

# SB1803



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

SB1803

Introduced 2/9/2017, by Sen. William E. Brady

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-55	from Ch. 120, par. 439.3-55
35 ILCS 110/3-45	from Ch. 120, par. 439.33-45
35 ILCS 115/3-5	
35 ILCS 120/2-5	

Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, and the Retailers' Occupation Tax Act. Reinstates the exemption for the use or sale of tangible personal property purchased from an Illinois retailer by a taxpayer engaged in centralized purchasing activities in Illinois. Provides that the exemption sunsets on June 30, 2021 (currently, June 30, 2016). Effective immediately.

LRB100 05622 HLH 15636 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

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

4 Section 5. The Use Tax Act is amended by changing Section  
5 3-55 as follows:

6 (35 ILCS 105/3-55) (from Ch. 120, par. 439.3-55)

7 Sec. 3-55. Multistate exemption. To prevent actual or  
8 likely multistate taxation, the tax imposed by this Act does  
9 not apply to the use of tangible personal property in this  
10 State under the following circumstances:

11 (a) The use, in this State, of tangible personal property  
12 acquired outside this State by a nonresident individual and  
13 brought into this State by the individual for his or her own  
14 use while temporarily within this State or while passing  
15 through this State.

16 (b) The use, in this State, of tangible personal property  
17 by an interstate carrier for hire as rolling stock moving in  
18 interstate commerce or by lessors under a lease of one year or  
19 longer executed or in effect at the time of purchase of  
20 tangible personal property by interstate carriers for-hire for  
21 use as rolling stock moving in interstate commerce as long as  
22 so used by the interstate carriers for-hire, and equipment  
23 operated by a telecommunications provider, licensed as a common

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

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

12 (d) The use, in this State, of tangible personal property  
13 that is acquired outside this State and caused to be brought  
14 into this State by a person who has already paid a tax in  
15 another State in respect to the sale, purchase, or use of that  
16 property, to the extent of the amount of the tax properly due  
17 and paid in the other State.

18 (e) The temporary storage, in this State, of tangible  
19 personal property that is acquired outside this State and that,  
20 after being brought into this State and stored here  
21 temporarily, is used solely outside this State or is physically  
22 attached to or incorporated into other tangible personal  
23 property that is used solely outside this State, or is altered  
24 by converting, fabricating, manufacturing, printing,  
25 processing, or shaping, and, as altered, is used solely outside  
26 this State.

1           (f) The temporary storage in this State of building  
2 materials and fixtures that are acquired either in this State  
3 or outside this State by an Illinois registered combination  
4 retailer and construction contractor, and that the purchaser  
5 thereafter uses outside this State by incorporating that  
6 property into real estate located outside this State.

7           (g) The use or purchase of tangible personal property by a  
8 common carrier by rail or motor that receives the physical  
9 possession of the property in Illinois, and that transports the  
10 property, or shares with another common carrier in the  
11 transportation of the property, out of Illinois on a standard  
12 uniform bill of lading showing the seller of the property as  
13 the shipper or consignor of the property to a destination  
14 outside Illinois, for use outside Illinois.

15           (h) Except as provided in subsection (h-1), the use, in  
16 this State, of a motor vehicle that was sold in this State to a  
17 nonresident, even though the motor vehicle is delivered to the  
18 nonresident in this State, if the motor vehicle is not to be  
19 titled in this State, and if a drive-away permit is issued to  
20 the motor vehicle as provided in Section 3-603 of the Illinois  
21 Vehicle Code or if the nonresident purchaser has vehicle  
22 registration plates to transfer to the motor vehicle upon  
23 returning to his or her home state. The issuance of the  
24 drive-away permit or having the out-of-state registration  
25 plates to be transferred shall be prima facie evidence that the  
26 motor vehicle will not be titled in this State.

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

1 subsection (h-1) shall be proportionately distributed as if the  
2 tax were collected at the 6.25% general rate imposed under this  
3 Act.

4 (h-2) The following exemptions apply with respect to  
5 certain aircraft:

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

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

17 (B) the aircraft is not based or registered in this  
18 State after the purchase of the aircraft; and

19 (C) the purchaser provides the Department with a  
20 signed and dated certification, on a form prescribed by  
21 the Department, certifying that the requirements of  
22 this item (1) are met. The certificate must also  
23 include the name and address of the purchaser, the  
24 address of the location where the aircraft is to be  
25 titled or registered, the address of the primary  
26 physical location of the aircraft, and other

1 information that the Department may reasonably  
2 require.

3 (2) Beginning on July 1, 2007, no tax is imposed under  
4 this Act on the use of an aircraft, as defined in Section 3  
5 of the Illinois Aeronautics Act, that is temporarily  
6 located in this State for the purpose of a prepurchase  
7 evaluation if all of the following conditions are met:

8 (A) the aircraft is not based or registered in this  
9 State after the prepurchase evaluation; and

10 (B) the purchaser provides the Department with a  
11 signed and dated certification, on a form prescribed by  
12 the Department, certifying that the requirements of  
13 this item (2) are met. The certificate must also  
14 include the name and address of the purchaser, the  
15 address of the location where the aircraft is to be  
16 titled or registered, the address of the primary  
17 physical location of the aircraft, and other  
18 information that the Department may reasonably  
19 require.

20 (3) Beginning on July 1, 2007, no tax is imposed under  
21 this Act on the use of an aircraft, as defined in Section 3  
22 of the Illinois Aeronautics Act, that is temporarily  
23 located in this State for the purpose of a post-sale  
24 customization if all of the following conditions are met:

25 (A) the aircraft leaves this State within 15 days  
26 after the authorized approval for return to service,

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

4 (B) the aircraft is not based or registered in this  
5 State either before or after the post-sale  
6 customization; and

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

17 If tax becomes due under this subsection (h-2) because of  
18 the purchaser's use of the aircraft in this State, the  
19 purchaser shall file a return with the Department and pay the  
20 tax on the fair market value of the aircraft. This return and  
21 payment of the tax must be made no later than 30 days after the  
22 aircraft is used in a taxable manner in this State. The tax is  
23 based on the fair market value of the aircraft on the date that  
24 it is first used in a taxable manner in this State.

25 For purposes of this subsection (h-2):

26 "Based in this State" means hangared, stored, or otherwise



1 used, excluding post-sale customizations as defined in this  
2 Section, for 10 or more days in each 12-month period  
3 immediately following the date of the sale of the aircraft.

4 "Post-sale customization" means any improvement,  
5 maintenance, or repair that is performed on an aircraft  
6 following a transfer of ownership of the aircraft.

7 "Prepurchase evaluation" means an examination of an  
8 aircraft to provide a potential purchaser with information  
9 relevant to the potential purchase.

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

14 This subsection (h-2) is exempt from the provisions of  
15 Section 3-90.

16 (i) Beginning July 1, 1999, the use, in this State, of fuel  
17 acquired outside this State and brought into this State in the  
18 fuel supply tanks of locomotives engaged in freight hauling and  
19 passenger service for interstate commerce. This subsection is  
20 exempt from the provisions of Section 3-90.

21 (j) Beginning on January 1, 2002 and through June 30, 2016,  
22 and beginning again on the first day of the first month to  
23 occur on or after the effective date of this amendatory Act of  
24 the 100th General Assembly and through June 30, 2021, the use  
25 of tangible personal property purchased from an Illinois  
26 retailer by a taxpayer engaged in centralized purchasing

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

21 (Source: P.A. 97-73, eff. 6-30-11.)

22 Section 10. The Service Use Tax Act is amended by changing  
23 Section 3-45 as follows:

24 (35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

1           Sec. 3-45. Multistate exemption. To prevent actual or  
2 likely multistate taxation, the tax imposed by this Act does  
3 not apply to the use of tangible personal property in this  
4 State under the following circumstances:

5           (a) The use, in this State, of property acquired outside  
6 this State by a nonresident individual and brought into this  
7 State by the individual for his or her own use while  
8 temporarily within this State or while passing through this  
9 State.

10          (b) The use, in this State, of property that is acquired  
11 outside this State and that is moved into this State for use as  
12 rolling stock moving in interstate commerce.

13          (c) The use, in this State, of property that is acquired  
14 outside this State and caused to be brought into this State by  
15 a person who has already paid a tax in another state in respect  
16 to the sale, purchase, or use of that property, to the extent  
17 of the amount of the tax properly due and paid in the other  
18 state.

19          (d) The temporary storage, in this State, of property that  
20 is acquired outside this State and that after being brought  
21 into this State and stored here temporarily, is used solely  
22 outside this State or is physically attached to or incorporated  
23 into other property that is used solely outside this State, or  
24 is altered by converting, fabricating, manufacturing,  
25 printing, processing, or shaping, and, as altered, is used  
26 solely outside this State.

1 (e) Beginning July 1, 1999, the use, in this State, of fuel  
2 acquired outside this State and brought into this State in the  
3 fuel supply tanks of locomotives engaged in freight hauling and  
4 passenger service for interstate commerce. This subsection is  
5 exempt from the provisions of Section 3-75.

6 (f) Beginning on January 1, 2002 and through June 30, 2016,  
7 and beginning again on the first day of the first month to  
8 occur on or after the effective date of this amendatory Act of  
9 the 100th General Assembly and through June 30, 2021, the use  
10 of tangible personal property purchased from an Illinois  
11 retailer by a taxpayer engaged in centralized purchasing  
12 activities in Illinois who will, upon receipt of the property  
13 in Illinois, temporarily store the property in Illinois (i) for  
14 the purpose of subsequently transporting it outside this State  
15 for use or consumption thereafter solely outside this State or  
16 (ii) for the purpose of being processed, fabricated, or  
17 manufactured into, attached to, or incorporated into other  
18 tangible personal property to be transported outside this State  
19 and thereafter used or consumed solely outside this State. The  
20 Director of Revenue shall, pursuant to rules adopted in  
21 accordance with the Illinois Administrative Procedure Act,  
22 issue a permit to any taxpayer in good standing with the  
23 Department who is eligible for the exemption under this  
24 subsection (f). The permit issued under this subsection (f)  
25 shall authorize the holder, to the extent and in the manner  
26 specified in the rules adopted under this Act, to purchase

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

6 (Source: P.A. 97-73, eff. 6-30-11.)

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

9 (35 ILCS 115/3-5)

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

12 (1) Personal property sold by a corporation, society,  
13 association, foundation, institution, or organization, other  
14 than a limited liability company, that is organized and  
15 operated as a not-for-profit service enterprise for the benefit  
16 of persons 65 years of age or older if the personal property  
17 was not purchased by the enterprise for the purpose of resale  
18 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 any not-for-profit arts  
23 or 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 the effective date  
9 of this amendatory Act of the 92nd General Assembly, however,  
10 an entity otherwise eligible for this exemption shall not make  
11 tax-free purchases unless it has an active identification  
12 number issued by the Department.

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

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

26 (6) Personal property sold by a teacher-sponsored student

1 organization affiliated with an elementary or secondary school  
2 located in Illinois.

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

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

1 limited to, soil testing sensors, computers, monitors,  
2 software, global positioning and mapping systems, and other  
3 such equipment.

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

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

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



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

3 (9) Proceeds of mandatory service charges separately  
4 stated on customers' bills for the 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 directly  
8 in preparing, serving, hosting or cleaning up the food or  
9 beverage function with respect to which the service charge is  
10 imposed.

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

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

25 (12) Coal and aggregate exploration, mining, off-highway  
26 hauling, processing, maintenance, and reclamation equipment,

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

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

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

25 (15) Horses, or interests in horses, registered with and  
26 meeting the requirements of any of the Arabian Horse Club

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

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

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

25 (18) Beginning with taxable years ending on or after  
26 December 31, 1995 and ending with taxable years ending on or

1 before December 31, 2004, personal property that is donated for  
2 disaster relief to be used in a State or federally declared  
3 disaster area in Illinois or bordering Illinois by a  
4 manufacturer or retailer that is registered in this State to a  
5 corporation, society, association, foundation, or institution  
6 that has been issued a sales tax exemption identification  
7 number by the Department that assists victims of the disaster  
8 who reside within the declared disaster area.

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

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

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

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

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

1 another individual or entity that sold the property for the  
2 purpose of resale by the fundraising entity and that profits  
3 from the sale to the fundraising entity. This paragraph is  
4 exempt from the provisions of Section 3-55.

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

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

25 (25) Beginning on the effective date of this amendatory Act  
26 of the 92nd General Assembly, personal property sold to a

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

7 (26) Beginning on January 1, 2002 and through June 30,  
8 2016, and beginning again on the first day of the first month  
9 to occur on or after the effective date of this amendatory Act  
10 of the 100th General Assembly and through June 30, 2021,

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

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

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

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



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

1 paragraph (29) by Public Act 98-534 are declarative of existing  
2 law.

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

5 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;  
6 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-756, eff.  
7 7-16-14; 99-180, eff. 7-29-15; 99-855, eff. 8-19-16.)

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

10 (35 ILCS 120/2-5)

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

14 (1) Farm chemicals.

15 (2) Farm machinery and equipment, both new and used,  
16 including that manufactured on special order, certified by the  
17 purchaser to be used primarily for production agriculture or  
18 State or federal agricultural programs, including individual  
19 replacement parts for the machinery and equipment, including  
20 machinery and equipment purchased for lease, and including  
21 implements of husbandry defined in Section 1-130 of the  
22 Illinois Vehicle Code, farm machinery and agricultural  
23 chemical and fertilizer spreaders, and nurse wagons required to  
24 be registered under Section 3-809 of the Illinois Vehicle Code,

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

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

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

26 (3) Until July 1, 2003, distillation machinery and

1 equipment, sold as a unit or kit, assembled or installed by the  
2 retailer, certified by the user to be used only for the  
3 production of ethyl alcohol that will be used for consumption  
4 as motor fuel or as a component of motor fuel for the personal  
5 use of the user, and not subject to sale or resale.

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

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

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

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

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

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

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

23           (11) Personal property sold to a governmental body, to a  
24 corporation, society, association, foundation, or institution  
25 organized and operated exclusively for charitable, religious,  
26 or educational purposes, or to a not-for-profit corporation,

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

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

20 (12-5) On and after July 1, 2003 and through June 30, 2004,  
21 motor vehicles of the second division with a gross vehicle  
22 weight in excess of 8,000 pounds that are subject to the  
23 commercial distribution fee imposed under Section 3-815.1 of  
24 the Illinois Vehicle Code. Beginning on July 1, 2004 and  
25 through June 30, 2005, the use in this State of motor vehicles  
26 of the second division: (i) with a gross vehicle weight rating

1 in excess of 8,000 pounds; (ii) that are subject to the  
2 commercial distribution fee imposed under Section 3-815.1 of  
3 the Illinois Vehicle Code; and (iii) that are primarily used  
4 for commercial purposes. Through June 30, 2005, this exemption  
5 applies to repair and replacement parts added after the initial  
6 purchase of such a motor vehicle if that motor vehicle is used  
7 in a manner that would qualify for the rolling stock exemption  
8 otherwise provided for in this Act. For purposes of this  
9 paragraph, "used for commercial purposes" means the  
10 transportation of persons or property in furtherance of any  
11 commercial or industrial enterprise whether for-hire or not.

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

19 (14) Machinery and equipment that will be used by the  
20 purchaser, or a lessee of the purchaser, primarily in the  
21 process of manufacturing or assembling tangible personal  
22 property for wholesale or retail sale or lease, whether the  
23 sale or lease is made directly by the manufacturer or by some  
24 other person, whether the materials used in the process are  
25 owned by the manufacturer or some other person, or whether the  
26 sale or lease is made apart from or as an incident to the

1 seller's engaging in the service occupation of producing  
2 machines, tools, dies, jigs, patterns, gauges, or other similar  
3 items of no commercial value on special order for a particular  
4 purchaser. The exemption provided by this paragraph (14) does  
5 not include machinery and equipment used in (i) the generation  
6 of electricity for wholesale or retail sale; (ii) the  
7 generation or treatment of natural or artificial gas for  
8 wholesale or retail sale that is delivered to customers through  
9 pipes, pipelines, or mains; or (iii) the treatment of water for  
10 wholesale or retail sale that is delivered to customers through  
11 pipes, pipelines, or mains. The provisions of Public Act 98-583  
12 are declaratory of existing law as to the meaning and scope of  
13 this exemption.

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

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

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



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

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

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

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

24 (21) Coal and aggregate exploration, mining, off-highway  
25 hauling, processing, maintenance, and reclamation equipment,  
26 including replacement parts and equipment, and including

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

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

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

26 (23) A transaction in which the purchase order is received

1 by a florist who is located outside Illinois, but who has a  
2 florist located in Illinois deliver the property to the  
3 purchaser or the purchaser's donee in Illinois.

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

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

22 (25-5) The exemption under item (25) does not apply if the  
23 state in which the motor vehicle will be titled does not allow  
24 a reciprocal exemption for a motor vehicle sold and delivered  
25 in that state to an Illinois resident but titled in Illinois.  
26 The tax collected under this Act on the sale of a motor vehicle

1 in this State to a resident of another state that does not  
2 allow a reciprocal exemption shall be imposed at a rate equal  
3 to the state's rate of tax on taxable property in the state in  
4 which the purchaser is a resident, except that the tax shall  
5 not exceed the tax that would otherwise be imposed under this  
6 Act. At the time of the sale, the purchaser shall execute a  
7 statement, signed under penalty of perjury, of his or her  
8 intent to title the vehicle in the state in which the purchaser  
9 is a resident within 30 days after the sale and of the fact of  
10 the payment to the State of Illinois of tax in an amount  
11 equivalent to the state's rate of tax on taxable property in  
12 his or her state of residence and shall submit the statement to  
13 the appropriate tax collection agency in his or her state of  
14 residence. In addition, the retailer must retain a signed copy  
15 of the statement in his or her records. Nothing in this item  
16 shall be construed to require the removal of the vehicle from  
17 this state following the filing of an intent to title the  
18 vehicle in the purchaser's state of residence if the purchaser  
19 titles the vehicle in his or her state of residence within 30  
20 days after the date of sale. The tax collected under this Act  
21 in accordance with this item (25-5) shall be proportionately  
22 distributed as if the tax were collected at the 6.25% general  
23 rate imposed under this Act.

24 (25-7) Beginning on July 1, 2007, no tax is imposed under  
25 this Act on the sale of an aircraft, as defined in Section 3 of  
26 the Illinois Aeronautics Act, if all of the following

1 conditions are met:

2 (1) the aircraft leaves this State within 15 days after  
3 the later of either the issuance of the final billing for  
4 the sale of the aircraft, or the authorized approval for  
5 return to service, completion of the maintenance record  
6 entry, and completion of the test flight and ground test  
7 for inspection, as required by 14 C.F.R. 91.407;

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

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

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

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

25 "Registered in this State" means an aircraft registered  
26 with the Department of Transportation, Aeronautics Division,

1 or titled or registered with the Federal Aviation  
2 Administration to an address located in this State.

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

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

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

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

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

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

1 declared disaster area within 6 months after the disaster.

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

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

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



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

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

22 (35-5) Beginning August 23, 2001 and through June 30, 2016,  
23 food for human consumption that is to be consumed off the  
24 premises where it is sold (other than alcoholic beverages, soft  
25 drinks, and food that has been prepared for immediate  
26 consumption) and prescription and nonprescription medicines,

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

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

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

25 (38) Beginning on January 1, 2002 and through June 30,  
26 2016, and beginning again on the first day of the first month

1 to occur on or after the effective date of this amendatory Act  
2 of the 100th General Assembly and through June 30, 2021,  
3 tangible personal property purchased from an Illinois retailer  
4 by a taxpayer engaged in centralized purchasing activities in  
5 Illinois who will, upon receipt of the property in Illinois,  
6 temporarily store the property in Illinois (i) for the purpose  
7 of subsequently transporting it outside this State for use or  
8 consumption thereafter solely outside this State or (ii) for  
9 the purpose of being processed, fabricated, or manufactured  
10 into, attached to, or incorporated into other tangible personal  
11 property to be transported outside this State and thereafter  
12 used or consumed solely outside this State. The Director of  
13 Revenue shall, pursuant to rules adopted in accordance with the  
14 Illinois Administrative Procedure Act, issue a permit to any  
15 taxpayer in good standing with the Department who is eligible  
16 for the exemption under this paragraph (38). The permit issued  
17 under this paragraph (38) shall authorize the holder, to the  
18 extent and in the manner specified in the rules adopted under  
19 this Act, to purchase tangible personal property from a  
20 retailer exempt from the taxes imposed by this Act. Taxpayers  
21 shall maintain all necessary books and records to substantiate  
22 the use and consumption of all such tangible personal property  
23 outside of the State of Illinois.

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

1 Protection Act, that is operated by a not-for-profit  
2 corporation that holds a valid water supply permit issued under  
3 Title IV of the Environmental Protection Act. This paragraph is  
4 exempt from the provisions of Section 2-70.

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

1 commercial air carrier providing scheduled passenger air  
2 service pursuant to authority issued under Part 121 or Part 129  
3 of the Federal Aviation Regulations. The changes made to this  
4 paragraph (40) by Public Act 98-534 are declarative of existing  
5 law.

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

20 (42) Beginning January 1, 2017, menstrual pads, tampons,  
21 and menstrual cups.

22 (Source: P.A. 98-104, eff. 7-22-13; 98-422, eff. 8-16-13;  
23 98-456, eff. 8-16-13; 98-534, eff. 8-23-13; 98-574, eff.  
24 1-1-14; 98-583, eff. 1-1-14; 98-756, eff. 7-16-14; 99-180, eff.  
25 7-29-15; 99-855, eff. 8-19-16.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.