



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB5993

by Rep. David A. Welter

#### SYNOPSIS AS INTRODUCED:

New Act

35 ILCS 105/3-5

35 ILCS 120/2-5

35 ILCS 155/2

35 ILCS 155/3

625 ILCS 27/10

from Ch. 120, par. 1702

from Ch. 120, par. 1703

Creates the Peer-to-Peer Car Sharing Program Act. Includes provisions regarding: definitions; insurance; disclosure; responsibilities; safety recalls; and Uniform Traffic Citations. Denies home rule powers. Makes corresponding changes in the Use Tax Act, the Retailers' Occupation Tax Act, the Automobile Renting Occupation and Use Tax Act, and the Renter's Financial Responsibility and Protection Act. Effective immediately.

LRB100 24257 LNS 43499 b

FISCAL NOTE ACT  
MAY APPLY

HOME RULE NOTE  
ACT MAY APPLY

1 AN ACT concerning transportation.

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

4 Section 1. Short title. This Act may be cited as the  
5 Peer-to-Peer Car Sharing Program Act.

6 Section 5. Definitions. As used in this Act:

7 "Car sharing delivery period" means the period during which  
8 a shared vehicle is being delivered to the location of the car  
9 sharing start time, if applicable, as documented by the  
10 governing car sharing program agreement.

11 "Car sharing period" means the period that commences with  
12 the car sharing delivery period or, if there is no car sharing  
13 delivery period, that commences with the car sharing start time  
14 and in either case ends at the car sharing termination time.

15 "Car sharing program agreement" means the terms and  
16 conditions applicable to a shared vehicle owner and a shared  
17 vehicle driver that govern the use of a shared vehicle through  
18 a peer-to-peer car sharing program.

19 "Car sharing start time" means the time when the shared  
20 vehicle becomes subject to the control of the shared vehicle  
21 driver at or after the time the reservation of a shared vehicle  
22 is scheduled to begin as documented in the records of a  
23 peer-to-peer car sharing program.

1 "Car sharing termination time" means the earliest  
2 occurring event of the following:

3 (i) the expiration of the agreed period established for  
4 the use of a shared vehicle in the governing car sharing  
5 program agreement;

6 (ii) the intent to terminate the use of the shared  
7 vehicle is verifiably communicated by the shared vehicle  
8 driver to the shared vehicle owner using the peer-to-peer  
9 car sharing program; or

10 (iii) the shared vehicle owner or the shared vehicle  
11 owner's authorized designee takes possession and control  
12 of the shared vehicle.

13 "Motor vehicle" means a passenger car as defined in Section  
14 1-157 of the Illinois Vehicle Code.

15 "Peer-to-peer car sharing" means the authorized use of a  
16 motor vehicle by an individual other than the vehicle's owner  
17 through a peer-to-peer car sharing program.

18 "Peer-to-peer car sharing program" means a business  
19 platform that connects vehicle owners with drivers to enable  
20 the sharing of motor vehicles for financial consideration.

21 "Shared vehicle" means a motor vehicle that is available  
22 for sharing through a peer-to-peer car sharing program.

23 "Shared vehicle driver" means an individual who has been  
24 authorized to drive the shared vehicle by the shared vehicle  
25 owner under a car sharing program agreement.

26 "Shared vehicle owner" means the registered owner of a

1 vehicle made available for sharing to shared vehicle drivers  
2 through a peer-to-peer car sharing program.

3 Section 10. Insurance.

4 (a) Except as provided in this subsection, a peer-to-peer  
5 car sharing program shall assume the liability of a shared  
6 vehicle owner for any bodily injury or property damage to third  
7 parties or uninsured and underinsured motorist or personal  
8 injury protection losses during the car sharing period in an  
9 amount stated in the car sharing program agreement which amount  
10 may not be less than those set forth in Section 7-203 of the  
11 Illinois Insurance Code.

12 The assumption of liability under this subsection does not  
13 apply if the shared vehicle owner made an intentional or  
14 fraudulent material misrepresentation to the peer-to-peer car  
15 sharing program before the car sharing period in which the loss  
16 occurred.

17 (b) Nothing in subsection (a) limits:

18 (1) the liability of the peer-to-peer car sharing  
19 program for any act or omission of the peer-to-peer car  
20 sharing program itself that results in injury to any person  
21 as a result of the use of a shared vehicle through a  
22 peer-to-peer car sharing program; or

23 (2) the ability of the peer-to-peer car sharing program  
24 to, by contract, seek indemnification from the shared  
25 vehicle owner or the shared vehicle driver for economic

1           loss sustained by the peer-to-peer car sharing program  
2           resulting from a breach of the terms and conditions of the  
3           car sharing program agreement.

4           (c) At the time a vehicle owner registers as a shared  
5           vehicle owner on a peer-to-peer car sharing program and before  
6           the shared vehicle owner makes a shared vehicle available for  
7           car sharing on the peer-to-peer car sharing program, the  
8           peer-to-peer car sharing program shall notify the shared  
9           vehicle owner that, if the shared vehicle has a lien against  
10          it, the use of the shared vehicle through a peer-to-peer car  
11          sharing program, including use without physical damage  
12          coverage, may violate the terms of the contract with the  
13          lienholder.

14          (d) A peer-to-peer car sharing program shall ensure that,  
15          during each car sharing period, the shared vehicle owner and  
16          the shared vehicle driver are insured under a motor vehicle  
17          liability insurance policy that:

18                 (1) recognizes that the vehicle insured under the  
19                 policy is made available and used through a peer-to-peer  
20                 car sharing program; and

21                 (2) provides insurance coverage in amounts no less than  
22                 the minimum amounts set forth in Section 7-203 of the  
23                 Illinois Insurance Code.

24          (e) The insurance described under subsection (d) of this  
25          Section may be satisfied by motor vehicle liability insurance  
26          maintained by:

- 1 (1) a shared vehicle owner;
- 2 (2) a shared vehicle driver;
- 3 (3) a peer-to-peer car sharing program; or
- 4 (4) both a shared vehicle owner, a shared vehicle
- 5 driver, and a peer-to-peer car sharing program.

6 The insurance described in this subsection that is  
7 satisfying the insurance requirement of subsection (d) shall be  
8 primary during each car sharing period.

9 (f) An authorized insurer that writes motor vehicle  
10 liability insurance in this State may exclude any and all  
11 coverage and the duty to defend or indemnify for any claim  
12 afforded under a shared vehicle owner's personal motor vehicle  
13 liability insurance policy. Nothing in this Act invalidates or  
14 limits an exclusion contained in a motor vehicle liability  
15 insurance policy, including any insurance policy in use or  
16 approved for use that excludes coverage for motor vehicles made  
17 available for rent, sharing, or hire or for any business use.

18 (g) No policy of personal private passenger automobile  
19 liability insurance shall be canceled, voided, terminated,  
20 rescinded, or nonrenewed solely on the basis that the vehicle  
21 has been made available for car sharing pursuant to a  
22 peer-to-peer car sharing program that is in compliance with the  
23 provisions of this Section.

24 (h) A peer-to-peer car sharing program shall collect and  
25 verify records pertaining to the use of a vehicle, including,  
26 but not limited to, times used, fees paid by the shared vehicle

1 driver, and revenues received by the shared vehicle owner and  
2 provide that information upon request to the shared vehicle  
3 owner, the shared vehicle owner's insurer, or the shared  
4 vehicle driver's insurer to facilitate a claim coverage  
5 investigation. The peer-to-peer car sharing program shall  
6 retain the records for a period not less than the applicable  
7 personal injury statute of limitations.

8 (i) A peer-to-peer car sharing program and a shared vehicle  
9 owner is exempt from vicarious liability in accordance with 49  
10 U.S.C. 30106 and under any State or local law that imposes  
11 liability solely based on vehicle ownership.

12 (j) A motor vehicle insurer that defends or indemnifies a  
13 claim against a shared vehicle that is excluded under the terms  
14 of its policy shall have the right to seek contribution against  
15 the motor vehicle insurer of the peer-to-peer car sharing  
16 program if the claim is:

17 (1) made against the shared vehicle owner or the shared  
18 vehicle driver for loss or injury that occurs during the  
19 car sharing period; and

20 (2) excluded under the terms of its policy.

21 (k) Notwithstanding any other law, statute, rule, or  
22 regulation to the contrary, a peer-to-peer car sharing program  
23 shall have an insurable interest in a shared vehicle during the  
24 car sharing period.

25 Section 15. Disclosure. Each car sharing program agreement

1 made in this State shall disclose to the shared vehicle owner  
2 and the shared vehicle driver:

3 (1) any right of the peer-to-peer car sharing program to  
4 seek indemnification from the shared vehicle owner or the  
5 shared vehicle driver for economic loss sustained by the  
6 peer-to-peer car sharing program resulting from a breach of the  
7 terms and conditions of the car sharing program agreement;

8 (2) that a motor vehicle liability insurance policy issued  
9 to the shared vehicle owner for the shared vehicle or to the  
10 shared vehicle driver does not provide a defense or  
11 indemnification for any claim asserted by the peer-to-peer car  
12 sharing program;

13 (3) that the peer-to-peer car sharing program's insurance  
14 coverage on the shared vehicle owner and the shared vehicle  
15 driver is in effect only during each car sharing period and  
16 that, for any use of the shared vehicle by the shared vehicle  
17 driver after the car sharing termination time, the shared  
18 vehicle driver and the shared vehicle owner should contact the  
19 shared vehicle driver's or the shared vehicle owner's insurer  
20 regarding insurance coverage;

21 (4) the daily rate, fees, and if applicable, any insurance  
22 or protection package costs that are charged to the shared  
23 vehicle owner or the shared vehicle driver.

24 (5) that the shared vehicle owner's motor vehicle liability  
25 insurance may not provide coverage for a shared vehicle.

26 (6) an emergency telephone number to personnel capable of



1 fielding roadside assistance and other customer service  
2 inquiries.

3 Section 20. Responsibilities.

4 (a) A peer-to-peer car sharing program may not enter into a  
5 car sharing program agreement authorizing an individual to be a  
6 shared vehicle driver unless the individual is duly licensed  
7 under Chapter 6 of the Illinois Vehicle Code or, in the case of  
8 a nonresident, then duly licensed under the laws of the State  
9 or country of the individual's residence unless the State or  
10 country of his residence does not require that a driver be  
11 licensed.

12 (b) A peer-to-peer car sharing program shall keep a record  
13 of the registration number of the shared vehicle, the name and  
14 address of the shared vehicle driver, the number of the  
15 driver's license, if any, of the shared vehicle driver, and the  
16 date and place when and where the license, if any, was issued.  
17 Such record shall be open to inspection by any officer or  
18 designated agent of the Secretary of State.

19 (c) A peer-to-peer car sharing program shall have sole  
20 responsibility for any equipment, such as a GPS system or other  
21 special equipment that is put in or on the vehicle to monitor  
22 or facilitate the car sharing transaction, and shall agree to  
23 indemnify and hold harmless the vehicle owner for any damage to  
24 or theft of such equipment during the sharing period not caused  
25 by the vehicle owner. The peer-to-peer car sharing program has

1 the right to seek indemnity from the shared vehicle driver for  
2 any loss or damage to such equipment that occurs during the  
3 sharing period.

4 Section 25. Safety recalls.

5 (a) At the time when a vehicle owner registers as a shared  
6 vehicle owner on a peer-to-peer car sharing program and prior  
7 to the time when the shared vehicle owner makes a shared  
8 vehicle available for car sharing on the peer-to-peer car  
9 sharing program, the peer-to-peer car sharing program shall:

10 (1) verify that the shared vehicle does not have any  
11 safety recalls on the vehicle for which the repairs have  
12 not been made; and

13 (2) notify the shared vehicle owner of the requirements  
14 under subsection (b) of this Section.

15 (b) If the shared vehicle owner has received an actual  
16 notice of a safety recall on the vehicle, a shared vehicle  
17 owner may not make a vehicle available as a shared vehicle on a  
18 peer-to-peer car sharing program until the safety recall repair  
19 has been made.

20 (c) If a shared vehicle owner receives an actual notice of  
21 a safety recall on a shared vehicle while the shared vehicle is  
22 made available on the peer-to-peer car sharing program, the  
23 shared vehicle owner shall remove the shared vehicle as  
24 available on the peer-to-peer car sharing program, as soon as  
25 practicably possible but no later than 72 hours after receiving

1 the notice of the safety recall and until the safety recall  
2 repair has been made.

3 (d) If a shared vehicle owner receives an actual notice of  
4 a safety recall while the shared vehicle is being used in the  
5 possession of a shared vehicle driver, as soon as practicably  
6 possible but no later than 72 hours after receiving the notice  
7 of the safety recall, the shared vehicle owner shall notify the  
8 peer-to-peer car sharing program about the safety recall so  
9 that the shared vehicle owner may address the safety recall  
10 repair.

11 Section 30. Uniform Traffic Citations.

12 (a) A Uniform Traffic Citation issued under the Automated  
13 Traffic Control Systems in Highway Construction or Maintenance  
14 Zones Act to a peer-to-peer car sharing program, or, shared  
15 vehicle owner, shall be dismissed with respect to the  
16 peer-to-peer car sharing program, or, shared vehicle owner, if:

17 (1) the peer-to-peer car sharing program, or, shared  
18 vehicle owner responds to the Uniform Traffic Citation by  
19 submitting, within 30 days of the mailing of the citation,  
20 an affidavit of non-liability stating that, at the time of  
21 the alleged speeding or other traffic violation, the  
22 vehicle was in the custody and control of a shared vehicle  
23 driver under the terms of a car sharing program agreement;  
24 and

25 (2) the driver's license number, name, and last known

1 address of the shared driver is provided.

2 (b) A Uniform Traffic Citation dismissed with respect to a  
3 peer-to-peer car sharing program, or, shared vehicle owner in  
4 accordance with subsection (a) may then be issued and delivered  
5 by mail or other means to the shared vehicle driver identified  
6 in the affidavit of non-liability.

7 Section 35. The Use Tax Act is amended by changing Section  
8 3-5 as follows:

9 (35 ILCS 105/3-5)

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

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

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

22 (3) Personal property purchased by a not-for-profit arts or  
23 cultural organization that establishes, by proof required by  
24 the Department by rule, that it has received an exemption under

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

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

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

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

17           (7) Farm chemicals.

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

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

25           (10) A motor vehicle that is:

26           (a) used for automobile renting, as defined in the

1 Automobile Renting Occupation and Use Tax Act; ~~or~~

2 (b) used exclusively for peer-to-peer car sharing, as  
3 defined in Peer-to-Peer Car Sharing Program Act, if at the  
4 time of purchase, the purchaser makes a formal election to  
5 obtain the tax exemption set forth in this paragraph.

6 Notwithstanding any law, rule, or regulation to the  
7 contrary, any person who elects to accept the tax exemption set  
8 forth in this paragraph thereby irrevocably elects that all  
9 proceeds from the use of the vehicle in automobile renting, as  
10 defined in the Automobile Renting Occupation and Use Tax Act,  
11 or peer-to-peer car sharing, as defined in the Peer-to-Peer Car  
12 Sharing Program Act, are subject to taxation pursuant to:

13 (i) the Retailers' Occupation Tax Act;

14 (ii) the Home Rule County Use Tax Law;

15 (iii) the County Automobile Renting Occupation Tax  
16 Law;

17 (iv) the County Automobile Renting Use Tax Law;

18 (v) the Municipal Automobile Renting Occupation  
19 Tax Act;

20 (vi) the Municipal Automobile Renting Use Tax Act;

21 (vii) Section 13 of the Metropolitan Pier and  
22 Exposition Authority Act;

23 (viii) Section 5.02 of the Local Mass Transit  
24 District Act; and

25 (ix) Section 4.03.1 of the Regional Transportation  
26 Authority Act.

1       A person electing to obtain the exemption set forth in this  
2 paragraph (10) shall annually confirm in writing to the  
3 Department of Revenue that the vehicle is used in automobile  
4 renting, as defined in the Automobile Renting Occupation and  
5 Use Tax Act, or used exclusively for peer-to-peer car sharing,  
6 as defined in the Peer-to-Peer Car Sharing Program Act.

7       The Department of Revenue is authorized to engage in audit,  
8 assessment, and other enforcement activities to ensure  
9 compliance with this paragraph (10).

10       The Department of Revenue is authorized to adopt any other  
11 rules, policies, and procedures to enforce this paragraph (10).

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



1 boxes shall include units sold separately from a motor vehicle  
2 required to be licensed and units sold mounted on a motor  
3 vehicle required to be licensed if the selling price of the  
4 tender is separately stated.

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

13 Farm machinery and equipment also includes computers,  
14 sensors, software, and related equipment used primarily in the  
15 computer-assisted operation of production agriculture  
16 facilities, equipment, and activities such as, but not limited  
17 to, the collection, monitoring, and correlation of animal and  
18 crop data for the purpose of formulating animal diets and  
19 agricultural chemicals. This item (11) is exempt from the  
20 provisions of Section 3-90.

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

1 stopovers.

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

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

20 (14) Until July 1, 2003, oil field exploration, drilling,  
21 and production equipment, including (i) rigs and parts of rigs,  
22 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
23 tubular goods, including casing and drill strings, (iii) pumps  
24 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
25 individual replacement part for oil field exploration,  
26 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 that  
5 manufactured on special order, certified by the purchaser to be  
6 used primarily for photoprocessing, and including  
7 photoprocessing machinery and equipment purchased for lease.

8 (16) Until July 1, 2023, coal and aggregate exploration,  
9 mining, off-highway hauling, processing, maintenance, and  
10 reclamation equipment, including replacement parts and  
11 equipment, and including equipment purchased for lease, but  
12 excluding motor vehicles required to be registered under the  
13 Illinois Vehicle Code. The changes made to this Section by  
14 Public Act 97-767 apply on and after July 1, 2003, but no claim  
15 for credit or refund is allowed on or after August 16, 2013  
16 (the effective date of Public Act 98-456) for such taxes paid  
17 during the period beginning July 1, 2003 and ending on August  
18 16, 2013 (the effective date of Public Act 98-456).

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

25 (18) Manufacturing and assembling machinery and equipment  
26 used primarily in the process of manufacturing or assembling

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

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

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

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

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

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

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

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

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

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

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

5           (27) A motor vehicle, as that term is defined in Section  
6 1-146 of the Illinois Vehicle Code, that is donated to a  
7 corporation, limited liability company, society, association,  
8 foundation, or institution that is determined by the Department  
9 to be organized and operated exclusively for educational  
10 purposes. For purposes of this exemption, "a corporation,  
11 limited liability company, society, association, foundation,  
12 or institution organized and operated exclusively for  
13 educational purposes" means all tax-supported public schools,  
14 private schools that offer systematic instruction in useful  
15 branches of learning by methods common to public schools and  
16 that compare favorably in their scope and intensity with the  
17 course of study presented in tax-supported schools, and  
18 vocational or technical schools or institutes organized and  
19 operated exclusively to provide a course of study of not less  
20 than 6 weeks duration and designed to prepare individuals to  
21 follow a trade or to pursue a manual, technical, mechanical,  
22 industrial, business, or commercial 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 other  
14 items, and replacement parts for these machines. Beginning  
15 January 1, 2002 and through June 30, 2003, machines and parts  
16 for machines used in commercial, coin-operated amusement and  
17 vending business if a use or occupation tax is paid on the  
18 gross receipts derived from the use of the commercial,  
19 coin-operated amusement and vending machines. This paragraph  
20 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, soft  
24 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 the  
17 Retailers' Occupation Tax Act. If the equipment is leased in a  
18 manner that does not qualify for this exemption or is used in  
19 any other nonexempt manner, the lessor shall be liable for the  
20 tax imposed under this Act or the Service Use Tax Act, as the  
21 case may be, based on the fair market value of the property at  
22 the time the nonqualifying use occurs. No lessor shall collect  
23 or attempt to collect an amount (however designated) that  
24 purports to reimburse that lessor for the tax imposed by this  
25 Act or the Service Use Tax Act, as the case may be, if the tax  
26 has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall have  
2 a legal right to claim a refund of that amount from the lessor.  
3 If, however, that amount is not refunded to the lessee for any  
4 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 who  
9 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 the  
14 Retailers' Occupation Tax Act. If the property is leased in a  
15 manner that does not qualify for this exemption or used in any  
16 other nonexempt 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 nonqualifying use occurs. No lessor shall collect or  
20 attempt to collect an amount (however designated) that purports  
21 to reimburse that lessor for the tax imposed by this Act or the  
22 Service Use Tax Act, as the case may be, if the tax has not been  
23 paid by the lessor. If a lessor improperly collects any such  
24 amount from the lessee, the lessee shall have a legal right to  
25 claim a refund of that amount from the lessor. If, however,  
26 that amount is not refunded to the lessee for any reason, the

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

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

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

1 Title IV of the Environmental Protection Act. This paragraph is  
2 exempt from the provisions of Section 3-90.

3 (35) Beginning January 1, 2010, materials, parts,  
4 equipment, components, and furnishings incorporated into or  
5 upon an aircraft as part of the modification, refurbishment,  
6 completion, replacement, repair, or maintenance of the  
7 aircraft. This exemption includes consumable supplies used in  
8 the modification, refurbishment, completion, replacement,  
9 repair, and maintenance of aircraft, but excludes any  
10 materials, parts, equipment, components, and consumable  
11 supplies used in the modification, replacement, repair, and  
12 maintenance of aircraft engines or power plants, whether such  
13 engines or power plants are installed or uninstalled upon any  
14 such aircraft. "Consumable supplies" include, but are not  
15 limited to, adhesive, tape, sandpaper, general purpose  
16 lubricants, cleaning solution, latex gloves, and protective  
17 films. This exemption applies only to the use of qualifying  
18 tangible personal property by persons who modify, refurbish,  
19 complete, repair, replace, or maintain aircraft and who (i)  
20 hold an Air Agency Certificate and are empowered to operate an  
21 approved repair station by the Federal Aviation  
22 Administration, (ii) have a Class IV Rating, and (iii) conduct  
23 operations in accordance with Part 145 of the Federal Aviation  
24 Regulations. The exemption does not include aircraft operated  
25 by a commercial air carrier providing scheduled passenger air  
26 service pursuant to authority issued under Part 121 or Part 129

1 of the Federal Aviation Regulations. The changes made to this  
2 paragraph (35) by Public Act 98-534 are declarative of existing  
3 law.

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

18 (37) Beginning January 1, 2017, menstrual pads, tampons,  
19 and menstrual cups.

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

1 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
2 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; 100-594, eff.  
3 6-29-18; 100-863, eff. 8-14-18.)

4 Section 40. The Retailers' Occupation Tax Act is amended by  
5 changing Section 2-5 as follows:

6 (35 ILCS 120/2-5)

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

10 (1) Farm chemicals.

11 (2) Farm machinery and equipment, both new and used,  
12 including that manufactured on special order, certified by  
13 the purchaser to be used primarily for production  
14 agriculture or State or federal agricultural programs,  
15 including individual replacement parts for the machinery  
16 and equipment, including machinery and equipment purchased  
17 for lease, and including implements of husbandry defined in  
18 Section 1-130 of the Illinois Vehicle Code, farm machinery  
19 and agricultural chemical and fertilizer spreaders, and  
20 nurse wagons required to be registered under Section 3-809  
21 of the Illinois Vehicle Code, but excluding other motor  
22 vehicles required to be registered under the Illinois  
23 Vehicle Code. Horticultural polyhouses or hoop houses used  
24 for propagating, growing, or overwintering plants shall be

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

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

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

23 (3) Until July 1, 2003, distillation machinery and  
24 equipment, sold as a unit or kit, assembled or installed by  
25 the retailer, certified by the user to be used only for the  
26 production of ethyl alcohol that will be used for



1 consumption as motor fuel or as a component of motor fuel  
2 for the personal use of the user, and not subject to sale  
3 or resale.

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

17 (5) A motor vehicle that is used:

18 (i) for automobile renting, as defined in the  
19 Automobile Renting Occupation and Use Tax Act; or

20 (ii) exclusively for peer-to-peer car sharing as  
21 defined in the Peer-to-Peer Car Sharing Program Act, if  
22 at the time of purchase, the purchaser makes a formal  
23 election to obtain the tax exemption set forth in this  
24 paragraph (5).

25 Notwithstanding any law, rule, or regulation to the  
26 contrary, any person who elects to accept the tax exemption set

1 forth in this Section thereby irrevocably elects that all  
2 proceeds from the use of the vehicle in automobile renting, as  
3 defined in the Automobile Renting Occupation and Use Tax Act,  
4 or peer-to-peer car sharing, as defined in the Peer-to-Peer Car  
5 Sharing Program Act, are subject to taxation pursuant to:

6 (i) the Retailers' Occupation Tax Act;

7 (ii) the Home Rule County Use Tax Law;

8 (iii) the County Automobile Renting Occupation Tax  
9 Law;

10 (iv) the County Automobile Renting Use Tax Law;

11 (v) the Municipal Automobile Renting Occupation  
12 Tax Act;

13 (vi) the Municipal Automobile Renting Use Tax Act;

14 (vii) Section 13 of the Metropolitan Pier and  
15 Exposition Authority Act;

16 (viii) Section 5.02 of the Local Mass Transit  
17 District Act; and

18 (ix) Section 4.03.1 of the Regional Transportation  
19 Authority Act.

20 This paragraph is exempt from the provisions of Section  
21 2-70.

22 A person electing to obtain the exemption set forth in this  
23 paragraph (5) shall annually confirm in writing to the  
24 Department of Revenue that the vehicle is used in automobile  
25 renting, as defined in the Automobile Renting Occupation and  
26 Use Tax Act, or exclusively used for peer-to-peer car sharing,

1 as defined in the Peer-to-Peer Car Sharing Program Act.

2 The Department of Revenue is authorized to engage in audit,  
3 assessment, and other enforcement activities to ensure  
4 compliance with this paragraph (5).

5 The Department of Revenue is authorized to adopt any other  
6 rules, policies, and procedures to enforce this paragraph (5).

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

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

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

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

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

5 (10) Personal property sold by a corporation, society,  
6 association, foundation, institution, or organization,  
7 other than a limited liability company, that is organized  
8 and 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  
11 purpose of resale by the enterprise.

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

1 (12) (Blank).

2 (12-5) On and after July 1, 2003 and through June 30,  
3 2004, motor vehicles of the second division with a gross  
4 vehicle weight in excess of 8,000 pounds that are subject  
5 to the commercial distribution fee imposed under Section  
6 3-815.1 of the Illinois Vehicle Code. Beginning on July 1,  
7 2004 and through June 30, 2005, the use in this State of  
8 motor vehicles of the second division: (i) with a gross  
9 vehicle weight rating in excess of 8,000 pounds; (ii) that  
10 are subject to the commercial distribution fee imposed  
11 under Section 3-815.1 of the Illinois Vehicle Code; and  
12 (iii) that are primarily used for commercial purposes.  
13 Through June 30, 2005, this exemption applies to repair and  
14 replacement parts added after the initial purchase of such  
15 a motor vehicle if that motor vehicle is used in a manner  
16 that would qualify for the rolling stock exemption  
17 otherwise provided for in this Act. For purposes of this  
18 paragraph, "used for commercial purposes" means the  
19 transportation of persons or property in furtherance of any  
20 commercial or industrial enterprise whether for-hire or  
21 not.

22 (13) Proceeds from sales to owners, lessors, or  
23 shippers of tangible personal property that is utilized by  
24 interstate carriers for hire for use as rolling stock  
25 moving in interstate commerce and equipment operated by a  
26 telecommunications provider, licensed as a common carrier

1 by the Federal Communications Commission, which is  
2 permanently installed in or affixed to aircraft moving in  
3 interstate commerce.

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

1 limited to, graphic arts machinery and equipment, as  
2 defined in paragraph (4) of this Section.

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

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

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

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

26 (19) Until July 1, 2003, oil field exploration,

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

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

16 (21) Until July 1, 2023, coal and aggregate  
17 exploration, mining, off-highway hauling, processing,  
18 maintenance, and reclamation equipment, including  
19 replacement parts and equipment, and including equipment  
20 purchased for lease, but excluding motor vehicles required  
21 to be registered under the Illinois Vehicle Code. The  
22 changes made to this Section by Public Act 97-767 apply on  
23 and after July 1, 2003, but no claim for credit or refund  
24 is allowed on or after August 16, 2013 (the effective date  
25 of Public Act 98-456) for such taxes paid during the period  
26 beginning July 1, 2003 and ending on August 16, 2013 (the



1 effective date of Public Act 98-456).

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

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

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

23 (24) Fuel consumed or used in the operation of ships,  
24 barges, or vessels that are used primarily in or for the  
25 transportation of property or the conveyance of persons for  
26 hire on rivers bordering on this State if the fuel is

1 delivered by the seller to the purchaser's barge, ship, or  
2 vessel while it is afloat upon that bordering river.

3 (25) Except as provided in item (25-5) of this Section,  
4 a motor vehicle sold in this State to a nonresident even  
5 though the motor vehicle is delivered to the nonresident in  
6 this State, if the motor vehicle is not to be titled in  
7 this State, and if a drive-away permit is issued to the  
8 motor vehicle as provided in Section 3-603 of the Illinois  
9 Vehicle Code or if the nonresident purchaser has vehicle  
10 registration plates to transfer to the motor vehicle upon  
11 returning to his or her home state. The issuance of the  
12 drive-away permit or having the out-of-state registration  
13 plates to be transferred is prima facie evidence that the  
14 motor vehicle will not be titled in this State.

15 (25-5) The exemption under item (25) does not apply if  
16 the state in which the motor vehicle will be titled does  
17 not allow a reciprocal exemption for a motor vehicle sold  
18 and delivered in that state to an Illinois resident but  
19 titled in Illinois. The tax collected under this Act on the  
20 sale of a motor vehicle in this State to a resident of  
21 another state that does not allow a reciprocal exemption  
22 shall be imposed at a rate equal to the state's rate of tax  
23 on taxable property in the state in which the purchaser is  
24 a resident, except that the tax shall not exceed the tax  
25 that would otherwise be imposed under this Act. At the time  
26 of the sale, the purchaser shall execute a statement,

1 signed under penalty of perjury, of his or her intent to  
2 title the vehicle in the state in which the purchaser is a  
3 resident within 30 days after the sale and of the fact of  
4 the payment to the State of Illinois of tax in an amount  
5 equivalent to the state's rate of tax on taxable property  
6 in his or her state of residence and shall submit the  
7 statement to the appropriate tax collection agency in his  
8 or her state of residence. In addition, the retailer must  
9 retain a signed copy of the statement in his or her  
10 records. Nothing in this item shall be construed to require  
11 the removal of the vehicle from this state following the  
12 filing of an intent to title the vehicle in the purchaser's  
13 state of residence if the purchaser titles the vehicle in  
14 his or her state of residence within 30 days after the date  
15 of sale. The tax collected under this Act in accordance  
16 with this item (25-5) shall be proportionately distributed  
17 as if the tax were collected at the 6.25% general rate  
18 imposed under this Act.

19 (25-7) Beginning on July 1, 2007, no tax is imposed  
20 under this Act on the sale of an aircraft, as defined in  
21 Section 3 of the Illinois Aeronautics Act, if all of the  
22 following conditions are met:

23 (1) the aircraft leaves this State within 15 days  
24 after the later of either the issuance of the final  
25 billing for the sale of the aircraft, or the authorized  
26 approval for return to service, completion of the

1 maintenance record entry, and completion of the test  
2 flight and ground test for inspection, as required by  
3 14 C.F.R. 91.407;

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

6 (3) the seller retains in his or her books and  
7 records and provides to the Department a signed and  
8 dated certification from the purchaser, on a form  
9 prescribed by the Department, certifying that the  
10 requirements of this item (25-7) are met. The  
11 certificate must also include the name and address of  
12 the purchaser, the address of the location where the  
13 aircraft is to be titled or registered, the address of  
14 the primary physical location of the aircraft, and  
15 other information that the Department may reasonably  
16 require.

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

18 "Based in this State" means hangared, stored, or  
19 otherwise used, excluding post-sale customizations as  
20 defined in this Section, for 10 or more days in each  
21 12-month period immediately following the date of the sale  
22 of the aircraft.

23 "Registered in this State" means an aircraft  
24 registered with the Department of Transportation,  
25 Aeronautics Division, or titled or registered with the  
26 Federal Aviation Administration to an address located in

1           this State.

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

4           (26) Semen used for artificial insemination of  
5           livestock for direct agricultural production.

6           (27) Horses, or interests in horses, registered with  
7           and meeting the requirements of any of the Arabian Horse  
8           Club Registry of America, Appaloosa Horse Club, American  
9           Quarter Horse Association, United States Trotting  
10          Association, or Jockey Club, as appropriate, used for  
11          purposes of breeding or racing for prizes. This item (27)  
12          is exempt from the provisions of Section 2-70, and the  
13          exemption provided for under this item (27) applies for all  
14          periods beginning May 30, 1995, but no claim for credit or  
15          refund is allowed on or after January 1, 2008 (the  
16          effective date of Public Act 95-88) for such taxes paid  
17          during the period beginning May 30, 2000 and ending on  
18          January 1, 2008 (the effective date of Public Act 95-88).

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

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

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

18          (31) Beginning with taxable years ending on or after  
19          December 31, 1995 and ending with taxable years ending on  
20          or before December 31, 2004, personal property that is used  
21          in the performance of infrastructure repairs in this State,  
22          including but not limited to municipal roads and streets,  
23          access roads, bridges, sidewalks, waste disposal systems,  
24          water and sewer line extensions, water distribution and  
25          purification facilities, storm water drainage and  
26          retention facilities, and sewage treatment facilities,

1 resulting from a State or federally declared disaster in  
2 Illinois or bordering Illinois when such repairs are  
3 initiated on facilities located in the declared disaster  
4 area within 6 months after the disaster.

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

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

1 mechanical, industrial, business, or commercial  
2 occupation.

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

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



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

3 (35-5) Beginning August 23, 2001 and through June 30,  
4 2016, food for human consumption that is to be consumed off  
5 the premises where it is sold (other than alcoholic  
6 beverages, soft drinks, and food that has been prepared for  
7 immediate consumption) and prescription and  
8 nonprescription medicines, drugs, medical appliances, and  
9 insulin, urine testing materials, syringes, and needles  
10 used by diabetics, for human use, when purchased for use by  
11 a person receiving medical assistance under Article V of  
12 the Illinois Public Aid Code who resides in a licensed  
13 long-term care facility, as defined in the Nursing Home  
14 Care Act, or a licensed facility as defined in the ID/DD  
15 Community Care Act, the MC/DD Act, or the Specialized  
16 Mental Health Rehabilitation Act of 2013.

17 (36) Beginning August 2, 2001, computers and  
18 communications equipment utilized for any hospital purpose  
19 and equipment used in the diagnosis, analysis, or treatment  
20 of hospital patients sold to a lessor who leases the  
21 equipment, under a lease of one year or longer executed or  
22 in effect at the time of the purchase, to a hospital that  
23 has been issued an active tax exemption identification  
24 number by the Department under Section 1g of this Act. This  
25 paragraph is exempt from the provisions of Section 2-70.

26 (37) Beginning August 2, 2001, personal property sold

1 to a lessor who leases the property, under a lease of one  
2 year or longer executed or in effect at the time of the  
3 purchase, to a governmental body that has been issued an  
4 active tax exemption identification number by the  
5 Department under Section 1g of this Act. This paragraph is  
6 exempt from the provisions of Section 2-70.

7 (38) Beginning on January 1, 2002 and through June 30,  
8 2016, tangible personal property purchased from an  
9 Illinois retailer by a taxpayer engaged in centralized  
10 purchasing activities in Illinois who will, upon receipt of  
11 the property in Illinois, temporarily store the property in  
12 Illinois (i) for the purpose of subsequently transporting  
13 it outside this State for use or consumption thereafter  
14 solely outside this State or (ii) for the purpose of being  
15 processed, fabricated, or manufactured into, attached to,  
16 or incorporated into other tangible personal property to be  
17 transported outside this State and thereafter used or  
18 consumed solely outside this State. The Director of Revenue  
19 shall, pursuant to rules adopted in accordance with the  
20 Illinois Administrative Procedure Act, issue a permit to  
21 any taxpayer in good standing with the Department who is  
22 eligible for the exemption under this paragraph (38). The  
23 permit issued under this paragraph (38) shall authorize the  
24 holder, to the extent and in the manner specified in the  
25 rules adopted under this Act, to purchase tangible personal  
26 property from a retailer exempt from the taxes imposed by

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

5           (39) Beginning January 1, 2008, tangible personal  
6           property used in the construction or maintenance of a  
7           community water supply, as defined under Section 3.145 of  
8           the Environmental Protection Act, that is operated by a  
9           not-for-profit corporation that holds a valid water supply  
10          permit issued under Title IV of the Environmental  
11          Protection Act. This paragraph is exempt from the  
12          provisions of Section 2-70.

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

1 lubricants, cleaning solution, latex gloves, and  
2 protective films. This exemption applies only to the sale  
3 of qualifying tangible personal property to persons who  
4 modify, refurbish, complete, replace, or maintain an  
5 aircraft and who (i) hold an Air Agency Certificate and are  
6 empowered to operate an approved repair station by the  
7 Federal Aviation Administration, (ii) have a Class IV  
8 Rating, and (iii) conduct operations in accordance with  
9 Part 145 of the Federal Aviation Regulations. The exemption  
10 does not include aircraft operated by a commercial air  
11 carrier providing scheduled passenger air service pursuant  
12 to authority issued under Part 121 or Part 129 of the  
13 Federal Aviation Regulations. The changes made to this  
14 paragraph (40) by Public Act 98-534 are declarative of  
15 existing law.

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

1 municipal convention hall. This exemption includes  
2 existing public-facilities corporations as provided in  
3 Section 11-65-25 of the Illinois Municipal Code. This  
4 paragraph is exempt from the provisions of Section 2-70.

5 (42) Beginning January 1, 2017, menstrual pads,  
6 tampons, and menstrual cups.

7 (43) Merchandise that is subject to the Rental Purchase  
8 Agreement Occupation and Use Tax. The purchaser must  
9 certify that the item is purchased to be rented subject to  
10 a rental purchase agreement, as defined in the Rental  
11 Purchase Agreement Act, and provide proof of registration  
12 under the Rental Purchase Agreement Occupation and Use Tax  
13 Act. This paragraph is exempt from the provisions of  
14 Section 2-70.

15 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
16 100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff.  
17 1-1-18; 100-594, eff. 6-29-18; 100-863, eff. 8-14-18.)

18 Section 45. The Automobile Renting Occupation and Use Tax  
19 Act is amended by changing Sections 2 and 3 as follows:

20 (35 ILCS 155/2) (from Ch. 120, par. 1702)

21 Sec. 2. Definitions. "Renting" means any transfer of the  
22 possession or right to possession of an automobile to a user  
23 for a valuable consideration for a period of one year or less,  
24 excluding car sharing conducted through a peer-to-peer car

1 sharing program as defined in the Peer-to-Peer Car Sharing  
2 Program Act.

3 "Renting" does not include making a charge for the use of  
4 an automobile where the rentor, either himself or through an  
5 agent, furnishes a service of operating an automobile so that  
6 the rentor remains in possession of the automobile, because  
7 this does not constitute a transfer of possession or right to  
8 possession of the automobile.

9 "Renting" does not include the making of a charge by an  
10 automobile dealer for the use of an automobile as a  
11 demonstrator in connection with the dealer's business of  
12 selling, where the charge is merely made to recover the costs  
13 of operating the automobile as a demonstrator and is not  
14 intended as a rental or leasing charge in the ordinary sense.

15 "Automobile" means (1) any motor vehicle of the first  
16 division, or (2) a motor vehicle of the second division which:  
17 (A) is a self-contained motor vehicle designed or permanently  
18 converted to provide living quarters for recreational, camping  
19 or travel use, with direct walk through access to the living  
20 quarters from the driver's seat; (B) is of the van  
21 configuration designed for the transportation of not less than  
22 7 nor more than 16 passengers, as defined in Section 1-146 of  
23 the Illinois Vehicle Code; or (C) has a Gross Vehicle Weight  
24 Rating, as defined in Section 1-124.5 of the Illinois Vehicle  
25 Code, of 8,000 pounds or less.

26 "Department" means the Department of Revenue.

1 "Person" means any natural individual, firm, partnership,  
2 association, joint stock company, joint adventure, public or  
3 private corporation, limited liability company, or a receiver,  
4 executor, trustee, conservator or other representative  
5 appointed by order of any court.

6 "Rentor" means any person, firm, corporation or  
7 association engaged in the business of renting or leasing  
8 automobiles to users. For this purpose, the objective of making  
9 a profit is not necessary to make the renting activity a  
10 business "Rentor" does not mean a person, firm, corporation, or  
11 association that facilitates car sharing as part of a  
12 peer-to-peer car sharing program as defined in the Peer-to-Peer  
13 Car Sharing Program Act.

14 "Rentee" means any user to whom the possession, or the  
15 right to possession, of an automobile is transferred for a  
16 valuable consideration for a period of one year or less,  
17 whether paid for by the "rentee" or by someone else.

18 "Gross receipts" from the renting of tangible personal  
19 property or "rent" means the total rental price or leasing  
20 price. In the case of rental transactions in which the  
21 consideration is paid to the rentor on an installment basis,  
22 the amounts of such payments shall be included by the rentor in  
23 gross receipts or rent only as and when payments are received  
24 by the rentor.

25 "Gross receipts" does not include receipts received by an  
26 automobile dealer from a manufacturer or service contract

1 provider for the use of an automobile by a person while that  
2 person's automobile is being repaired by that automobile dealer  
3 and the repair is made pursuant to a manufacturer's warranty or  
4 a service contract where a manufacturer or service contract  
5 provider reimburses that automobile dealer pursuant to a  
6 manufacturer's warranty or a service contract and the  
7 reimbursement is merely made to recover the costs of operating  
8 the automobile as a loaner vehicle.

9 "Rental price" means the consideration for renting or  
10 leasing an automobile valued in money, whether received in  
11 money or otherwise, including cash credits, property and  
12 services, and shall be determined without any deduction on  
13 account of the cost of the property rented, the cost of  
14 materials used, labor or service cost, or any other expense  
15 whatsoever, but does not include charges that are added by a  
16 rentor on account of the rentor's tax liability under this Act  
17 or on account of the rentor's duty to collect, from the rentee,  
18 the tax that is imposed by Section 4 of this Act. The phrase  
19 "rental price" does not include compensation paid to a rentor  
20 by a rentee in consideration of the waiver by the rentor of any  
21 right of action or claim against the rentee for loss or damage  
22 to the automobile rented and also does not include a separately  
23 stated charge for insurance or recovery of refueling costs or  
24 other separately stated charges that are not for the use of  
25 tangible personal property.

26 "Peer-to-peer car sharing program" has the meaning



1 ascribed to it in the Peer-to-Peer Car Sharing Program Act.

2 (Source: P.A. 98-574, eff. 1-1-14.)

3 (35 ILCS 155/3) (from Ch. 120, par. 1703)

4 Sec. 3. Automobile renting and peer-to-peer car sharing.

5 (a) A tax is imposed upon: (i) persons engaged in this  
6 State in the business of renting automobiles in Illinois; and  
7 (ii) upon only those shared vehicle owners engaged in car  
8 sharing conducted through a peer-to-peer car sharing program  
9 whose vehicles used for car sharing are used exclusively for  
10 car sharing and that received the tangible personal property  
11 tax exemption pursuant to subsection (5) of Section 2-5 of the  
12 Retailers' Occupation Tax Act at the rate of 5% of the gross  
13 receipts received from such business. The tax herein imposed  
14 does not apply to the renting of automobiles to or to car  
15 sharing transactions involving any governmental body, nor to  
16 any corporation, society, association, foundation or  
17 institution organized and operated exclusively for charitable,  
18 religious or educational purposes, nor to any not for profit  
19 corporation, society, association, foundation, institution or  
20 organization which has no compensated officers or employees and  
21 which is organized and operated primarily for the recreation of  
22 persons 55 years of age or older. The tax herein imposed does  
23 not apply to any person engaged in the renting of automobiles,  
24 or to peer-to-peer car sharing transactions, with respect to  
25 vehicles the purchase of which was subject to taxation pursuant

1 to Section 2-5 of the Retailer's Occupation Tax Act and Section  
2 3-5 of the Use Tax Act as a result of a purchaser not electing  
3 exemption at the time of purchase. Every person engaged in this  
4 State in the business of renting automobiles and each  
5 peer-to-peer car sharing program shall apply to the Department  
6 (upon a form prescribed and furnished by the Department) for a  
7 certificate of registration under this Act. The certificate of  
8 registration which is issued by the Department to a retailer  
9 under the Retailers' Occupation Tax Act shall permit such  
10 rentor to engage in a business which is taxable under this  
11 Section without registering separately with the Department. A  
12 registered peer-to-peer car sharing program may collect and  
13 remit the taxes imposed by this Section to the Department on  
14 behalf of shared vehicle owners engaged in car sharing  
15 conducted through the registered peer-to-peer car sharing  
16 program.

17 The Department shall have full power to administer and  
18 enforce this Section, to collect all taxes and penalties due  
19 hereunder, to dispose of taxes and penalties so collected in  
20 the manner hereinafter provided, and to determine all rights to  
21 credit memoranda, arising on account of the erroneous payment  
22 of tax or penalty hereunder. In the administration of, and  
23 compliance with, this Section, the Department and persons who  
24 are subject to this Section shall have the same rights,  
25 remedies, privileges, immunities, powers and duties, and be  
26 subject to the same conditions, restrictions, limitations,

1 penalties and definitions of terms, and employ the same modes  
2 of procedure, as are prescribed in Sections 1, 1a, 2 through  
3 2-65 (in respect to all provisions therein other than the State  
4 rate of tax), 2a, 2b, 2c, 3 (except provisions relating to  
5 transaction returns, electronic filing of returns, and quarter  
6 monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6,  
7 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12 and 13 of the Retailers'  
8 Occupation Tax Act and Section 3-7 of the Uniform Penalty and  
9 Interest Act as fully as if those provisions were set forth  
10 herein.

11 (b) With respect to the tax imposed upon shared vehicle  
12 owners engaged in car sharing conducted through a peer-to-peer  
13 car sharing program, no home rule unit of government has any  
14 authority to impose, pursuant to its home rule jurisdiction, a  
15 tax upon shared vehicle owners engaged in car sharing, whose  
16 vehicles are used exclusively or non-exclusively for  
17 peer-to-peer car sharing, as defined in the Peer-to-Peer Car  
18 Sharing Program Act; however, this tax is applicable with  
19 respect to vehicles purchased by individuals who elected to  
20 claim the exemptions set forth in paragraph (5) of Section 2-5  
21 of the Retailer's Occupation Tax Act and paragraph (10) of  
22 Section 3-5 of the Use Tax Act. This Section is a denial and  
23 limitation of home rule powers and functions under subsection  
24 (g) of Section 6 of Article VII of the Illinois Constitution.

25 (Source: P.A. 100-303, eff. 8-24-17.)

1 Section 50. The Renter's Financial Responsibility and  
2 Protection Act is amended by changing Section 10 as follows:

3 (625 ILCS 27/10)

4 Sec. 10. Definitions. As used in this Act:

5 "Rental Company" means a person or entity that rents  
6 private passenger vehicles to the public for 30 days or less.

7 "Rental Company" does not mean a peer-to-peer car sharing  
8 program or shared vehicle owner as defined in the Peer-to-Peer  
9 Car Sharing Program Act.

10 "Renter" means a person or entity that obtains the use of a  
11 private passenger vehicle from a rental company under terms of  
12 a rental agreement.

13 "Rental Agreement" means an agreement for 30 days or less  
14 setting forth the terms and conditions governing the use of a  
15 private passenger vehicle provided by a rental company.

16 "Authorized Driver" means: the renter; the renter's spouse  
17 if the spouse is a licensed driver and satisfies the rental  
18 company's minimum age requirement; the renter's employer,  
19 employee, or co-worker if that person is a licensed driver,  
20 satisfies the rental company's minimum age requirement, and at  
21 the time of the rental is engaged in a business activity with  
22 the renter; any person who is expressly listed by the rental  
23 company on the rental agreement as an authorized driver; and  
24 any person driving directly to a medical or police facility  
25 under circumstances reasonably believed to constitute an

1 emergency and who is a licensed driver.

2 "Damage Waiver" means a rental company's agreement not to  
3 hold an authorized driver liable for all or a part of any  
4 damage to or loss of a rented vehicle for which the renter may  
5 be liable pursuant to Section 6-305.2. "Damage Waiver" shall  
6 encompass within its meaning other similar terms used by rental  
7 companies, such as "Collision Damage Waiver", "Loss Damage  
8 Waiver", "Physical Damage Waiver", and the like.

9 (Source: P.A. 90-113, eff. 7-14-97.)

10 Section 99. Effective date. This Act takes effect upon  
11 becoming law.