



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2864

Introduced 2/6/2025, by Rep. Amy Elik

SYNOPSIS AS INTRODUCED:

35 ILCS 105/2c
35 ILCS 120/2h

from Ch. 120, par. 439.2c
from Ch. 120, par. 441h

Amends the Use Tax Act and the Retailers' Occupation Tax Act. Provides that, for the purposes of those Acts, a corporation, limited liability company, society, association, foundation, or institution organized and operated exclusively for educational purposes shall include nonprofit corporations that solely conduct extracurricular activities on behalf of tax-supported public schools.

LRB104 10619 HLH 20695 b

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 2c as follows:

6 (35 ILCS 105/2c) (from Ch. 120, par. 439.2c)

7 Sec. 2c. For purposes of this Act, a corporation, limited
8 liability company, society, association, foundation, or
9 institution organized and operated exclusively for educational
10 purposes shall include: all tax-supported public schools;
11 private schools which offer systematic instruction in useful
12 branches of learning by methods common to public schools and
13 which compare favorably in their scope and intensity with the
14 course of study presented in tax-supported schools; nonprofit
15 corporations that solely conduct extracurricular activities on
16 behalf of tax-supported public schools; licensed day care
17 centers as defined in Section 2.09 of the Child Care Act of
18 1969 which are operated by a not for profit corporation,
19 society, association, foundation, institution or organization;
20 vocational or technical schools or institutes organized and
21 operated exclusively to provide a course of study of not less
22 than 6 weeks duration and designed to prepare individuals to
23 follow a trade or to pursue a manual, technical, mechanical,

1 industrial, business or commercial occupation.

2 However, a corporation, limited liability company,
3 society, association, foundation or institution organized and
4 operated for the purpose of offering professional, trade or
5 business seminars of short duration, self-improvement or
6 personality development courses, courses which are avocational
7 or recreational in nature, courses pursued entirely by open
8 circuit television or radio, correspondence courses, or
9 courses which do not provide specialized training within a
10 specific vocational or technical field shall not be considered
11 to be organized and operated exclusively for educational
12 purposes.

13 (Source: P.A. 88-480.)

14 Section 10. The Retailers' Occupation Tax Act is amended
15 by changing Section 2h as follows:

16 (35 ILCS 120/2h) (from Ch. 120, par. 441h)

17 Sec. 2h. For purposes of this Act, a corporation, limited
18 liability company, society, association, foundation, or
19 institution organized and operated exclusively for educational
20 purposes shall include: all tax-supported public schools;
21 private schools which offer systematic instruction in useful
22 branches of learning by methods common to public schools and
23 which compare favorably in their scope and intensity with the
24 course of study presented in tax-supported schools; nonprofit

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2 behalf of tax-supported public schools; licensed day care
3 centers as defined in Section 2.09 of the Child Care Act of
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