 less than 7 nor more than 16 passengers, as defined in  
9 Section 1-146 of the Illinois Vehicle Code, that is used for  
10 automobile renting, as defined in the Automobile Renting  
11 Occupation and Use Tax Act.

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

31           Farm machinery and equipment shall include precision  
32 farming equipment that is installed or purchased to be  
33 installed on farm machinery and equipment including, but not  
34 limited to, tractors, harvesters, sprayers, planters,

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

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

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

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

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

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

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

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

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

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

31 (19) Personal property delivered to a purchaser or  
32 purchaser's donee inside Illinois when the purchase order for  
33 that personal property was received by a florist located  
34 outside Illinois who has a florist located inside Illinois

1 deliver the personal property.

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

4 (21) Horses, or interests in horses, registered with and  
5 meeting the requirements of any of the Arabian Horse Club  
6 Registry of America, Appaloosa Horse Club, American Quarter  
7 Horse Association, United States Trotting Association, or  
8 Jockey Club, as appropriate, used for purposes of breeding or  
9 racing for prizes.

10 (22) 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  
19 leased in a manner that does not qualify for this exemption  
20 or is used in any other non-exempt manner, the lessor shall  
21 be liable for the tax imposed under this Act or the Service  
22 Use Tax Act, as the case may be, based on the fair market  
23 value of the property at the time the non-qualifying use  
24 occurs. No lessor shall collect or attempt to collect an  
25 amount (however designated) that purports to reimburse that  
26 lessor for the tax imposed by this Act or the Service Use Tax  
27 Act, as the case may be, if the tax has not been paid by the  
28 lessor. If a lessor improperly collects any such amount from  
29 the lessee, the lessee shall have a legal right to claim a  
30 refund of that amount from the lessor. If, however, that  
31 amount is not refunded to the lessee for any reason, the  
32 lessor is liable to pay that amount to the Department.

33 (23) Personal property purchased by a lessor who leases  
34 the property, under a lease of one year or longer executed

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

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

30 (25) Beginning with taxable years ending on or after  
31 December 31, 1995 and ending with taxable years ending on or  
32 before December 31, 2004, personal property that is used in  
33 the performance of infrastructure repairs in this State,  
34 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  
7 located in the declared disaster area within 6 months after  
8 the disaster.

9 (26) Beginning July 1, 1999, game or game birds  
10 purchased at a "game breeding and hunting preserve area" or  
11 an "exotic game hunting area" as those terms are used in the  
12 Wildlife Code or at a hunting enclosure approved through  
13 rules adopted by the Department of Natural Resources. This  
14 paragraph is exempt from the provisions of Section 3-90.

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

34 (28) Beginning January 1, 2000, personal property,



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

14 (29) Beginning January 1, 2000, new or used automatic  
15 vending machines that prepare and serve hot food and  
16 beverages, including coffee, soup, and other items, and  
17 replacement parts for these machines. This paragraph is  
18 exempt from the provisions of Section 3-90.

19 (30) 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 for  
22 immediate consumption) and prescription and nonprescription  
23 medicines, drugs, medical appliances, and insulin, urine  
24 testing materials, syringes, and needles used by diabetics,  
25 for human use, when purchased for use by a person receiving  
26 medical assistance under Article 5 of the Illinois Public Aid  
27 Code who resides in a licensed long-term care facility, as  
28 defined in the Nursing Home Care Act.

29 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;  
30 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.  
31 7-20-99; 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644,  
32 eff. 8-20-99; 91-901, eff. 1-1-01.)

33 Section 10. The Service Use Tax Act is amended by

1 changing Section 3-5 as follows:

2 (35 ILCS 110/3-5) (from Ch. 120, par. 439.33-5)

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

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

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

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

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

1           (5) Graphic arts machinery and equipment, including  
2 repair and replacement parts, both new and used, and  
3 including that manufactured on special order or purchased for  
4 lease, certified by the purchaser to be used primarily for  
5 graphic arts production.

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

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

28           Farm machinery and equipment shall include precision  
29 farming equipment that is installed or purchased to be  
30 installed on farm machinery and equipment including, but not  
31 limited to, tractors, harvesters, sprayers, planters,  
32 seeders, or spreaders. Precision farming equipment includes,  
33 but is not limited to, soil testing sensors, computers,  
34 monitors, software, global positioning and mapping systems,

1 and other such equipment.

2 Farm machinery and equipment also includes computers,  
3 sensors, software, and related equipment used primarily in  
4 the computer-assisted operation of production agriculture  
5 facilities, equipment, and activities such as, but not  
6 limited to, the collection, monitoring, and correlation of  
7 animal and crop data for the purpose of formulating animal  
8 diets and agricultural chemicals. This item (7) is exempt  
9 from the provisions of Section 3-75.

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

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

26 (10) Oil field exploration, drilling, and production  
27 equipment, including (i) rigs and parts of rigs, rotary rigs,  
28 cable tool rigs, and workover rigs, (ii) pipe and tubular  
29 goods, including casing and drill strings, (iii) pumps and  
30 pump-jack units, (iv) storage tanks and flow lines, (v) any  
31 individual replacement part for oil field exploration,  
32 drilling, and production equipment, and (vi) machinery and  
33 equipment purchased for lease; but excluding motor vehicles  
34 required to be registered under the Illinois Vehicle Code.

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

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

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

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

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

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

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

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

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

6 (18) 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  
17 located in the declared disaster area within 6 months after  
18 the disaster.

19 (19) Beginning July 1, 1999, game or game birds  
20 purchased at a "game breeding and hunting preserve area" or  
21 an "exotic game hunting area" as those terms are used in the  
22 Wildlife Code or at a hunting enclosure approved through  
23 rules adopted by the Department of Natural Resources. This  
24 paragraph is exempt from the provisions of Section 3-75.

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

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

10 (21) ~~(20)~~ Beginning January 1, 2000, personal property,  
 11 including food, purchased through fundraising events for the  
 12 benefit of a public or private elementary or secondary  
 13 school, a group of those schools, or one or more school  
 14 districts if the events are sponsored by an entity recognized  
 15 by the school district that consists primarily of volunteers  
 16 and includes parents and teachers of the school children.  
 17 This paragraph does not apply to fundraising events (i) for  
 18 the benefit of private home instruction or (ii) for which the  
 19 fundraising entity purchases the personal property sold at  
 20 the events from another individual or entity that sold the  
 21 property for the purpose of resale by the fundraising entity  
 22 and that profits from the sale to the fundraising entity.  
 23 This paragraph is exempt from the provisions of Section 3-75.

24 (22) ~~(19)~~ Beginning January 1, 2000, new or used  
 25 automatic vending machines that prepare and serve hot food  
 26 and beverages, including coffee, soup, and other items, and  
 27 replacement parts for these machines. This paragraph is  
 28 exempt from the provisions of Section 3-75.

29 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;  
 30 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.  
 31 7-20-99; 91-439, eff. 8-6-99; 91-637, eff. 8-20-99; 91-644,  
 32 eff. 8-20-99; revised 9-29-99.)

33 Section 15. The Service Occupation Tax Act is amended by



1 changing Section 3-5 as follows:

2 (35 ILCS 115/3-5) (from Ch. 120, par. 439.103-5)

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

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

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

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

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

1           (5) Graphic arts machinery and equipment, including  
2 repair and replacement parts, both new and used, and  
3 including that manufactured on special order or purchased for  
4 lease, certified by the purchaser to be used primarily for  
5 graphic arts production.

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

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

28           Farm machinery and equipment shall include precision  
29 farming equipment that is installed or purchased to be  
30 installed on farm machinery and equipment including, but not  
31 limited to, tractors, harvesters, sprayers, planters,  
32 seeders, or spreaders. Precision farming equipment includes,  
33 but is not limited to, soil testing sensors, computers,  
34 monitors, software, global positioning and mapping systems,

1 and other such equipment.

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

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

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

25 (10) Oil field exploration, drilling, and production  
26 equipment, including (i) rigs and parts of rigs, rotary rigs,  
27 cable tool rigs, and workover rigs, (ii) pipe and tubular  
28 goods, including casing and drill strings, (iii) pumps and  
29 pump-jack units, (iv) storage tanks and flow lines, (v) any  
30 individual replacement part for oil field exploration,  
31 drilling, and production equipment, and (vi) machinery and  
32 equipment purchased for lease; but excluding motor vehicles  
33 required to be registered under the Illinois Vehicle Code.

34 (11) Photoprocessing machinery and equipment, including

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

6 (12) Coal exploration, mining, offhighway hauling,  
7 processing, maintenance, and reclamation equipment, including  
8 replacement parts and equipment, and including equipment  
9 purchased for lease, but excluding motor vehicles required to  
10 be registered under the Illinois Vehicle Code.

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

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  
27 Jockey Club, as appropriate, used for purposes of breeding or  
28 racing for prizes.

29 (16) Computers and communications equipment utilized for  
30 any hospital purpose and equipment used in the diagnosis,  
31 analysis, or treatment of hospital patients sold to a lessor  
32 who leases the equipment, under a lease of one year or longer  
33 executed or in effect at the time of the purchase, to a  
34 hospital that has been issued an active tax exemption

1 identification number by the Department under Section 1g of  
2 the Retailers' Occupation Tax Act.

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

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

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

32 (20) Beginning July 1, 1999, game or game birds sold at  
33 a "game breeding and hunting preserve area" or an "exotic  
34 game hunting area" as those terms are used in the Wildlife

1 Code or at a hunting enclosure approved through rules adopted  
2 by the Department of Natural Resources. This paragraph is  
3 exempt from the provisions of Section 3-55.

4 (21) ~~(20)~~ A motor vehicle, as that term is defined in  
5 Section 1-146 of the Illinois Vehicle Code, that is donated  
6 to a corporation, limited liability company, society,  
7 association, foundation, or institution that is determined by  
8 the 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  
20 prepare individuals to follow a trade or to pursue a manual,  
21 technical, mechanical, industrial, business, or commercial  
22 occupation.

23 (22) ~~(21)~~ 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  
26 school, a group of those schools, or one or more school  
27 districts if the events are sponsored by an entity recognized  
28 by the school district that consists primarily of volunteers  
29 and includes parents and teachers of the school children.  
30 This paragraph does not apply to fundraising events (i) for  
31 the benefit of private home instruction or (ii) for which the  
32 fundraising entity purchases the personal property sold at  
33 the events from another individual or entity that sold the  
34 property for the purpose of resale by the fundraising entity

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

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

8 (Source: P.A. 90-14, eff. 7-1-97; 90-552, eff. 12-12-97;  
9 90-605, eff. 6-30-98; 91-51, eff. 6-30-99; 91-200, eff.  
10 7-20-99; 91-439, eff. 8-6-99; 91-533, eff. 8-13-99; 91-637,  
11 eff. 8-20-99; 91-644, eff. 8-20-99; revised 9-29-99.)

12 Section 20. The Retailers' Occupation Tax Act is amended  
13 by changing Sections 1g and 2-5 as follows:

14 (35 ILCS 120/1g) (from Ch. 120, par. 440g)

15 Sec. 1g. Application for exemption identification  
16 number. On or before December 31, 1986, except as  
17 hereinafter provided, each entity otherwise eligible under  
18 exemption (11) of Section 2-5 of this Act and on and after  
19 the effective date of this amendatory Act of the 92nd General  
20 Assembly each entity otherwise eligible under exemption (9)  
21 of Section 2-5 of this Act shall make application to the  
22 Department for an exemption identification number. In the  
23 case of a corporation, society, association, foundation, or  
24 institution organized and operated exclusively for charitable  
25 purposes and that has more than 50 subsidiary organizations  
26 in Illinois, the Department, in its sole discretion, may  
27 issue one exemption identification number to be used by the  
28 parent organization and each subsidiary organization.

29 Each exemption identification number or renewal number  
30 shall be valid for 5 years after the first day of the month  
31 following the month of issuance. Not less than 3 months  
32 before the expiration date, an application for renewal shall

1 be filed.

2 Each application for an exemption identification number  
3 or a renewal number shall contain information and be  
4 accompanied by documentation as shall be requested by the  
5 Department.

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

7 (35 ILCS 120/2-5) (from Ch. 120, par. 441-5)

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

11 (1) Farm chemicals.

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

31 Farm machinery and equipment shall include precision  
32 farming equipment that is installed or purchased to be  
33 installed on farm machinery and equipment including, but not



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

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

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

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

25 (5) A motor vehicle of the first division, a motor  
26 vehicle of the second division that is a self-contained motor  
27 vehicle designed or permanently converted to provide living  
28 quarters for recreational, camping, or travel use, with  
29 direct walk through access to the living quarters from the  
30 driver's seat, or a motor vehicle of the second division that  
31 is of the van configuration designed for the transportation  
32 of not less than 7 nor more than 16 passengers, as defined in  
33 Section 1-146 of the Illinois Vehicle Code, that is used for  
34 automobile renting, as defined in the Automobile Renting

1 Occupation and Use Tax Act.

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

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

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

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

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

33 (11) Personal property sold to a governmental body, to a  
34 corporation, society, association, foundation, or institution

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (25) A motor vehicle sold in this State to a nonresident

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

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

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

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

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

32 (30) Beginning with taxable years ending on or after  
33 December 31, 1995 and ending with taxable years ending on or  
34 before December 31, 2004, personal property that is donated

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

8 (31) 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  
19 located in the declared disaster area within 6 months after  
20 the disaster.

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

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

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

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

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

31 (Source: P.A. 90-14, eff. 7-1-97; 90-519, eff. 6-1-98;  
32 90-552, eff. 12-12-97; 90-605, eff. 6-30-98; 91-51, eff.  
33 6-30-99; 91-200, eff. 7-20-99; 91-439, eff. 8-6-99; 91-533,  
34 eff. 8-13-99; 91-637, eff. 8-20-99; 91-644, eff. 8-20-99;



1 revised 9-28-99.)

2 Section 99. Effective date. This Act takes effect on

3 July 1, 2001.