



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

HB5207

by Rep. Keith R. Wheeler

#### 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. Provides that 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 who will temporarily store the property in Illinois (i) for the purpose of subsequently transporting it outside this State for use or consumption solely outside this State or (ii) for the purpose of being processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property to be transported outside this State and used or consumed solely outside this State sunsets on June 30, 2022 (currently, June 30, 2016). Effective immediately.

LRB101 17554 HLH 66972 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) (Blank).

17 (c) The use, in this State, by owners, lessors, or shippers  
18 of tangible personal property that is utilized by interstate  
19 carriers for hire for use as rolling stock moving in interstate  
20 commerce as long as so used by the interstate carriers for  
21 hire, and equipment operated by a telecommunications provider,  
22 licensed as a common carrier by the Federal Communications  
23 Commission, which is permanently installed in or affixed to

1 aircraft moving in interstate commerce.

2 (d) The use, in this State, of tangible personal property  
3 that is acquired outside this State and caused to be brought  
4 into this State by a person who has already paid a tax in  
5 another State in respect to the sale, purchase, or use of that  
6 property, to the extent of the amount of the tax properly due  
7 and paid in the other State.

8 (e) The temporary storage, in this State, of tangible  
9 personal property that is acquired outside this State and that,  
10 after being brought into this State and stored here  
11 temporarily, is used solely outside this State or is physically  
12 attached to or incorporated into other tangible personal  
13 property that is used solely outside this State, or is altered  
14 by converting, fabricating, manufacturing, printing,  
15 processing, or shaping, and, as altered, is used solely outside  
16 this State.

17 (f) The temporary storage in this State of building  
18 materials and fixtures that are acquired either in this State  
19 or outside this State by an Illinois registered combination  
20 retailer and construction contractor, and that the purchaser  
21 thereafter uses outside this State by incorporating that  
22 property into real estate located outside this State.

23 (g) The use or purchase of tangible personal property by a  
24 common carrier by rail or motor that receives the physical  
25 possession of the property in Illinois, and that transports the  
26 property, or shares with another common carrier in the

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

5 (h) Except as provided in subsection (h-1), the use, in  
6 this State, of a motor vehicle that was sold in this State to a  
7 nonresident, even though the motor vehicle is delivered to the  
8 nonresident in this State, if the motor vehicle is not to be  
9 titled in this State, and if a drive-away permit is issued to  
10 the motor vehicle as provided in Section 3-603 of the Illinois  
11 Vehicle Code or if the nonresident purchaser has vehicle  
12 registration plates to transfer to the motor vehicle upon  
13 returning to his or her home state. The issuance of the  
14 drive-away permit or having the out-of-state registration  
15 plates to be transferred shall be prima facie evidence that the  
16 motor vehicle will not be titled in this State.

17 (h-1) The exemption under subsection (h) does not apply if  
18 the state in which the motor vehicle will be titled does not  
19 allow a reciprocal exemption for the use in that state of a  
20 motor vehicle sold and delivered in that state to an Illinois  
21 resident but titled in Illinois. The tax collected under this  
22 Act on the sale of a motor vehicle in this State to a resident  
23 of another state that does not allow a reciprocal exemption  
24 shall be imposed at a rate equal to the state's rate of tax on  
25 taxable property in the state in which the purchaser is a  
26 resident, except that the tax shall not exceed the tax that

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

20 (h-2) The following exemptions apply with respect to  
21 certain aircraft:

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

26 (A) the aircraft leaves this State within 15 days

1 after the later of either the issuance of the final  
2 billing for the purchase of the aircraft or the  
3 authorized approval for return to service, completion  
4 of the maintenance record entry, and completion of the  
5 test flight and ground test for inspection, as required  
6 by 14 C.F.R. 91.407;

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

9 (C) the purchaser provides the Department with a  
10 signed and dated certification, on a form prescribed by  
11 the Department, certifying that the requirements of  
12 this item (1) are met. The certificate must also  
13 include the name and address of the purchaser, the  
14 address of the location where the aircraft is to be  
15 titled or registered, the address of the primary  
16 physical location of the aircraft, and other  
17 information that the Department may reasonably  
18 require.

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

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

26 (B) the purchaser provides the Department with a

1 signed and dated certification, on a form prescribed by  
2 the Department, certifying that the requirements of  
3 this item (2) are met. The certificate must also  
4 include the name and address of the purchaser, the  
5 address of the location where the aircraft is to be  
6 titled or registered, the address of the primary  
7 physical location of the aircraft, and other  
8 information that the Department may reasonably  
9 require.

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

15 (A) the aircraft leaves this State within 15 days  
16 after the authorized approval for return to service,  
17 completion of the maintenance record entry, and  
18 completion of the test flight and ground test for  
19 inspection, as required by 14 C.F.R. 91.407;

20 (B) the aircraft is not based or registered in this  
21 State either before or after the post-sale  
22 customization; and

23 (C) the purchaser provides the Department with a  
24 signed and dated certification, on a form prescribed by  
25 the Department, certifying that the requirements of  
26 this item (3) are met. The certificate must also

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

7 If tax becomes due under this subsection (h-2) because of  
8 the purchaser's use of the aircraft in this State, the  
9 purchaser shall file a return with the Department and pay the  
10 tax on the fair market value of the aircraft. This return and  
11 payment of the tax must be made no later than 30 days after the  
12 aircraft is used in a taxable manner in this State. The tax is  
13 based on the fair market value of the aircraft on the date that  
14 it is first used in a taxable manner in this State.

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

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

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

23 "Prepurchase evaluation" means an examination of an  
24 aircraft to provide a potential purchaser with information  
25 relevant to the potential purchase.

26 "Registered in this State" means an aircraft registered



1 with the Department of Transportation, Aeronautics Division,  
2 or titled or registered with the Federal Aviation  
3 Administration to an address located in this State.

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

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

11 (j) Beginning on January 1, 2002 and through June 30, 2022  
12 ~~June 30, 2016~~, the use of tangible personal property purchased  
13 from an Illinois retailer by a taxpayer engaged in centralized  
14 purchasing activities in Illinois who will, upon receipt of the  
15 property in Illinois, temporarily store the property in  
16 Illinois (i) for the purpose of subsequently transporting it  
17 outside this State for use or consumption thereafter solely  
18 outside this State or (ii) for the purpose of being processed,  
19 fabricated, or manufactured into, attached to, or incorporated  
20 into other tangible personal property to be transported outside  
21 this State and thereafter used or consumed solely outside this  
22 State. The Director of Revenue shall, pursuant to rules adopted  
23 in accordance with the Illinois Administrative Procedure Act,  
24 issue a permit to any taxpayer in good standing with the  
25 Department who is eligible for the exemption under this  
26 subsection (j). The permit issued under this subsection (j)

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

8 (Source: P.A. 100-321, eff. 8-24-17.)

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

11 (35 ILCS 110/3-45) (from Ch. 120, par. 439.33-45)

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

16 (a) The use, in this State, of property acquired outside  
17 this State by a nonresident individual and brought into this  
18 State by the individual for his or her own use while  
19 temporarily within this State or while passing through this  
20 State.

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

24 (c) The use, in this State, of property that is acquired

1 outside this State and caused to be brought into this State by  
2 a person who has already paid a tax in another state in respect  
3 to the sale, purchase, or use of that property, to the extent  
4 of the amount of the tax properly due and paid in the other  
5 state.

6 (d) The temporary storage, in this State, of property that  
7 is acquired outside this State and that after being brought  
8 into this State and stored here temporarily, is used solely  
9 outside this State or is physically attached to or incorporated  
10 into other property that is used solely outside this State, or  
11 is altered by converting, fabricating, manufacturing,  
12 printing, processing, or shaping, and, as altered, is used  
13 solely outside this State.

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

19 (f) Beginning on January 1, 2002 and through June 30, 2022  
20 ~~June 30, 2016~~, the use of tangible personal property purchased  
21 from an Illinois retailer by a taxpayer engaged in centralized  
22 purchasing activities in Illinois who will, upon receipt of the  
23 property in Illinois, temporarily store the property in  
24 Illinois (i) for the purpose of subsequently transporting it  
25 outside this State for use or consumption thereafter solely  
26 outside this State or (ii) for the purpose of being processed,

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

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

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

19 (35 ILCS 115/3-5)

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

22 (1) Personal property sold by a corporation, society,  
23 association, foundation, institution, or organization, other  
24 than a limited liability company, that is organized and

1 operated as a not-for-profit service enterprise for the benefit  
2 of persons 65 years of age or older if the personal property  
3 was not purchased by the enterprise for the purpose of resale  
4 by the enterprise.

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

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

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

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

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

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

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

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

17 Farm machinery and equipment also includes computers,  
18 sensors, software, and related equipment used primarily in the  
19 computer-assisted operation of production agriculture  
20 facilities, equipment, and activities such as, but not limited  
21 to, the collection, monitoring, and correlation of animal and  
22 crop data for the purpose of formulating animal diets and  
23 agricultural chemicals. This item (7) is exempt from the  
24 provisions of Section 3-55.

25 (8) Until June 30, 2013, fuel and petroleum products sold  
26 to or used by an air common carrier, certified by the carrier

1 to be used for consumption, shipment, or storage in the conduct  
2 of its business as an air common carrier, for a flight destined  
3 for or returning from a location or locations outside the  
4 United States without regard to previous or subsequent domestic  
5 stopovers.

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

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

24 (10) Until July 1, 2003, oil field exploration, drilling,  
25 and production equipment, including (i) rigs and parts of rigs,  
26 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and



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

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

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

23 (13) Beginning January 1, 1992 and through June 30, 2016,  
24 food for human consumption that is to be consumed off the  
25 premises where it is sold (other than alcoholic beverages, soft  
26 drinks and food that has been prepared for immediate

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

10 (14) Semen used for artificial insemination of livestock  
11 for direct agricultural production.

12 (15) Horses, or interests in horses, registered with and  
13 meeting the requirements of any of the Arabian Horse Club  
14 Registry of America, Appaloosa Horse Club, American Quarter  
15 Horse Association, United States Trotting Association, or  
16 Jockey Club, as appropriate, used for purposes of breeding or  
17 racing for prizes. This item (15) is exempt from the provisions  
18 of Section 3-55, and the exemption provided for under this item  
19 (15) applies for all periods beginning May 30, 1995, but no  
20 claim for credit or refund is allowed on or after January 1,  
21 2008 (the effective date of Public Act 95-88) for such taxes  
22 paid during the period beginning May 30, 2000 and ending on  
23 January 1, 2008 (the effective date of Public Act 95-88).

24 (16) Computers and communications equipment utilized for  
25 any hospital purpose and equipment used in the diagnosis,  
26 analysis, or treatment of hospital patients sold to a lessor

1 who leases the equipment, under a lease of one year or longer  
2 executed or in effect at the time of the purchase, to a  
3 hospital that has been issued an active tax exemption  
4 identification number by the Department under Section 1g of the  
5 Retailers' Occupation Tax Act.

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

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

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

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

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

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

1 than 6 weeks duration and designed to prepare individuals to  
2 follow a trade or to pursue a manual, technical, mechanical,  
3 industrial, business, or commercial occupation.

4 (22) Beginning January 1, 2000, personal property,  
5 including food, purchased through fundraising events for the  
6 benefit of a public or private elementary or secondary school,  
7 a group of those schools, or one or more school districts if  
8 the events are sponsored by an entity recognized by the school  
9 district that consists primarily of volunteers and includes  
10 parents and teachers of the school children. This paragraph  
11 does not apply to fundraising events (i) for the benefit of  
12 private home instruction or (ii) for which the fundraising  
13 entity 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 profits  
16 from the sale to the fundraising entity. This paragraph is  
17 exempt from the provisions of Section 3-55.

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

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

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

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

20 (26) Beginning on January 1, 2002 and through June 30, 2022  
21 ~~June 30, 2016~~, tangible personal property purchased from an  
22 Illinois retailer by a taxpayer engaged in centralized  
23 purchasing activities in Illinois who will, upon receipt of the  
24 property in Illinois, temporarily store the property in  
25 Illinois (i) for the purpose of subsequently transporting it  
26 outside this State for use or consumption thereafter solely

1 outside this State or (ii) for the purpose of being processed,  
2 fabricated, or manufactured into, attached to, or incorporated  
3 into other tangible personal property to be transported outside  
4 this State and thereafter used or consumed solely outside this  
5 State. The Director of Revenue shall, pursuant to rules adopted  
6 in accordance with the Illinois Administrative Procedure Act,  
7 issue a permit to any taxpayer in good standing with the  
8 Department who is eligible for the exemption under this  
9 paragraph (26). The permit issued under this paragraph (26)  
10 shall authorize the holder, to the extent and in the manner  
11 specified in the rules adopted under this Act, to purchase  
12 tangible personal property from a retailer exempt from the  
13 taxes imposed by this Act. Taxpayers shall maintain all  
14 necessary books and records to substantiate the use and  
15 consumption of all such tangible personal property outside of  
16 the State of Illinois.

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

24 (28) Tangible personal property sold to a  
25 public-facilities corporation, as described in Section  
26 11-65-10 of the Illinois Municipal Code, for purposes of

1 constructing or furnishing a municipal convention hall, but  
2 only if the legal title to the municipal convention hall is  
3 transferred to the municipality without any further  
4 consideration by or on behalf of the municipality at the time  
5 of the completion of the municipal convention hall or upon the  
6 retirement or redemption of any bonds or other debt instruments  
7 issued by the public-facilities corporation in connection with  
8 the development of the municipal convention hall. This  
9 exemption includes existing public-facilities corporations as  
10 provided in Section 11-65-25 of the Illinois Municipal Code.  
11 This paragraph is exempt from the provisions of Section 3-55.

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



1 transfer of qualifying tangible personal property incident to  
2 the modification, refurbishment, completion, replacement,  
3 repair, or maintenance of an aircraft by persons who (i) hold  
4 an Air Agency Certificate and are empowered to operate an  
5 approved repair station by the Federal Aviation  
6 Administration, (ii) have a Class IV Rating, and (iii) conduct  
7 operations in accordance with Part 145 of the Federal Aviation  
8 Regulations. The exemption does not include aircraft operated  
9 by a commercial air carrier providing scheduled passenger air  
10 service pursuant to authority issued under Part 121 or Part 129  
11 of the Federal Aviation Regulations. The changes made to this  
12 paragraph (29) by Public Act 98-534 are declarative of existing  
13 law. It is the intent of the General Assembly that the  
14 exemption under this paragraph (29) applies continuously from  
15 January 1, 2010 through December 31, 2024; however, no claim  
16 for credit or refund is allowed for taxes paid as a result of  
17 the disallowance of this exemption on or after January 1, 2015  
18 and prior to the effective date of this amendatory Act of the  
19 101st General Assembly.

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

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

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

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

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

18 For the purposes of this item (32):

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

23 "Qualified tangible personal property" means:  
24 electrical systems and equipment; climate control and  
25 chilling equipment and systems; mechanical systems and  
26 equipment; monitoring and secure systems; emergency

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

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

26 (Source: P.A. 100-22, eff. 7-6-17; 100-594, eff. 6-29-18;

1 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81, eff.  
2 7-12-19; 101-629, eff. 2-5-20.)

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

5 (35 ILCS 120/2-5)

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

9 (1) Farm chemicals.

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

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

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

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

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

1 for the personal use of the user, and not subject to sale  
2 or resale.

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

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

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

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

26 (8) Personal property sold to an Illinois county fair

1 association for use in conducting, operating, or promoting  
2 the county fair.

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

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

25 (11) Personal property sold to a governmental body, to  
26 a corporation, society, association, foundation, or

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

14 (12) (Blank).

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



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

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

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

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

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

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

1 of Section 2-70.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (38) Beginning on January 1, 2002 and through June 30,  
22 2022 ~~June 30, 2016~~, tangible personal property purchased  
23 from an Illinois retailer by a taxpayer engaged in  
24 centralized purchasing activities in Illinois who will,  
25 upon receipt of the property in Illinois, temporarily store  
26 the property in Illinois (i) for the purpose of

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

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

1           (40) Beginning January 1, 2010 and continuing through  
2           December 31, 2024, materials, parts, equipment,  
3           components, and furnishings incorporated into or upon an  
4           aircraft as part of the modification, refurbishment,  
5           completion, replacement, repair, or maintenance of the  
6           aircraft. This exemption includes consumable supplies used  
7           in the modification, refurbishment, completion,  
8           replacement, repair, and maintenance of aircraft, but  
9           excludes any materials, parts, equipment, components, and  
10          consumable supplies used in the modification, replacement,  
11          repair, and maintenance of aircraft engines or power  
12          plants, whether such engines or power plants are installed  
13          or uninstalled upon any such aircraft. "Consumable  
14          supplies" include, but are not limited to, adhesive, tape,  
15          sandpaper, general purpose lubricants, cleaning solution,  
16          latex gloves, and protective films. This exemption applies  
17          only to the sale of qualifying tangible personal property  
18          to persons who modify, refurbish, complete, replace, or  
19          maintain an aircraft and who (i) hold an Air Agency  
20          Certificate and are empowered to operate an approved repair  
21          station by the Federal Aviation Administration, (ii) have a  
22          Class IV Rating, and (iii) conduct operations in accordance  
23          with Part 145 of the Federal Aviation Regulations. The  
24          exemption does not include aircraft operated by a  
25          commercial air carrier providing scheduled passenger air  
26          service pursuant to authority issued under Part 121 or Part

1 129 of the Federal Aviation Regulations. The changes made  
2 to this paragraph (40) by Public Act 98-534 are declarative  
3 of existing law. It is the intent of the General Assembly  
4 that the exemption under this paragraph (40) applies  
5 continuously from January 1, 2010 through December 31,  
6 2024; however, no claim for credit or refund is allowed for  
7 taxes paid as a result of the disallowance of this  
8 exemption on or after January 1, 2015 and prior to the  
9 effective date of this amendatory Act of the 101st General  
10 Assembly.

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

26 (42) Beginning January 1, 2017, menstrual pads,



1 tampons, and menstrual cups.

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

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

25 The Department of Commerce and Economic Opportunity  
26 shall grant a certificate of exemption under this item (44)

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

4 For the purposes of this item (44):

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

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

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

11 This item (44) is exempt from the provisions of Section  
12 2-70.

13 (Source: P.A. 100-22, eff. 7-6-17; 100-321, eff. 8-24-17;  
14 100-437, eff. 1-1-18; 100-594, eff. 6-29-18; 100-863, eff.  
15 8-14-18; 100-1171, eff. 1-4-19; 101-31, eff. 6-28-19; 101-81,  
16 eff. 7-12-19; 101-629, eff. 2-5-20.)

17 Section 99. Effective date. This Act takes effect upon  
18 becoming law.