

# SB2250



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

SB2250

Introduced 4/11/2019, by Sen. Napoleon Harris, III

#### SYNOPSIS AS INTRODUCED:

35 ILCS 105/3-5  
35 ILCS 120/2-5

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Provides that a school bus that is equipped with safety belts for passengers is exempt from the tax under those Acts. Provides that the Acts' automatic sunset provisions do not apply to the exemption. Effective immediately.

LRB101 12109 HLH 59668 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 3-5 as follows:

6 (35 ILCS 105/3-5)

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

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

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

19 (3) Personal property purchased by a not-for-profit arts or  
20 cultural organization that establishes, by proof required by  
21 the Department by rule, that it has received an exemption under  
22 Section 501(c)(3) of the Internal Revenue Code and that is  
23 organized and operated primarily for the presentation or

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

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

25 (5) Until July 1, 2003, a passenger car that is a  
26 replacement vehicle to the extent that the purchase price of

1 the car is subject to the Replacement Vehicle Tax.

2 (6) Until July 1, 2003 and beginning again on September 1,  
3 2004 through August 30, 2014, graphic arts machinery and  
4 equipment, including repair and replacement parts, both new and  
5 used, and including that manufactured on special order,  
6 certified by the purchaser to be used primarily for graphic  
7 arts production, and including machinery and equipment  
8 purchased for lease. Equipment includes chemicals or chemicals  
9 acting as catalysts but only if the chemicals or chemicals  
10 acting as catalysts effect a direct and immediate change upon a  
11 graphic arts product. Beginning on July 1, 2017, graphic arts  
12 machinery and equipment is included in the manufacturing and  
13 assembling machinery and equipment exemption under paragraph  
14 (18).

15 (7) Farm chemicals.

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

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

23 (10) A motor vehicle that is used for automobile renting,  
24 as defined in the Automobile Renting Occupation and Use Tax  
25 Act.

26 (11) Farm machinery and equipment, both new and used,

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

19 Farm machinery and equipment shall include precision  
20 farming equipment that is installed or purchased to be  
21 installed on farm machinery and equipment including, but not  
22 limited to, tractors, harvesters, sprayers, planters, seeders,  
23 or spreaders. Precision farming equipment includes, but is not  
24 limited to, soil testing sensors, computers, monitors,  
25 software, global positioning and mapping systems, and other  
26 such equipment.

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

9 (12) Until June 30, 2013, fuel and petroleum products sold  
10 to or used by an air common carrier, certified by the carrier  
11 to be used for consumption, shipment, or storage in the conduct  
12 of 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 (13) Proceeds of mandatory service charges separately

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

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

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

22 (16) Until July 1, 2023, coal and aggregate exploration,  
23 mining, off-highway hauling, processing, maintenance, and  
24 reclamation equipment, including replacement parts and  
25 equipment, and including equipment purchased for lease, but  
26 excluding motor vehicles required to be registered under the

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

7 (17) Until July 1, 2003, distillation machinery and  
8 equipment, sold as a unit or kit, assembled or installed by the  
9 retailer, certified by the user to be used only for the  
10 production of ethyl alcohol that will be used for consumption  
11 as motor fuel or as a component of motor fuel for the personal  
12 use of the user, and not subject to sale or resale.

13 (18) Manufacturing and assembling machinery and equipment  
14 used primarily in the process of manufacturing or assembling  
15 tangible personal property for wholesale or retail sale or  
16 lease, whether that sale or lease is made directly by the  
17 manufacturer or by some other person, whether the materials  
18 used in the process are owned by the manufacturer or some other  
19 person, or whether that sale or lease is made apart from or as  
20 an incident to the seller's engaging in the service occupation  
21 of producing machines, tools, dies, jigs, patterns, gauges, or  
22 other similar items of no commercial value on special order for  
23 a particular purchaser. The exemption provided by this  
24 paragraph (18) does not include machinery and equipment used in  
25 (i) the generation of electricity for wholesale or retail sale;  
26 (ii) the generation or treatment of natural or artificial gas



1 for wholesale or retail sale that is delivered to customers  
2 through pipes, pipelines, or mains; or (iii) the treatment of  
3 water for wholesale or retail sale that is delivered to  
4 customers through pipes, pipelines, or mains. The provisions of  
5 Public Act 98-583 are declaratory of existing law as to the  
6 meaning and scope of this exemption. Beginning on July 1, 2017,  
7 the exemption provided by this paragraph (18) includes, but is  
8 not limited to, graphic arts machinery and equipment, as  
9 defined in paragraph (6) of this Section.

10 (19) Personal property delivered to a purchaser or  
11 purchaser's donee inside Illinois when the purchase order for  
12 that personal property was received by a florist located  
13 outside Illinois who has a florist located inside Illinois  
14 deliver the personal property.

15 (20) Semen used for artificial insemination of livestock  
16 for direct agricultural production.

17 (21) Horses, or interests in horses, registered with and  
18 meeting the requirements of any of the Arabian Horse Club  
19 Registry of America, Appaloosa Horse Club, American Quarter  
20 Horse Association, United States Trotting Association, or  
21 Jockey Club, as appropriate, used for purposes of breeding or  
22 racing for prizes. This item (21) is exempt from the provisions  
23 of Section 3-90, and the exemption provided for under this item  
24 (21) applies for all periods beginning May 30, 1995, but no  
25 claim for credit or refund is allowed on or after January 1,  
26 2008 for such taxes paid during the period beginning May 30,

1 2000 and ending on January 1, 2008.

2 (22) Computers and communications equipment utilized for  
3 any hospital purpose and equipment used in the diagnosis,  
4 analysis, or treatment of hospital patients purchased by a  
5 lessor who leases the equipment, under a lease of one year or  
6 longer executed or in effect at the time the lessor would  
7 otherwise be subject to the tax imposed by this Act, 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. If the equipment is leased in a  
11 manner that does not qualify for this exemption or is used in  
12 any other non-exempt manner, the lessor shall be liable for the  
13 tax imposed under this Act or the Service Use Tax Act, as the  
14 case may be, based on the fair market value of the property at  
15 the time the non-qualifying use occurs. No lessor shall collect  
16 or attempt to collect an amount (however designated) that  
17 purports to reimburse that lessor for the tax imposed by this  
18 Act or the Service Use Tax Act, as the case may be, if the tax  
19 has not been paid by the lessor. If a lessor improperly  
20 collects any such amount from the lessee, the lessee shall have  
21 a legal right to claim a refund of that amount from the lessor.  
22 If, however, that amount is not refunded to the lessee for any  
23 reason, the lessor is liable to pay that amount to the  
24 Department.

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

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

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

1 number by the Department that assists victims of the disaster  
2 who reside within the declared disaster area.

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

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

19 (27) A motor vehicle, as that term is defined in Section  
20 1-146 of the Illinois Vehicle Code, that is donated to a  
21 corporation, limited liability company, society, association,  
22 foundation, or institution that is determined by the Department  
23 to be organized and operated exclusively for educational  
24 purposes. For purposes of this exemption, "a corporation,  
25 limited liability company, society, association, foundation,  
26 or institution organized and operated exclusively for

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

11 (28) Beginning January 1, 2000, personal property,  
12 including food, purchased through fundraising events for the  
13 benefit of a public or private elementary or secondary school,  
14 a group of those schools, or one or more school districts if  
15 the events are sponsored by an entity recognized by the school  
16 district that consists primarily of volunteers and includes  
17 parents and teachers of the school children. This paragraph  
18 does not apply to fundraising events (i) for the benefit of  
19 private home instruction or (ii) for which the fundraising  
20 entity purchases the personal property sold at the events from  
21 another individual or entity that sold the property for the  
22 purpose of resale by the fundraising entity and that profits  
23 from the sale to the fundraising entity. This paragraph is  
24 exempt from the provisions of Section 3-90.

25 (29) Beginning January 1, 2000 and through December 31,  
26 2001, new or used automatic vending machines that prepare and

1 serve hot food and beverages, including coffee, soup, and other  
2 items, and replacement parts for these machines. Beginning  
3 January 1, 2002 and through June 30, 2003, machines and parts  
4 for machines used in commercial, coin-operated amusement and  
5 vending business if a use or occupation tax is paid on the  
6 gross receipts derived from the use of the commercial,  
7 coin-operated amusement and vending machines. This paragraph  
8 is exempt from the provisions of Section 3-90.

9 (30) Beginning January 1, 2001 and through June 30, 2016,  
10 food for human consumption that is to be consumed off the  
11 premises where it is sold (other than alcoholic beverages, soft  
12 drinks, and food that has been prepared for immediate  
13 consumption) and prescription and nonprescription medicines,  
14 drugs, medical appliances, and insulin, urine testing  
15 materials, syringes, and needles used by diabetics, for human  
16 use, when purchased for use by a person receiving medical  
17 assistance under Article V of the Illinois Public Aid Code who  
18 resides in a licensed long-term care facility, as defined in  
19 the Nursing Home Care Act, or in a licensed facility as defined  
20 in the ID/DD Community Care Act, the MC/DD Act, or the  
21 Specialized Mental Health Rehabilitation Act of 2013.

22 (31) Beginning on August 2, 2001 (the effective date of  
23 Public Act 92-227), computers and communications equipment  
24 utilized for any hospital purpose and equipment used in the  
25 diagnosis, analysis, or treatment of hospital patients  
26 purchased by a lessor who leases the equipment, under a lease

1 of one year or longer executed or in effect at the time the  
2 lessor would otherwise be subject to the tax imposed by this  
3 Act, to a 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. If the equipment is leased in a  
6 manner that does not qualify for this exemption or is used in  
7 any other nonexempt manner, the lessor shall be liable for the  
8 tax imposed under this Act or the Service Use Tax Act, as the  
9 case may be, based on the fair market value of the property at  
10 the time the nonqualifying use occurs. No lessor shall collect  
11 or attempt to collect an amount (however designated) that  
12 purports to reimburse that lessor for the tax imposed by this  
13 Act or the Service Use Tax Act, as the case may be, if the tax  
14 has not been paid by the lessor. If a lessor improperly  
15 collects any such amount from the lessee, the lessee shall have  
16 a legal right to claim a refund of that amount from the lessor.  
17 If, however, that amount is not refunded to the lessee for any  
18 reason, the lessor is liable to pay that amount to the  
19 Department. This paragraph is exempt from the provisions of  
20 Section 3-90.

21 (32) Beginning on August 2, 2001 (the effective date of  
22 Public Act 92-227), personal property purchased by a lessor who  
23 leases the property, under a lease of one year or longer  
24 executed or in effect at the time the lessor would otherwise be  
25 subject to the tax imposed by this Act, to a governmental body  
26 that has been issued an active sales tax exemption

1 identification number by the Department under Section 1g of the  
2 Retailers' Occupation Tax Act. If the property is leased in a  
3 manner that does not qualify for this exemption or used in any  
4 other nonexempt manner, the lessor shall be liable for the tax  
5 imposed under this Act or the Service Use Tax Act, as the case  
6 may be, based on the fair market value of the property at the  
7 time the nonqualifying use occurs. No lessor shall collect or  
8 attempt to collect an amount (however designated) that purports  
9 to reimburse that lessor for the tax imposed by this Act or the  
10 Service Use Tax Act, as the case may be, if the tax has not been  
11 paid by the lessor. If a lessor improperly collects any such  
12 amount from the lessee, the lessee shall have a legal right to  
13 claim a refund of that amount from the lessor. If, however,  
14 that amount is not refunded to the lessee for any reason, the  
15 lessor is liable to pay that amount to the Department. This  
16 paragraph is exempt from the provisions of Section 3-90.

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



1 primarily used for commercial purposes. Through June 30, 2005,  
2 this exemption applies to repair and replacement parts added  
3 after the initial purchase of such a motor vehicle if that  
4 motor vehicle is used in a manner that would qualify for the  
5 rolling stock exemption otherwise provided for in this Act. For  
6 purposes of this paragraph, the term "used for commercial  
7 purposes" means the transportation of persons or property in  
8 furtherance of any commercial or industrial enterprise,  
9 whether for-hire or not.

10 (34) Beginning January 1, 2008, tangible personal property  
11 used in the construction or maintenance of a community water  
12 supply, as defined under Section 3.145 of the Environmental  
13 Protection Act, that is operated by a not-for-profit  
14 corporation that holds a valid water supply permit issued under  
15 Title IV of the Environmental Protection Act. This paragraph is  
16 exempt from the provisions of Section 3-90.

17 (35) Beginning January 1, 2010, materials, parts,  
18 equipment, components, and furnishings incorporated into or  
19 upon an aircraft as part of the modification, refurbishment,  
20 completion, replacement, repair, or maintenance of the  
21 aircraft. This exemption includes consumable supplies used in  
22 the modification, refurbishment, completion, replacement,  
23 repair, and maintenance of aircraft, but excludes any  
24 materials, parts, equipment, components, and consumable  
25 supplies used in the modification, replacement, repair, and  
26 maintenance of aircraft engines or power plants, whether such

1 engines or power plants are installed or uninstalled upon any  
2 such aircraft. "Consumable supplies" include, but are not  
3 limited to, adhesive, tape, sandpaper, general purpose  
4 lubricants, cleaning solution, latex gloves, and protective  
5 films. This exemption applies only to the use of qualifying  
6 tangible personal property by persons who modify, refurbish,  
7 complete, repair, replace, or maintain aircraft and who (i)  
8 hold an Air Agency Certificate and are empowered to operate an  
9 approved repair station by the Federal Aviation  
10 Administration, (ii) have a Class IV Rating, and (iii) conduct  
11 operations in accordance with Part 145 of the Federal Aviation  
12 Regulations. The exemption does not include aircraft operated  
13 by a commercial air carrier providing scheduled passenger air  
14 service pursuant to authority issued under Part 121 or Part 129  
15 of the Federal Aviation Regulations. The changes made to this  
16 paragraph (35) by Public Act 98-534 are declarative of existing  
17 law.

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

1 issued by the public-facilities corporation in connection with  
2 the development of the municipal convention hall. This  
3 exemption includes existing public-facilities corporations as  
4 provided in Section 11-65-25 of the Illinois Municipal Code.  
5 This paragraph is exempt from the provisions of Section 3-90.

6 (37) Beginning January 1, 2017, menstrual pads, tampons,  
7 and menstrual cups.

8 (38) Merchandise that is subject to the Rental Purchase  
9 Agreement Occupation and Use Tax. The purchaser must certify  
10 that the item is purchased to be rented subject to a rental  
11 purchase agreement, as defined in the Rental Purchase Agreement  
12 Act, and provide proof of registration under the Rental  
13 Purchase Agreement Occupation and Use Tax Act. This paragraph  
14 is exempt from the provisions of Section 3-90.

15 (39) Tangible personal property purchased by a purchaser  
16 who is exempt from the tax imposed by this Act by operation of  
17 federal law. This paragraph is exempt from the provisions of  
18 Section 3-90.

19 (40) Beginning January 1, 2020, a school bus equipped with  
20 safety belts for passengers. This paragraph is exempt from the  
21 provisions of Section 3-90.

22 (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
23 100-22, eff. 7-6-17; 100-437, eff. 1-1-18; 100-594, eff.  
24 6-29-18; 100-863, eff. 8-14-18; 100-1171, eff. 1-4-19; revised  
25 1-8-19.)

1 Section 10. The Retailers' Occupation Tax Act is amended by  
2 changing Section 2-5 as follows:

3 (35 ILCS 120/2-5)

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

7 (1) Farm chemicals.

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

1 required to be licensed, if the selling price of the tender  
2 is separately stated.

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

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

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

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

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

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

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

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

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

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

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

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

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

1 foundation, institution, or organization that has no  
2 compensated officers or employees and that is organized and  
3 operated primarily for the recreation of persons 55 years  
4 of age or older. A limited liability company may qualify  
5 for the exemption under this paragraph only if the limited  
6 liability company is organized and operated exclusively  
7 for educational purposes. On and after July 1, 1987,  
8 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) (Blank).

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



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

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

14 (14) Machinery and equipment that will be used by the  
15 purchaser, or a lessee of the purchaser, primarily in the  
16 process of manufacturing or assembling tangible personal  
17 property for wholesale or retail sale or lease, whether the  
18 sale or lease is made directly by the manufacturer or by  
19 some other person, whether the materials used in the  
20 process are owned by the manufacturer or some other person,  
21 or whether the sale or lease is made apart from or as an  
22 incident to the seller's engaging in the service occupation  
23 of producing machines, tools, dies, jigs, patterns,  
24 gauges, or other similar items of no commercial value on  
25 special order for a particular purchaser. The exemption  
26 provided by this paragraph (14) does not include machinery

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

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

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

25 (17) Tangible personal property sold to a common  
26 carrier by rail or motor that receives the physical

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

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

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

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

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

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

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

1 package for hire from the city of origination to the city  
2 of final destination on the same aircraft, without regard  
3 to a change in the flight number of that aircraft.

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

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

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

26 (25-5) The exemption under item (25) does not apply if

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

1 with this item (25-5) shall be proportionately distributed  
2 as if the tax were collected at the 6.25% general rate  
3 imposed under this Act.

4 (25-7) Beginning on July 1, 2007, no tax is imposed  
5 under this Act on the sale of an aircraft, as defined in  
6 Section 3 of the Illinois Aeronautics Act, if all of the  
7 following conditions are met:

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

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

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

1           require.

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

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

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

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

15           (26) Semen used for artificial insemination of  
16 livestock for direct agricultural production.

17           (27) Horses, or interests in horses, registered with  
18 and meeting the requirements of any of the Arabian Horse  
19 Club Registry of America, Appaloosa Horse Club, American  
20 Quarter Horse Association, United States Trotting  
21 Association, or Jockey Club, as appropriate, used for  
22 purposes of breeding or racing for prizes. This item (27)  
23 is exempt from the provisions of Section 2-70, and the  
24 exemption provided for under this item (27) applies for all  
25 periods beginning May 30, 1995, but no claim for credit or  
26 refund is allowed on or after January 1, 2008 (the



1 effective date of Public Act 95-88) for such taxes paid  
2 during the period beginning May 30, 2000 and ending on  
3 January 1, 2008 (the effective date of Public Act 95-88).

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

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

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

1 assists victims of the disaster who reside within the  
2 declared disaster area.

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

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

20 (33) A motor vehicle, as that term is defined in  
21 Section 1-146 of the Illinois Vehicle Code, that is donated  
22 to a corporation, limited liability company, society,  
23 association, foundation, or institution that is determined  
24 by the Department to be organized and operated exclusively  
25 for educational purposes. For purposes of this exemption,  
26 "a corporation, limited liability company, society,

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

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

1 profits from the sale to the fundraising entity. This  
2 paragraph is exempt from the provisions of Section 2-70.

3 (35) Beginning January 1, 2000 and through December 31,  
4 2001, new or used automatic vending machines that prepare  
5 and serve hot food and beverages, including coffee, soup,  
6 and other items, and replacement parts for these machines.  
7 Beginning January 1, 2002 and through June 30, 2003,  
8 machines and parts for machines used in commercial,  
9 coin-operated amusement and vending business if a use or  
10 occupation tax is paid on the gross receipts derived from  
11 the use of the commercial, coin-operated amusement and  
12 vending machines. This paragraph is exempt from the  
13 provisions of Section 2-70.

14 (35-5) Beginning August 23, 2001 and through June 30,  
15 2016, food for human consumption that is to be consumed off  
16 the premises where it is sold (other than alcoholic  
17 beverages, soft drinks, and food that has been prepared for  
18 immediate consumption) and prescription and  
19 nonprescription medicines, drugs, medical appliances, and  
20 insulin, urine testing materials, syringes, and needles  
21 used by diabetics, for human use, when purchased for use by  
22 a person receiving medical assistance under Article V of  
23 the Illinois Public Aid Code who resides in a licensed  
24 long-term care facility, as defined in the Nursing Home  
25 Care Act, or a licensed facility as defined in the ID/DD  
26 Community Care Act, the MC/DD Act, or the Specialized

1 Mental Health Rehabilitation Act of 2013.

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

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

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

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

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

24 (40) Beginning January 1, 2010, materials, parts,  
25 equipment, components, and furnishings incorporated into  
26 or upon an aircraft as part of the modification,

1 refurbishment, completion, replacement, repair, or  
2 maintenance of the aircraft. This exemption includes  
3 consumable supplies used in the modification,  
4 refurbishment, completion, replacement, repair, and  
5 maintenance of aircraft, but excludes any materials,  
6 parts, equipment, components, and consumable supplies used  
7 in the modification, replacement, repair, and maintenance  
8 of aircraft engines or power plants, whether such engines  
9 or power plants are installed or uninstalled upon any such  
10 aircraft. "Consumable supplies" include, but are not  
11 limited to, adhesive, tape, sandpaper, general purpose  
12 lubricants, cleaning solution, latex gloves, and  
13 protective films. This exemption applies only to the sale  
14 of qualifying tangible personal property to persons who  
15 modify, refurbish, complete, replace, or maintain an  
16 aircraft and who (i) hold an Air Agency Certificate and are  
17 empowered to operate an approved repair station by the  
18 Federal Aviation Administration, (ii) have a Class IV  
19 Rating, and (iii) conduct operations in accordance with  
20 Part 145 of the Federal Aviation Regulations. The exemption  
21 does not include aircraft operated by a commercial air  
22 carrier providing scheduled passenger air service pursuant  
23 to authority issued under Part 121 or Part 129 of the  
24 Federal Aviation Regulations. The changes made to this  
25 paragraph (40) by Public Act 98-534 are declarative of  
26 existing law.

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

16           (42) Beginning January 1, 2017, menstrual pads,  
17 tampons, and menstrual cups.

18           (43) Merchandise that is subject to the Rental Purchase  
19 Agreement Occupation and Use Tax. The purchaser must  
20 certify that the item is purchased to be rented subject to  
21 a rental purchase agreement, as defined in the Rental  
22 Purchase Agreement Act, and provide proof of registration  
23 under the Rental Purchase Agreement Occupation and Use Tax  
24 Act. This paragraph is exempt from the provisions of  
25 Section 2-70.

26           (44) Beginning January 1, 2020, a school bus equipped



1       with safety belts for passengers. This paragraph is exempt  
2       from the provisions of Section 2-70.

3       (Source: P.A. 99-180, eff. 7-29-15; 99-855, eff. 8-19-16;  
4       100-22, eff. 7-6-17; 100-321, eff. 8-24-17; 100-437, eff.  
5       1-1-18; 100-594, eff. 6-29-18; 100-863, eff. 8-14-18;  
6       100-1171, eff. 1-4-19; revised 1-8-19.)

7       Section 99. Effective date. This Act takes effect upon  
8       becoming law.