



Rep. Jim Sacia

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LRB097 02778 HLH 51875 a

1 AMENDMENT TO HOUSE BILL 26

2 AMENDMENT NO. _____. Amend House Bill 26 by replacing
3 everything after the enacting clause with the following:

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

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

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

18 (4) Personal property purchased by a governmental body, by
19 a corporation, society, association, foundation, or
20 institution organized and operated exclusively for charitable,
21 religious, or educational purposes, or by a not-for-profit
22 corporation, society, association, foundation, institution, or
23 organization that has no compensated officers or employees and
24 that is organized and operated primarily for the recreation of
25 persons 55 years of age or older. A limited liability company
26 may qualify for the exemption under this paragraph only if the

1 limited liability company is organized and operated
2 exclusively for educational purposes. On and after July 1,
3 1987, however, no entity otherwise eligible for this exemption
4 shall make tax-free purchases unless it has an active exemption
5 identification number issued by the Department.

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

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

19 (7) Farm chemicals.

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

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

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

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

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

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

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

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

1 stopovers.

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

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

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

24 (16) Until July 1, 2003, coal exploration, mining,
25 offhighway hauling, processing, maintenance, and reclamation
26 equipment, including replacement parts and equipment, and

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

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

10 (18) Manufacturing and assembling machinery and equipment
11 used primarily in the process of manufacturing or assembling
12 tangible personal property for wholesale or retail sale or
13 lease, whether that sale or lease is made directly by the
14 manufacturer or by some other person, whether the materials
15 used in the process are owned by the manufacturer or some other
16 person, or whether that sale or lease is made apart from or as
17 an incident to the seller's engaging in the service occupation
18 of producing machines, tools, dies, jigs, patterns, gauges, or
19 other similar items of no commercial value on special order for
20 a particular purchaser.

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

26 (20) Semen used for artificial insemination of livestock

1 for direct agricultural production.

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

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

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

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

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

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

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

26 (26) Beginning July 1, 1999, game or game birds purchased

1 at a "game breeding and hunting preserve area" or an "exotic
2 game hunting area" as those terms are used in the Wildlife Code
3 or at a hunting enclosure approved through rules adopted by the
4 Department of Natural Resources. This paragraph is exempt from
5 the provisions of Section 3-90.

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

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

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

12 (29) Beginning January 1, 2000 and through December 31,
13 2001, new or used automatic vending machines that prepare and
14 serve hot food and beverages, including coffee, soup, and other
15 items, and replacement parts for these machines. Beginning
16 January 1, 2002 and through June 30, 2003, machines and parts
17 for machines used in commercial, coin-operated amusement and
18 vending business if a use or occupation tax is paid on the
19 gross receipts derived from the use of the commercial,
20 coin-operated amusement and vending machines. This paragraph
21 is exempt from the provisions of Section 3-90.

22 (30) Beginning January 1, 2001 and through June 30, 2011,
23 food for human consumption that is to be consumed off the
24 premises where it is sold (other than alcoholic beverages, soft
25 drinks, and food that has been prepared for immediate
26 consumption) and prescription and nonprescription medicines,

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

8 (31) Beginning on the effective date of this amendatory Act
9 of the 92nd General Assembly, computers and communications
10 equipment utilized for any hospital purpose and equipment used
11 in the diagnosis, analysis, or treatment of hospital patients
12 purchased by a lessor who leases the equipment, under a lease
13 of one year or longer executed or in effect at the time the
14 lessor would otherwise be subject to the tax imposed by this
15 Act, to a hospital that has been issued an active tax exemption
16 identification number by the Department under Section 1g of the
17 Retailers' Occupation Tax Act. If the equipment is leased in a
18 manner that does not qualify for this exemption or is used in
19 any other nonexempt manner, the lessor shall be liable for the
20 tax imposed under this Act or the Service Use Tax Act, as the
21 case may be, based on the fair market value of the property at
22 the time the nonqualifying use occurs. No lessor shall collect
23 or attempt to collect an amount (however designated) that
24 purports to reimburse that lessor for the tax imposed by this
25 Act or the Service Use Tax Act, as the case may be, if the tax
26 has not been paid by the lessor. If a lessor improperly

1 collects any such amount from the lessee, the lessee shall have
2 a legal right to claim a refund of that amount from the lessor.
3 If, however, that amount is not refunded to the lessee for any
4 reason, the lessor is liable to pay that amount to the
5 Department. This paragraph is exempt from the provisions of
6 Section 3-90.

7 (32) Beginning on the effective date of this amendatory Act
8 of the 92nd General Assembly, personal property purchased by a
9 lessor who leases the property, under a lease of one year or
10 longer executed or in effect at the time the lessor would
11 otherwise be subject to the tax imposed by this Act, to a
12 governmental body that has been issued an active sales tax
13 exemption identification number by the Department under
14 Section 1g of the Retailers' Occupation Tax Act. If the
15 property is leased in a manner that does not qualify for this
16 exemption or used in any other nonexempt manner, the lessor
17 shall be liable for the tax imposed under this Act or the
18 Service Use Tax Act, as the case may be, based on the fair
19 market value of the property at the time the nonqualifying use
20 occurs. No lessor shall collect or attempt to collect an amount
21 (however designated) that purports to reimburse that lessor for
22 the tax imposed by this Act or the Service Use Tax Act, as the
23 case may be, if the tax has not been paid by the lessor. If a
24 lessor improperly collects any such amount from the lessee, the
25 lessee shall have a legal right to claim a refund of that
26 amount from the lessor. If, however, that amount is not

1 refunded to the lessee for any reason, the lessor is liable to
2 pay that amount to the Department. This paragraph is exempt
3 from the provisions of Section 3-90.

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

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

1 corporation that holds a valid water supply permit issued under
2 Title IV of the Environmental Protection Act. This paragraph is
3 exempt from the provisions of Section 3-90.

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

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

15 (37) Distributed wind energy devices, as defined in Section
16 10-600 of the Property Tax Code.

17 (Source: P.A. 95-88, eff. 1-1-08; 95-538, eff. 1-1-08; 95-876,
18 eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;
19 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.
20 7-2-10.)

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

23 (35 ILCS 120/2-5)

24 Sec. 2-5. Exemptions. Gross receipts from proceeds from the

1 sale of the following tangible personal property are exempt
2 from the tax imposed by this Act:

3 (1) Farm chemicals.

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

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

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

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

13 (3) Until July 1, 2003, distillation machinery and
14 equipment, sold as a unit or kit, assembled or installed by the
15 retailer, certified by the user to be used only for the
16 production of ethyl alcohol that will be used for consumption
17 as motor fuel or as a component of motor fuel for the personal
18 use of the user, and not subject to sale or resale.

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

1 immediate change upon a graphic arts product.

2 (5) A motor vehicle of the first division, a motor vehicle
3 of the second division that is a self contained motor vehicle
4 designed or permanently converted to provide living quarters
5 for recreational, camping, or travel use, with direct walk
6 through access to the living quarters from the driver's seat,
7 or a motor vehicle of the second division that is of the van
8 configuration designed for the transportation of not less than
9 7 nor more than 16 passengers, as defined in Section 1-146 of
10 the Illinois Vehicle Code, that is used for automobile renting,
11 as defined in the Automobile Renting Occupation and Use Tax
12 Act. This paragraph is exempt from the provisions of Section
13 2-70.

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

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

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

23 (9) Personal property sold to a not-for-profit arts or
24 cultural organization that establishes, by proof required by
25 the Department by rule, that it has received an exemption under
26 Section 501(c)(3) of the Internal Revenue Code and that is

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

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

19 (11) Personal property sold to a governmental body, to a
20 corporation, society, association, foundation, or institution
21 organized and operated exclusively for charitable, religious,
22 or educational purposes, or to a not-for-profit corporation,
23 society, association, foundation, institution, or organization
24 that has no compensated officers or employees and that is
25 organized and operated primarily for the recreation of persons
26 55 years of age or older. A limited liability company may

1 qualify for the exemption under this paragraph only if the
2 limited liability company is organized and operated
3 exclusively for educational purposes. On and after July 1,
4 1987, however, no entity otherwise eligible for this exemption
5 shall make tax-free purchases unless it has an active
6 identification number issued by the Department.

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

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

1 applies to repair and replacement parts added after the initial
2 purchase of such a motor vehicle if that motor vehicle is used
3 in a manner 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 not.

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

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

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

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

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

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

23 (19) Until July 1 2003, oil field exploration, drilling,
24 and production equipment, including (i) rigs and parts of rigs,
25 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and
26 tubular goods, including casing and drill strings, (iii) pumps

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

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

11 (21) Until July 1, 2003, coal exploration, mining,
12 offhighway hauling, processing, maintenance, and reclamation
13 equipment, including replacement parts and equipment, and
14 including equipment purchased for lease, but excluding motor
15 vehicles required to be registered under the Illinois Vehicle
16 Code.

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

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

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

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

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

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

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

25 (1) the aircraft leaves this State within 15 days after
26 the later of either the issuance of the final billing for

1 the sale of the aircraft, or the authorized approval for
2 return to service, completion of the maintenance record
3 entry, and completion of the test flight and ground test
4 for inspection, as required by 14 C.F.R. 91.407;

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

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

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

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

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

26 This paragraph (25-7) is exempt from the provisions of

1 Section 2-70.

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

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

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

24 (29) Personal property sold to a lessor who leases the
25 property, under a lease of one year or longer executed or in
26 effect at the time of the purchase, to a governmental body that

1 has been issued an active tax exemption identification number
2 by the Department under Section 1g of this Act.

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

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

25 (32) Beginning July 1, 1999, game or game birds sold at a
26 "game breeding and hunting preserve area" or an "exotic game

1 hunting area" as those terms are used in the Wildlife Code or
2 at a hunting enclosure approved through rules adopted by the
3 Department of Natural Resources. This paragraph is exempt from
4 the provisions of Section 2-70.

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

23 (34) Beginning January 1, 2000, personal property,
24 including food, purchased through fundraising events for the
25 benefit of a public or private elementary or secondary school,
26 a group of those schools, or one or more school districts if

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

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

21 (35-5) Beginning August 23, 2001 and through June 30, 2011,
22 food for human consumption that is to be consumed off the
23 premises where it is sold (other than alcoholic beverages, soft
24 drinks, and food that has been prepared for immediate
25 consumption) and prescription and nonprescription medicines,
26 drugs, medical appliances, and insulin, urine testing

1 materials, syringes, and needles used by diabetics, for human
2 use, when purchased for use by a person receiving medical
3 assistance under Article V of the Illinois Public Aid Code who
4 resides in a licensed long-term care facility, as defined in
5 the Nursing Home Care Act, or a licensed facility as defined in
6 the MR/DD Community Care Act.

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

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

23 (38) Beginning on January 1, 2002 and through June 30,
24 2011, tangible personal property purchased from an Illinois
25 retailer by a taxpayer engaged in centralized purchasing
26 activities in Illinois who will, upon receipt of the property

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

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

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

24 (41) 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 2-70.

12 (42) Distributed wind energy devices, as defined in Section
13 10-600 of the Property Tax Code.

14 (Source: P.A. 95-88, eff. 1-1-08; 95-233, eff. 8-16-07; 95-304,
15 eff. 8-20-07; 95-538, eff. 1-1-08; 95-707, eff. 1-11-08;
16 95-876, eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff.
17 7-1-10; 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000,
18 eff. 7-2-10.)

19 Section 15. The Property Tax Code is amended by changing
20 Sections 10-600 and 10-610 as follows:

21 (35 ILCS 200/10-600)

22 Sec. 10-600. Definitions. For the purposes of this Division
23 18:

24 "Wind energy device" means any device, with a nameplate

1 capacity of at least 0.5 megawatts, that is used in the process
2 of converting kinetic energy from the wind to generate electric
3 power for commercial sale.

4 "Distributed wind energy device" means any device
5 generating electric power from wind energy with a nameplate
6 capacity of less than 0.5 megawatts, as well as any tower,
7 blade, support structure, base, guy wires, electronics, and any
8 other equipment related to the generation of electricity from
9 wind energy.

10 "2007 real property cost basis" excludes personal property
11 but represents both the land and real property improvements of
12 a wind energy device and means \$360,000 per megawatt of
13 nameplate capacity.

14 "Trending factor" means a number equal to the consumer
15 price index (U.S. city average all items) published by the
16 Bureau of Labor Statistics for the December immediately
17 preceding the assessment date, divided by the consumer price
18 index (U.S. city average all items) published by the Bureau of
19 Labor Statistics for December 2006.

20 "Trended real property cost basis" means the 2007 real
21 property cost basis multiplied by the trending factor.

22 "Allowance for physical depreciation" means (i) the actual
23 age in years of the wind energy device on the assessment date
24 divided by 25 years multiplied by (ii) the trended real
25 property cost basis. The physical depreciation, however, may
26 not reduce the value of the wind energy device to less than 30%

1 of the trended real property cost basis.

2 (Source: P.A. 95-644, eff. 10-12-07.)

3 (35 ILCS 200/10-610)

4 Sec. 10-610. Applicability.

5 (a) The provisions of this Division apply for assessment
6 years 2007 through 2016.

7 (b) The provisions of this Division do not apply to wind
8 energy devices that are owned by any person or entity that is
9 otherwise exempt from taxation under the Property Tax Code.

10 (c) The provisions of this Division do not apply to
11 distributed wind energy devices as defined in Section 10-600.

12 (Source: P.A. 95-644, eff. 10-12-07; 96-1036, eff. 1-1-11.)".